



Members' Allowances – Recommendations of the Independent Remuneration Panel for 2012/13

SUMMARY

- 1.1 Under the Local Authorities (Members' Allowances)(England) Regulations 2003, local authorities must establish and maintain an Independent Remuneration Panel (IRP), to meet periodically, to consider recommendations concerning the Members' Allowances Scheme.
- 1.2 The Council must make a Members' Allowances Scheme before 1 April each year and may amend the Scheme at any time, but must consider the recommendations of the IRP before doing so.
- 1.3 The IRP met on 14 February 2012, to consider its recommendations to Council for the 2012/13 Members' Allowances Scheme
- 1.4 The report of the IRP is attached at Appendix 2 and the current Members' Allowances Scheme (2011/12) is attached at Appendix 3.

RECOMMENDATIONS

- 2.1 To continue the recent practice of linking the annual uplift of Members' Allowances to the increase in Council employees salaries. For 2012/13 this will therefore be 0%.
- 2.2 To make no changes to the Members' Allowances Scheme until the Annual Meeting of the Council on 23 May 2012, recognising that the constitutional appointments are the logical point to introduce change, when all roles are appointed to, but at that time to consider the changes set out at points 2.3 to 2.8.
- 2.3 To be mindful, when making appointments at the Annual Meeting, that payments of Special Responsibility Allowances (SRA) should, subject to 2.4, be restricted to no more than 50% of all Members, currently a maximum of 25.
- 2.4 Recognise the particular commitment made by those who serve on Licensing Committees and Adoption and Fostering Panels and therefore not to include those SRAs in the calculation of the 50% target, referred to in 2.3.
- 2.5 To reduce the payment of the SRA to vice-chairs of scrutiny commissions to the level currently paid to members of the Adoption and Fostering Panels, currently £1870.56, being 6.25% of the current Leader's Allowance.
- 2.6 To increase the SRA to the Leader of the Council, by an amount to be decided by Council, that amount to be self-funding, from the saving made at 2.5 above.

- 2.7 To establish the Leader's Allowance as a stand alone figure within the Scheme, with the current Cabinet SRA becoming the 100% benchmark, with all other SRAs being expressed as a percentage of that, to retain the status quo.
- 2.8 To request Council officers to devise a Dependent Carers' Allowance Scheme, which better reflects the environment, within which those seeking to engage carers operate. Such a scheme must have sufficient safeguards to prevent fraud, but not place unnecessary constraints on the use of reliable and trusted individuals to provide care, though they may not be registered or subject to inspection.

REASONS FOR RECOMMENDATIONS

- 3.1 At the request of Council, the Independent Remuneration Panel has benchmarked the Derby scheme against comparator authorities and that has informed its recommendations.
- 3.2 It is recognised that the logical time to effect changes is at the Annual Meeting of the Council on 23 May, so the scope and level of change is reserved to Council to decide at that time.
- 3.3 The change to the Dependent Carers' Allowance is intended to address the inadequacies of the current scheme, which places greater emphasis on the claims process than the practicalities of finding and paying reliable and trusted carers.

SUPPORTING INFORMATION

- 4.1 The recommendations of the Independent Remuneration Panel for 2011/12, considered by Council on 30 March 2011, were not accepted.
- 4.2 However, as a result of the constitutional appointments made at the Annual Meeting of the Council in May 2011, the principal aims of the IRP recommendations, to reduce expenditure and the number of SRAs, were achieved. Subsequently the Chair of the IRP met the leaders of the three political groups to discuss how the IRP might focus its review, in order to make recommendations for the 2012/13 Scheme.
- 4.3 IRP was asked to benchmark the Derby scheme against those of comparator authorities, so members of the panel met, with representatives of Nottingham, Coventry and Stoke City Councils, in January 2012. Issues raised and discussed at that meeting have informed the recommendations in this report.
- 4.4 IRP also studied the Derby Homes Board Member Payment Scheme, as requested, but found this less useful, given the difference in size and scope of the City Council and Derby Homes. It was noted though, that Members of Council who also serve as Derby Homes Board Members do not receive the Board Member payment in addition to their Member Allowance.

OTHER OPTIONS CONSIDERED

- 5.1 To make no changes to the existing (2011/12) Scheme, but this would not enable any of the issues raised, by the benchmarking with comparator authorities, to be addressed.
- 5.2 To recommend that changes be introduced from the beginning of the financial year on 1 April 2012, but this would restrict Council's ability to effect change as part of the constitutional appointments process, at the Annual Meeting of the Council, on 23 May 2012.

This report has been approved by the following officers:

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Report of the Independent Remuneration Panel Appendix 3 – Members' Allowance Scheme 2011/12

IMPLICATIONS

Financial and Value for Money

- 1.1 The recommendations of the IRP have the potential to reduce the total cost of Members' Allowances, if the total number or value of Special Responsibility Allowances is reduced as suggested. Increases in the Leader's Allowance and payments made through the Dependent Carers' Allowance, as recommended, will reduce those savings, but will at worst be self funding.

Legal

- 2.1 Members' Allowances are governed by the Local Government Acts and associated regulations.
- 2.2 Before making or amending its Members' Allowances Scheme, the Council must have regard to the recommendations of its Independent Remuneration Panel although, with the exception of pensions, it is not bound to accept them.
- 2.3 The Council must make a Members' Allowances Scheme before 1 April each year and may amend the Scheme at any time.

Personnel

- 3.1 None directly rising

Equalities Impact

- 4.1 The proposed changes to Dependent Carers' Allowances are intended to make it easier for a wider range of candidates to seek election, particularly those with caring responsibilities.

Health and Safety

- 5.1 None directly arising

Environmental Sustainability

- 6.1 None directly arising

Asset Management

- 7.1 None directly arising

Risk Management

- 8.1 None directly arising

Corporate objectives and priorities for change

- 9.1 None directly arising

