



MEMBERS' ALLOWANCES

NINETEENTH REPORT OF THE INDEPENDENT REMUNERATION PANEL

1. Under the Local Authorities (Members' Allowances)(England) Regulations 2003, (the '2003 Regulations') local authorities must establish and maintain an Independent Remuneration Panel (IRP). The purpose of this panel is to make recommendations to the authority:
 - a) as to the amount of Basic Allowance that should be payable to its elected members
 - b) about the roles and responsibilities for which a Special Responsibility Allowance (SRA) should be payable and as to the amount of each such allowance
 - c) as to whether the authority's allowances scheme should include an allowance in respect of expenses of arranging for the care of children and dependents, and if it does make such a recommendation, the amount of this allowance and the means by which it is determined
 - d) about the duties for which a Travelling and Subsistence Allowance can be paid and as to the amount of this allowance
 - e) as to the amount of a Co-optees Allowance
 - f) on whether any allowance should be backdated to the beginning of a financial year
 - g) as to whether annual adjustments of allowance levels may be made by reference to an index, and, if so, for how long such a measure should run
 - h) as to which members of an authority are to be entitled to pensions and as to treating basic allowance and special responsibility allowance as amounts in respect of which such pensions are payable.

The Council and the Panel must have regard to statutory guidance in considering the provisions of the Members' Allowances Scheme. The Council must consider recommendations from the Panel before making or amending a Members' Allowances Scheme.

2. Derby City Council's Independent Remuneration Panel comprises:

- Arthur Burns, Individual Member
 - Helen Foord, Senior HR Business Partner, Rolls-Royce plc
 - Martyn Holden, Human Resources Director, University of Derby
 - Sue Holmes, Chief Executive, Derby Law Centre (Vice Chair)
 - Ian Samways, Individual Member (Chair)
 - Geoff Seymour, Derbyshire and Nottinghamshire Chamber of Commerce
 - Gill Taylor, Individual Member
3. The Panel met on 21 February 2013 to consider the recommendations it should make to the Council in respect of Members' Allowances for 2013/14.
 4. In late 2011, Derby initiated a benchmarking group to inform its recommendations for the 2012/13 scheme. In the year since, further comparative data has become available, which reassures panel members that Derby performs well, in terms of spend and value for money. In a group of 17 unitary councils, which links level of Basic Allowance paid to size of population, Derby is placed fifth lowest, with a spend of £2.02/resident, within a range of £1.79 to £3.75/resident. Furthermore the Basic Allowance for councillors in Derby, at £9,976, is significantly less than near neighbours Nottingham and Stoke-on-Trent, the latter of which raised it from £11,000 to £12,000pa for 2012/13.
 5. The Panel still holds the view that the role of Leader of the Council is undervalued in Derby and notes that the recommendation to increase the Special Responsibility Allowance, from May 2012, to be self-funded from savings elsewhere in the Scheme was not implemented. The view that the role requires a significant time commitment has been reinforced by the current incumbent's personal decision to resign from other commitments. The Panel still holds the view that the role of Vice Chair of a Scrutiny Board is over remunerated in relation to other SRAs and a reduction here could fund an increase for the Leader. For this reason elements of last year's report, which were not implemented, but remain valid, are repeated in the recommendations for 2013/14.
 6. The Panel was encouraged that the growth in the number of roles which attracted an SRA in May 2013, through the introduction of an additional Overview and Scrutiny Board, was contained within the overall budget provision. In part this was achieved through the Leader's decision not to seek the recommended increase in his own SRA. Furthermore the recommendation that the total number receiving an SRA (excluding those paid for Licensing, Committees, Adoption and Fostering Panels) should not exceed 50% of the total number of councillors has been met.
 7. The Panel noted that the Members' Allowances budget has been reduced from the 2012/13 level and now has no further scope to increase the number of SRAs payable. Any new SRAs or increases to them will have to be funded by reductions elsewhere in the Scheme. The Panel is however concerned that continued suppression of the Basic Allowance may have a negative impact on the ability of political parties to attract candidates of a suitable calibre.
 8. The Panel was encouraged to learn that changes to Dependent Carers' Allowance payments recommended for 2012/13 have created a more flexible scheme to suit the environment in which councillors operate.

9 Recommendations

- a. To continue the recent practice of linking the annual uplift of Members' Allowances to the increase in Council employees salaries. For 2013/14 this will be 0%
- b. To make no changes to the Members' Allowances Scheme until the Annual Meeting of the Council on 22 May 2013, recognising that the constitutional appointments are the logical point to introduce change, when all roles are appointed to.
- c. Subject to this recommendation being accepted, then at the time of the Annual Meeting the following recommendations, made last year be considered:
 - i. Councillors continue to be mindful, when making appointments at the Annual Meeting, that payments of Special Responsibility Allowances (SRA) should be restricted to no more than 50% of all Members, currently a maximum of 25. The IRP recognises the particular commitment made by those who serve on Licensing Committees and Adoption and Fostering Panels and recommends that those SRAs should not be included in the calculation of the 50% target.
 - ii. 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 Leader's Allowance.
 - iii. 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 through the recommendation above.
 - iv. To establish the Leader's Allowance as a stand-alone figure within the Scheme, with the current Deputy Leader's SRA becoming the 100% benchmark, against which other SRAs are set, to retain the status quo.

Ian Samways

Philip O'Brien

Chair of the Independent
Remuneration Panel

Secretary to the Independent
Remuneration Panel

February 2013

