



DERBY CITY COUNCIL

COUNCIL
1 MARCH 2010

Report of the Director of Corporate and Adult Services

Members' Allowances – Recommendations of the Independent Remuneration Panel for 2010/11

RECOMMENDATIONS

- 1.1 To make representations to the Department for Communities and Local Government, and the Local Government Association supporting the recommendations of the Councillors Commission for national guidelines with a range of allowance bands covering different types of local authority.
- 1.2 To agree that, in the current economic climate, the moratorium on the implementation of the recommendations in the Panel's Fifteenth Report should continue for a further twelve months
- 1.3 To index Basic and Special Responsibility Allowances by the average salary award for local government employees for 2010/11.
- 1.4 To amend the Members Allowances Scheme from 1 April 2010 accordingly.

SUPPORTING INFORMATION

2. The Council is asked to consider the report of the Independent Remuneration Panel at Appendix 2 and approve the Panel's recommendations.

For more information contact: Steve Dunning 01332 255462 e-mail steve.dunning@derby.gov.uk
Background papers: Agenda and reports of the Independent Remuneration Panel
List of appendices: Appendix 1 – Implications
Appendix 2 – Sixteenth Report of the Independent Remuneration Panel

IMPLICATIONS

Financial

1. There will be an increased spend on allowances if the uplift is agreed. The amount will depend on the agreed salary settlement. Provision has been made in the draft Revenue Budget 2010/11 for overall increases in Basic and Special Responsibility Allowances in accordance with the forecast pay award for local authority employees.

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. None directly arising.

Equalities Impact

4. None directly arising.

Corporate Themes and Priorities

5. None directly arising.



DERBY CITY COUNCIL

MEMBERS' ALLOWANCES

SIXTEENTH REPORT OF THE INDEPENDENT REMUNERATION PANEL

Background

1. Under the Local Authorities (Members' Allowances) (England) Regulations 2003, (the '2003 Regulations') local authorities must establish and maintain an Independent Remuneration Panel. 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 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 dependants, 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.

2. Derby City Council's Independent Remuneration Panel currently comprises:
 - 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)
 - Arthur Burns, Individual Member
 - Gill Taylor, Individual Member
3. By request of the three political Group Leaders, the Panel undertook a fundamental review of Members' Allowances during September and October 2008. The Panel produced its Fifteenth Report and the following recommendations were made to the Council at their meeting on 21 January 2009:
1. To raise the Basic Allowance to £10,000 a year with effect from 1 April 2009.
 2. To make representations to the Department for Communities and Local Government, and the Local Government Association supporting the recommendations of the Councillors Commission for national guidelines with a range of allowance bands covering different types of local authority.
 3. To raise the Leaders' Allowance to £38,989 a year with effect from 1 April 2009.
 4. To maintain the Mayoral Special Responsibility Allowance at the current level.
 5. To consider raising the Mayoral Purse for Mayors not able to spend a year as Deputy Mayor.
 6. To increase the Special Responsibility Allowance of the Chair of Planning Control Committee to 60% of the Cabinet Members' Allowance with effect from 1 April 2009.
 7. To increase the Special Responsibility Allowance of the Vice Chair of Planning Control Committee to 30% of the Cabinet Members' Allowance with effect from 1 April 2009.
 8. To maintain the allowance for a Chair of an Overview and Scrutiny Commission at the current level, with a review after the proposals set out in the White Paper "Communities in Control: Real People Real Power" are enacted.
 9. To remove the allowance for a Vice-Chair of an Overview and Scrutiny Commission from 1 April 2009.
 10. To maintain the Cabinet Members Allowances at the current monetary value.
 11. To maintain the allowance for the Deputy Leader of the Council at the current monetary value.
 12. To make the Cabinet Member Allowance the 100% value in the new scheme of allowances.

13. Not to introduce a special responsibility allowance for the Chair or Vice Chair of the Personnel Committee at the current time and to review these positions in the next municipal year.
 14. To index Basic and Special Responsibility Allowances by the average salary award for local government employees and to agree that the index be applied to the allowance levels recommended for 2009/10.
 15. To support the principle of parachute payments and to consider introducing them in light of any subsequent legislation enabling such payments.
4. The Council received a presentation from the Chair of the Independent Remuneration Panel – Ian Samways – and then passed the following resolution:
1. **a) To receive the report and recommendations of the Independent Remuneration Panel at Appendix 2.**

b) To agree that, in the current economic climate, a moratorium should be placed on the implementation of the report until the economic circumstances in the city improve.

c) To therefore defer consideration of all of the Panel's recommendations, with the exception of paragraph 14. which be implemented with reference to existing Basic and Special Responsibility Allowances from 1 April 2009.
 2. **To amend the Members Allowances Scheme from 1 April 2009 accordingly.**
5. The Panel have met to consider what recommendations it should make to the Council for 2010/11. Prior to the meeting the Chair approached the political group leaders to ascertain their views on continuing with the moratorium agreed in January 2009. All three political group leaders have said that they believe the economic circumstances in the city are still a cause for concern and that, therefore, the moratorium should continue for 2010/11. The Panel is content to support this view.
6. The Panel remain of the opinion that national guidelines should be developed with a range of allowance bands covering different types of local authority – see recommendation 2 under paragraph 3 above. They believe that this recommendation should be made to Government now so that it can be considered in any future legislative programme.
7. Accordingly, the Panel formally recommends the Council:
1. To make representations to the Department for Communities and Local Government, and the Local Government Association supporting the recommendations of the Councillors Commission for national guidelines with a range of allowance bands covering different types of local authority.

2. To agree that, in the current economic climate, the moratorium on the implementation of the recommendations in the Panel's Fifteenth Report should continue for a further twelve months
 3. To index Basic and Special Responsibility Allowances by the average salary award for local government employees for 2010/11.
 4. To amend the Members Allowances Scheme from 1 April 2010 accordingly.
8. The Panel has also noted that the Council has recently resolved to pay employees a basic travel allowance of 40p a mile which is the HMRC recommended rate. In accordance with the resolution of the Council passed on 1 March 2007 (Minute No 74/06) this rate will apply to Members of the Council from the date it is implemented for employees.

Ian Samways

Chair of the Independent
Remuneration Panel

Steve Dunning

Secretary to the Independent
Remuneration Panel

January 2010