



DERBY CITY COUNCIL

## **MEMBERS' ALLOWANCES**

### **FIFTEENTH 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)
  - Nigel Sutherland, Director, Brigdens Ltd
  
3. By request of the three political Group Leaders, the Panel undertook a fundamental review of Members' Allowances during September and October 2008. The Review considered all aspects of Members' Allowances, but special attention was paid to the following issues:
  - The Basic Allowance
  - The Leader's Allowance
  - Mayoral Allowances
  - General and Taxi Licensing and Appeals Allowances

### **Evidence Gathering**

4. The Panel met on the dates shown below to hear evidence on issues relating to Members Allowances. In the course of the evidence gathering, Members raised other issues for consideration of the Panel. These will be addressed within the report.
  
5. The Panel met on 19 September 2008 to discuss the whole allowance system, with a special focus on the Basic Allowance and the Leader's Allowance. They heard representations from Councillor Chris Williamson, Leader of the Labour Group; Ray Cowlshaw, Chief Executive; Michael Foote, Deputy Chief Executive; Don McLure, Director of Resources and Martin Traynor OBE, Chair of Leicester City Council Independent Remuneration Panel. They also considered background information on Members Allowances at other local authorities and Derby City Council's Members Allowances scheme for the 2007-08 and 2008-09 Municipal Years.
  
6. On 23 September 2008 the Chair of the Panel met with Councillor Hilary Jones, Leader of the Council and Councillor Maggie Hird, Councillor for Mickleover Ward and Member of the General and Taxi Licensing and Appeals Committees to discuss the Basic and Leader's Allowance and General and Taxi Licensing and Appeals Committee Allowances.
  
7. The Panel met again on 25 September 2008 to hear further evidence on the Basic Allowance and other Allowances. They heard evidence from Councillor Joe Naitta, Councillor for Blagreaves Ward and Cabinet Member for Leisure and Culture; Councillor Philip Hickson, Leader of the Conservative Group; Councillor Steve Willoughby, Councillor for Allestree; Councillor Derek Tuplin, Councillor for Mackworth, Councillor

Frank Harwood, Councillor for Oakwood and Councillor Evonne Williams, Councillor for Spondon Ward. They also considered written submissions from Councillor Prem Chera, Councillor for Sinfin Ward; Councillor Martin Rawson, Councillor for Derwent Ward and Councillor David Batey, Councillor for Abbey Ward.

8. On 2 October 2008 the Panel met to consider Mayoral Allowances and General and Taxi Licensing and Appeals Allowances. They heard evidence from former Mayors of Derby City Councillor Berry, Councillor for Spondon Ward; Councillor Webb, Councillor for Allestree Ward; Councillor Latham, Councillor for Oakwood Ward; Councillor Jackson, Councillor for Boulton Ward and Mayor of Derby. They also considered written submissions from Councillor Skelton, Councillor for Blagreaves Ward and Cabinet Member for Adult Services and Health; Councillor Baxter, Councillor for Mackworth Ward and Councillor Grimadell, Councillor for Chaddesdon Ward.
9. All evidence gathered was confidential, but excerpts have been reproduced anonymously to support the Panel's recommendations.
10. The full list of people and organisations invited to give evidence is set out in Appendix 3.
11. As well as hearing oral evidence, the Panel considered the findings of research into comparative allowance payments from the Councillors Commission and elsewhere. It also took into account the statutory Guidance published in July 2003. IN addition, the Panel Chair attended a useful seminar on Members' Allowances by the University of Birmingham.

### **Councillors Commission**

12. In the context of their review, the Panel considered the Councillors Commission report 'Representing the Future'. This is the first report of the independent Councillors Commission, established in February 2007 to develop recommendations to encourage a more diverse range of people to become councillors so that communities are better represented.
13. The report makes recommendations regarding the incentives and barriers for:
  - Encouraging people who are able, qualified and representative to be candidates to serve as councillors.
  - Retaining and developing them once they are elected.
  - Enabling them to secure public interest and recognition for the work they carry out for their communities.

14. The report underlines the increased role of the Councillor as a community leader, and highlights the new challenges this brings. The role of councils has changed from merely being a provider of huge direct services, and now Councillors are expected to:
- engage with those that they represent,
  - take into account the many different voices and interests in their patch
  - come to a view about how best to take forward those concerns and aspirations,
  - exercise leadership
  - orchestrate the activities of other partners<sup>1</sup>
15. Communities have also become more diverse and complex than are traditionally defined. Geography is not the only way that people feel part of a community, and for some people “Social, ethnic, religious, employment-based or internet-based communities of interest will sometimes... become more significant than geographical ones.”
16. The new and emerging communities evident in our neighbourhoods bring new challenges for Councillors, and demand a variety of skills from them to be able to meet their challenges effectively.
17. The key findings of the Councillors Commission report are available as Appendix 4 of this report
18. The Panel also considered the Government’s response to the Councillors Commission report, which was published in September 2008. The key responses relating to Members Allowances are available as Appendix 5 of this report.

## **Basic Allowance**

19. The Council is currently paying a Basic Allowance of £9,848.11 a year to all Members.
20. The Panel discussed what the Basic Allowance should be remunerating Members for. It was acknowledged that there was a voluntary element to being a Councillor, which should be reflected within the Allowance. It was also felt that the voluntary contribution was hard to quantify, as each Councillor made the job their own, and there would naturally be differences in what parts of the job they classed as being part of the voluntary element. As one Councillor explained:

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<sup>1</sup> Councillors Commission Report 2008 pg 21

*“I got involved in the council because of the volunteering aspect, but if I was doing alternative voluntary work I would put a finite limit on the amount time I gave (for example in a charity shop).”*

21. The Panel considered the amount of time it would take to do a Ward Councillor job. It was felt that as all Councillors put in different levels of time and effort, it would be difficult to quantify this. Instead, the Panel felt that it would be important to consider the *minimum* amount of time required to do the work of a Ward Councillor. The Councillors Commission had suggested that this was in the region of 21.9 hours per week. The Panel felt that this was a fair reflection of the minimum amount of time required to be a Ward Councillor, although they acknowledged that some Councillors would put in more time than this.
22. The Report from the Councillors Commission recommended that Basic Allowances should be set at a level which would mean that they were not a bar to people entering public service. However, they should also not be an encouragement for people to enter into Council life either.
23. The Panel also considered comparator information on Basic Allowances. Derby’s Allowance was higher than the average for unitary authorities, but lower than Nottingham City Council and Leicester City Council. The Panel heard that Leicester City’s Independent Remuneration Panel had recently undertaken a fundamental review of allowances, and had increased the Basic Allowance to avoid the possibility of potential Councillors being in the “benefits trap”. The Panel felt it was important to set the allowance level at a rate which would ensure that this would not happen.
24. The Panel heard evidence from some Councillors that the level of the Basic Allowance was not sufficient enough to attract and retain good quality Councillors. One Councillor suggested:

*“The current age profile of the Council is currently skewed towards the older generation, and the Council are “missing a trick” in not making it easier for young people to fulfil the role. The time constraints on Councillors are significant and growing, and if candidates already have commitments [like a family] then why would they risk them for a precarious occupation?”*

Another Councillor commented:

*“We need more young people and people who have time. The allowance does not offset real commitments people have. I can’t go to everything I am allocated to because of the situation of working.”*

25. However, others giving evidence were not convinced of this link. One officer said:

*“If there is a link between remuneration and quality it is not scientific. There are excellent Councillors who do not draw a penny, and there will be other cases where the remuneration is vital.”*

Another Councillor said:

*“Members get elected because they want to help their group and constituents to influence change. They are expected to do voluntary work to some extent. I think that the current rate of allowance is sufficient to compensate for the amount of work they do. Naturally, whatever amount you pay will never be enough because we humans always expect more”*

26. The Panel considered the changing role of a Ward Councillor. It was noted that there had been a significant increase in neighbourhood working which had given Councillors an increased role at the community level. It was felt that this role would only continue to grow. The evolving role of Councillors as a community advocate for all public services should be acknowledged, and particularly in light of the Government’s agenda set out in the White Paper “Communities in Control: Real People Real Power”. This would require additional time and skills for Councillors to be both representative of the community whilst encouraging participation from them.

27. On reflection of the evidence, the Panel reached the following conclusions:

- a. That the Basic Allowance would never be set at a level which all Members felt was suitable
- b. That after reviewing the available evidence including comparator information, they felt that the increasing community leadership role of the Ward Councillor should be reflected in the Allowances
- c. That a small increase in the Basic Allowance would be justified to prevent it being a bar to people entering public service

28. The Panel also felt that it was a difficult job to try and set a Basic Allowance which allowed for the disparate ways in which Members approached their work as a ward Councillor. They welcomed the idea of national guidelines for Basic Allowances, which would provide them with a framework to base their recommendations on.

**The Panel recommends:**

- 1. Raising the Basic Allowance to £10,000 a year, with effect from 1 April 2009**
- 2. That the Council makes 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.**

## **Special Responsibility Allowances**

29. The current Allowance system offers 47 Special Responsibility Allowances for Councillors. The system is based on a percentage scale, using the Leader's Allowance as the basis for calculating all other Allowances. The Leader represents 100% of the Allowance, and all other allowances are a percentage of the Leader's Allowance.
30. The Panel recognised that the current system was useful as it offered transparency to the allowance system, but that subsequent changes to the Leader's Allowance would have a knock-on increase on other allowances, whether these were intended or not.
31. The Panel decided that it would be important to maintain clarity and transparency in the allowance system, but adjustments would have to be made to percentage scales to ensure that anomalous allowances were not created. This has been reflected in the Panel's recommendations.
32. The Panel considered the statutory guidance on Special Responsibility Allowances. They felt it was important that the scheme at Derby City Council reflected the aim that no more than 50% of Councillors should receive a Special Responsibility Allowance and that the allowance should reflect the level of responsibility a particular position requires.
33. The Panel initially began by considering the Leaders, Mayoral and Licensing and Appeals Panel Members allowances. However, during the course of the evidence gathering they also heard issues relating to:
  - Chair and Vice Chair of Planning
  - Chair and Vice Chair of Overview and Scrutiny
  - Deputy Leader and Cabinet Members
  - Chair and Vice Chair of Personnel Committee
  - Group Whips
  - Parachute Payments

The Panel have therefore included their recommendations on these allowances in this report.

## **Leader's Allowance**

34. The Council is currently paying an allowance of £28,837.83 to the Leader of the Council. The Leader's Allowance is used as the basis to calculate all other Special Responsibility Allowances, where the Leaders Allowance is 100% and all other allowances are a percentage proportion of it.
35. The Panel heard evidence that the Leader's position was effectively a full time job. As one officer explained:

*“I think the complexity and responsibility is much more substantial than it was – government pressures, increased scrutiny – both internal and external. The leader has to have the skills to do things, and also requires the bottle to do them.”*

A Councillor commented:

*“It is a full time job. [You can be] here from 9am-6pm, not including evening meetings....you can't do it properly if you are working”.*

36. The Panel considered the expectations of the role of the Leader of the Council. There is no agreed job description for the role, but the Panel felt that being the Leader would involve at least the following requirements:

- To provide political leadership and direction to the City of Derby
- To be the political voice of the Council
- To manage the Executive and to ensure that the needs of the city are represented through the relative portfolios
- To develop and maintain the Council's Corporate Priorities in all work undertaken
- To maintain and promote the highest standards of conduct in the Council's affairs and in the appointment of its staff.
- To work in co-operation with all the Council's partners to achieve shared aims and objectives.
- To fully consider local differences through consultation and take these into account when making decisions
- To promote and maintain fairness, transparency and openness in decision making

37. The Panel agreed that the Leader's role has become full time, and that the role would also be likely to change again in 2011 when the Council chooses its future leadership model under the Local Government and Public Involvement in Health Act 2007.

38. The Panel felt it was important that the Leader's Allowance reflects the level of commitment and responsibility required to run a complex, diverse and multicultural city like Derby. They decided that the current allowance level did not fully represent the position of the Leader as the political and executive Leader of the Council, principal media spokesperson, and Leader of the City in terms of place-shaping, partnership working and championing the needs of citizens with other public, private and voluntary sector service providers.

39. The Panel has concluded, therefore, that there is a strong case for a substantial increase in the Leader's Allowance. Whilst comparison with the average Leader's Allowance in English Unitary Authorities may not support this view, the Panel was consistently told in oral evidence that the level of the Leader's Allowance in Derby should take into account the city's particular needs and comparisons with the allowances paid to

the Leaders of our closest comparator cities in the East Midlands, Leicester and Nottingham, which are currently £44,500 and £33,479 respectively. The Panel has therefore decided to recommend a Leader's Allowance for Derby of a sum mid-way between the Leicester and Nottingham figures, namely £38,989 a year.

40. The Panel recognises that this will be a controversial recommendation, especially in the current economic climate. However, the Panel feels that, in the context of a fundamental review, it should not shy away from making a recommendation it considers to be right. In coming to its conclusions, the Panel had in mind the levels of allowances paid to members of other public authorities and office holders. For example, Members of local health bodies receive £7,500 for 2-3 days work a month. The chair of a primary care trust receives up to £47,000 for 2-3 days a week. The chair of a regional strategic health authority receives £55,000. The chairs of large housing associations may now receive up to £25,000 and their members £12,000. The chair of a regional development agency receives £76,875 (Cabinet Office, 2006). The chair of Derbyshire Police Authority receives £21,516 a year.

**The Panel recommends raising the Leader's Allowance to £38,989 a year with effect from 1 April 2009.**

### **Mayoral Allowances**

41. The Panel previously heard evidence regarding Mayoral Allowances at its meeting in February 2008. They heard arguments that the level of Mayoral Allowances were not at a level which enabled Councillors to take a year out to act as Mayor.
42. The current Mayoral Allowance is a special responsibility allowance of 25% at £7,386.08 and a purse of c. £6,000. It was noted that Members who served as Deputy Mayor also received a small purse but did not receive a special responsibility allowance.
43. Evidence was given regarding the level of responsibility being the Mayor required. One Councillor explained:

*"Currently the Mayor receives a special responsibility allowance of a Committee/Commission Chair, which is logical as he/she Chairs the Full Council meeting. Believe me, after each Full Council meeting you feel you have earned it!"*

An officer commented:

*"The Mayor is hugely responsible for the image of the city; they can undo all the good work of the Council"*

44. The Panel also heard evidence regarding the personal and financial commitment required to be the Mayor. Comments received included:

*“If you go to a fete you are expected to visit every stall. It is commented on if you do not give the right amount of money. At big events £50 goes nowhere”*

*“The Mayor of Derby has 600-800 engagements a year. The work is spread over 7 days a week from early morning to late evening... There is an element of sacrifice which we hope is compensated for in part by the experiences of the year”*

*“The purse does not cover all the money you spend as it is supposed to”*

45. The Panel agreed that there was a significant commitment required from those who took on the role of Mayor, but that there was much that an individual could gain from holding the position. They were sympathetic with the time commitment required, but felt that the calibre of recent Mayors of Derby suggested that there was not a problem in attracting the right people to the position.
46. The remit of the panel allows them to consider only the special responsibility allowance for positions. They felt that the current level of special responsibility allowance for being the Mayor fairly reflects the level of responsibility of the office. However, they understood that being the Mayor did involve some financial commitment, and those not able to undertake a year as Deputy Mayor could be disadvantaged.

**The Panel recommends:**

- 1. Maintaining the Mayoral Special Responsibility Allowance at the current level**
- 2. That the Council considers raising the Mayoral Purse for Mayors not able to spend a year as Deputy Mayor.**

**Licensing and Appeals Panel Members**

47. The Council has 15 Members who serve on the General Licensing and the Taxi Licensing Appeals Committees. There is a chair, four vice-chairs and ten ordinary members. Each Licensing or Appeal panel consists of three members, which must include a Chair or a Vice Chair. Each panel member is expected to be available for 26 half days per municipal year. Ordinary members receive a special responsibility allowance of 3% at £886.33 p.a. on this basis. This allowance is payable in addition to any other Special Responsibility Allowances Members may be eligible for.
48. At its meeting in November 2007, the Panel considered attendance statistics for Licensing and Appeals panel members. It was noted that

the meetings were held in the daytime and therefore attendance was affected by daytime availability.

49. It was also considered that Licensing and Appeals were mainly 'glut and famine' meetings, as they were arranged according to need. This made it difficult for Members to make themselves available as it was not generally known in advance when they would be required and for how long.
50. The Panel were sympathetic to the pressures expressed by the Appeals panel members, but felt that as the level of responsibility in being an appeals panel member had not changed, there was no evidence to support an increase.

**The Panel recommends maintaining the special responsibility allowances for Licensing and Appeals Panel members at the current levels.**

#### **Chair and Vice Chair of Planning Control Committee**

51. In the course of hearing evidence, the Panel heard many references to the role of the Chair of the Planning Control Committee as a comparison for other allowances. It was heard that this was a quasi-judicial function and had a lot of responsibility attached to it. One Councillor argued:

*"Planning has much more responsibility resting on individual decisions [than other committees]"*

Another agreed:

*"It is quasi-judicial and once a decision is made it is unchallengeable if [the application] was approved".*

52. It was also noted that the Planning Chair had to make delegated decisions outside of the formal meetings, and this increased the workload and email correspondence they received:

*"Planning is bi-monthly and the Chair of Planning is copied into every email concerning an officer delegated decision"*

53. The Chair of the Planning Control Committee currently receives a 25% allowance at £7,386.08. The Vice-Chair receives a 12.5% allowance at £3,693.05.
54. The Panel felt that the level of responsibility required to be the Chair of Planning had been underestimated in the current allowance system.

#### **The Panel Recommends:**

- 1. Increasing the Special Responsibility Allowance of the Chair of the Planning Control Committee to 60% of the**

**Cabinet Members' Allowance with effect from 1 April 2009.**  
**2. Increasing the Special Responsibility Allowance of the Vice Chair of Planning to 30% of the Cabinet Members' Allowance with effect from 1 April 2009.**

**Chair and Vice Chair of Overview and Scrutiny Commissions**

55. The Panel heard evidence regarding overview and scrutiny commissions. The Council has six Overview and Scrutiny Commissions, with each with a Chair and Vice Chair. The Chairs receive a special responsibility allowance of 25% at £7,209.48. The Vice Chairs receive a special responsibility allowance of 12.5% at £3,064.73.
56. The Panel had previously considered attendance figures for Chairs and Vice Chairs of Overview and Scrutiny Commissions, and had seen that it was very rare for a Vice-Chair to be required to Chair an Overview and Scrutiny meeting.
57. It was argued by some Councillors that the role of Scrutiny has grown significantly in the past few years, to take it past the level of responsibility required by regulatory committees:
- “There is a problem with the role of scrutiny as it is an area that has grown in importance, and the number of bodies we are expected to scrutinise has also grown.....Scrutiny is a more onerous task than the regulatory committees as the regulatory committees are one dimensional”*
58. Other Councillors were not convinced of the increase in responsibility for Overview and Scrutiny:
- “It does depend on the Commission and what they are doing, and if the Chair is there for the whole time.”*
- “As an Overview and Scrutiny Chair or Vice Chair – you can recommend but knowing full well it would have absolutely no impact. It doesn't have a decision making role. Scrutiny is important, but not at the level of input or responsibility”*
59. Questions were also raised regarding the make up of Overview and Scrutiny commissions:
- “We feel that there are too many Overview and Scrutiny Commission – we don't feel that there should be more than four. Fundamental savings could be made here by realigning them and creating sub groups”*
- “The Vice-Chairs of Overview and Scrutiny are expected to do meetings and pre-meetings and they have input into the agendas, but [the overall time commitment] would only be different [to ordinary*

*members] if the Chair were unavailable. I think.. the percentage for Overview and Scrutiny Vice-Chairs might be too high”.*

*“It is all about getting the right sort of people into public life. We want better people in scrutiny, but allowances are not the way to achieve this”*

60. The Panel felt that Scrutiny had a hugely important part to play within the work of the Council, but the level of responsibility required to be a Chair or Vice-Chair of Overview and Scrutiny was not as significant as other Committees within the Council. However, it was recognised that this may change with the proposals set out in the White Paper “Communities in Control: Real People Real Power” are enacted.

**The Panel recommends:**

- 1. To maintain the allowance for a Scrutiny Chair 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**
- 2. To remove the allowance for a Vice-Chair of Overview and Scrutiny from 1 April 2009.**

**Deputy Leader and Cabinet Members**

61. The Panel considered the remuneration of the Deputy Leader and Cabinet. The Deputy Leader currently received a 75% allowance of £22,158.27. There are up to eight available Cabinet posts at 50% or £14,772.18.
62. The panel heard that the different Cabinet portfolios have never been equal in terms of the amount of work they require. Some portfolios will necessarily be larger than others. The Panel debated whether to recommend differential remuneration for Cabinet posts, but felt it was down to the Leader to distribute the Cabinet work equitably across portfolios.
63. The Panel decided that the Cabinet Member SRA should become the 100% value in the new scheme of allowances. This is a change from the current system whereby the Leader’s Allowance is 100%; by changing the 100% to the Cabinet member it enables the allowances for the Leader and Deputy Leader to be determined without a consequent effect on all other allowances.
64. The Panel considered specifically the role of the Deputy Leader and whether the level of responsibility, above and beyond that of a Cabinet Member, justifies the additional 25% responsibility allowance.
65. The Panel considered the remuneration paid to the Deputy Leaders of Minority Groups and this was remunerated at half of the Minority Group Leaders Allowance. It was felt that this was a fair reflection of the expected workload compared to the Leader’s.

66. It was acknowledged that being the Deputy Leader of the Council would carry some additional responsibility above that of the other Cabinet Members in terms of needing to be aware of the issues across portfolios and being able to deputise for the Leader as required. However, the Panel could not find justification for only 25% less responsibility than the Leader.

**The Panel recommends:**

- 1. To maintain the Cabinet Members Allowances at the current monetary value**
- 2. To maintain the allowance for the Deputy Leader of the Council at the current monetary value**
- 3. To make the Cabinet Member Allowance the 100% value in the new scheme of allowances.**

**Chair and Vice Chair of Personnel Committee**

67. The Panel were asked to consider introducing allowances for the Chair and Vice Chair of the Personnel Committee

68. The Personnel Committee was introduced in May 2008 with the following terms of reference:

- To approve corporate personnel and health and safety policies, other than minor or technical changes to existing policies which do not affect the underlying principles of the policies.
- To approve changes to staffing levels or organisational structures that have a cost of £100,000 a year or more, or where there is no budget provision, unless the change is incidental to a key decision taken by the Council Cabinet.
- To take key policy decisions in relation to equal pay, single status and job evaluation, and to consider disputes over terms and conditions of employment.

69. The Personnel Committee meets irregularly, called as and when required, and the Cabinet Member with responsibility for Personnel is a member of the committee.

70. The Panel did not feel there was enough evidence to consider introducing a Special Responsibility Allowance for these positions at the current time, although it was acknowledged that this could change as the committee became more established.

**The Panel recommends:**

- 1. Not to introduce a special responsibility allowance for the Chair or Vice Chair of the Personnel Committee at the current time**

## **2. To review these positions in the next municipal year**

### **Group Whips**

71. The Panel were asked to consider introducing payments for political group whips. It was argued that it was a paid position in other authorities, and that it was a very time consuming role.

72. Other evidence was considered which stated that the role of the whip was a useful role, but the responsibility varied by group and as the make up of each group changed.

*“It is useful... to have a whip – but I would not argue for an allowance.”*

*“It is a good career move [to be a group whip]”*

73. The Panel felt that the group whip served a useful role for the individual groups, but it had a limited governance role for the whole Council. It was felt to be a political appointment rather than a Council appointment, and it could not be argued that there was any significant responsibility.

**The Panel does not recommend introducing a Whips Allowance.**

### **Indexing of Allowances**

The lists of existing and proposed Special Responsibility Allowances, as recommended by the Panel, are set out in Appendices 1 and 2.

**As in previous years, the Panel recommends that the Basic and Special Responsibility Allowances are increased by the average salary award for local government employees and that the index be applied to the allowance levels recommended for 2009/10.**

### **Parachute Payments**

74. The Councillors Commission report highlighted the issue of parachute payments for Members who lose office and therefore their Special Responsibility Allowance. The report recommended that legislation should be introduced to allow Councils to consider this issue.

75. The Panel considered evidence from Leicester City Council, where parachute payments have been introduced for the Leader’s position. It had been introduced there as a means of mitigating against the precarious nature of undertaking a full time role with no guarantee of continuation past the next election.

76. The majority of evidence taken from Derby City Council suggested that parachute payments would be welcomed within the Council, if there was suitable legislation to support it.

**The Panel recommends:**

- 1. To support the principle of parachute payments**
- 2. To consider introducing them in light of any subsequent legislation enabling such payments**

**Summary of Recommendations**

76. The Panel formally recommends the Council...
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.

Ian Samways

Chair of the Independent  
Remuneration Panel

Steve Dunning

Secretary to the Independent  
Remuneration Panel

January 2009

## Existing Special Responsibility Allowances 2008/09

	<b>Position</b>	<b>Pro-rata Percentage</b>	<b>Number</b>	<b>Yearly Allowance</b>
1	Leader of the Council	100%	1	29,544.36
2	Deputy Leader of the Council	75%	1	22,158.27
3	Other Council Cabinet Members	50%	5	14,772.18
4	Leader of Minority Group	25%	2	7,386.08
5	Deputy Leader of Minority Group	12.5%	2	3,692.61
6	The Mayor	25%	1	7,386.08
7	Chairs of Overview and Scrutiny Commissions	25%	6	7,386.08
8	Vice Chairs of Overview and Scrutiny Commissions	12.5%	6	3,693.05
9	Chairs of Regulatory Committees	25%	3	7,386.08
10	Chair of the Audits and Accounts Committee	17.5%	1	5,170.26
11	Vice Chair of the Planning Control Committee	12.5%	1	3,693.05
12	Members of the Social Services Adoption Panel	6.25%	2	1,846.07
13	Members of the Fostering Panel	6.25%	1	1,846.07
14	Vice Chairs of General and Taxi Licensing and Appeals Committees	12.5%	4	3,693.05
15	Members of the General and Taxi Licensing and Appeals Committees	3%	10	886.33

## Proposed Special Responsibility Allowances 2009/10

	<b>Position</b>	<b>Pro-rata Percentage</b>	<b>Number</b>	<b>Yearly Allowance</b>
1	Leader of the Council	N/A	1	38,989.00
2	Deputy Leader of the Council	N/A	1	22,158.27
3	Other Council Cabinet Members	100%	5	14,772.18
4	Leader of Minority Group	50%	2	7,386.08
5	Deputy Leader of Minority Group	25%	2	3,692.61
6	The Mayor	50%	1	7,386.08
7	Chairs of Overview and Scrutiny Commissions	50%	6	7,386.08
8	Chair of Planning Control Committee	60%	1	8,863.31
9	Vice Chair of the Planning Control Committee	30%	1	4,431.65
10	Chair of the Audits and Accounts Committee	35%	1	5,170.26
11	Members of the Adoption Panel	12.5%	2	1,846.07
12	Member of the Fostering Panel	12.5%	1	1,846.07
13	Chair of General and Taxi Licensing and Appeals Committees	50%	1	7,386.08
14	Vice Chairs of General and Taxi Licensing and Appeals Committees	25%	4	3,693.05
15	Members of the General and Taxi Licensing and Appeals Committees	6%	10	886.33

## List of Invited Participants

<b>Name</b>		<b>Details</b>
Ray Cowlshaw	Chief Executive	Attended
Michael Foote	Deputy Chief Executive	Attended
Don McLure	Corporate Director of Resources	Attended
Steve Hall	Editor, Derby Evening Telegraph	
Simon Cornes	Editor, BBC Radio Derby	
Councillor Hilary Jones	Leader of the Liberal Democrat Group	Attended
Councillor Chris Williamson	Leader of the Labour Group	Attending
Councillor Philip Hickson	Leader of the Conservative Group	Attended
Nigel Cullen	Chair of Nottingham City Council IRP	
Martyn Traynor OBE	Chair of Leicester City Council IRP	Attended
Councillor Batey	Abbey Ward	Written Submission Received
Councillor Holmes	Chellaston Ward	
Councillor Harwood	Oakwood Ward	Attended
Councillor F Khan	Arboretum Ward	
Councillor Naitta	Blagreaves Ward	Attended
Councillor Shankar	Sinfin Ward	
Councillor Tuplin	Mackworth Ward	Attended
Councillor Willoughby	Allestree Ward	Attended
Councillor Grimadell	Chaddesdon Ward	Written Submission Received
Councillor Ingall	Chellaston Ward	
Councillor Ginns	Alvaston Ward	
Councillor Roberts	Derwent Ward	
Councillor Williams	Spondon Ward	Attended
Councillor Chera	Sinfin Ward	Written Submission Received
Councillor Rawson	Derwent Ward	Written Submission Received
Councillor Bolton	Chaddesdon Ward	
Councillor Hickson	Allestree Ward	Attended
Councillor Jackson	Boulton Ward	Attended
Phil O'Brien	Civic and Members' Services Manager	Attended
Councillor Latham	Oakwood Ward	Attended
Councillor Webb	Allestree Ward	Attended
Councillor Skelton	Blagreaves Ward	Written Submission Received
Councillor Marshall	Chaddesdon Ward	
Councillor Redfern	Derwent Ward	
Councillor Baxter	Mackworth Ward	Written Submission Received
Councillor Berry	Spondon Ward	Attended
Councillor Hird	Mickleover Ward	Attended

### **Key Messages from the Councillors Commission Report 'Representing the Future' – December 2007**

The report of the Councillors Commission addresses the following issues facing Local Authorities:

- Encouraging suitably able, qualified and representative people to be candidates to serve as Councillors
- Retention and development of Councillors once elected/appointed
- To secure public interest and recognition for the work Councillors carry out for their communities

The report sees 3 major problems in attracting and retaining suitable Councillors. These are:

1. Public Recognition and Value
  - There is a low public image of local government
  - There is a low public understanding of local government and its remit
  - There is a disparity between the view of public services (good) and the view of democratic services (low)
2. Representativeness
  - Councillors are not drawn from the full social spectrum – the average age of Councillor is 58.3 years
  - Councillors are less likely to be in employment – overwhelmingly likely to be retired or self-employed
  - There has been a decline in the number of councillors with caring responsibilities
  - There is not necessarily a need to attract more of a certain group of people, more that people are needed who are more in touch with issues facing the community at large, and who are able to contact a variety of social networks
3. Ability and Quality
  - This does not mean educational level achieved (note that most Councillors have a higher educational level than the average population)
  - Need to be able to acquire a balance of skills across Councillors

One of the key barriers that the Commission highlighted was the lack of a 'job description' for a Councillor, meaning that people were uncertain of what would be required of them. This also posed a problem when a panel determines the allowances. It was difficult to set the allowances at a suitable level to compensate for the time involved in different roles. It also presents problems of the basic allowance, which all Councillors are eligible to receive whether or not they undertake the same level of duties. Setting a basic allowance at a suitable level to cover all potential workloads is an almost impossible task. The Commission suggest a locally developed Councillor role description which could or should include some of the following:

1. To represent constituents by actively seeking out views, taking them into account when considering policy and taking decisions
2. To help individuals and community groups understand local governance
3. To deal with constituent's enquiries and concerns
4. To contribute to the formation and scrutiny of the authority's policies, budget, strategies and service delivery by attendance at Council Meetings and by being a member of the executive or scrutiny panel
5. To maintain high standards of conduct and ethics
6. To work constructively with Council officers
7. To represent the Council on and to outside bodies
8. To work with partner agencies and other stakeholders as part of local governance
9. To campaign politically

However, enforcing this would be practically impossible.

## Government Response to Councillors Commission Report

57. Councillors should be appropriately compensated for the time and costs of their role. Since 2003, members' allowances have been set by each local authority, having regard to the recommendations of its independent remuneration panel. This approach allows local flexibility and independence.

58. But it is important that panel decisions are informed by good practice elsewhere. So, we agree that they should have better information to help consistency and transparency in the setting of allowances. We welcome the Local Government Association's (LGA) proposal that it should collect and share data on average allowances, including those for carers  
**(recommendations 57 & 60)**

59. Those who become an elected mayor, leader or executive member have a greater time commitment than ordinary councillors. These roles can become full-time positions and form a significant part of their income. We therefore recognise the short-term financial problems they might face if they lose their executive position after an election. This financial uncertainty may discourage talented people from taking on these roles. As such we will seek to introduce legislation which would enable authorities to follow recommendations of their independent panel, and introduce schemes for payments on loss of office after an election **(recommendation 54)**.

60. But public confidence requires citizens to be clear about what they can expect from their councillors. The indicative councillors' role description being developed by the Local Government Association (LGA) and Improvement and Development Agency (IDeA) will help by setting out what councillors should do. We welcome the LGA's commitment to develop guidance for its own political groups on such roles and the assessment of councillors' impact **(recommendation 61)**.