



DERBY CITY COUNCIL

**COUNCIL**  
**3 MARCH 2008**

Report of the Director of Corporate and Adult Services

## **Members' Allowances – Recommendations of the Independent Remuneration Panel for 2008/09**

### **RECOMMENDATIONS**

- 1.1 To accept the report and recommendations of the Independent Remuneration Panel at Appendix 2.
- 1.2 To increase the Basic and Special Responsibility Allowances from 1 April 2008 in line with the average salary increase for local authority employees.
- 1.3 To amend the Members' Allowances Scheme accordingly.
- 1.4 To note that the Panel plan to undertake a fundamental review of all allowances, commencing in June 2008

### **SUPPORTING INFORMATION**

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

<b>For more information contact:</b>	Steve Dunning 01332 255462 e-mail <a href="mailto:steve.dunning@derby.gov.uk">steve.dunning@derby.gov.uk</a>
<b>Background papers:</b>	Agenda and reports of the Independent Remuneration Panel Appendix 1 – Implications
<b>List of appendices:</b>	Appendix 2 – Thirteenth Report of the Independent Remuneration Panel

<b>IMPLICATIONS</b>
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**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 2008/09 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.



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## **MEMBERS' ALLOWANCES**

### **THIRTEENTH 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. 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.

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:
  - 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. The Panel met on 6 February 2008 to consider the recommendations it should make to the Council in respect of Members' Allowances for 2008/09.
  4. The Panel heard representations from Councillor Hickson and Councillor Jones, and received a written submission from Councillor Williamson regarding the following issues:
    - Members Allowances Annual Update
    - Mayoral Allowances
    - Licensing and Appeals Panel Allowance
    - Vice-Chair of Scrutiny Commission Allowance
    - Dependant Carer's Allowance
  5. The Panel heard that the group leaders felt that the Allowances should be uplifted in 2008/09 in line with indexation to ensure that the Members received the same increase as the rest of the Council's staff.
  6. The Panel discussed the other issues following the representations from the group leaders, but it was felt that they did not have enough evidence at the current time to justify making any further recommendations to Council regarding these issues.
  7. The Panel had previously agreed to a request from the Group Leaders to have a fundamental review of allowances after the May elections when they would aim to gather significant evidence regarding the responsibility commitment of the different roles in the Council. It is hoped that the Government's response to the recommendations of the Councillors Commission will be available by summer 2008 to guide the fundamental review.

## Conclusions

9. The Panel considered all the evidence before it, together with the statutory guidance on members' allowances, and came to the following conclusions:
  - (i) that the Basic and Special Responsibility Allowances should be uplifted for 2008/09 by the agreed local government salary settlement.
  - (ii) that no further action should be taken regarding other allowances at the current time due to a lack of evidence regarding the responsibility commitment of different positions
  - (iii) that a fundamental review of Members Allowances should be carried out in Summer 2008

## **Recommendations**

10. The Panel formally recommends the Council ...
- a) to increase the Basic and Special Responsibility Allowances from 1 April 2008 in line with the average salary increase for local authority employees.
  - b) to note that the Panel will review all allowances through a fundamental review, expected to begin June 2008.

Ian Samways

Chair of the Independent  
Remuneration Panel

Steve Dunning

Secretary to the Independent  
Remuneration Panel

February 2008