

**INDEPENDENT REMUNERATION PANEL FOR
DERBYSHIRE DALES DISTRICT COUNCIL**

**REPORT AND RECOMMENDATIONS OF THE REVIEW OF
MEMBERS' ALLOWANCES – 2015**

FINAL DRAFT

November 2015

Contents

	Page Number
A. Purpose of Report	3
B. Summary Recommendations	4 - 5
C. Background & Introduction	6
D. Research & Benchmarks	7
E. Context	8
F. Basic Allowance	9
G. Special Responsibility Allowances	10 - 13
H. Other Expenses	14 - 15
I. Date of Introduction	16
J. Annual Review	16
Appendix A (IRP Members)	17
Appendix B (Comparison Councils)	17
Appendix C (List of Approved Duties)	18

A - Purpose of Report

1.0 The purpose of the report is to make recommendations to the Council following a review undertaken by an Independent Remuneration Panel into allowances and expenses paid to Councillors.

2.0 The review has been requested following changes to the governance arrangements of the Council in May 2015.

FINAL DRAFT

B - Summary Recommendations

1.0 Basic Allowance

1.1 That the Basic Allowance (BA) of £4243 remains at the same level.

2.0 Special Responsibility Allowances

2.1 That all Special Responsibility Allowances (SRA) be calculated as a multiple of the basic allowance.

2.2 That the SRA paid to the Leader of the Council be fixed at a level of 2.5 x the BA = £10,608.

2.3 That the current SRAs paid to political group leaders be abandoned and replaced with the following SRA arrangements:-
Leader of an opposition group having 25 – 50% of council seats – 0.5x BA = £2122;
Leader of an opposition group having 10 – 25% of council seats – 0.25x BA = £1061;
Leader of an opposition group with < 10% of council seats – 0x BA = £0.

2.4 That the SRA paid to the Chair of the Council, the Chair of the Governance and Resources Committee, the Chair of the Community and Environment Committee and the Chair of the Planning Committee be fixed at a level of 1 x the BA = £4243.

2.5 That the SRA paid to the Chair of the Licensing and Appeals Committee be fixed at a level of 0.5 x the BA = £2122.

2.6 That the SRA paid to the Deputy Leader of the Council be fixed at a level of 0.7 x the BA = £2,970

2.7 That the SRA paid to the Vice-Chairs of the Council, the Governance and Resources Committee, the Community and Environment committee and the Planning Committee be fixed at a level of 0.35 x the BA = £1,485.

2.8 That the SRA paid to the Vice-Chair of the Licensing and Appeals Committee be fixed at a level of 0.25 x the BA = £1,061.

2.9 That no SRA be established at the moment for the role of Member Champion but that this be reviewed after the first year of operation of this role, i.e. in May 2016.

2.10 That no councillor be in receipt of more than one SRA. (should circumstances arise where councillors may be eligible to receive two or more SRAs, only the highest SRA should be paid)

(NB - all figures rounded to nearest whole pound)

3.0 Expenses

3.1 That the travel expense payment for the use of a councillor's private vehicle (car, motorcycle or bicycle) whilst on official Council business be fixed to the current rates recognised by HMRC. (private car = 45p per mile)

3.2 That the scheme for claiming travel expenses extend to cover travel to Approved Duties (see Appendix C) between the following locations:-

- Home – meeting – home
- Work – meeting – work
- Work – meeting – home or vice versa (less usual home to work journey)

3.3 That other subsistence rates available to councillors mirror those available to the staff of the Council.

3.4 That any future changes to the staff scheme be mirrored in the expenses rates available to councillors.

3.5 That child carer's and dependent carer's allowance be increased to a rate of £7.20 per hour and subsequently reimbursed at the National Living Wage. The reimbursement of such expenses should be conditional on the production of receipts to the satisfaction of the Head of Corporate Services.

3.6 That in exceptional circumstances (e.g. where a dependent has a disability and specialised care is required) and with the prior authorisation of the Head of Corporate Services, higher hourly rates should be considered.

4.0 Date of Implementation

4.1 That, with the exception of 4.2 below, any changes agreed to the scheme of allowances should be implemented with effect from 1st January 2016.

4.2 That the proposed SRA's associated with the positions of Chair and Vice-Chair of the planning committee be backdated to the 1st June 2015.

5.0 Indexation and Annual Review

5.1 The Panel recommends that the current basis for reviewing and adjusting allowances and expenses annually should be continued.

C - Background and Introduction

1.0 An Independent Remuneration Panel (IRP) has been appointed by the Council to carry out a review of the allowances paid to Councillors as required by the Local Government Act 2000 and subsequent legislation. A brief biography of the members of the panel is provided at Appendix A.

2.0 The Panel was appointed in July and carried out its work in the subsequent months in accordance with the advice and support given by senior staff of the Council and in accordance with the relevant legislation and statutory guidance.

3.0 Account was taken, during the review, of IRP processes used in other councils in Derbyshire and in other councils throughout England which are comparable with Derbyshire Dales. The recommendations are therefore based on current research and benchmarking together with information gathered from direct interviews with a selected cross-section of councillors and an open invitation to all councillors to submit views and opinions to the panel.

4.0 The law requires each Council to “have regard” to the recommendations of the Independent Remuneration Panel.

5.0 The purpose of member allowances is to support people from all walks of life to become involved in local politics and government if they choose.

6.0 The terms of reference used by the IRP included a consideration of recommendations on:-

- (a) the amount of basic allowance that should be payable to all of the elected Members;
- (b) the roles and responsibilities for which a Special Responsibility Allowance (SRA) should be payable and the amount of each such allowance (including the new role of Member Champion);
- (c) whether the scheme should include payments in respect of the expenses associated with travel and subsistence, of arranging for the care of children and dependents and the level of such allowances; and

7.0 The Panel acknowledge that the Council has difficult choices to make in its allocation of financial resources and that it is ultimately for the Council to decide how or whether to adopt the recommendations made.

D - Research and Benchmarking

1.0 The Panel took into account the following evidence and documentation in the course of its current review of the Allowance Scheme:-

- (a) the revised committee structure brought into effect by the Council in January 2015, which removed one 'Policy' Committee (re-allocating responsibilities across the two remaining 'Policy' Committees and the Council), condensed the workload of two geographical Planning Committees (North and South) into one Planning Committee and established eight Member Champion roles which mirror the eight service delivery departments of the Council.
- (b) a comparison of the Council's allowances with those paid by other similar local authorities, namely:-
 - (1) with other district councils within Derbyshire and the Midlands; and
 - (2) with a cross section of the ONS 'Rural 80' classification of local authorities (80% of the population resident in rural settlements), which includes Derbyshire Dales.
- (c) an overview of the range of functions and responsibilities of elected councillors and of the main Committees of the Council;
- (d) the number of occasions on which each body, for which a Special Responsibility Allowance is paid, has met or is scheduled to meet;
- (e) interviews with a cross-section of elected councillors including Chairs' of committees, newly elected councillors, Member Champions and ward councillors;
- (f) comments and views received by the Panel from councillors during the course of the review; and
- (g) a copy of the Members' Role Descriptions adopted by the Council in 2015.

E - Context

1.0 Communities expect their councillors to make decisions on their behalf on a wide range of issues including (but not limited to) local transport facilities, health and wellbeing, waste management, housing, leisure facilities and new developments. The list is long and the role of the local councillor is one that carries significant responsibility.

2.0 However, it is recognised that local democracy carries, in part, a voluntary component based on an interest in and care for the quality of life of residents in the local community. The vast majority of councillors become involved without any thought for any remuneration whatsoever let alone the level at which such remuneration might be set.

3.0 Very few individuals set out on a path with an ambition to become the leader of a council, and the availability of Special Responsibility Allowances, let alone the levels at which these might be set, are not issues which determine whether individuals become involved with local politics.

4.0 However, it is also recognised that the demographic make-up of most councils leans towards the older end of the age spectrum and that it is often difficult to attract people who may be 'in work' into standing as a candidate in local elections. In order, therefore, to make some attempt to make the role accessible to as many individuals as possible in the local community and achieve a representative cross-section of the local population, some level of compensation is appropriate.

5.0 The level of compensation should act as a mechanism for recognising the increasing demands and expectations placed on local councillors, their levels of responsibility for the management of community budgets and assets and the often anti-social hours during which they may need to respond to ward issues.

F - Basic Allowances

1.0 The Basic Allowance (BA) is made available as compensation to locally elected representatives for time spent on the business of the Council but also recognising that most councillors become involved because of an interest in protecting and caring for community issues, not because of the level of any remuneration.

2.0 However, it is equally acknowledged that many individuals are discouraged from becoming involved in local democracy because of concerns not only over the time demands of the work but also over potential loss of income. This is the main reason for the payment of BA and, as a consequence of these factors, it needs to be set at a level to realistically compensate individuals for the time and commitment given by locally elected representatives.

3.0 When considering the BA it is widely recognised that the 'public service ethos' is something which drives all people who become councillors and that it would be reasonable to assume that a certain proportion of the time spent on council business should reflect this voluntary element of their activities. However, it would be unrealistic to expect that this should amount to anything more than a handful of hours per week.

4.0 The current level of basic allowance in Derbyshire Dales was set following a previous review in 2008. It has been adjusted since in line with staff wage increases such that, from 1st January 2015, it stands at £4,243. This compares with an average level in the R50 and R80 benchmark councils (see Appendix B) of £4,181.

5.0 Based on the Panel's research and review of the commitment required of a local councillor, a comparison with similar councils to DDDC and an assessment of the nature and value of activities undertaken by a ward councillor **the Panel recommend no change to the current Basic Allowance and that it remains at £4,243.**

6.0 **The Panel also recommend, for reasons of simplifying the scheme of allowances, that the Basic Allowance be used as a benchmark against which to fix the level of Special Responsibility Allowances, i.e. all SRA's should be calculated as a multiple of the BA.**

G - Special Responsibility Allowances

1.0 Special Responsibility Allowances (SRA's) are paid in recognition of the specific roles and responsibilities undertaken by some elected members on behalf of the council.

2.0 They are a recognition not only of the additional responsibility carried by the incumbents of such positions but also of the time commitments of such roles and the impact they have on the local community – the SRA is a blend of all these things.

3.0 Based on the terms of reference the Panel has the following observations and recommendations in respect of Special Responsibility Allowances.

Leader of the Council

4.0 The current scheme of allowances defines an annual allowance for the Leader of the Council of £8,805. An additional annual allowance of £3,706 is also paid to the leader of the majority group, although this is reduced by 50% where the Leader of the Majority Group is also the Leader of the Council.

5.0 We have been unable to identify any circumstances where the Leader of the Council is not also the leader of the main political group. We believe, therefore, that the current scheme is unnecessarily complicated in the way in which the SRA for the Council Leader is calculated and that greater transparency and accountability would be created if the SRA paid to the Leader of the Council were a single fixed amount.

6.0 For this reason **the Panel recommends that the separate SRA payable to the leader of the main political group be removed and that the SRA paid to the Leader of the Council be fixed at 2.5x the basic allowance, = £10,608.**

Allowances Paid to Political Opposition Party Leaders

7.0 In addition to defining a payment to the leader of the main political group, the current scheme of allowances provides for a fixed level payment to the leaders of the first and second opposition groups.

8.0 These payments are interpreted to be a reflection of the work associated in any council with the organisation and presentation of alternative policy options to the main party and the management of the policy challenge which needs to be apparent in any healthy democratically-elected organisation. As such, we believe that such payments are valid types of Special Responsibility Allowances.

9.0 The Panel also are of the view that the level of such allowances should be a reflection of both the personal effort required and the span of influence which would need to be exerted by an opposition group leader in providing political challenge within the organisation.

10.0 For this reason we believe that the level of SRA paid to opposition group leaders should contain an element which reflects the size of the group on the Council.

11.0 The number of elected councillors serving on Derbyshire Dales DC is 39 and a majority is therefore created when a political group secures 20 seats on the Council. Having recommended above the removal of the SRA payable to the leader of the main political group, the Panel's **recommendation on this matter, therefore, is that the current Special Responsibility Allowances payable to political group leaders be abandoned and replaced with the following SRA arrangements:-**

- **Leader of an opposition group having 25 – 50% of council seats – 0.5x BA = £2122;**
- **Leader of an opposition group having 10 – 25% of council seats – 0.25x BA = £1061;**
- **Leader of an opposition group with < 10% of council seats – 0x BA = £0**

Chairs of Main Committees

12.0 The dialogue with elected members over recent weeks and the benchmarking with other councils has provided an insight into the levels of responsibilities, the time commitment and the depth of community impact associated with the main committees of the council together with the demands made on the Chairs of these committees.

13.0 It has also allowed us to offer a definition of main committee and for this purpose we include in this definition the Governance and Resources Committee, the Community and Environment Committee, the Council and the Planning Committee.

14.0 There are variations in the frequency of meetings of these committees and in the breadth of the subject material under their consideration. However, based on the combination of these factors and on the degree of community impact that may arise from the various decisions of these four bodies of the council, we believe that the value of the SRA paid to the main committee Chairs should be consistent.

15.0 The Panel's general view of the scheme of allowances is that it should be as simple and as easy to understand as possible as well as being easy to administer. For these reasons the Panel has recommended above that all SRA's be calculated as a multiple of the Basic Allowance. **The Panel recommends that the level of SRA paid to the Chair of the Council, the Chair of the Governance and Resources Committee, the Chair of the Community and Environment Committee and the Chair of the Planning Committee be fixed at a level of 1 x the BA = £4243.**

Chair of Licensing and Appeals Committee

16.0 The SRA payable to the Chair of the Licensing and Appeals Committee (at £1,066) currently stands at less than one quarter of the allowance paid to the main committee chairs. This Committee meets less frequently than the main committees

although it's sub-committees can be called-on at short notice to deal with quasi-judicial or regulatory matters which can have significant impact on the social and economic culture of Derbyshire Dales. A comparison of the SRA for this specific post with those paid in comparable councils indicates it is less than half the average annual amount.

17.0 Based on an assessment of the level of responsibility, the frequency and timing of meetings and the potential degree of community impact of the role the Panel **recommend that the SRA paid to the Chair of the Licensing and Appeals Committee be fixed at a level of 0.5 x the BA = £2122.**

Deputy Leader and Vice Chair Positions

18.0 Based on the Panel's assessment (informed by interviews with councillors and from the research data of comparable councils) of the time demands and levels of direct responsibility taken by the posts of Deputy Leader and Vice-Chairs of committees **the Panel make the following recommendations (again referenced to the Basic allowance):-**

- **That the SRA payable to the Deputy Leader of the Council be fixed at a level of 0.7 x the BA = £2,970;**
- **That the SRA payable to the Vice-Chairs of the Council, the Governance and Resources Committee, the Community and Environment committee and the Planning Committee be fixed at a level of 0.35 x the BA = £1,485; and**
- **That the SRA payable to the Vice-Chair of the Licensing and Appeals Committee be fixed at a level of 0.25 x the BA = £1,061.**

Chairs of Other Bodies

19.0 Other committees or bodies of the Council described in the new political structure chart adopted by the Council in May 2015 are felt to fulfil the role of either time-limited advisory bodies or operational governance boards, the responsibility for chairing which, fall generally within the brief of the Leader of the Council or one of the main committee chairs. The Panel's view is that such roles do not warrant recognition as a separate special responsibility and should not, therefore, carry any Special Responsibility Allowance.

Member Champions

20.0 The role of Member Champion was introduced by the Council as a new role after local elections in May 2015. Our interviews and research indicated two primary facets to the role, first to broaden the level of expertise and experience across a range of subject areas in order to inform debate and improve decision-making at committee and council meetings and, secondly, to provide an opportunity for newer councillors to engage more deeply with the Council's decision-making processes and thereby improve succession-planning for the Council's political administration.

21.0 There appears to be general support within the Council for the principle of the role of Member Champion although it is as yet unclear what added-value they might bring to the business of the Council.

22.0 The areas of interest of the eight member champions are aligned with the eight heads of service positions detailed in the staffing structure. This should help to ensure there is a clear functional focus in the briefs of each of the Member Champions although this becomes somewhat clouded when one considers the political structures chart, which indicates three Champions supporting the Governance and Resources Committee, five Champions supporting the Community and Environment Committee and none supporting the Planning Committee.

23.0 The current arrangements, therefore, generate some lack of clarity in the accountability of the Member Champion role which the Panel has found difficult to quantify at the moment. Much of the future value of the Member Champion role it seems will depend on the vigour with which individual members take to the role and the personal impact they may wish to make in their allocated subject area.

24.0 For these reasons **we recommend that no SRA be established at the moment for the role of Member Champion but that this be reviewed after the first year of operation of this role, i.e. in May 2016**, particularly if an accountability framework is established for the Member Champion role and the relationship between the role of Vice Chair and Member Champion is clarified. The Panel would be happy to offer further support on this issue if required.

Should Members Receive More Than One SRA?

25.0 The view on this question is that the various roles identified for Special Responsibility Allowance are sufficient in themselves to justify the sole attention of the incumbent, particularly when coupled with the regular case work of a local councillor. We are of the view that the allocation of more than one SRA role to one councillor would have the effect of diluting the attention which each individual SRA role necessitates and the Panel therefore **recommend that no councillor be in receipt of more than one SRA.** (should circumstances arise where councillors may be eligible to receive two or more SRAs, only the highest SRA should be paid)

H - Other Expenses

1.0 All schemes of members' allowances make provision for the payment to councillors of expenses that are necessarily incurred in performing the role of locally elected representative. Such expenses generally cover travel costs, subsistence when on council business and reimbursement of the costs of caring for a councillor's dependents.

2.0 The Panel notes that the level of expenses claimed by councillors in Derbyshire Dales is low, perhaps reflecting a strong sense of 'public service ethos' within the Council. There appear to be robust communication channels between councillors and the relevant staff which engender effective implementation of the scheme. The Panel anticipate that this good practice will continue, particularly in relation to any expenses incurred on overnight accommodation, where prior approval and bookings should be coordinated through the staff of the Council.

3.0 The Panel is aware that the previous practice of paying a telephone allowance has been superseded by the provision to all councillors of mobile communication devices. This allows councillors to maintain communication with the Council and to receive paperwork ahead of meetings. This arrangement, although relatively new, appears to operate satisfactorily and the Panel would not suggest any changes to this arrangement.

4.0 Other than for the carer's allowance there are well established rates of expenses that are fixed or negotiated and agreed (usually annually) through national framework agreements. These nationally agreed rates are used by the majority of local authorities in their Schemes of Allowances for elected members and the Panel can see no reason to vary from this principle.

5.0 There is, however, one caveat to this general principle. This relates to the rate at which the mileage allowance is set. It is noted that the rate currently paid to staff varies with the total annual mileage and the cc of the vehicle used. However, in recent times, there appears to have been a general shift away from this tiered arrangement to a flat rate, such as is used by HMRC.

6.0 It is important to ensure that effective control and transparency are evident in the scope of the travel expenses scheme. For this reason it is felt that the scheme should only recognise and reimburse journeys between the councillors residence and the location of the Approved Duty (see Appendix C).

7.0 **The Panel recommends that the travel expense payment for the use of a councillor's private vehicle (car, motorcycle or bicycle) whilst on official Council business be fixed to the current rates recognised by HMRC.**

8.0 **It is further recommended that:-**

- **the scheme for claiming travel expenses extend to cover travel to Approved Duties (see Appendix C) between the following locations:-**
 - **Home – meeting – home**
 - **Work – meeting – work**

- **Work – meeting – home or vice versa (less usual home to work journey);**
- **other subsistence rates available to councillors mirror those available to the staff of the Council; and**
- **any future changes to the staff scheme be mirrored in the expenses rates available to councillors.**

9.0 With regard to the payment of child care and dependent carer's allowances, the current scheme of allowances contains provision for the payment of such expenses at the rate of £5 per hour.

10.0 The Panel believe this to be an under-valuation of the current cost of such expenses and research with other councils indicates that, in the majority of current schemes, the rate of this payment is related to either the minimum wage or the national living wage rate and often higher than this.

11.0 It is recommended, therefore, that child carer's and dependent carer's allowance be increased to £7.20 per hour and subsequently reimbursed at the National Living Wage. The reimbursement of such expenses should be conditional on the production of receipts to the satisfaction of the Head of Corporate Services.

12.0 The Panel also recognises that specific circumstances may arise which create a need for specialist support in certain situations. **It is further recommended, therefore, that in exceptional circumstances (e.g. where a dependent has a disability and specialised care is required) and with the prior authorisation of the Head of Corporate Services, higher hourly rates should be considered.**

I - Date of Implementation of Recommendations

1.0 Should the Council resolve to accept the recommendations included in this report it has further discretion over any date of implementation. However, the Panel would like to comment on how the Council may address this discretion.

2.0 There is a potential line of argument suggesting that the new political structures were implemented from the date of the Council meeting on 28 May 2015 and that any revisions to the scheme of allowances should reflect this. However, we are mindful of the fact that implementing some of the recommendations would result in a downward adjustment of some of the Special Responsibility Allowances and that, should the above approach be adopted, it would presuppose the repayment of allowances already received by a number of individual councillors. For reasons of fairness and natural justice we do not recommend this approach.

3.0 However, during the review we have received a consistent message regarding the demands made of the planning committee. This was formed from the merger of two previous committees in May 2015 and has been conducting its often high-profile, decision-making functions since this time. It is clear that the current level of SRA's set for the Chair and Vice-Chair of this particular committee are significantly less than the new levels now suggested and the **recommendation on this specific issue is that (should the Council accept the recommendations in Section B of the report) the proposed SRA associated with the positions of Chair and Vice-Chair of the planning committee be backdated to the 1st June 2015.**

4.0 The other main **recommendation on this issue is that all other changes agreed to the scheme of allowances should be implemented from 1st January 2016.**

J - Annual Review and Adjustment of Allowances and Expenses

1.0 The panel's general view on this matter is that current arrangements should remain extant, in that, unless any substantive changes are made in the administrative structures of the Council, there should be an annual adjustment to the Basic and Special Responsibility Allowances in line with any annual 'cost of living' increases awarded to staff.

2.0 We believe that the same principle should also apply to the rates of expenses available to elected members which should mirror the levels paid to Council staff. The only exception to this would be the reimbursement of expenses paid in relation to carer's allowances which should mirror any movement in the wider economy reflected by the National Living Wage.

Appendix A – Composition of the IRP

Phillip Woodward (Chair)	Former district council Chief Executive and Director of Environmental Services. National charity trustee and advisor on public health. Born and educated in north Derbyshire
Pat Boyle	Bank official with HSBC for 32 years, Magistrate for 18 years and member of Derbyshire County Council Independent Remuneration panel.
Ian Orford	Former senior bank official and Chair of Derbyshire County Council IRP.
Roger Tebb	Resident of Matlock for seventeen years following retirement from process industry management and consultancy. Chair of Derbyshire Dales IRP until 2009.

Appendix B – Comparator Councils used in the Review

1. Amber Valley BC
2. Bolsover DC
3. Chesterfield BC
4. Erewash BC
5. High Peak BC
6. Cotswold DC
7. East Lindsey DC
8. Harborough DC
9. Melton BC
10. Mid Devon DC
11. North Kesteven DC
12. Craven DC
13. Eden DC
14. North Dorset DC
15. North East Derbyshire DC
16. Purbeck DC
17. Ribble Valley BC
18. Rydale DC
19. South Derbyshire DC
20. Staffordshire Moorlands DC

Appendix C – List of Approved Duties (as provided to the IRP – November 2015)

Councillors are entitled to claim certain expenses in relation to the performance of their approved duties. The following notes provide guidance for councillors in completing their claims for expenses.

An 'approved duty' is defined as follows:-

1. Attendance at any meeting of the Council, its committees, sub-committees, panels or working parties to which a councillor has been appointed as a member or substitute member.
2. Attendance at any meeting to which a councillor is entitled to attend in accordance with Paragraph 7.04 of Article 7 of the Council's Constitution. (Ward member attending a committee or sub-committee in relation to a matter directly affecting their ward).
3. Attendance at a meeting of an overview committee to assist in a work review or to give evidence as part of the Council's call-in procedure.
4. Attendance at training and development events included in the Member Development Plan or Approved List of Conferences.
5. Attendance at meetings and events as the Council's appointed representative or substitute on outside bodies.
6. Attendance at meetings and events in relation to a Member's Special responsibility (e.g. briefing meetings)