

NOT CONFIDENTIAL – For Public Release

Council
26 May 2022

Report of Director of Corporate and Customer Services

REVIEW OF MEMBERS' ALLOWANCES SCHEME

PURPOSE OF REPORT

To consider the arrangements for a review of the Members' Allowances Scheme.

RECOMMENDATION(S)

1. That authority be delegated to the Director of Corporate and Customer Services to commence a review of the Members' Allowances scheme in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003
2. That Dr Declan Hall of DLG Research and Consultancy be appointed to carry out the review and be appointed as Chair of the Council's Independent Remuneration Panel (IRP) for a period of 12 months ending in May 2023.
3. That approval be given to a waiver under Contract Standing Orders to appoint Dr. Declan Hall.
4. That Mr David Willis be reappointed serve on the IRP for a further 4 years ending in May 2026.
5. That authority be delegated to the Director of Corporate and Customer Services to recruit and select replacement Panel Members when future vacancies arise and then make a recommendation to the Council to fill these vacancies

WARDS AFFECTED

District-wide

STRATEGIC LINK

People' – Providing You with a High Quality Customer Experience

1. BACKGROUND

Local Authorities (Members' Allowances) (England) Regulations 2003

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to have a scheme for the payment of Members Allowances.
- 1.2 To meet the requirements of the Regulations the Council must approve a scheme which provides for the payment of a basic allowance to each member of that authority. The basic allowance (BA) must be the same for every member of the authority.
- 1.3 The Regulations state that the Council may also provide for the payment of special responsibility allowances (SRAs) to such members as have special or additional responsibilities. The specified categories of special or additional responsibilities which may be included in a scheme of allowances include:
 - i) acting as leader or deputy leader of a political group within the authority;
 - ii) acting as a member of an executive where the authority is operating executive arrangements within the meaning of part 2 of the Local Government Act 2000;
 - ii) presiding at meetings of a committee or sub-committee of the authority;
 - iv) representing the authority at meetings of or arranged by any other body;
 - v) acting as a member of a committee or sub-committee of the authority which meets with exceptional frequency or for exceptionally long periods;
 - vi) acting as the spokesperson of a political group on a committee or sub-committee of the authority; and
 - vii) carrying out such other activities in relation to the discharge of the authority's functions as require of the member an amount of time and effort equal to or greater than would be required of him or her by any of the above-mentioned activities.
- 1.4 SRAs do not need to be the same and may reflect the different expectations, time and effort involved in particular roles.
- 1.5 Member allowance schemes may also provide for the payment of a carers' allowance and also for members' travelling and subsistence whilst acting in connection with their duties as a member of the authority.

- 1.6 Before a relevant authority may make or amend a scheme of allowances it must have regard to recommendations made in relation to the scheme by an Independent Remuneration Panel (IRP). While the Council must have regard to recommendations made by an IRP it does not necessarily have to approve them.

Report of the Independent Remuneration Panel

- 1.7 The last full review of the scheme was considered by the Council in January 2016 with a further minor review in April 2017. The Council has not received any further report from the Panel since then.
- 1.8 In approving the scheme in 2016 the Council agreed that an annual adjustment would be made to the Basic and Special Responsibility Allowances in line with any annual cost of living increases given to Council employees. These adjustments have been made annually however, the Regulations provide that any index should only apply for a maximum of 4 years before its application is reviewed.
- 1.9 This review should have taken place in 2020 and while the Panel did start work on a review it was not completed due to the impact of the pandemic on resources and subsequently as a result the staff involved leaving the Council and the resignation of the Chair of the IRP.

2. REPORT

- 2.1 There is now an urgent need to undertake a review of the Members' Allowances Scheme for the reasons set out above and in the context of the forthcoming changes to the size of the Council in May 2023. This report proposes that the Director of Corporate and Customer Services be given the Authority to commence a review of the Council's Members' Allowances Scheme, however there are a number of issues that need to be agreed by the Council before it can commence.

Membership of the Panel

- 2.2 Based on previous decisions made by the Council, Susan Whitfield is appointed to the Panel until October 2023, However, David Willis was appointed until May 2021 and the former Chair, Phillip Woodward, resigned from the IRP during 2021.
- 2.3 Therefore before a review can be progressed the Council must make decisions on the composition of the Panel.

Support to the Panel

- 2.4 Previous IRP reports suggest that the current scheme is based on comparative data and principles that are now over 7 years old. It is therefore suggested that more up to date comparative information is needed to support the Panel in carrying out its review. The former Chair of the Panel came with a wealth of local government knowledge and experience that was invaluable in assisting other Panel Members in their deliberations.
- 2.5 In light of this it is proposed that for the forthcoming review the Council procures this support from outside of the Council. Initial enquiries suggest that this will cost approximately £3,300. This will include preparing for meetings of the IRP by obtaining comparative data and research, attending meetings of the IRP and Council and writing up the findings.
- 2.6 Consideration has been given to whether this support can be provided in house but it is not believed that there is internal capacity to achieve this within existing resources. It is also believed that obtaining external advice will ensure that the Panel is completely independent. If the Council determines to follow this approach then it will be necessary to approve a waiver from Contract Standing Orders to enable the appointment of the proposed contractor for this work.
- 2.7 One of the options explored with potential providers is whether the person appointed to carry out this could be also be appointed as Chair of the Panel. This model has been adopted in other Councils and has worked well. As the time commitment would be exactly the same for the reviewer there would be no additional costs incurred through adopting this approach

Proposals

- 2.8 In light of this it is proposed that:
- Mr David Willis be reappointed to the IRP for a further 4 years ending in May 2026. This is recommended on the basis of Mr Willis' willingness to continue in this role and the need to expedite a review of Members Allowances. If Members determine that a recruitment exercise is required then this will delay the commencement of the review of the Member Allowances Scheme.
 - Dr Declan Hall of DLG Research and consultancy be appointed to carry out the review and appointed as Chair of the Council's IRP for a period of 12 months ending in May 2023. If Members determine that a recruitment exercise is required then this will delay the commencement of the review of the Member Allowances Scheme and will require officer involvement in a piece of work that cannot be supported through the current level of available resource from Democratic Services, Legal Services and Financial Services.
 - Should further vacancies arise, the Director of Corporate and Customer Services be given delegated Authority, in consultation with the Chair of Governance and Resources Committee, to recruit and select replacement Panel Members with a view to making recommendations to a meeting of the Council to fill these vacancies.

2.7 It is suggested that Dr Hall of DLG Research is appointed to the role of Chairman and to carry out this review as he comes with a wealth of experience of the operation Members Allowances Schemes and IRPs and has previous experience in working with other authorities locally which will assist in obtaining comparative data and statistics.

3. RISK ASSESSMENT

3.1 Legal

The scheme of Member's Allowances is made in accordance with section 99 of the Local Government Act 2000 and the Local Authority (Members Allowances) (England) Regulations 2003. The proposals contained in this report comply with the requirements of the legislation so the legal risk is low.

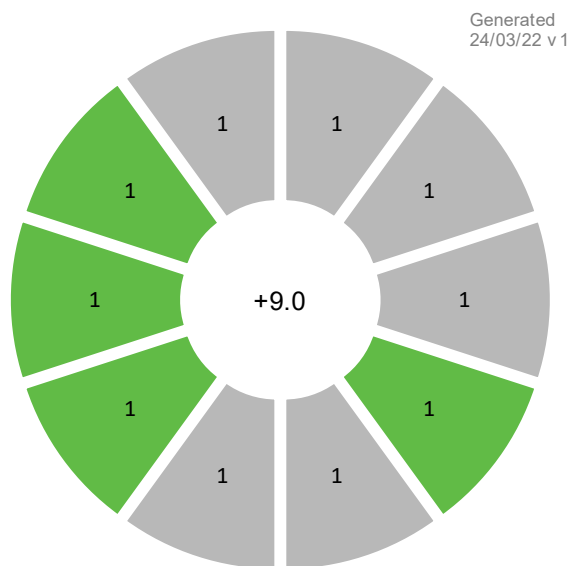
3.2 Financial

The cost of appointing DLG Research and convening meetings of the Panel can be met from existing budgets. Therefore, the financial risk is low.

4. OTHER CONSIDERATIONS

4.1 In preparation of this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

4.2 The approved Climate Change Impact Assessment Tool has been completed for this report and is reproduced below:



DDDC has committed to being a carbon neutral organisation by 2030 (7 years and 9 months away).

- 4.3 The Panel will be asked to give consideration on the extent to which the scheme can be used to incentivise the use of greener forms of travel and subsistence.

5. CONTACT INFORMATION

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6. BACKGROUND PAPERS

- 6.1 None

7. ATTACHMENTS

- 7.1 None