



**OPEN REPORT
COUNCIL**

Council - 26 January 2023

REVIEW OF MEMBERS ALLOWANCES SCHEME

Report of Director of Corporate & Customer Services and Monitoring Officer

Report Author and Contact Details

Jason Spencer, Electoral and Democratic Services Manager
01629 761300 or Jason.Spencer@derbyshiredales.gov.uk

Wards Affected

District Wide

Report Summary

This report sets out the recommendations of the Independent Remuneration Panel (IRP) in response to a request from the Council to conduct a full review of the Members' Allowance Scheme. The Council must have regard to the recommendations of the Panel when establishing a new Scheme of Allowances.

Recommendations

1. That the report of the Independent Remuneration Panel be noted.
2. That a new Scheme of Members' allowances be approved in accordance with the recommendations of the Independent Remuneration Panel.
3. That, subject to the approval of recommendation 2, the additional cost of £1,357 be included in the draft budget for 2023/24.

List of Appendices

Appendix 1 Report of the Independent Remuneration Panel

Background Papers

None

Consideration of report by Council or other committee

Not applicable

Council Approved Required

Yes

Exempt from Press or Public

No

Review of Members Allowances Scheme

1. Background

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to have a scheme for the payment of Members.
- 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.

2. Key Issues

- 2.1 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.
- 2.2 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;
 - iii. 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.
- 2.3 SRAs do not need to be the same and may reflect the different expectations, time and effort involved in particular roles.
- 2.4 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.

The Independent Remuneration Panel (IRP)

- 2.5 The IRP has been reconvened in accordance with a decision of the full Council on 26th May 2022. In particular, the authority for the Council to continue the indexation of allowances lapsed at the end of 2020/21 as indexation had been in place for four years, the maximum time period permitted by the 2003 Regulations.
- 2.6 The Terms of Reference of the IRP were to make recommendations to the Council on:-
- I. The amount of basic allowance that should be payable to its elected members and the expenses that it is deemed to include
 - II. The responsibilities or duties which should lead to the payment of a special responsibility allowance and as to the amount of such an allowance
 - III. The duties for which a travelling and subsistence allowance can be paid and as to the amount of this allowance
 - IV. Whether the authority's allowances scheme should include an allowance in respect of the 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
 - V. 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
 - VI. The remuneration of the Independent Persons
 - VII. The level of the Civic Allowance paid to the Civic Head and Deputy Civic Head
- 2.7 The IRP convened in person at the Town Hall, Matlock on 16th-17th November 2022 meeting with a range of Members to discuss issues of concern and receiving factual briefings from relevant Officers to obtain an overview on any recent changes in Council structures and the challenges it faces.
- 2.8 All Members were invited to make written submissions to the IRP, with eight responses received. In addition, all Members who were not specifically invited to meet with the IRP were given the opportunity to request a meeting with the IRP if they so wished, no such requests were received.
- 2.9 In arriving at its recommendations, the IRP also took into account a wide range of information and evidence. The details of representations and evidence received and considered by the IRP are set out appendices to their report.
- 2.10 The final proposals can be summarised as follows:
- An increase in the basic allowance to £5,150.
 - A corresponding increase in Special Responsibilities Allowances (SRAs)

- Clarification on expenses covered by the basic allowance.
- Clarification on SRAs for Opposition Group Leaders.
- Payments to Independent Persons.
- Clarification on the rates for the Dependant Carers Allowance.
- Clarification on how approved duties are defined.
- Rates at which mileage allowances may be claimed
- Recommendations on Indexation for inflationary increases.

3. Options Considered and Recommended Proposal

3.1 Option 1 - To approve the recommendations of the Independent Remuneration. This is the preferred option as the recommendations have:

- been prepared having regard to benchmarking information from other similar organisations,
- drawn on the professional experience and expertise of the panel,
- been prepared in light of feedback received from Councillors during the review,
- given consideration to the budget pressures facing the Council.

3.2 Option 2 - To make no changes to the existing scheme. It is suggested that this option is not pursued for the following reasons:

- There is a need to revise the current scheme to provide greater clarity on what can be claimed and when.
- The basic allowance has not changed since the inflationary index expired in April 2021.
- The current scheme has not been the subject of a significant review since 2015.

3.3 Option 3 - To adopt some of the recommendations of the Panel but amend or delete others. It is suggested that this option is not pursued as in making their recommendations the Panel has carried out the review according to the terms of reference set by the Council. As such the proposed scheme has been developed as a whole so that the payments made reflect the expectations and responsibilities placed upon Councillors. If the Council is minded to amend the recommendations it is suggested that the IRP be asked to consider and comment on the proposed change before it is approved.

4. Consultation

4.1 A number of Councillors and Officers were consulted by the Independent Remuneration Panel while they carried out their review. Details of consultees are set out in the Panel's final report.

4.2 If the proposals are approved the Council must publish a statutory notice setting out details of the new scheme.

5. Timetable for Implementation

- 5.1 If the proposals are adopted it is recommended that they are introduced following the Annual meeting on 25 May 2023. It is proposed that the index is applied from 1 April 2023.

6. Financial Advice and Implications

- 6.1 In the 2022/23 budget the following allocations have been made for the payment of Members allowances:

Basic Allowances - £180,492

Special Responsibility Allowances - £47,882

Total - £228,374

- 6.2 If the proposals set out in the IRP report are approved the following provision would need to be made in the 2023/24 budget

Basic Allowances - £175,100

Special Responsibilities Allowances - £54,631

Total - £229,731

- 6.3 As a consequence there will need to be an additional commitment of £1,357 (plus any index linked increases) in 2023/24 and subsequent years.

Should Members approve the proposals, the additional commitment will be included in the draft budget for 2023/24 that is due to be considered by Members on 2nd March 2023.

- 6.4 The financial risk is assessed as low.

7. Legal Advice and Implications

- 7.1 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.

8. Equalities Implications

- 8.1 The IRP proposals provides clarity on when Dependent Carers Allowances can be claimed and updates how much can be claimed.

9. Climate Change Implications

- 9.1 There are no significant climate change implications arising from the proposals in the report however the revised scheme clarifies the mileage rates for electric vehicles and bicycles.

10. Risk Management

10.1 There are no other significant risks arising from these proposals

Report Authorisation

Approvals obtained on behalf of:-

	Named Officer	Date
Chief Executive	Paul Wilson	17/01/2023
Director of Resources (S.151 Officer)	Karen Henriksen	11/01/2023
Monitoring Officer	James McLaughlin	13/01/2023