

Review of the Members Allowances Scheme

at

South Derbyshire District Council

Report by the Independent Remuneration Panel

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1 Introduction: The Regulatory context

- 1.1 This report is a synopsis of the deliberations and recommendations of by the statutory Independent Remuneration Panel (the Panel) appointed by South Derbyshire District Council (SDDC) to provide advice on its Members' Allowances scheme.
- 1.2 The Panel was convened under *The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)* (the 2003 Regulations). These Regulations, arising out of the relevant provisions in the *Local Government Act 2000*, require all local authorities to maintain an independent remuneration panel (also known as an IRP) to review and provide advice on each council's Members' Allowances. This is in the context whereby the full council retains that powers of determination regarding Members Allowances (both the levels and the scope of remuneration) and other allowances/reimbursements.
- 1.3 Before a council exercises its powers of determination it is required to convene its Panel and seek its advice before it makes any changes or amendments to its Members Allowances scheme. In doing so each council must 'pay regard' to the Panel's recommendations before setting a new or amended Members Allowances scheme.
- 1.4 In particular, the Panel has been reconvened under the 2003 Regulations [10. (50)], which states:

'Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel established in respect of that authority on the application of an index to its scheme.'
- 1.5 This mechanism is the means by which a council is required to reconvene its Independent Remuneration Panel at least once every four years to ensure a degree of periodic public accountability for its Members Allowances scheme. Last year the previous Panel produced a review of the SDDC scheme under this requirement but the review was not approved and a new Panel was established. It is in this context that the Current Panel has undertaken a further review of Members Allowances for South Derbyshire District Council.

2 Terms of Reference

2.1 The report of the previous Panel that was considered by the Council on 5 November 2015 was not approved and a new Panel was appointed by full Council on 29 February 2016 and was given the following terms of reference for a review of the Council's Member Allowances scheme with the following terms of reference:

- to make recommendations on the amount of Basic Allowance that should be payable to members and the expenses it includes;
- to make recommendations on the categories of members who should receive a Special Responsibility Allowance and the amount of such an allowance;
- To make recommendations on the amount of co-optees allowances, where applicable;
- To make recommendations on travel and subsistence allowances;
- To make recommendations on the amount of Childcare and Dependent Carers' Allowances;
- To make recommendations on whether the allowances should continue to be adjusted in line with the average pay increases negotiated through the National Joint Committee for Local Government Employees or with reference to any other index or none;
- To make recommendations on the implementation date for the new Scheme of Allowances;
- To make recommendations on the Civic Allowances;
- To make recommendations on additional expenses received by members;
- To make recommendations on any other matters which the Panel considers necessary.

3 The Panel

3.1 The following members were appointed to the Panel by the Council at its meeting on 29 February 2016 to carry out a further independent review:

- **Richard Penn** Chairman and national representative

A former local authority chief executive, now an independent consultant. Between 2008 and 2016 the Chair of the Independent Remuneration Panel for Wales

- **John Burnton** Private sector representative

A local resident and businessman

- **William Saunders, OBE** Community representative

A former chief executive of a neighbouring local authority and local resident

3.2 The Panel has been ably supported by Ardip Kaur, the Council's Legal and Democratic Services Manager and Monitoring Officer, whose role was to support the proceedings and to take the organisational lead in facilitating the whole process with support from her team.

4 Process and methodology

4.1 Evidence reviewed by the Panel

The Panel met at the Civic Offices in Swadlincote between October 11 and 13 2016 to consider the evidence and hear representations from members, along with factual briefings about the Council by officers. All Council members were invited to make written submissions to the Panel (none of which were received) and all members who wished to meet with the Panel were accommodated as far as practically possible – see appendices one and two for details. The Panel also reviewed relevant written information, such as Council and Committee meetings schedules, benchmarking data and statutory guidance. The Panel meetings were held in private session to enable it to meet with members and officers and consider the evidence in confidence.

4.2 ‘Benchmarking’ - the SDDC comparator group of councils

The Panel has reviewed and evaluated the evidence and representations within a comparative context. In particular, the Panel has reviewed the benchmark material that was produced for the previous Panel that provides the scope and levels of allowances paid in South Derbyshire District Council (SDDC) against those paid in the 16 comparator Councils utilised for benchmarking purposes. The benchmarking group of Councils was made up of three sub groups:

- i. SDDC’s 6 nearest neighbours (2014 model) as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA). These authorities are those deemed closest to SDDC on a range of demographic, and social and economic criteria - this is done on a national basis.
- ii. adjacent district councils, or immediate neighbours - these are next door neighbours
- iii. the other Derbyshire district councils not otherwise included in sub groups I and II - these are county wide neighbours.¹

The Panel was concerned to understand how the issues under review have been addressed elsewhere (see Appendix 3 for summary of benchmarking information utilised by the Panel). Moreover, the Panel felt that it was important to place the SDDC Members Allowances scheme in a comparative perspective which can inform elected members on the wider picture and which in this case shows that SDDC members are currently comparatively speaking well remunerated.

¹ See Appendix 3 for more details.

5 Principles and purpose of a Members' Allowances scheme

5.1 Principles of remuneration

'Upholding trust and confidence'

Citizens rightly expect that all those who choose to serve in public authorities uphold the public trust by embracing the values and ethics implicit in such public service. The Principles underpin the contribution that the work of the Panel and the Scheme it recommends make towards upholding public trust and confidence.

'Simplicity'

The Scheme should be clear and understandable. This is essential for the Panel to be able to communicate its recommendations effectively to all those who are affected by, or who have an interest in, the Panel's work.

'Remuneration'

The Scheme provides for payment to members of the local authority who carry a responsibility for serving their identified communities of geography and of interest. The level of remuneration should not act as a barrier to taking up or continuing in post. There should be no requirement that resources necessary to enable the discharge of duties are funded from the payment. The Scheme should provide additional recompense for those who are given greater levels of responsibility.

'Diversity'

Democracy is strengthened when the membership of public authorities adequately reflects the demographic and cultural make-up of the communities served. The Panel should always take into account the contribution the Scheme can make in encouraging the participation of those who are significantly under-represented.

'Accountability'

Taxpayers and citizens have the right to receive value for money from public funds committed to the remuneration of those who are elected, appointed or co-opted to serve in the public interest. The Panel expects the Council to make information readily available about the activities of its members.

'Fairness'

As an essential test of the framework's fairness, the Panel ensures that its recommendations on remuneration for members take account of the earnings of the electorate in the community. The Scheme should be

capable of being applied consistently as a means of ensuring that levels of remuneration are fair, affordable and generally acceptable.

'Quality'

The Panel recognises that the complex mix of governance, scrutiny and regulatory duties incumbent upon members requires them to engage with a process of continuous quality improvement. The Panel expects members to undertake such training and personal development opportunities as are required by the Council to properly discharge the duties for which they are remunerated.

'Transparency'

Transparency of members' remuneration is in the public interest. The Scheme serves to ensure that knowledge of members' remuneration is made easily available to the public.

5.2 The purpose of a Members Allowances scheme

During meetings with members it was mentioned on more than one occasion that the allowances payable under the current SDDC Members Allowances scheme are insufficient to encourage a wider range of people to stand for Council. The Panel accepts that this may be the case, but allowances schemes are not designed for this purpose as they would need to be at levels so high that would not be publically acceptable. Some interviewees were not comfortable with the concept of the Allowances scheme having this objective as it would be contrary to the public service ethos if individuals were standing for and remaining on the Council for income reasons. The desire to serve local communities and residents should be the prime motivation for being a councillor.

The Panel shares the concern expressed by a number of members that the profile of the Council is not representative of the communities that make up SDDC. However, addressing this issue is not part of the remit of the Panel.

The policy intention behind the requirement for a bespoke Members' Allowances scheme for each Council in England is to enable and facilitate members' roles and responsibilities as far as practically possible while taking into account such factors as the nature of the Council, local economic conditions and good practice. The Panel has sought to recommend a Scheme that seeks to minimise financial barriers to public service so as to enable a wide range of people to become a councillor without incurring undue personal financial cost, and the Scheme should as far as possible recompense members for the time they devote to their role and to the responsibilities they carry.

5.3 The SDDC Members Allowances scheme

SDDC currently has a quite distinctive scheme - the comparative data shows that it pays a comparatively high Basic Allowance and in most instances the SRAs payable are also comparatively high. The Panel is satisfied that the Basic Allowance and SRAs payable in SDDC are not as high as initially perceived. While there is a relatively high Basic Allowance this is in the context of SDDC having fewer members than many comparator councils. SDDC has 36 Members and the statutory publication of allowances and expenses received by members of SDDC for 2014/15 shows that the total paid out in Basic Allowance was £218,709. The equivalent publication for North East Derbyshire Council show that council's Basic Allowance (£5,087) is almost £1,000 less than that paid in SDDC (£6,075). But as NEDC has 53 Members the total paid out in Basic Allowance was £266,757.

The other consideration has been that is that the comparatively high SRAs in SDDC are paid for fewer posts than in the comparator councils, so the total paid out in SRAs at SDDC is comparable with other councils. SDDC also has a more transparent model of remuneration as a result of which the public can understand the remuneration received by members. This is not always the case with comparator councils.

The total remuneration paid for functions such as the Chairman of Overview and Scrutiny Committee and Planning Committee is more comparable to that paid in peer councils than first appears. For instance, the SDDC scheme does not pay for multiple Overview and Scrutiny Chairmen, as is the case in North Kesteven which has 3 Overview and Scrutiny Panels with each Chair receiving an SRA of £3,125 giving a total of £9,375 to remunerate Members chairing O&S, whereas in SDDC there is one Overview and Scrutiny Committee with the Chair paid £9,248. Nor does SDDC pay a small SRA to all Planning Committee members which is the case in some of the comparator authorities.

The Panel further noted that the SDDC scheme restricts payment to 1 SRA which means that not all SRAs are not paid. By maintaining this principle, whilst there are minor decreases in allowances arising out of from the recommendations of the Panel there may be compensatory savings due to the 1-SRA only rule.

5.4 The economic context

While benchmarking needs to be put in context the current economic climate is complex. The Council is in comparatively good financial health and the South Derbyshire area in general is experiencing economic growth but the Council continues to need to find savings in the next few years. The Panel has to take the economic context both generally and for the Council into consideration in making its recommendations. However, the workloads and responsibilities of members of SDDC have not reduced and where they have changed the evidence suggests that they have got larger. At the time of the previous review in the spring of 2011,

SDDC was a high achieving Council and the evidence shows that this continues to be the case. The economic context has to be balanced against the continued demands placed upon Members.

The Panel takes the view that it would not be appropriate at this time to significantly increase the total spend on allowances, and even what may be a marginal increase in the current total spend has required strong evidence for the Panel to make any recommendation that results in additional expenditure.

This context has led the Panel to restricting itself to correcting current anomalies where they exist rather than undertake a fundamental re-setting of the whole allowances scheme. In addition, there are some clarifications required so as to remove ambiguity in the claiming of some allowances. Finally, it is recognised that local government is in a state of flux, how it operates now and the roles members undertake in the quickly evolving world of local and indeed sub regional government will also undergo change. This will set the context for the next review of allowances.

6 The Panel's recommendations

6.1 Basic Allowance

The previous Panel utilised the formulaic approach set out in the 2003 Statutory Guidance (paragraphs 67-69) which recommends the consideration of three variables in setting the Basic Allowance. That Panel 'recalibrated' the Basic Allowance by repeating the formulaic approach as set out in the 2003 Statutory Guidance but up-dated the variables to take into account the most recent rate of remuneration. This resulted in the following values:

- **time required to fulfil duties:**

the Basic Allowance is primarily a time-based payment (see 2003 Statutory Guidance paragraph 10). Since the 2007 review the Panel has utilized 99 days per year as the minimum required input from a member to fulfil those duties for which the Basic Allowance is paid, including preparing for and attending meetings, - both formal and informal, addressing constituents concerns, engaging with local communities, external appointments and other associated work including telephone calls, emails and meetings with officers.

The most up to date information available on what is a reasonable time expectation for which the Basic Allowance is paid comes from the 2013 Councillors Census. It shows that councillors in district councils who hold no positions of responsibility report that they put in on average 14 hours per week on "on council business". Leaving aside the issue of whether reported inputs are equivalent to time required, this is as close to the Panel's historic time assessment for SDDC members as to make no difference (assuming a working day between 7 - 7.5 hours).

The Panel for the purposes of this review has retained **99 days per year** as the expected time input from members

- **Public Service Discount:**

The Public Service Discount (PSD) recognizes the principle that not all of what a councillor does needs to be remunerated – there is an element of public service. This principle is realized by discounting an element of the expected time inputs associated with the Basic Allowance; in this case 1/3 of the 99 days per year. Thus 33 days annual workload is not remunerated. The proportion of 1/3 has been utilised as the standard PSD used by Panels in England – largely on the grounds that research shows that just over 28% of work by all councillors is dealing with ward/constituency issues and when other constituent/ward related activities are taken into account at least one third of councillors workload is spent representing local constituents and

communities² – thus deemed to be the *pro bono* element of a councillors' workload.

The Panel was not presented with any information to indicate that the current **PSD of 1/3** required revision.

- **rate of remuneration:**

The previous Panel utilised a rate of remuneration that most closely reflected the typical earnings of members' constituents. In late 2006 this was £90 per day, the median gross daily salary for all full time employees in the UK as published by the Office of National Statistics (ONS) in its Annual Survey of Hourly Earnings (ASHE). Panels have increasingly switched to a local authority specific rate of remuneration - largely because ASHE began to collect data on an authority by authority basis about 4 four years ago.

The previous Panel reset the rate of remuneration and based it on the median gross daily earnings of all full time employees who work within the boundaries of SDDC³. The ASHE survey shows the weekly figure to be £470.90 which equates to **£94 per day** to the nearest pound.

That Panel replicated the previous methodology with the day rate updated to produce the following recalibrated Basic Allowance:

99 days minus 1/3 PSD multiplied by £94 per day = £6,204

The current Basic Allowance (with indexation) is £6,175, thus it has not lost its value relative to the Basic Allowance in 2007. As previously indicated the current Panel did not revisit the Basic Allowance despite representation that it is not high enough to 'attract' a wider range of candidates to stand for council. The SDDC BA is already noticeably above the mean BA (£4,552) paid in the comparator group of councils.

Recommendation 1

The Panel therefore recommends no change to the current Basic Allowance (£6,175) payable in SDDC for 2016/17.

6.2 Support for telecommunications and broadband

² See Kettlewell, K. And Phillips, L. (2014), *Census of Local Authority Councillors 2013*, (LGA Research Report), Slough, NFER, Table 7 (p. 42) shows that out of an average weekly workload of 21.3 hours per week for all Councillors that they spend 6 hours per week on "engaging with constituents, surgeries, enquiries" and another 4.5 hours per week "working with community groups" (a proportion of which has been assumed to be ward/constituency related and not council related). Data is not broken down for district councils in this instance.

³ See ASHE, Table 7.1a - Weekly pay - gross - for full time employee jobs in SDDC 2014

Until the 2011 review members received an additional Telephone Allowance of £300 per year paid in addition to the Basic Allowance. It was designed to cover the additional telephone costs that arising from being a member. In addition members could have a phone line installed at their home with a broadband connection paid for by the Council.

In 2011 the Panel was persuaded that the Council was not making the most effective and efficient use of the telecoms infrastructure that was available. Consequently, in the 4th Report the Panel recommended the discontinuation of the annual £300 telephone allowance. It further recommended that those members who wished to seek support for the cost of their council-related communications may do so through one of the following options:

- the Council offers a line rental, including installation costs, and broadband package to members. This will now include a telephone for Council-related calls. This handset will utilise the broadband connection in place to become part of the Council's telephone system and to enable all calls to be routed through it
- alternatively, for those members wishing to continue to use their own broadband provider then they are able to seek reimbursement of up to a maximum of £15 per month upon the production of relevant receipts. In this case, members still have the opportunity to have a telephone provided by the Council to make Council-related calls. This utilises the member's broadband connection to enable the handset to become part of the Council's telephone system.

Although the Council previously accepted this recommendation it proved to be a less cost effective option than originally estimated when the one-off costs such as handsets, licences for software and 'power bricks' to provide either of the options available were taken into account. Consequently, the implementation of the recommendation was suspended and all members (bar those newly elected in May 2015) have continued to receive an annual £300 Telephone Allowance.

There is no justification to treat members differently in respect of the support they receive. Moreover, the world has moved on regarding information technology. It is now common practice for households to have a home telephone land line and to a lesser extent a broadband service as well as individuals owning a personal mobile phone. Packages are widely available that 'bundles' all three services for a flat rate monthly sum with the effect that the costs of telecommunications associated with member related duties are either zero or marginal and the concept of a Telephone Allowance is now outmoded and should be discontinued.

Recommendation 2

The Panel therefore recommends that the Telephone Allowance for

those members in office before May 2013 be discontinued

6.3 Special Responsibility Allowances

- **Leader of the Council**

The current SRA (£18,518) for the Leader of the Council was set at a multiple of three times the BA as it reflects the differential used nationally between a BA and a Leader's SRA, regardless of the type of council. The Leader's SRA and total remuneration package is at the higher end of the comparative spectrum. However, some Leaders (and other post holders) can be paid more than one SRA. Looking at the role of Leader of the Council in the South Derbyshire context, it remains the fact that the Leader's overall commitment if not quite a full time role does demand a significant time commitment that precludes full time employment. Many of the SRAs for Leaders in the benchmarking group have been explicitly set with a limited time commitment such as in High Peaks where the remuneration was expressly set with the model of a part time Leader in mind. The current total remuneration received (£24,693) by the SDDC Leader is still below the median annual gross full time salary for all employees in South Derbyshire, which in 2014 was £26,188 (ASHE Table 7.7a).

The Leader's role appears to have been the role that has changed most since 2011, particularly with regards to the post holder being on and working with the Local Enterprise Partnership (LEP - a statutory body) and involved in more partnership working generally. More recently the Leader has devoted more time and attention to the proposed Combined Authority for Derbyshire, Nottinghamshire and Leicestershire - and regardless of the final form of the Combined Authority the Leader will continue to work with it - most likely by being on the Combined Authority Leaders' Board in the future.

The SRA for the Leader was set in recognition that there is a regional role to undertake. While it may be more of a case of the regional role growing into the original assessment of the role rather than the SRA being too low the Panel received no evidence that the current SRA required revisiting at this stage.

Recommendation 3

The Panel recommends that the SRA for the Leader remains at £18,518 for 2016/17

Other SRAs

In arriving at the other recommended SRAs the Panel continued with the pro rata approach as advised in the 2003 Statutory Guidance (paragraph 76). In most cases the current ratios, as expressed as a percentage of

the Leader's SRA, have been maintained except where there is a compelling case to reset the original ratio.

- **Deputy Leader**

The Deputy Leader's SRA (£10,178) is set at 55% of the Leader's SRA. Again it is at the higher end of the comparative spectrum but the Panel has recognised that the role of Deputy Leader in SDDC is an active one, more so than in many of the comparator councils. While the Deputy Leader may no longer chair a Policy Committee the post holder has acquired a greater range of discrete tasks undertaken at the behest of the Leader such as being on more outside bodies due to the pressures on the Leader. The Deputy Leader also is required to deputise (within and outwith the Council) for the Leader more often than in the past for similar reasons.

Recommendation 4

The Panel recommends that the SRA for the Deputy Leader remains at £10,178 for 2016/17

- **Chairmen of Policy Committees**

Currently, the Chairmen of the three Policy Committees each receive an SRA (£9,249) set at 50% of the Leader's SRA. While this is at the high end of the comparative spectrum it is in a context whereby there are fewer Policy Committees (or equivalent) in the 5 out of 16 councils in the benchmarking group where such a post exists. No evidence was received to suggest the SRAs for the Chairmen of the three Policy Committees needed revising.

Recommendation 5

The Panel recommends that the SRA for the Chairmen of the three Policy Committees remains at £9,249 for 2016/17

- **Chairman of the Planning Committee**

Similarly, the Panel is content to maintain the current 50% ratio of the Leader's SRA as the appropriate pro rata in setting the SRA (£9,249) for the Chairman of the Planning Committee. This leaves it the highest SRA for a Planning Chairman vis-à-vis the comparator group. Yet, once more, it must be set in context where in some authorities, all members of the Planning Committee receive additional remuneration, such as in Amber Valley (£570 for all other 13 Members on Planning) and Newark & Sherwood

(£96 per site visit paid to all other 13 Members on Planning). This is not the case in SDDC.

The Planning Committee in SDDC is highly visible and attracts a lot of attention - the pressures of economic growth and development locally means the Chairman has to do a lot of background reading, including objections from residents, and has to handle meetings sensitively and fairly. The Panel received no evidence that the current SRA required revising.

Recommendation 6

The Panel recommends that the SRA for the Chairman of the Planning Committee remains at £9,249 for 2016/17

- **Chairman of the Overview and Scrutiny Committee**

Of all the posts considered for benchmarking purposes the SRA (£9,259) for the Chairman of the Overview and Scrutiny Committee is the one that is most above the mean SRA (£3,314). However, in SDDC there is only one remunerated Chairman of Overview and Scrutiny which is not the case in some of the comparator councils. For instance, the Chairmen of the 3 Overview and Scrutiny Panels in North Kesteven each receive an SRA of £3,125, with a total cost of £9,375. The Panel received no evidence to alter the current differentials of the SRA for the Chairman of Overview and Scrutiny which is paid on a par with the Chairmen of the other main committees - the previous Panel consistently promoted a flat rate model for the remuneration of the main committee chairmen.

Recommendation 7

The Panel recommends that the SRA for the Chairman of the Overview and Scrutiny Committee remains at £9,249 for 2016/17

- **Chairman of the Licensing and Appeals Committee**

The current SRA (£2,312) was set at 12.5% of the Leader's SRA. Benchmarking shows that the mean SRA paid to Chairmen of equivalent committees is £2,812. The Licensing and Appeals never meets as a full Committee and the work of the Committee is undertaken by the Licensing Appeals Sub Committees that carry out licensing appeals including liquor, housing, personnel and miscellaneous licensing. A Licensing and Appeals Sub Committee always consists of 3 members drawn from the parent committee

and it is constituted and meets as and when required. Over the past three years sub committee meetings have taken place 10-11 times per year. The default position is that the Chairman of the full Licensing and Appeals Committee chairs the sub committees unless there may be a conflict of interest. This represents a considerable workload for the post holder who also carries the responsibility for decisions made. Given this evidence the Panel has concluded that the SRA for the Chair of Licensing and Appeals Committee should be reset at 25% of the Leader's SRA.

Recommendation 8

The Panel recommends that the SRA for the Chairman of Licensing and Appeals Committee should be reset at £4,630, 25% of the Leader's SRA for 2016/17

- **Vice Chairmen of the Policy, Planning, Overview and Scrutiny Committees**

Currently each of the 5 Vice Chairmen of the main committees (the three Policy Committees, the Planning Committee and the Overview and Scrutiny Committee) receives an SRA of £2,312, set at 25% of the SRA for their respective Chairmen. The role of Vice Chairmen of the main committees is important for succession planning and without remuneration it could make having competent Vice Chairmen ready to step up to a Chairman's role harder to plan for. While the comparative picture is mixed, benchmarking shows that it is by no means unusual to pay a Committee Vice Chairmen an SRA - in the case of Planning Committees it is the more common practice.

While a Committee Vice Chairman is required to and indeed does step in for the Chairman when required the role does appear to be variable and for the most part dependent on the how their respective Chairmen view the role. However, the view of the Panel is that the role of Vice Chairmen continues to merit an SRA

Recommendation 9

The Panel recommends that the SRA for the Vice Chairmen of the three Policy Committees, the Planning Committee and the Overview and Scrutiny Committee remains at £2,312 for 2016/17

- **Chairman of the Audit Sub Committee**

The Panel received evidence that the Chairman of the Audit Sub Committee merited an SRA. Indeed benchmarking shows that the equivalent post is typically remunerated with a mean SRA of £2,525. The Panel recognises recognised that the Audit Sub

Committee has a vital role and has real impacts in posing financial challenge.

Given this evidence the Panel has concluded that the SRA for the Chair of the Audit Sub Committee should be reset at 25% of the Leader's SRA.

Recommendation 10

The Panel recommends that the SRA for the Chairman of the Audit Sub Committee should be set at £4,630, 25% of the Leader's SRA for 2016/17

- **The Leader and Deputy Leader of the Opposition**

No evidence was received to indicate that the SRA for the Opposition Leader (£9,249) and Deputy Leader (£2,312) required revising.

Recommendation 11

The Panel recommends that the SRA for the Leader and Deputy Leader of the Opposition continue to receive an SRA of £9,249 and £2,312 respectively for 2016/17

6.4 Confirmation of the '1 SRA only' rule

The 2003 Regulations do not prohibit the payment of multiple SRAs to members, as the benchmarking clearly shows. In line with good practice, SDDC has adopted a '1 SRA only' rule. In other words, regardless of the number of remunerated posts a member may hold they can be paid 1 SRA only. This cap on the payment of SRAs to members means that multiple posts are not sought for financial reasons. Indeed, the outcome of this approach is that posts tend to be spread around more. It also makes for a more transparent allowances scheme in that the published SRA for a post is the total SRA paid and is not topped up through multiple SRAs. Finally, in practice the '1 SRA only' rule means not all SRAs are actually paid which results in a small savings to the Council.

Recommendation 12

The Panel recommends that the Council continue to include a '1 SRA' only rule as part of the SDDC Members' Allowances scheme

6.5 Co-optees' Allowances

Currently there are no co-optees in receipt of a co-optees' Allowance and no evidence was received to indicate that this situation should be changed.

Recommendation 13

The Panel recommends that a Co-optees' Allowance is not made available in 216/17 to any Co-optee the Council chooses to appoint to its Committees and/or Panels

6.6 Dependants' Carers' Allowance (DCA)

The Local Government Act 2000 explicitly clarifies the right of local authorities to pay a Dependants' Carers' Allowance (DCA), which members can claim to assist in meeting care costs for their dependants while undertaking approved Council duties. It is an allowance explicitly designed to enable a wider range of candidates to stand for and remain on Council. It has rarely been claimed by SDDC members but the Panel considers that the principle behind the DCA is sound. This allowance is now almost universally available in English local authorities.

Recommendation 14

The Panel recommends that the DCA and the terms and conditions under which it can be claimed are maintained for 2016/17

6.7 Travel and Subsistence Allowances

Subsistence Allowance

There were no issues brought to the Panel's attention regarding the scope and levels payable under the Subsistence Allowance scheme. There is no subsistence allowance payable for members attending in-authority approved duties. For attending out of authority approved duties schedule 2 of the SDDC allowances scheme states that subsistence is payable "at the *current* rates if not pre-booked by the Authority". In effect the 'current' rates are the same that apply to officers. However, for clarification purposes and to be fully compliant with the 2003 Regulations the actual subsistence rates need setting out in the allowances scheme in Schedule 2 thus ensuring maximum transparency and removing any ambiguity regarding the subsistence rates payable.

Recommendation 15

The Panel recommends that the maximum subsistence and overnight accommodation rates that members may claim for undertaking approved duties out of the authority are set out in Schedule 2 of the SDDC Members' Allowances scheme. The Panel recommends that the current rates and terms and conditions of the Subsistence Allowances scheme should apply in 2016/17

Travel Allowance - Mileage

The current mileage rates that members can claim for undertaking

approved duties are based on the approved mileage rates as published by Her Majesty's Revenue and Customs (HMRC). These mileage rates have the advantage of not incurring any tax or national insurance liability for members. They are now the most prevalent mileage rates for members in British local government and the Panel received no evidence that they required revision.

Recommendation 16

The Panel recommends that the Council continues to pay mileage rates claimable by members for attending approved duties at the HMRC mileage rates

Extending the list of 'approved duties' to cover attendance at Parish/Town Council meetings

The Panel was asked to extend the current list of 'approved duties' to allow claims for travel when members attend Parish and Town Council meetings in their wards. The Panel understands that members who represent wards that contain parish councils feel they need to attend their parish council meetings.

Recommendation 17

The Panel recommends that attendance at meetings of Parish and Town Councils within their wards to be included in the list of approved duties for which members can claim a mileage allowance. Furthermore, that the current terms and conditions applicable for which members can claim travel mileage allowances and the reimbursement of public transport (where used) remain unchanged

6.8 Civic Allowances

The Panel considered the current Civic Allowances payable to the Chairman (£7,649) and Vice Chairman (£1,982) of the Council. The Civic Allowances are paid under the Local Government Act 1972 (sections 3.5 and 5.4), not as remuneration (although in many authorities it has in effect become a substitute salary), but to meet the expenses of holding the office of Chairman and Vice-Chairman of the Council.

There have already been substantial savings in the support costs for the Chairman and Vice Chairman mostly arising from the discontinuation of the provision of a civic car and chauffeur. The role has been re-defined with attendance at civic functions or to functions where the Chairman has been invited limited to within the authority or authorities adjacent to SDDC. The Chairman and where relevant the Vice Chairman of the Council now have to drive themselves.

More importantly the Chairman and Deputy Chairman now attend a lot less formal functions than previously, particularly outside of SDDC. It is recognised that there is more to the role of Chairman than attending civic

functions, such as being the 'champion of unsung local heroes'.

Recommendation 18

The Panel recommends that the Council Chairman's Civic Allowance remains at £7,649 per annum and the Civic Allowance for the Vice Chairman of the Council remains at £1,982 per year for 2016/17

Recommendation 19

To ensure that they are not 'out of pocket' the Panel also recommends that the SDDC Members' Allowances scheme is clarified so that the Chairman and Vice Chairman of the Council are able to claim travel and subsistence for undertaking their civic duties subject to the maximum rates and conditions that apply. It is also recommended that on those occasions when there is an expectation that the Chairman or Vice Chairman would partake of alcoholic beverage, and/or when there may be health and safety issues in respect of the civic chain, taxi fares to and from the event should be remunerated.

6.9 Indexing

Recommendation 20

The Panel recommends the application of the following indices for allowances:

- ***Basic Allowance, SRAs and Civic Allowances:***

to be increased by the same percentage applied annually to the pay of local government staff, implemented each April (linked to spinal column point 49 of the NJC scheme).

- ***Travel:***

Mileage rates at the rates approved by HMRC for cars, motor cycles, bicycles, including the passenger supplement rate where applicable. Other travel will be on the basis of reimbursement of actual costs taking into account the most cost-effective means of transport available and the convenience of use.

- ***Subsistence (out of authority only):***

The same rates that apply to officers of SDDC, with reimbursement of actual costs up to the maximum rate applicable as laid out in Schedule 2 of the allowances scheme.

6.10 Implementation

Recommendation 21

The Panel recommends that the recommendations contained in this report (with any amendments) be implemented from the date of the Council meeting at which the revised Allowances Scheme is adopted

Appendix 1

SDDC Members and officers who met with the Panel

Members

Councillor Murray	Chairman of the Council
Councillor Wheeler	Leader of the Council and Leader of the Conservative Group
Councillor Mrs Coyle	Deputy Leader of the Council and Deputy Leader of the Conservative Group

Councillor Harrison	Chairman of Finance and Management Committee
Councillor Watson	Chairman of Environmental and Development Services Committee
Councillor Hewlett	Chairman of Housing and Community Services Committee
Councillor Roberts	Chairman of Planning Committee
Councillor Mrs Patten	Chairman of Licensing and Appeals Committee
Councillor Swann	Vice Chairman of Overview and Scrutiny Committee
Councillor Grant	Chairman of Audit Sub Committee
Councillor Richards	Leader of the Opposition (Labour Group)
Councillor Southerd	Deputy Leader of the Opposition (Labour Group)

Officers

Mr. F.B. McArdle	Chief Executive
Ms. A. Kaur	Solicitor, Legal & Democratic Services Manager & Monitoring Officer

Appendix 2

Information used by the Panel

1. Terms of reference as agreed by the Council on 29 February 2016 Section 3.4, including full report.
2. SDDC Members Allowances Scheme (2015/16) including DCA, travel and out of authority subsistence rates and any other support Members receive
3. SDDC statutory annual publication that summarizes allowances and expenses paid/claimed (2014/15) for each Member, including sub totals for each category

4. Consolidated Guidance for Panels and Regulations May 2003 (Department of Communities and Local Government)
5. Flow Chart showing political structures of the Council, committees and sub committees, etc
6. Membership of main committees, sub committees and panels, including Chair and Vice Chairmen
7. Remit or responsibility for functions for main committees and sub committees, including meetings schedule 2015/16
8. Benchmarking information summarizing allowances paid in neighbouring/comparator authorities 2015/16
9. The Fifth Report of the Independent Remuneration Panel (November 2015)
10. Councillors Census 2013 data showing mean hours worked by Councillors broken down by type of council and positions held
11. The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)
12. Member role profiles
13. SDDC Expenses Policy & Guidance on claiming expenses

Appendix 3: Benchmarking Allowances for South Derbyshire District Council

BM1 S. Derbyshire DC Comparator Group: BA + Policy & Scrutiny SRAs 2015/16										
Authority	Basic Allowance	Leader	Leader Total	Deputy Leader	Chairs Policy or Service Committees	Vice Chairs Policy Committees	Chair Main O&S	Vice Chair Main O&S	Chairs of Scrutiny	Vice Chairs of Scrutiny
Amber Valley	£3,800	£11,390	£15,190	£5,725	NA	NA	£2,280			
Bolsover	£9,902	£14,672	£24,574	£9,781	NA	NA			£3,260	£1,630
Chesterfield	£4,421	£27,785	£32,206	£15,285	NA	NA			£4,654	£2,327
Chorley*	£4,379	£13,213	£17,592	£4,091	NA	NA	£4,379	£1,460	£322	
Derbyshire Dales	£4,243	£10,658	£14,901	£7,319	£4,408	£1,454				
East Norants	£4,600	£8,000	£12,600	£5,000	£3,683	£1,228	£3,250	£1,083		
East Staffs	£4,540	£18,417	£22,957	£9,208	£9,208				£1,842	
Erewash*	£3,848	£12,754	£16,602	£6,374	NA	NA	£3,377	£1,124		
High Peak 13/14	£3,002	£9,905	£12,907	£5,942	NA	NA			£1,980	
Hinckley & Bosworth*	£3,275	£11,735	£15,010		NA	NA	£2,455			
Newark & Sherwood	£4,279	£9,774	£14,053	£6,799	£5,298	£977				
NE Derbyshire*	£5,171	£17,777	£22,948	£12,774					£3,890	£1,294
N. Kesteven	£4,550	£13,158	£17,708	£8,421	NA	NA			£3,125	£1,002
N. Warwickshire*	£4,942	£10,987	£15,929		£4,983	£1,745	£4,983			
NW Leicestershire	£3,780	£15,120	£18,900	£9,450	NA		£4,914			
Selby*	£4,115	£10,288	£14,403		NA		£3,087			
S. Derbyshire	£6,175	£18,518	£24,693	£10,178	£9,249	£2,312	£9,249	£2,312		
Mean	£4,553	£13,477	£18,030	£8,167	£5,516	£1,351	£3,591	£1,222	£2,725	£1,563
Highest	£9,902	£27,785	£32,206	£15,285	£9,208	£1,745	£4,983	£1,460	£4,654	£2,327
Lowest	£3,002	£8,000	£12,600	£4,091	£3,683	£977	£2,280	£1,083	£322	£1,002

* Denotes scheme is 2014/15 - latest publicly available data

BM2: SDDC Comparator Group: Regulatory & Related SRAs 2015/16										
Authority	Chair of Planning	V/Chair of Planning	Members Planning	Chair of Licensing	V/Chair Licensing	Chair Licensing Panel[s]	Chair of Audit &/or Governance	Vice Chair Audit &/or Governance	Chair HR or Employment	Chair Standards
Amber Valley	£2,280		£570	£1,710			£2,280			£1,710
Bolsover	£4,891	£2,445		£2,445	£1,222					
Chesterfield	£4,629			£4,629			£2,277		£3,491	
Chorley*	£2,964	£1,460		£2,964	£1,460		£1,751			
Derbyshire Dales**	£4,402	£1,466		£1,066	£852					
East Norants	£3,683	£1,228		£2,000	£600		£3,250	£1,083	£1,228	
East Staffs	£6,446			£4,604			£1,842			£921
Erewash*	£3,377	£1,124		£3,377	£1,124	£3,377	£3,377	£1,124		£3,377
High Peak 13/14	£2,970	£1,485		£600	£300		£1,980			
Hinckley & Bosworth*	£2,455			£2,455			£1,645		£1,645	
Newark & Sherwood	£3,797	£595	£96 site visits	£3,129	£460		£1,795			£1,795
NE Derbyshire*	£7,779	£1,294								£3,890
N. Kesteven	£4,497	£1,261		£2,200	£500		£3,125	£1,022		
N. Warwickshire*	£4,983									
NW Leicestershire	£4,914			£4,914			£4,914			
Selby*	£4,115			£4,115			£2,058			
S. Derbyshire	£9,249	£2,312		£2,312						
Mean	£4,261	£1,373		£2,872	£815		£2,525	£1,076	£2,121	£2,339
Highest	£7,779	£2,445		£4,914	£1,460		£4,914	£1,124	£3,491	£3,890
Lowest	£2,280	£595		£600	£300		£1,645	£1,022	£1,228	£921

* Denotes scheme is 2014/15 - latest publicly available data

** Derbyshire Dales has 2 Area DCCs with Chairs & Vice Chairs each receiving an SRA of £2,201 & £733 respectively

BM3: SDDC Comparator Group Opposition & Other SRAs & Comments 2015/16				
Authority	Main Opposition Leader	Main Opposition Deputy Leader	2nd Opposition Group Leader	Other SRAs/Comments
Amber Valley	£2,850			Broadband & Printer Consumables Allowance £250
Bolsover	£4,891			
Chesterfield	£8,686	£4,342		Telecommunications Allowance £300 per year
Chorley*	£6,782	£1,908	£1,908	Other minor SRAs payable
Derbyshire Dales	£1,807		£1,445	More than 1 SRA payable
East Norants	£3,683			Finance Chair & Vice Chair get SRA £1,000 & £250 respectively
East Staffs	£9,208		£921	BA inclusive of Broadband & Tel, 70% attendance or 12th instalment withheld
Erewash*	£4,969			Chair & Vice Chair Driver's Licensing Panel £3,377 & £1,124 respectively, Vice Chair Standards £1,124, Tel line rental paid + £100 costs for SRA holders
High Peak 13/14	£1,980			Broadband Allowance up to £216 per year
Hinckley & Bosworth*	£2,455		£2,455	Chair Appeals £1,645
Newark & Sherwood	£3,797		£795	Opposition Spokespersons £977
NE Derbyshire*	£4,915			Vice Chair Standards £1,294, Broadband provided or reimbursed
N. Kesteven	Not specified			V/Chair Scrutiny Panels £1,002, 75% of 2nd SRA paid & £100 ICT Allowance
North Warwickshire*	£1,162 + £233 per member	£1,745	£1,162 + £233 per member	Chairs Sub Committees £1,745, Appeals Panel Members £260, Area Chairs £873
NW Leicestershire	£3,780		£3,780	
Selby*	£2,058			Chair Policy Review £3,087, Majority Group Leader £2,058
S. Derbyshire	£9,249	£2,312		Telecommunications support provided
Mean	£4,419	£2,665	£1,884	
Highest	£9,208	£4,342	£3,780	

Lowest	£1,807	£1,745	£795	
* Denotes scheme is 2014/15 - latest publicly available data				