

**A Review
Of
Members' Allowances
For
South Derbyshire
District Council**

The Fourth Report

By

**The Independent
Remuneration Panel**

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April 2011

Foreword

This is the fourth report produced by the Independent Remuneration Panel (the Panel) for South Derbyshire District Council arising out of its review of Members' Allowances.

The original Panel was established in summer 2001 (as required by statute) to make recommendations to the Council on the range and levels of remuneration for the Authority's Members. It was undertaken as part of the wider modernisation agenda that was going on at the time throughout local government in England and Wales. The first report was produced in November 2001, in light of limited experience of the new roles and structures, and the Panel made recommendations accordingly, i.e. limited in scope and range, which were largely accepted by the Council.

South Derbyshire District Council (SDDC) was required (as were all local authorities) under *The Local Authorities (Members' Allowances) (England) Regulations 2003*¹ (the 2003 Regulations) and subsequent amendments, to re-establish its Panel to make recommendations on certain associated allowances before 31 December 2003. The Panel also took the opportunity to undertake a wider review of allowances in light of experience by Members operating within the reformed political management structures. Consequently, a substantially revised and enhanced Members' Allowances Scheme was recommended (and subsequently adopted by Council) in October 2003, as the Panel recognised that the scope and nature of roles undertaken by Members had outgrown the previous Allowances Scheme in terms of providing the appropriate recompense. The second review in September-October 2003 set the framework, and scope and levels of the South Derbyshire District Council Members' Allowances Scheme that has more or less remained in place to this day.

There was a further review in the summer of 2007, as required by the 2003 Regulations. In particular, the 2003 Regulations require all Councils to seek advice from its Panel at least every four years, and that deadline arose by the end of the summer of 2007. The third review did not recommend major changes to the allowances scheme; it sought primarily to address anomalies.

Similarly, this review was prompted by the looming deadline imposed by the 4-year rule. The deadline to convene the Panel and complete its work does not occur until the end of the summer of 2011. However, the Council has decided to bring the review forward so that any changes to the Allowances Scheme will be completed before the new Council is convened after the May 2011 elections, rather than elect a new Council and then review the Scheme.

Once more, the Panel has concluded that the current Members' Allowances framework remains broadly appropriate, and has stood the test of time. The Panel has sought to address any anomalies in the current scheme rather than revisit the fundamental framework upon which the Scheme is based.

While it is never a good time to review Members' Allowances, the Panel is cognisant

¹ See Statutory Instruments 2003 Nos. 1021, 1022 and 1692 for further details.

that now is a particularly challenging time to do so in light of the difficulties facing local government and the public sector in general. The Panel, while mindful of the current economic climate, has sought to balance this context against what it judges the posts under consideration are worth. The role of the Panel has been to balance the requirement that the Council provides proper remuneration for being an elected Member, while ensuring that a degree of public accountability is brought to bear on the Council's right to determine its own Members' Allowances Scheme.

Dr Declan Hall
Chair of the Independent Remuneration Panel
April 2011

Summary of Remuneration Panel's Recommendations

Post	Number	Basic Allowance	Special Responsibility Allowance	Total per Member	SRA Totals
Basic Allowance					
All Members	36	£5,982			
Special Responsibility Allowances					
Band One					
Leader	1	£5,982	£17,940	£23,922	£17,940
Band Two					
Deputy Leader	1	£5,982	£9,860	£15,842	£9,860
Band Three					
Chairmen of Policy Committees ²	3	£5,982	£8,960	£14,942	£26,880
Chairman of Planning Committee	1	£5,982	£8,960	£14,942	£8,960
Leader of Opposition Group	1	£5,982	£8,960	£14,942	£8,960
Chairman of Overview and Scrutiny Committee	1	£5,982	£8,960	£14,942	£8,960
Band Four					
Chairman of Licensing & Appeals Committee	1	£5,982	£2,240	£8,222	£2,240
Vice-Chairmen of Policy Committees	3	£5,982	£2,240	£8,222	£6,720
Vice-Chairman of Planning Committee	1	£5,982	£2,240	£8,222	£2,240
Vice-Chairman of Overview & Scrutiny Committee	1	£5,982	£2,240	£8,222	£2,240
Deputy Leader of Opposition	1	£5,982	£2,240	£8,222	£2,240
Sub Totals	15	£215,352			£97,240
TOTALS					£312,592
Co-optees' Allowances					
Chairman of Standards Committee	1		£2,240		£2,240
Other Co-optees on Standards Committee	7		£300		£2,100
OVERALL TOTAL					£316,932

The Independent Remuneration Panel also recommends the following:

1-SRA Only Rule

- I. As per current practice, the Council should continue with the 1-SRA only rule regardless of the number of remunerated posts a Member may hold.

The Local Government Pension Scheme (LGPS)

- II. All Members should continue to be eligible to join the Local Government Pension Scheme, to include both their Basic Allowance and SRAs and it is for the Council to make the decision on its applicability.

The Dependants' Carers' Allowance (DCA)

² Due to the 1-SRA only rule and the fact that the current Deputy Leader is also a Chairman of a Policy Committee, there is currently only 2 SRAs payable for the Chairmen of the Policy Committees.

- III. The Council maintains the current Dependants' Carers' Allowance (DCA) for Members with dependants. The Panel further recommends that the full scope, terms and conditions are inserted into a schedule appended to the allowances scheme with the following provisions highlighted:
- That the reimbursement for care of any dependants while a Member is undertaking an approved duty is not restricted to formal carers.
 - Care can be provided by informal carers.
 - In all cases, regardless of who has provided the care, a receipt from the carer must be produced by the claimant seeking reimbursement.
 - It should also be noted that the claiming of the DCA is restricted by statute to a defined list of approved duties that are listed in the 2003 Regulations.

Travel and Subsistence Allowances

The Subsistence Allowance

- IV. The Panel does not recommend any changes to the current rates and terms and conditions of the Subsistence Allowances scheme for 2011/12.

The Travel Allowance - Mileage

- V. That the Council changes the mileage rates claimable by Members for attending approved duties to the HMRC mileage rates as laid out below:

HMRC Mileage Rates 2010/11

Vehicle Type	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	40p ³	25p
Motor cycles	24p	24p
Bicycles	20p	20p
Passenger Supplement Rate	5p per passenger	5p per passenger

The Current List of Approved Duties

- VI. 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. This includes the definition of approved duties, which the Panel does not deem to include attending parish council meetings or for constituency work.

The Telephone Allowance

³ The HMRC car/van mileage rate will increase to 45p per mile, for the first 10,000 miles, with effect from 6 April 2011. It will remain at 25p per mile after 10,000 miles.

- VII. That the annual telephone allowance of £300 per year be discontinued, as it is outmoded and no longer cost-effective. Those Members who wish to seek support in the cost of their council-related communications may do so through one of the following options:-
- The Council will offer 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.
 - If Members wish to continue to use their own broadband provider then they should be able to seek reimbursement of up to the equivalent amount the Council has to pay for broadband, based on actual costs upon the production of receipts. This will be up to a maximum of £15 per month.

Confirmation of Implementation and Indexing

- VIII. That the recommendations within this report (with any amendments) be implemented from the Annual Meeting of the Council on 19th May 2011, bar the discontinuation of the telephone allowance, which should cease on 31st December 2011.
- IX. Furthermore, the Panel recommends and confirms the use of the following indices for allowances for the next four years:
- **Basic Allowance, SRAs and Co-optees' Allowances:** increased by same percentage applied annually to the pay of local government staff, implemented each April (linked to spinal column point 49 of the NJC scheme), backdated to the date of the Council Annual Meeting on 19th May 2011.
 - **Travel:** Mileage rates to be indexed to the rates approved by HMRC for cars, motor cycles, bicycles, including the passenger supplement rate where applicable. Other travel will be 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):** indexed to the same rates that applies to Officers of South Derbyshire District Council, for reimbursement of actual costs up to the maximum rate applicable.
- X. The Panel further recommends that as per regulations, the indexation recommended by the Panel be utilised for four years, or until the Council requires a further review.

Issues Arising – The Chairman of the Council and the Civic Allowances

- XI. The Panel suggests that the Council reviews the current Civic Allowances in South Derbyshire District Council to ascertain if they are still appropriate, or merit any annual increase that may apply to the Basic Allowance and SRAs, and that the purpose of the Civic Allowances is made clear to post holders.

Independent Remuneration Panel:

Review of Members' Allowances

For

South Derbyshire District Council

The Fourth Report

Introduction: The Regulatory Context

1. This report is a synopsis of the proceedings and recommendations made by the statutory Independent Remuneration Panel (the Panel) appointed by South Derbyshire District Council to advise the Council on its current Members' Allowances Scheme.
2. The Panel was convened under *The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)* (the 2003 Regulations – which replaced the 2001 Regulations). These regulations, which arise 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 to Councils on Members' allowances. This is in the context whereby the Councillors are able to determine their own levels of remuneration, and much of the scope of other allowances.
3. All Councils are required to convene their Remuneration Panel and seek its advice before they make any changes or amendments to their allowances scheme and they must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.
4. In particular, the Panel has been reconvened under the *2003 Regulations [10. (5)]*, 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.
5. This mechanism is utilised to oblige all Councils to reconvene their Independent Remuneration Panel at least once every four years to ensure a degree of public accountability vis-à-vis their Members' Allowances Schemes. It is under this requirement that the Panel has undertaken this review of Members' Allowances for South Derbyshire District Council.

Terms of Reference

6. The Panel was given the following terms of reference as agreed by Full Council in a report from the Chief Executive on 20th January 2011:
 - i To make recommendations on the allowances currently payable under the Council's Members' Allowances Scheme;
 - ii To make recommendations on any other allowances which the Panel considers should be payable under the Scheme;
 - iii To make recommendations on any other allowances which the Panel considers necessary.

The Panel

7. South Derbyshire District Council reconvened its Independent Remuneration Panel and the following Panel Members were appointed to carry out the independent allowances review, namely:
 - John Burton, Vice-Chairman of Swadlincote Chamber of Trade and a local businessperson and resident.
 - Dr. Declan L. G. Hall, Chair of the Panel, a former academic at the Institute of Local Government, School of Public Policy, The University of Birmingham), now an independent consultant specialising in Members' allowances and support.
 - Clive Keble, member of the South Derbyshire Partnership Board and employee of the National Forest Company.
8. The Panel was ably assisted by Neil Betteridge, Democratic Services Manager, who acted as the 'Panellist's' Friend', and whose role was to support the proceedings and take the organisational lead in facilitating the whole process.
9. The Panel would like to record its gratitude to the Members and Officers of South Derbyshire District Council for making themselves available to meet with the Panel. In particular, the Panel would like to record its gratitude to Neil Betteridge, who was invaluable in ensuring that the Panel was organised and operated in an efficient and effective fashion by facilitating its requests for information and who ensured that the whole process operated smoothly.

Process and Methodology

Evidence Reviewed by the Panel

10. The Panel met at the Civic Offices, Swadlincote on 1st – 2nd March 2011. The Panel meetings were held in private session to enable the Panel to meet with Members and Officers in confidence.
11. In arriving at its recommendations, the Panel specifically took into account the following range of evidence:

- Any changes in roles and responsibilities of Members since the previous review
 - The views of Members, both written and oral
 - Any issues to consider in a presentation from the Chair of the Panel
 - Scope and levels of allowances payable in other comparable authorities, insofar as information is obtainable, but with specific reference to the South Derbyshire District Council 'Near Neighbour' group of authorities and authorities adjacent to South Derbyshire
 - Other relevant supporting material such the guidance from Department of Communities and Local Government (DCLG), the meetings schedule of the Council and its committees
12. All Members were invited to make written submissions to the Panel and all Members who wished to meet with the Panel were accommodated as far as practically possible (See Appendix 1 for Members and Officers who met with the Panel and Appendix 2 for full range of evidence considered by the Panel).

Considering the Evidence

13. The Panel took a tiered approach in considering the evidence. It is required to operate within the broad statutory framework laid down by the 2006 Members' Allowances Statutory Guidance and 2003 Regulations. The 2003 Regulations establishes the legal framework within which the Panel is required to operate, i.e. providing discretionary authority for the payment of SRAs, and Travel and Subsistence Allowances, while mandating the payment of a Basic Allowance that is paid equally to all Members. Within this legislative context, the Panel has an obligation to pay regard to the 2006 Statutory Guidance, which for instance mandates certain considerations for Panels in reaching their recommendations vis-à-vis the Basic Allowance, SRAs and the Travel and Subsistence Allowances' Scheme and the scope of such a Scheme.
14. The next level of evidence considered by the Panel was the representations made by the Members, both oral and written, which obtained the views of the Groups and individual Members of the Council. The interviews in particular were deliberative in nature and provided the Panel with a qualitative feel of the issues facing elected Members in relation to the topics under consideration. The meetings with Officers were primarily to gather the factual context.
15. Finally, all the evidence and representations have been reviewed and evaluated within the comparative context. In particular, the Panel has benchmarked the scope and levels of allowances paid in South Derbyshire District Council against those paid in comparative authorities. While it is difficult to make systematic comparisons, the Panel has undertaken benchmarking, where relevant figures can be obtained. In particular, it has utilised the updated (2010) Chartered Institute of Public Finance and Accountancy (CIPFA) list of South Derbyshire's 12 'Nearest Neighbours' district councils as the principal relevant comparator group of authorities. These authorities are those deemed closest to South Derbyshire District Council on a range of demographic, and social and economic criteria. The

Panel has also included all the other districts in Derbyshire and geographically adjacent districts for benchmarking purposes to provide a Derbyshire and sub-regional perspective.⁴

16. The Panel has not been driven by the rates and levels of allowances paid across the comparator authorities but was in the very least concerned to understand how the issues under review have been addressed elsewhere, i.e. what is the most common and good practice (See Appendix 3 for summary of benchmarking information utilised by the Panel).

The Evidence Reviewed: Findings

Key Messages and Observations

The Role of the Panel and Current Economic Context

17. The prime role of the Panel is to assess what it judges the roles and posts under review are worth, based on the evaluation of the evidence. Yet, the Panel has to be aware of the current economic climate both generally, where many residents of South Derbyshire District are facing uncertain economic future and internally, where the Council is seeking further cuts in expenditure. This has led the Panel to take the view that it would be reluctant to significantly increase the total spend on allowances, and even a marginal increase in total spend would require strong evidence for the Panel to make such a recommendation. As it turns out, the recommendations contained in this report will, if adopted by Council, result in savings on the current Members' Allowances Scheme and the cost of supporting Members – a view that was generally supported by the representations received by the Panel.
18. Yet, it is also noted that the workloads and responsibilities of elected Members of South Derbyshire DC have not changed significantly. The Council continues to address the high growth agenda and the enhanced partnership working that accompanies this agenda, particularly affecting upon senior Councillors. Indeed, under the previous assessment of the Council, South Derbyshire was a high achieving Council and it strives to continue to be so. Furthermore, while the Council is seeking further cuts in expenditure, it does not mean Members are doing less. The economic context has to be balanced against the continued demands placed upon Members. Despite the current local government Minister arguing that elected Members should be “arms length volunteers”, it is unrealistic to not at least provide a degree of support and recognition through the Allowances Scheme to ensure proper democratic representation and fulfilment of the duties they are required to carry out.

⁴ A number of districts fall within both comparator groups – CIPFA near neighbours and the geographical/county peer authorities, including High Peak, Hinckley & Bosworth, North Warwickshire, and Amber Valley.

The South Derbyshire District Council Members' Remuneration Model

19. The Panel concluded that the original methodology utilised in arriving at the levels of allowances for South Derbyshire District Council elected Members remains valid. If the same methodology was applied to the Basic Allowance that was applied in arriving at the recommended Basic Allowance in the 2007 review but updated with the April 2010 gross median daily earnings (£100), it would produce a tentative Basic Allowance of £6,300 (see below). However, the Panel has decided not to directly replicate the previous methodology as there was no appetite amongst the interviewees and the comparative picture shows that the allowances in South Derbyshire District Council are (with some health warnings) at the higher end of the comparative spectrum.
20. The comparative data does indeed show that for many of the allowances paid in South Derbyshire District Council they are relatively high. The Panel took the opportunity to discuss this in some depth. However, the Panel was content that the Basic Allowance and SRAs payable in South Derbyshire District Council are not as high as initially perceived, due to the South Derbyshire District Council model of remuneration.
21. While a number of SRAs payable are indeed the highest or towards the higher end of the levels paid across the comparator group, the number of SRAs payable in South Derbyshire District Council is not as extensive as in the comparator authorities. The SRAs payable in South Derbyshire District Council take the role and responsibilities of the post 'in the round' into account and do not 'build up' remuneration through the collection of remunerable posts, as does occur in some of the comparator authorities. It also leads to a more transparent model of remuneration in which both peers and the public can understand the level of remuneration received by Members, whereas in other comparator authority schemes a degree of obfuscation may be detected.
22. Moreover, the South Derbyshire District Council model also ensures that the total remuneration paid for the respective function, such as Overview and Scrutiny, or Planning is more often comparable to that paid in the near neighbours than it first appears. For instance, the South Derbyshire District Council scheme does not pay for multiple Overview and Scrutiny Chairmen or pay an SRA to all Planning Members, which does occur in some of the comparator authorities.
23. Within this context the Panel further notes that the South Derbyshire District Council model of paying SRAs – i.e. a Member can draw down 1-SRA only regardless of the number of remunerated posts a Member may hold – means that not all SRAs may be paid. By maintaining this principle, it means that while there are headline minor decreases in allowances arising out of the recommendations below, the reality will be that there may be further savings due to the 1-SRA only rule.

A Robust Scheme

24. The contextual comparisons aside, the evidence reviewed by the Panel indicated that increases in allowances or additional remunerated posts could not be justified. This, and the broader context, means that the Panel has sought to correct current anomalies where they exist rather than undertake a fundamental re-setting of the whole Allowances Scheme.

RECOMMENDATIONS

The Basic Allowance

Calculating the Basic Allowance (2007)

25. In 2007, the Panel calculated the Basic Allowance for Members of South Derbyshire District Council (2007/08) based on the following formula:
- 99 days minimum annual expected mean input – 33 days per year Public Service Discount = 66 remunerated days per year
 - 66 days per year x £90 per day = **£5,940**
26. This sum was discounted by £300 to take into account the fact that Members receive an annual £300 telephone allowance, which, in 2007, produced a recommended Basic Allowance of £5,640. The 2010/11 Basic Allowance of £5,982 reflects the impact of indexation.
27. The Panel received no evidence that the expected time inputs and the public service discount should be revisited. The £90 per day as the benchmark for assessing Members worth in 2007 was based on the GB gross median daily salary in 2006. The Panel notes that the latest figure is now £100 per day.⁵
28. Thus, if the Panel replicated the previous methodology with the day rate updated it would produce the following calculation:
- 99 days minimum annual expected mean input – 33 days per year Public Service Discount = 66 remunerated days per year
 - 66 days per year x £100 per day = **£6,600**
 - With £300 discounted for the telephone allowance = **£6,300**
29. Yet, as noted above, no representations were received to indicate that the current Basic Allowance demanding revisiting.
30. The current Basic Allowance (£5,982) for South Derbyshire District Council is above the mean and median Basic Allowance paid across the comparator group of authorities – see table 1 below (and Appendix 3 for further details). Yet, it is by no means the highest Basic Allowance payable in the comparator

⁵ ONS, 2010 Annual Survey of Hours and Earnings, 8 December 2010, shows that in April 2010 the UK median gross weekly salary for full time employees was £499. To arrive at a daily rate, the Panel simply divided this sum by 5 working days and rounded up to the nearest pound.

group. Moreover, as indicated earlier, the reality in some of the comparator authorities is that most Members receive a SRA, which in effect boosts their Basic Allowance without increasing the headline figure. For instance, in Amber Valley, all Members on the Planning Committee receive a SRA of £553 and in Newark and Sherwood; all Members of the Planning and Licensing Committees receive a SRA of £500. As the role description of a Member includes serving on a quasi-judicial or regulatory committee, this effectively boosts the Basic Allowance for all Members in Newark and Sherwood from £3,600 to £4,100. In South Derbyshire District Council, the Panel has factored into the Basic Allowance the fact that Members will be required to undertake a regulatory role.

Table 1: BA payable for Comparator Group 2010/11

Authority	Basic Allowance
Amber Valley	£3,685
Bolsover	£10,047
Chesterfield	£4,377
Chorley	£4,242
Derbyshire Dales	£4,222
East Northamptonshire	£4,290
East Staffs	£4,540
Erewash	£3,848
High Peak	£3,002
Hinckley & Bosworth	£3,275
North East Derbyshire	£4,960
Newark & Sherwood	£3,600
North Warwickshire	£4,942
North West Leicestershire	£3,662
Selby	£4,115
South Ribble	£1,500
Staffs Moorlands	£2,902
South Staffs	£5,151
South Derbyshire	£5,982
Highest	£10,047
Lowest	£1,500
Mean	£4,334
Median	£4,222

31. This is not to criticize the remuneration scheme in place for Newark and Sherwood, it is the right of the Council to remunerate its Members how and at what levels it sees fits after receiving advice from its own Remuneration Panel – it is the essence of local government. Rather, it is to provide health warnings on drawing misleading conclusions from the comparisons of headline allowances payable elsewhere.
32. While the Panel has decided not to increase the Basic Allowance based on an updated daily rate for 2010 it has also decided not to decrease the Basic Allowance simply because it is comparatively high, albeit as we have seen not

as high as it may first be assumed. The Panel has sought to find ways to make savings in other, more appropriate, ways – see below.

33. **The Panel recommends no change to the current Basic Allowance (£5,982) payable in South Derbyshire District Council for 2011/12.**

Arriving at the Special Responsibility Allowances

The Leader's SRA

34. The Panel did discuss the Leader's SRA in some depth before it decided that the current level and that of other SRAs were still *broadly* appropriate for what is expected. In the comparative context, the Leader's SRA and total remuneration package is at the higher end of the spectrum payable – see table 2 below. Again, a health warning must be provided when looking at the comparative data. For instance, the remuneration scheme for South Ribble (which pays the lowest Basic Allowance in England and does not pay many SRAs at all) states that the SRA for the Leader of the Council is £10,000, while the SRA for Cabinet members is £5,000, which is a typical remuneration differential between the two posts. It is only on close reading of the South Ribble Members' Allowances Scheme that the possibility of the Leader being able to receive both the Leader's SRA *and* the Cabinet Members' SRA becomes discernible. Further research indeed did reveal that this is the case and the SRAs paid to the Leader in South Ribble are at least £15,000. A similar context operates for the Leader of Derbyshire Dales, who receives the Leader's SRA of £8,760 and if at the same time is Leader of the Majority Group, is then entitled to 50% of the SRA (£3,687) paid to that post. For the purposes of this review, this assumption has been made. Time and resources have not permitted the Panel to ascertain the real rate of remuneration of other senior post holders in the comparator group of authorities.
35. Looking at the role of Leader of the Council in the South Derbyshire context, it remains the fact that the Leader's overall commitment is close to the equivalent of full time and the current total remuneration received (£24,513) is still below the 2010 median full time annual gross salary for all UK employees, which in April 2010 was £25,900. While comparatively "generous", the fact remains that the remuneration for the Leader of South Derbyshire District Council is less than the UK gross median annual salary (April 2010).
36. Nonetheless, the Panel in 2007 set out a "robust" test for the validity of the Leader's SRA, which was a multiple of three over the Basic Allowance. It is currently a multiple of 3.1 over the Basic Allowance. The differential between the average Basic Allowance and average Leader's SRA paid in the comparator group of authorities is a factor of 2.98, with the median figure being a factor of 2.6.
37. To maintain the original consistency and robustness, and transparency in the South Derbyshire District Council Members' Allowances Scheme, the Panel has decided to reset the Leader's SRA at a factor of three over the current Basic Allowance. In other words, the Leader's SRA should be recalibrated to

be exactly three times the Basic Allowance. The Panel notes that this recommendation, if accepted, would marginally decrease the Leader's SRA by just over 3%.

Table 2: The Leader's Remuneration for the Comparator Group (2010/11)

Authority	Basic Allowance	Leader's SRA	Leader's Total Package
Amber Valley	£3,685	£11,056	£14,741
Bolsover	£10,047	£14,672	£24,719
Chesterfield	£4,377	£27,510	£31,887
Chorley	£4,242	£12,801	£17,043
Derbyshire Dales	£4,222	£10,604	£14,826
East Northamptonshire	£4,290	£7,508	£11,798
East Staffs	£4,540	£18,417	£22,957
Erewash	£3,848	£12,754	£16,602
High Peak	£3,002	£9,905	£12,907
Hinckley & Bosworth	£3,275	£7,640	£10,915
North East Derbyshire	£4,960	£17,051	£22,011
Newark & Sherwood	£3,600	£10,700	£14,300
North Warwickshire	£4,942	£10,987	£15,929
North West Leics	£3,662	£14,648	£18,310
Selby	£4,115	£10,288	£14,403
South Ribble	£1,500	£15,000	£16,500
Staffs Moorlands	£2,902	£9,565	£12,467
South Staffs	£5,151	£10,662	£15,813
S. Derbyshire	£5,982	£18,531	£24,513
Highest	£10,047	£27,510	£31,887
Lowest	£1,500	£7,508	£10,915
Mean	£4,334	£13,174	£17,507
Median	£4,222	£11,056	£15,929

38. Consequently, the Panel recommends that the SRA for the Leader should be reset at £17,940, which is the current Basic Allowance of £5,982 multiplied by a factor of three and rounded down to the nearest £10.

Arriving at the other SRAs

39. In arriving at the other recommended SRAs, the Panel has recalibrated them in relation to the Leader's recommended SRA. Generally, they have been reset on their current ratio, as expressed as a percentage of the Leader's SRA.

The Deputy Leader's SRA

40. The Deputy Leader's SRA is set at 55% of the Leader's SRA. Multiplying the Leader's recommended SRA (£17,940) by 55% produces a tentative SRA for

the Deputy Leader of £9,867, which the Panel has rounded down to £9,860, being a decrease of just over 2%. It still leaves the Deputy Leader as one of the highest paid Deputy Leaders in the comparator group of authorities but by no means the highest, which is in Chesterfield where the Deputy Leader's SRA is £15,134. The Panel is content with the level, particularly in the context of the 1-SRA only rule and where the Deputy Leader is, in addition, the Chairman of a Policy Committee, which makes additional payment for being Deputy Leader just under £900.

41. **The Panel recommends that the SRA for the Deputy Leader of the Council is £9,860 for 2011/12, based on the assumption that the Deputy Leader remains a Chairman of one of the three Policy Committees.**

The Chairmen of the Policy Committees (3)

42. Currently, the Chairmen of the Policy Committees receive a SRA (£9,267) set at 50% of the Leader's SRA. The recommended SRA for the Leader (£17,940) multiplied by 50% now equates to £8,970, which is a decrease of just under £300. This level would no longer make the Chairmen of the Policy Committees the highest paid main Committee Chairmen/Cabinet Members in the comparator group of authorities, but only just. However, the Panel is content with this level as in other councils there are up to eight other Cabinet Members and in 4th Option authorities often more than three main Committee Chairmen. For instance, while the SRA paid to Cabinet Members in Amber Valley is £3,870, there are four Members (in addition to the Leader's and Deputy Leader's SRAs) in receipt of a SRA, plus two Cabinet support Members receiving £2,211. Thus, the total cost for the executive function (excluding the role of Leader and Deputy Leader) in Amber Valley is £19,902.
43. Alternatively, in Selby District Council, as a 4th Option council in the comparator group, there are four 'policy' committees, with each of the Chairmen receiving a SRA of £4,115. This means the total cost of the equivalent policy chairing function in Selby is £16,460, whereas it would only be £17,940 in South Derbyshire District Council on the recalibrated SRA for Policy Committee Chairmen – based on two SRAs actually payable as the Deputy Leader is Chairman of one policy committee, and is paid accordingly.
44. **The Panel recommends that the SRA for the Chairmen of the three Policy Committees is £8,960 for 2011/12. The Panel notes that in reality one of these SRAs may not be paid as the Deputy Leader's SRA is based on the practice (although not written into the Constitution) that the Deputy Leader remains a Chairman of one of the three Policy Committees and is remunerated accordingly.**

The Chairman of the Planning Committee

45. Similarly, the Panel is content to maintain the current 50% ratio to the Leader's recommended SRA for the Chairman of the Planning Committee. This would still leave it the highest SRA for a Planning Chairman amongst the comparator group. Yet, once more, it must be set in context where in many

other authorities, all Members of the Planning Committee receive additional remuneration, such as in Amber Valley (£553 for all other 13 Members on Planning) and Newark & Sherwood (£500 for all other 13 Members on Planning). Moreover, other councils also have Area Planning Committees such as in High Peak and in Derbyshire Dales, where the two Area Planning Chairmen each receive a SRA of £2,191. Then there are the extensive planning arrangements that exist in some authorities, such as Kettering, where the Chairmen of the Planning Policy Committee, the Planning Committee, and Planning Sub-Committees each receive a SRA of £2,516. In many of these authorities, Members carrying out the planning *function* are paid more than the Chairman of the Planning Committee in South Derbyshire District Council.

46. **The Panel recommends that the SRA for the Chairman of the Planning Committee is £8,960 for 2011/12.**

The Chairman of the Overview and Scrutiny Committee

47. The Panel received no evidence to alter the current differentials of the SRA for the Chairman of the Overview and Scrutiny Committee, which is paid on a par with the Chairmen of the other main committees. This level of SRA would maintain the Chairman of Overview and Scrutiny in South Derbyshire District Council as the highest paid Chairman of Overview and Scrutiny within the comparator authorities. Again, the Panel points that in South Derbyshire District Council there is only one remunerated Chairman of Overview and Scrutiny. While this is not unique, for instance, there is only one Overview and Scrutiny Chairman in Amber Valley, but the Chairman of Audit – a separated out semi-scrutiny function – and Governance Committee also receives a SRA. In Erewash, there are four SRAs paid to Overview and Scrutiny Chairmen, at £3,377 each. Likewise, in Staffordshire Moorlands there are four Chairmen of Scrutiny Committees, each receiving £3,348 while in South Ribble the Overview and Scrutiny function is shared across the area committees, governance, service review, and joint services committees, each of whom receive a SRA.

48. **The Panel recommends that the SRA for the Chairman of the Overview and Scrutiny Committee is £8,960 for 2011/12.**

The Leader of the Opposition

49. Currently, based on the information available to the Panel, it appears that the Opposition Leader in South Derbyshire District Council is the highest paid within the comparator group, and would remain so even when the SRA is reset to 50% of the recommended SRA for the Leader. Again, the comparative picture comes with a health warning. In Hinckley and Bosworth all Opposition Leaders get a SRA and similarly in Derbyshire Dales, Erewash, East Northamptonshire (plus group lead members/champions in receipt of SRAs), Staffordshire Moorlands and North West Leicestershire (subject to a minimum of 5 members in a group). This does not include authorities where

the Opposition Leader may pick up an additional SRA by chairing a scrutiny panel or area committee.

50. **The Panel recommends that the SRA for the Leader of the Opposition is £8,960 for 2011/12.**

The Vice-Chairmen of Policy, Planning, Overview & Scrutiny Committees

51. The Panel notes that the SRAs for the main committee Vice-Chairmen was originally set in 2003 by reference to their respective Chairman, by applying a multiplier of 25% against their Chairman's SRA.
52. Currently, these SRAs are £2,316 but the Panel has decided to be consistent and recalibrate them at the same ratio on the revised recommended SRA for their respective Chairmen. In other words, the Panel recommends that their SRAs be paid at 25% of £8,960, equating to £2,240.
53. **Thus, the recommended SRA for the Vice-Chairmen of the Policy Committees, Planning Committee and Overview and Scrutiny Committee is £2,240 for 2011/12.**

The Deputy Leader of the Opposition

54. Similarly, in 2003 the Panel originally set the SRA for the Deputy Leader of the Opposition at 25% of the Opposition Leader's SRA. The Panel has maintained this approach.
55. **The Panel recommends that the SRA for the Deputy Leader of the Opposition is £2,240 for 2011/12.**

The Chairman of Licensing and Appeals Committee

56. The Panel notes that the Chairman of the Licensing and Appeals Committee currently receives a SRA of £2,316. The Panel considered this post in the 2007 review and recommended that it should not be paid an SRA as the workload or responsibility was not significant or permanent enough to merit one. However, at a meeting of Full Council on 24th January 2008, the Council decided to appoint a permanent Chairman of the Licensing and Appeals Committee and its associated sub-committees, and consequently decided to award the Chairman a SRA at 'Band 4', which is on a par with the remunerated Committee Vice-Chairmen and Deputy Leader of the Opposition.
57. The Chairman of Licensing and Appeals also has to chair all personnel-related and housing-related appeals, a function that is often undertaken, and remunerated separately in other authorities. For instance, in Amber Valley the Chairman of the Licensing Board receives a SRA of £2,211, while the Chairman of the Appeals Board receives £774. In Hinckley and Bosworth, the equivalent posts are remunerated £2,455 and £1,645 respectively. In High Peak, the three chairs of Licensing Panels are each remunerated £989.

Similarly, the function is split in East Northamptonshire, with the Chairmen of Licensing and a Personnel Sub-Committee each receiving a SRA of £1,216. In Derbyshire Dales, the Chairman of Appeals receives a SRA of £993, Chairman of Licensing (also a Licensing Panel Chairman) £2,109, Vice-Chairman of Licensing (also a Licensing Panel Chairman) £848, another 2 Licensing Sub-Committee Chairmen £637 each, and 8 other Members of Licensing Sub-Committees another £424 each. In this context, the Panel recognises that the Council's decision to remunerate the Chairman of Licensing *and* Appeals Committee on par with the main Committee Vice-Chairmen in South Derbyshire District Council represents value for money.

58. The Panel reviewed this post once more and noted the permanent appointment and the lead role the Chairman of Licensing and Appeals Committee takes in the Sub-Committee hearings. As such, **the Panel supports the Council's decision to remunerate the Chairman of the Licensing and Appeals Committee on a par with the main Committee Vice-Chairmen and Deputy Leader of the Opposition.**
59. **The recommended SRA for the Chairman of the Licensing and Appeals Committee is £2,240 for 2011/12.**
60. The Panel did consider whether there was a case to remunerate the other Members on the Licensing and Appeals Committee, including separate recognition for the Vice-Chairman. However, considering the lead role of the Chairman and the sharing out of the work amongst other committee Members, the Panel concluded that at this stage there was not a decisive case to be made.

Confirmation of the 1-SRA only rule

61. The 2003 Regulations do not prohibit the payment of multiple SRAs to Members, as the comparative benchmarking clearly shows. It is only in the South Derbyshire District Council Members' Allowances Scheme that the Council agreed to such a recommendation from this Panel dating back to 2003, which in turn confirms the existing practice in South Derbyshire District Council. Moreover, this restriction on the payment of SRAs to Members means that posts are not simply sought out for financial reasons. Indeed, the pressure is that if anything, posts tend to be spread around more. It also makes for a more transparent Allowances Scheme and in practice it will also lead to a slight reduction in amounts paid out in SRAs, where occasionally a single Member holds more than one remunerated post but only receives 1 SRA.
62. **The Panel recommends that the Council continue to impose a 1-SRA only rule within the South Derbyshire District Council Members' Allowances Scheme.**

The Co-optees' Allowances – Chairman of the Standards Committee

63. The Panel was informed that the Localism Bill presently going through Parliament proposes to abolish the national standards regime in England in early 2012. In particular, Standards for England will be abolished, and councils will no longer be required to have a Code of Conduct and a local Standards Committee. While this raises uncertainty on the future role and responsibility of the Chairman of the South Derbyshire District Council Standards Committee, it does not necessarily preclude a role entirely, as councils will be permitted to maintain a voluntary Standards Committee if they so wish.
64. Nonetheless, the Panel received no evidence that the current Co-optees' Allowance for the Chairman of the Standards Committee was still not broadly appropriate for the short term. The Co-optees' Allowance for the Chairman of the Standards Committee was originally set on a par with the SRA for the main Committee Vice-Chairmen and Deputy Leader of the Opposition. The Panel feels that this parity should be maintained for the short term.
65. **The recommended Co-optees' Allowance for the Chairman of the Standards Committee is £2,240 for 2011/12.** The Panel notes that this role will need to be revisited once the implications of the Localism Bill and the Council's response to the proposals on Standards Committees become clear.

Other Members of the Standards Committee

66. The other seven co-opted Members on the Standards Committee, including the three parish council Co-optees, currently receive a Co-optees' Allowance of £300 per annum. The Panel felt that there was not a strong case to realign this allowance as it was never set in reference to any of the recommended SRAs or Standards Committee Chairman's Co-optees' Allowance. It was originally based (in 2003) on an expected annual input equivalent of 4 days per year, with one third of that discounted for public service and remunerated at the then national average (not median) daily salary of £92.94 per day, which the Panel rounded down to £250.
67. **The Panel recommends no change to the Co-optees' Allowance paid to other Members of the Standards Committee and for 2011/12 this continues to be paid at £300 per annum.**

The Local Government Pension Scheme and Members

68. The Panel confirms the current right of Members to join the Local Government Pension Scheme (LGPS) if they so wish, subject to Council approval for such a recommendation. The Panel notes that the Council has decided not to accept this recommendation in the past. Nonetheless, the Panel believes the right of elected Members to join the LGPS is important in widening access to public service. While the economic context clearly does not lend itself to such a recommendation, it should be pointed out that as the one binding decision the Panel can make, but only by barring access to the LGPS for Members, it

would be perverse to shut that door to current and potential Members. Those elected Members who are in employment often find their own career pensions reduced by Council service and the ability to compensate through joining the LGPS goes some way to address this.

69. **As such, the Panel continues to support the principle that all Members should be eligible to join the LGPS, to include both their Basic Allowance and SRAs. This recommendation then leaves the Council to decide on issues of affordability and suitability.**

The Dependants' Carers' Allowance (DCA)

70. 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 costs for care for their dependants while on approved Council duties. It is an allowance explicitly designed to enable a wider range of candidates to stand for and remain on Council. In the 2003 review, the Panel recommended that the Council make available the DCA to those Members who have dependants living with them.
71. In turn, the Council approved implementing the DCA in 2003. However, the Panel discovered in the 2007 review that the DCA had never been claimed nor was it laid out in detail in the Allowances Scheme. In the 2007 review, the Panel laid out a model DCA scheme, which included provision for childcare and other types of care of dependants, such as elderly or disabled dependants to provide a template that may enhance the take up of the DCA.
72. The Panel notes that in 2009/10, the DCA had not been claimed by all Members who might qualify. Indeed, during discussions it became clear that there was still uncertainty over how to meet the criteria for claiming the DCA.
73. **Consequently, the Panel recommends that the full terms and conditions of the DCA is included in an additional schedule to the current South Derbyshire District Council Allowances Scheme so that all Members are aware of eligibility criteria. Furthermore, to ensure both flexibility of access and probity, the Panel recommends that the current scheme is amended where necessary to reflect the following points:**
- That the reimbursement for care of any dependants while a Member is undertaking an approved duty is not restricted to formal carers.
 - Care can be provided by informal carers.
 - In all cases, regardless of who has provided the care, a receipt from the carer must be produced by the claimant seeking reimbursement.
 - It should also be noted that the claiming of the DCA is restricted by statute to a defined list of approved duties that are listed in the 2003 Regulations.
74. **The Panel recommends that all the other terms and conditions, such as limits on the amount that can be claimed in any one week, remain unaltered.**

Travel and Subsistence Allowances

The Subsistence Allowance

75. There were no issues brought to the Panel's attention regarding the scope and levels payable under the Subsistence Allowances Scheme. **The Panel does not recommend any changes to the current rates and terms and conditions of the Subsistence Allowances Scheme for 2011/12.**

The Travel Allowance - Mileage

76. The current mileage rates that Members can claim for undertaking approved duties are based on the mileage rates claimed by Officers under the Officers' casual user mileage scheme. These rates are set by the NJC and increase according to engine size, with 65p per mile payable for car engines above 1199cc. The Panel questioned whether these rates are still appropriate for Members, as they were an historical legacy from when statute specified that Members' mileage rates should be the same as the rates payable to Officers. Since the end of 2003, Councils (after seeking advice from their Remuneration Panels) have been free to set the mileage rates under the Members' Travel Allowances Scheme as they see fit.
77. Furthermore, the Employers side for the National Joint Council (NJC) for local government services has stated the current NJC mileage rates and the formula upon which they are based "are no longer fit for purpose" and that they should undergo a major review (Letter from Local Government Employers to Trade Union Side Secretaries, 20 October 2010). Thus, there is lack of support for the current Officers' mileage rates at the national level by one-half of the body that is charged with setting them.
78. In particular, the current mileage rates payable are liable to tax and national insurance and reward those Members with the larger car engine size. The evidence received by the Panel indicates that the approved mileage rates by Her Majesty's Revenue and Customs (HMRC) are increasingly utilised by local authorities in determining Members' (and in some cases Officers') mileage rates; primarily as they are tax efficient in that they do not incur any tax liability for Members. The HMRC mileage rates are also the most prevalent mileage rates in the wider public sector and to promote external consistency, the Panel favours the HMRC mileage rates over the Officer casual user mileage rates.
79. The HMRC rates also have the added advantage of being more "green" than NJC rates as they do not reward those with larger car engine size, with all claimants being treated equally. They also make explicit provision for passenger supplements and bicycle rates. The switch in mileage rates that Members could claim under the mileage allowances scheme would also have the added advantage of producing a small savings as all claimants are currently claiming at 46.9p, 52.2p, or 65p per mile.

80. Thus, the Panel recommends that the Council changes the mileage rates claimable by Members for attending approved duties to the HMRC mileage rates for the mileage allowances.

81. The current HMRC mileage rates payable are laid out below:

Table 3: HMRC Mileage Rates 2010/11

Vehicle Type	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	40p ⁶	25p
Motor cycles	24p	24p
Bicycles	20p	20p
Passenger Supplement Rate	5p per passenger	5p per passenger

82. The Panel also recommends that these new mileage rates be implemented (and inserted into the Allowances Scheme) from the date of the Council Annual Meeting on 19th May 2011.

83. The Panel did consider whether there remained a valid case for maintaining the mileage allowance scheme for Members attending approved duties within the district. However, on reflection because of the distances some Members are required to travel to attend in-district approved duties, it would be inequitable to remove their current right to claim mileage allowances.

The Current List of Approved Duties

84. The Panel recommends 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. This includes the definition of approved duties, which the Panel does not deem to include attending parish council meetings or for constituency work.

85. In the case of the latter, it would be giving a benefit to those councillors, who understandably feel they should attend parish councils meetings within their ward, over those who might have other less formal community-related meetings to attend. Moreover, if a Parish Council feels it is that it important for their district ward councillors to attend their meetings, then they have the ability to reimburse councillors if they so wish. In the case of constituency duties, being a vital element of councillors' duties, to make it an approved duty would remove a monitoring mechanism over mileage claims – they could be self-generating and difficult to ascertain whether the duty was actually carried out. This lack of clarity led to the recent problem of MPs and the claiming of their expenses. This Panel would be wise not to recreate such a

⁶ The HMRC car/van mileage rate will increase to 45p per mile, for the first 10,000 miles, with effect from 6 April 2011. It will remain at 25p per mile after 10,000 miles.

situation in South Derbyshire.

The Telephone Allowance

86. In 2007, the Basic Allowance was specifically discounted by £300 per annum and the sum paid automatically to all Members in lieu of their right to seek reimbursement of council-related telephone calls. The practice regarding the costs of telephone calls for Council business varies across local authorities. Traditionally, Members nationally used to have a telephone line installed, with a phone provided and all calls made on this line were paid automatically by the Council, including the line rental. It is difficult to ascertain the true picture now, partly because this type of support item is outside the formal scope of IRPs and Members' Allowances schemes. While many IRPs do make recommendations on this and similar issues and the provision Members receive is often included in allowances schemes for transparency purposes, the picture is unclear and uneven. The information provided in an allowances scheme may only be partial, such as including separate telephone support but not, for instance, broadband support. For instance:

- In Erewash, the Basic Allowance is deemed to cover the use of "private telephone facilities", but all Members receive a separate line rental allowance with an additional allowance for all Members in receipt of an SRA of £8.33 per month.
- In Amber Valley, Members can claim an annual allowance of £250 per year to meet the costs of connecting to an internet provider of their choice and printer consumables upon confirmation in writing that they have taken out a subscription to an internet provider and are willing to receive communications electronically from the Council, including Committee agendas and reports.
- In Derbyshire Dales, Members can claim a telephone and internet allowance that covers the cost of a telephone line rental and broadband connection, but any council-related calls outside this system is met by the Members.
- In Chorley, all Members are offered *inter alia* "broadband connection and a telephone line".
- In Chesterfield, Members are reimbursed the cost of installing a private telephone line, including a reconnection charge where a member moves home plus a "telecommunications" allowance of up to £25 per month towards telephone rental and call charges and the cost of broadband.

87. Since 2007, the world of communications has moved on. To enable Members to work effectively and efficiently, additional methods of communication now need to be used. In addition to the annual telephone allowance of £300, all Members have had the opportunity for a phone line to be installed at their home with a broadband connection paid for by the Council. This phone line was installed solely for broadband purposes and not for making phone calls, which was due to Members already receiving an annual telephone allowance covering call costs. The Panel feels that the Council is not making the most effective and efficient use of the telecoms infrastructure being paid for. In some cases, the Council is paying for certain areas of the telephone

requirements of Members twice – once through the telephone allowance and once for the telephone line rental required for broadband.

88. **The Panel recommends that the annual telephone allowance of £300 per year be discontinued, as it is outmoded and no longer cost-effective. Those Members who wish to seek support in the cost of their council-related communications may do so through one of the following options:-**

- **The Council will offer 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.** This means that phone calls to the Council Offices from Members (and vice versa) as well as Member-to-Member calls will have no charge. The Council will pay for any calls made using this handset.
- **The Panel recognises that the Council provision may not be the most cost-effective method for all Members, particularly where a Member already uses their own broadband to conduct their council business. The Panel was informed that the Council could obtain a broadband subscription for £13.45 per month, for a 12-month sign-up period. If Members wish to continue to use their own broadband provider then they should be able to seek reimbursement of up to the equivalent amount the Council has to pay for broadband, based on actual costs upon the production of receipts. This will be up to a maximum of £15 per month.** In this scenario, Members will still have the opportunity to have a telephone, provided by the Council, to make Council-related calls. This will utilise the Member's broadband connection to enable the handset to become part of the Council's telephone system. This means that phone calls to the Council Offices from Members (and vice versa) as well as Member-to-Member calls will have no charge. The Council will pay for any calls made using this handset.

89. Taking into account the one-off costs such as handsets, licences for software and "power bricks" to provide either of the options above, the solutions are a more cost-efficient means of enabling Members to communicate.

90. To give Members and the Council the time to move over to the new system, **the Panel recommends that the telephone allowance should be no longer available from 1st January 2012.**

Confirmation of Implementation and Indexing

91. **The Panel recommends that the recommendations within this report (with any amendments) be implemented from the Annual Meeting of the Council on 19th May 2011, bar the discontinuation of the telephone allowance, which should cease on 31st December 2011.**

92. Furthermore, **the Panel recommends and confirms the use of the**

following indices for allowances for the next four years:

- **Basic Allowance, SRAs and Co-optees' Allowances:** increased by same percentage applied annually to the pay of local government staff, implemented each April (linked to spinal column point 49 of the NJC scheme), backdated to the date of the Council Annual Meeting on 19th May 2011. It is expected that that this will result in no annual increase for 2011/12.
- **Travel:** Mileage rates to be indexed to the rates approved by HMRC for cars, motor cycles, bicycles, including the passenger supplement rate where applicable. Other travel will be 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):** indexed to the same rates that applies to Officers of South Derbyshire District Council, for reimbursement of actual costs up to the maximum rate applicable.

93. **The Panel further recommends that as per regulations, the indexation recommended by the Panel be utilised for four years, or until the Council requires a further review.**

Issues Arising – The Chairman of the Council and the Civic Allowances

94. An issue that was raised with the Panel was the current Civic Allowances paid to the Chairman and Vice-Chairman of the Council. There was a view that the Civic Allowances did not recognise the workloads required from the Chairman and Vice-Chairman, particularly when compared to the remuneration received by the SRA-holders. However, while Panels are often asked to take a view on the Civic Allowances, they are technically outside the formal remit of IRPs. 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.
95. Some local authorities explicitly remunerate their Council Chairman and Vice-Chairman through the payment of a SRA (e.g., Derbyshire Dales) in addition to the provision of a civic allowance for meeting the cost of holding office. However, this issue was never raised with the Panel; the issue raised was the level of Civic Allowances compared to the SRAs payable in South District Council.
96. The Panel is sympathetic to ensuring the roles of the Chairman and Vice-Chairman of the Council are supported. However, it was unable to make an informed judgement on the current Civic Allowances, as it was not in the Panel's terms of reference. **Nonetheless, the Panel suggests that the Council reviews the current Civic Allowances in South Derbyshire District Council to ascertain if they are still appropriate, or merit any annual increase that may apply to the Basic Allowance and SRAs, and that the purpose of the Civic Allowances is made clear to post holders.**

Appendix 1

Members and Officers who met with the Panel

Members

Cllr. N. Atkin	Chairman of the Council
Cllr. M. Bale	Chairman of Licensing & Appeals Committee
Cllr. M. Ford	Chairman of Planning Committee
Cllr. J. Harrison	Deputy Leader of Council and Chairman of Finance & Management Policy Committee
Cllr. C. Jones	Chairman of Overview & Scrutiny Committee
Cllr. J. Lemmon	Chairman of Housing & Community Services Policy Committee
Cllr. Mrs. A. Plenderleith	Vice-Chairman of Planning Committee
Cllr. K. Richards	Leader of the Opposition (Labour)
Cllr. T. Southerd	Deputy Leader of the Opposition (Labour)
Cllr. B. Wheeler	Leader of the Council

Officers

Mr. F. McArdle	Chief Executive
Mr. N. Betteridge	Democratic Services Manager
Mr. N. Glossop	Head of IT
Ms. A. McCaskie	Former Head of Legal & Democratic Services – telephone interview with IRP Chair on 21 st February 2011

Appendix 2

Information Received by the Panel

1. Report to Council convening Panel and detailing Terms of Reference (20th January 2011)
2. Consolidated Guidance for Panels and Regulations issued 2006 (Department of Communities and Local Government)
3. Powerpoint presentation on introduction to allowances reviews and issues to consider (by Chair of IRP)
4. Main Committee structure, political composition of Committees, Committee responsibilities, Member Role Profiles and schedule of meetings 2010/11
5. Details of allowances paid in neighbouring/comparator authorities
6. Summary of allowances and expenses paid/claimed 2008/09 and 2009/10
7. Current Scheme of Members' Allowances, including travel and out of authority subsistence rates
8. Third Report of Independent Remuneration Panel (October 2007), including report to Council and accompanying Minutes (24th January 2008)
9. Letter from National Joint Council (Employers) to Trade Union Secretaries (Employees) "NJC Car Allowance Rates", 20th October 2010
10. Office of National Statistics, 2010 Annual Survey of Earnings Statistical Bulletin
11. Presentation by Chairman of the Council, "Civic Engagement and Working Hours" June 2010 – May 2011
12. Local Government Boundary Commission, "New electoral arrangements for South Derbyshire District Council", October 2010