

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

The Fifth Report

By the

**Independent
Remuneration Panel**

**Dr Declan Hall (Chairman)
Gary Musson
Rev. Sue Rolls**

October 2015

Independent Remuneration Panel:

A Review of Members' Allowances

For

South Derbyshire District Council

The Fifth Report

October 2015

Introduction: The Regulatory Context

1. This report is a synopsis of the deliberations and recommendations made by the statutory Independent Remuneration Panel (the Panel) appointed by South Derbyshire District Council (SDDC) to provide advice on its Members' Allowances scheme.
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 the councils' Members' Allowances. This is in the context whereby full council retains powers of determination regarding Members allowances both levels and scope of remuneration and other allowances/reimbursements.
3. Before a Council exercises such powers of determination it is required to convene its Panel and seek its advice before they make 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.
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.

5. This mechanism is the means by which all Councils are required to reconvene their Independent Remuneration Panel at least once every four years to ensure a degree of periodic 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, appointed by full Council on 2 July 2015, was given the following terms of reference as agreed by full Council on the same date as contained in a report from the Chief Executive; namely to make recommendations:
 - I. On the amount of Basic Allowance that should be payable to Members and the expenses it includes;
 - II. On the categories of Members who should receive a Special Responsibility Allowance and the amount of such an allowance;
 - III. On the amount of Co-optees allowances, where applicable;
 - IV. On travel and subsistence allowances;
 - V. On the amount of Childcare and Dependent Carers' Allowances;
 - VI. 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;
 - VII. On the implementation date for the new Scheme of Allowances;
 - VIII. On the Civic Allowances;
 - IX. On additional expenses received by Members;
 - X. On any other matters which the Panel considers necessary.

The Panel

7. South Derbyshire District Council reconvened its Panel and the following Members were appointed to carry out the independent allowances review, namely:
 - Dr. Declan Hall: Chairman
A former academic at the Institute of Local Government, The University of Birmingham, now an independent consultant

specialising in Members' allowances and support. A national representative.

- Gary Musson:
Is a chartered Health & Safety practitioner, Chair of Swadlincote & District Chamber of Trade, a local resident and businessman. A private sector representative.
- Rev. Sue Rolls:
Is a Methodist Minister and local resident with a professional background as an educational psychologist. A community representative.

8. The Panel was ably supported by Ardip Kaur, Legal and Democratic Services Manager and Monitoring Officer, whose role was to support the proceedings and take the organisational lead in facilitating the whole process. Additional support was provided by Cheryl Lukaszewicz, Administration Assistant.

Process and Methodology

Evidence Reviewed by the Panel

9. The Panel met at the Civic Offices, Swadlincote on 9 - 10 September 2015 to consider the evidence and hear representations, including factual briefings on the Council by Officers. All 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, statutory guidance, etc. See appendices three and four for further details. The Panel meetings were held in private session to enable it to meet with Members and Officers and consider the evidence in confidence.

Benchmarking - the SDDC comparator group of councils

10. As per previous reviews the Panel has reviewed and evaluated the evidence and representations within a comparative context. In particular, the Panel has benchmarked the scope and levels of allowances paid in South Derbyshire District Council against those paid in the 16 comparator councils utilised for benchmarking purposes. The benchmarking group of councils was made up of 3 sub groups:
 - I. SDDCs 6 nearest neighbours (2014 model) as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA). These authorities are those deemed closest to South Derbyshire

District Council 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 districts not otherwise included the sub groups I and II - these are county wide neighbours.¹
11. The Panel has not been driven by the mean rates and levels of allowances paid across the comparator authorities but it was 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). Moreover, the Panel felt that it was important to place the SDDC allowances scheme in a comparative perspective. Leaving aside the fact that this only gives relative values and is less a guide to the real worth of councillors work it does inform elected Members on the wider picture and in this case helps show that SDDC Members are not comparatively speaking hard done by.

Principles and Key Messages

The purpose of a Members' Allowances scheme

12. During meetings with Members it was mentioned on more than one occasion that the levels of main allowances payable under the current SDDC Members' Allowances scheme were insufficient to 'attract' a wider range of people to stand for Council. This may well be the case, however members' allowances schemes are not intended to 'attract' candidates for Council - they would have to be at a level so high as not to be publically acceptable. Moreover, the Panel (and a number of interviewees) were not at ease with the concept of using allowances to 'attract' candidates for council - if elected Members were standing for and remaining on the Council due to financial appeal it would run contrary to the public service ethos. The desire to serve local communities and residents is the prime motive for being a Councillor. Members' allowances were never intended to be paid at full 'market rates.'
13. The Panel shares the concern that was conveyed by Members, namely the profile of the council and indeed all councils is not representative of the communities that make up SDDC. However, addressing the representativeness of the council body is beyond the remit of this Panel and there are other important factors that play a part in restricting access to serving on council.

¹ See Appendix 3 for more details.

14. The policy intention behind the requirement to establish a Members' Allowances scheme for all English councils 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. Thus 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. While consciously not set at market rates allowances should provide large degree of recompense for time spent and responsibility carried by Members.

The South Derbyshire District Council Members' Allowances Model

15. SDDC has a distinctive model of remuneration - it pays a comparatively high Basic Allowance and in most instances it is the same for the SRAs payable. 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 but was satisfied that the Basic Allowance and SRAs payable in South Derbyshire District Council are not as high as initially perceived. This is due to the 2nd distinctive feature of the South Derbyshire District Council model of remuneration - namely while it is the case that there is a relatively high Basic Allowance this is in the context of SDDC having fewer Members than many peer councils. The other qualifier is that the comparatively high SRAs in SDDC are paid for fewer posts than in the comparator councils - while particular SRA may be high they are not so high once the total paid out in SRAs is taken into account.
16. Consequently, when compared to peer or comparator councils, the total paid out in Basic Allowance is not as high as it may seem at first glance. SDDC only 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 via the Basic Allowance was £266,757².
17. Similarly, 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 always as extensive as elsewhere. 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 being able to be receive multiple SRAs as is the case in Derbyshire Dales for example. SDDC has a more transparent model of remuneration in which both peers and the public can understand the level of

² [NEDC Members Expenses 1 April 2014 - 31 March 2015](#)

remuneration received by Members, whereas in other comparator authority schemes a degree of obfuscation may be detected at times.

18. Moreover, the South Derbyshire District Council model means that the total remuneration paid for the respective function, such as Overview and Scrutiny, or Planning is more often comparable to that paid in peer councils than it first appears. For instance, the South Derbyshire District Council 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 Members, which does occur in some of the comparator authorities.
19. 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 number of remunerated posts a Member may hold – means that not all SRAs are not 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.

Recognizing the economic context

20. While benchmarking needs to be put in context the current economic climate is less contextual. It is true that despite the need to find savings over the past few years the Council is in comparatively good financial health and the South Derbyshire area in general is experiencing economic growth. Yet, the Council will continue to need to find savings in the next few years. The Panel cannot but be aware of the economic context both generally and for the council in the coming 2-3 years.
21. This has led the Panel to take the view that it would be reluctant to increase the total spend on allowances, and even a marginal increase in the current total spend would require strong evidence for the Panel to make such a recommendation. While the Panel has not been driven by the need to find savings the recommendations arising out of this review will, if adopted by Council, result in marginal savings on the current Members' Allowances scheme and greater savings in the cost of supporting Members.
22. Yet, the workloads and responsibilities of elected Members of South Derbyshire DC have not noticeably reduced and where they have changed the evidence suggests that they have got larger. While the Council is seeking further savings, it does not mean Members are doing less. At the time of the previous review in the spring of 2011, South Derbyshire was a high achieving Council and it continues to be so - an

achievement in which Members play a role. The economic context has to be balanced against the continued demands placed upon Members.

The role of the Panel at this juncture

23. The contextual comparisons aside, the evidence reviewed by the Panel suggests that significant increases in allowances or additional remunerated posts cannot be justified. Moreover, a strong theme emerging from the representation was that the allowances were 'adequate' all things considered and at most only minor amendments were required.
24. 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. While this is another reason not to revisit the fundamentals of the current allowances scheme it also provides the opportunity for the Panel to flag up areas of concern for the future, which it will take to revisit during the next review.

Recommendations - the Basic Allowance

Recalibrating the Basic Allowance

25. Previously, in arriving at the recommended Basic Allowance the Panel has always followed the formulaic approach as laid out in the 2003 Statutory Guidance (paragraphs 67-69) which recommends the consideration of three variables. If the 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 it gives the following values:

- Time required to fulfil duties: 99 days per year
- Public Service Discount: 1/3
- 2014 Rate of Remuneration: £94 per day

Time to fulfil duties for which the Basic Allowance is paid

26. 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.

27. 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).
28. Thus, the Panel for the purposes of this review has retained 99 days per years expected time input from Members for recalibrating the Basic Allowance.

The Public Service Discount (PSD)

29. The Public Service Discount (PSD) recognizes the principle that not all of what a Councillor does should 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 communities³ – thus deemed to be the *pro bono* element of a councillors' workload.
30. At this stage the Panel was not presented with hard information to suggest a PSD of 1/3 required revision.

The rate of remuneration

31. The Panel has always utilised a rate of remuneration that most closely reflects 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

³ 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.

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.

32. Therefore the Panel has 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 SDDC⁴. The ASHE survey shows the weekly figure to be £470.90 which equates to £94 per day to the nearest pound.
33. Thus, if the Panel replicated the previous methodology with the day rate updated it produces the following recalibrated Basic Allowance:
 - 99 days minus 1/3 PSD multiplied by £94 per day = £6,204
34. 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 Panel is not going to revisit the Basic Allowance despite representation that it is not high enough to 'attract' a wider range of candidates to stand for council. Not only is the Panel ill at ease with the concept but the SDDC BA is already noticeably above the mean BA (£4,552) paid in the comparator group of councils (health warnings on benchmarking notwithstanding).
35. While the Panel has decided not to increase the Basic Allowance based on an updated daily rate for 2014 as the difference is so marginal to the current BA so as not to make any difference 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 – namely where there is a case to do so (see below).
36. **The Panel recommends no change to the current Basic Allowance (£6,175) payable in South Derbyshire District Council for 2015/16.**

Support for Telecommunications and Broadband

37. Up until the 2011 review Members received an additional Telephone Allowance of £300 per year which was simply added on top of the Basic Allowance. It was designed to cover the additional telephone costs that arising from being a Member. In addition Members 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, for which the Telephone Allowance was already payable.
38. In 2011 the Panel was persuaded that the Council was not making the most effective and efficient use of the telecoms infrastructure that was

⁴ See ASHE, Table 7.1a - Weekly pay - gross - for full time employee jobs in SDDC 2014

available. Consequently, in the 4th Report the Panel recommended the discontinuation of the annual £300 telephone allowance. Specifically it 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 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.**
- **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 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.

39. Although the Council 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 from May 2015 continue to receive an annual £300 Telephone Allowance.
40. There is no reason 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 3 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.
41. To give Members and the Council the time to move adjust to the change **the Panel recommends that the Telephone Allowance be discontinued from 1st January 2016.**

The Special Responsibility Allowances - the Leader's SRA

42. The current SRA (£18,518) for the Leader was set at a multiple of 3 times the BA as it reflected the common differential between a BA and Leader's SRA nationally, regardless of the type of council. Benchmarking

shows that the Leader's mean SRA (£13,477) is exactly 2.96 times the mean BA (£4,553). This approximate factor of 3 over the BA has emerged and remains at the most typical differential.

43. The Leader's SRA and total remuneration package is at the higher end of the comparative spectrum. Again, a health warning must be provided when looking at the comparative data. For one, it does not take into account where Leaders (and other post holders) can be paid more than one SRA - although as it was readily identifiable the SRA listed for the Leader of Derbyshire Dales takes into account the post holder is able to and indeed does receive 1.5 SRAs although from the published schemes it is not known the extent to which this type of practice occurs amongst the comparator councils.
44. Looking at the role of Leader of the Council in the South Derbyshire context, it remains the fact that the Leader's overall commitment, regardless of the individual, is if not quite a full time role it requires a significant time commitment that precludes full time employment in the normal sense. Many of the SRAs for Leaders in the benchmarking group have been explicitly set with a limited time commitment in mind such as the High Peaks - the remuneration was expressly set with the model of a part time Leader in mind. Bearing this in mind the current total remuneration received (£24,693) 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).
45. The Leader's role appears to have changed the most since 2011, particularly with regards to being on and working with the Local Enterprise Partnership (LEP - a statutory body) and more partnership working in general. More recently the Leader has begun to devote more time and attention to the proposed Combined Authority for Derbyshire, Nottinghamshire and Leicestershire - and regardless of the final form of the CA the Leader will continue to work with it - most likely by being on the CA Leaders' Board in the future.
46. The SRA for the Leader was always 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.
47. **The Panel recommends that the SRA for the Leader remains at £18,518 for 2015/16.**

Arriving at the other SRAs

48. 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.

The Deputy Leader

49. 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 always 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 Leaders' role. The Deputy Leader also is required to deputize (within and outwith the Council) for the Leader more often than in the past for similar reasons.
50. **The Panel recommends that the SRA for the Deputy Leader remains at £10,178 for 2015/16.**

The Chairmen of the Policy Committees (3)

51. Currently, the Chairmen of the 3 Policy Committees each receive an SRA (£9,249) set at 50% of the Leader's SRA. Once again while it 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. For instance the Chairmen of the policy or equivalent committees in Newark and Sherwood each receive an SRA of £5,296 but with 4 such committees the total remuneration for the policy committee chairmen is £21,184. While the Chairmen of the 3 Policy Committees are paid a total of £27,747 in SDDC the difference is not as large as it first appears. Moreover, no evidence was received to suggest the SRAs for the Chairmen of the 3 Policy Committees needed revising.
52. **The Panel recommends that the SRA for the Chairmen of the 3 Policy Committees remains at £9,249 for 2015/16.**

The Chairman of the Planning Committee

53. 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).

54. Moreover, 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 reading, including objections from residents, and has to handle meetings with great aplomb. The Panel received no evidence that the current SRA required revising.
55. **The Panel recommends that the SRA for the Chairman of the Planning Committee remains at £9,249 for 2015/16.**

Ordinary Members of the Planning Committee

56. Representation was received advocating a small SRA for the ordinary Members of the Planning Committee on the grounds that it met more often (on a monthly cycle) than other committees. This type of SRA is not as common as it used to be. Benchmarking shows it only occurs 2 out of the 16 councils in the benchmarking group - Amber Valley £570 and in Newark and Sherwood £96 per site visit where they are formally organised. Moreover, the Panel is mindful of the 2003 Statutory Guidance (paragraph 73)

It does not necessarily follow that a particular responsibility which is vested to a particular member is a significant additional responsibility for which a special responsibility allowance should be paid. Local authorities will need to consider such particular responsibilities very carefully. Whilst such responsibilities may be unique to a particular member it may be that all or most members have some such responsibility to varying degrees. Such duties may not lead to a significant extra workload for any one particular member above another. These sorts of responsibilities should be recognised as a time commitment to council work which is acknowledged within the basic allowance and not responsibilities for which a special responsibility allowance should be recommended.

57. Sitting on a Planning Committee is one of the regulatory roles that all Members are asked to undertake. It is recognised that Planning Committee Members have a greater workload than Members on other committees but it is workload issue rather than a question of responsibility. Other Members can be and indeed are called upon at times to undertake additional work for sustained periods.
58. **The Panel does not recommend that the ordinary Members of the Planning Committee are paid an SRA.**

The Chairman of the Overview and Scrutiny Committee

59. Of all the posts considered for benchmarking purposes the SRA (£9,249) for the Chairman of the Overview and Scrutiny Committee is the one that

is most above the mean SRA (£3,314). Again, the Panel points that in South Derbyshire District Council there is only one remunerated Chairman of Overview and Scrutiny whereas this is not necessarily 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. Moreover, 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 Panel has consistently supported a flat rate model for the remuneration of the main committee chairmen.

60. **The Panel recommends that the SRA for the Chairman of the Overview and Scrutiny Committee remains at £9,249 for 2015/16.**

The Chairman of the Licensing and Appeals Committee

61. This SRA (£2,312) was set at 25% of the Leader's SRA. Benchmarking shows that the mean SRA paid to Chairmen of equivalent committees is £2,812. At first glance it appears there may be a case to increase this SRA yet Licensing and Appeals never meets as a full Committee, the real 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 they are constituted and meet as and when required. Over the past 3 years they have averaged 10-11 times per year, although at least one of them last less than 1 hour in length.
62. The default position is that the Chairman of the full Licensing and Appeals Committee chairs the sub committees but this is not always necessarily the case particularly where there may be conflicts of interest. Consequently there are Licensing Members who also undertake the role of chairing a Licensing Sub Committee who are not remunerated whereas the Chairman of the Licensing and Appeals Committee while chairing the majority of the sub committees takes 100% of the SRA allotted to this function. This is an anomaly and in the interests of equity the Panel has decided to change how the licensing and appeals function is remunerated that has a stronger relationship to workload and responsibility than is currently the case.
63. **The Panel recommends that the SRA for the Chairman of Licensing and Appeals is discontinued from 1 January 2016 and replaced with an SRA paid to the Chairmen of the Licensing and Appeals Sub Committee for every meeting they chair as follows:**

- **Sub Committee Meetings - less than 2 hours: £94**
- **Sub Committee Meetings - 2 hours or more: £188**

Vice Chairmen of the Policy, Planning, Overview & Scrutiny Committees

64. Currently each of the 5 Vice Chairmen of the main committees (3 Policy, 1 Planning and 1 Overview & Scrutiny Committee) receives an SRA of £2,312, set at 25% of the SRA for their respective Chairmen. One view expressed to the Panel questioned the merit of remunerating any committee vice chairmen on the basis that it was the type of role that most Members could reasonably expect to fulfil over a term of office and therefore covered by the Basic Allowance.
65. The Panel has not accepted this argument - there was another view that the role of Vice Chairmen of the main committees was vital for succession planning, without a remuneration it could make having competent Vice Chairmen ready to step up to a Chairman 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 it is the more common practice.
66. Yet, the picture that emerged in SDDC was that the role of Committee Vice Chairman is somewhat ill defined and nebulous. While a Committee Vice Chairman is required to and indeed does step in for their Chairman when required there is no standard definition of the role beyond this old fashioned and somewhat narrow conception of the role. In particular, there is no standard expectation that all Committee Vice Chairmen are required to carry out discrete tasks, and in practice their role appears to be variable and for the most part dependent on the how their respective Chairmen view the role.
67. This is not to say the Vice Chairmen do not merit an SRA rather the evidence does not support the current SRA across the board. Consequently, the Panel has reset the SRA for the Vice Chairmen of the 5 main committees at 20% of their respective Chairmen's SRA (£9,249), which equates to £1,850. The Panel flags up that during the next review it would like to see role profiles for the Vice Chairmen and will then further reconsider their SRAs.
68. **The recommended SRA for the Vice Chairmen of the Policy Committees, the Planning Committee and the Overview and Scrutiny Committee is £1,850.**

Chairman of the Audit Sub Committee

69. 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. It is recognised that the Audit Sub Committee has a vital role and has real impacts in posing financial challenge. Yet to be consistent the Panel has decided that to recommend an SRA for this post it would need to see a

role profile during the next review where it will reconsider an SRA for the Chairman of the Audit Sub Committee.

70. **At this stage the Panel does not recommend that the Chairman of the Audit Sub Committee is paid an SRA.**

The Leader and Deputy Leader of the Opposition

71. No evidence was received to indicate the SRA for the Opposition Leader (£9,249) and Deputy Leader (£2,312) required revising.
72. **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.**

Confirmation of the 1-SRA only rule

73. The 2003 Regulations do not prohibit the payment of multiple SRAs to Members, as the benchmarking clearly shows. As per good practice, South Derbyshire District Council 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 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 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 the SRAs are paid which results in a small savings to the Council.
74. **The Panel recommends that the Council continue to impose a 1-SRA only rule within the South Derbyshire District Council Members' Allowances scheme.**

Co-optees' Allowances

75. Currently there are no Co-optees in receipt of a Co-optees' Allowance and no evidence was received to indicate this situation should be changed.
76. **The Panel does not recommend that a Co-optees' Allowance is made available to any Co-optees the Council chooses to appoint to its committees and/or panels.**

Dependants' Carers' Allowance (DCA)

77. 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 but the Panel feels that the principal behind the DCA is a sound one. This allowance is now almost universally available in English local authorities.

78. **The Panel recommends that the DCA and the terms and conditions under which it can be claimed are maintained.**

Travel and Subsistence Allowances

The Subsistence Allowance

79. 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 allowances 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.
80. **The Panel recommends that the maximum Subsistence and overnight 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 does not recommend any changes to the current rates and terms and conditions of the Subsistence Allowances scheme for 2015/16.**

The Travel Allowance - Mileage

81. 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 revising.
82. **Thus, the Panel recommends that the Council continue to pay mileage rates claimable by Members for attending approved duties at the HMRC mileage rates for the mileage allowances.**

Extending Approved Duties to cover Parish/Town Council attendance

83. The Panel was asked to extend the current list of approved duties for claiming a mileage allowance to include 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. Yet all Members have to undertake some travel related to their ward and community duties for which they are not currently reimbursed - that is part of their voluntary contribution. Moreover, Members can claim mileage from their respective parish councils - where they have travel allowances in place.
84. **The Panel does not recommend that Members attending the meetings of Parish and Town Councils within their wards 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.**

The Civic Allowances

85. 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.
86. There has already been substantial savings in the support costs for the Chairman and Vice Chairman mostly arising from the discontinuation of the civic car and chauffeur. The role has been more narrowly 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.
87. More importantly the Chairman and Deputy Chairman now attend a lot less formal functions than previously, particularly outside of SDDC. It is recognised that that is more to the role of Chairman than attending civic functions, such as being the 'champion of unsung local heroes'. Yet the fact remains that attendance at civic functions has decreased along with the associated expenses for which the Civic Allowance is supposed to meet while that Allowance has remained the same and this is no longer justified.
88. 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 not being adjusted to reflect the more narrowly defined role of the Civic Head.

96. **The Panel recommends that the Council Chairman's Civic Allowance is reset at £5,000 per annum and the Civic Allowance for the Vice Chairman of the Council is also reduced by a similar proportion and set at £1,189 per year.**
89. **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.**

Confirmation of indexing - for 2 years only: 2016-2018

90. The Panel was minded not to recommend the indexation of allowances so that the allowances would over time fall more in line (albeit marginally) with those paid in the comparator authorities. However, the Panel has always accepted in principle that the main allowances should be indexed, particularly to the same annual percentage increase in Officers salary. Indeed when Officers salary was subject to a zero per cent annual cost of living increase Members also received the same, i.e., zero annual increase.
91. **Thus, the Panel recommends and confirms the use of the following indices for allowances but only for the next 2 years 2016-2018:**
 - **Basic Allowance, SRAs and Civic 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 21th May 2015.
 - **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 as laid out in Schedule 2 of the allowances scheme.
92. The Panel points out that if the Council adopt indexation for 2 years only

then to extend any of the indices beyond May 2017 that the Council must seek the advice of the Panel, at which stage the Panel will take the opportunity to revisit the issues flagged up in a mini-review.

Implementation

93. **The Panel recommends that the recommendations contained in this report (with any amendments) be implemented from date of the council meeting at which the new allowances scheme is adopted.**
94. **The exceptions to this recommendation are**
 - **Discontinuation of the Telephone Allowance: to be implemented from 1 January 2016**
 - **Discontinuation of the SRA for the Chairman of the Licensing and Appeals Committee and the implementation of the SRAs for the Chairmen of the Licensing and Appeals Sub Committees: to be implemented from 1 January 2016**
 - **The resetting of the SRAs for the Vice Chairmen of the 5 main committees: to be implemented from 1 January 2016.**
 - **The resetting of the Civic Allowances for the Chairman and Vice Chairman of the Council: to be implemented from the date of the Civic Council Meeting 2016**

Appendix One

Members and Officers who met with the Panel

Members

Cllr N. Atkin	Chairman of the Council
Cllr Mrs L Brown	Vice Chairman of Planning Committee
Cllr Mrs H Coyle	Deputy Leader of Council & Conservative Group
Cllr Mrs G Farrington	Chairman of Overview & Scrutiny Committee
Cllr J Grant	Chairman of Audit Sub Committee
Cllr J Harrison	Chairman of Finance & Management Committee
Cllr P Murray	Vice Chairman of Council
Cllr. K. Richards	Leader of the Opposition (Labour Group)
Cllr P Smith	Vice Chairman of Housing & Community Services Committee
Cllr M Stanton	Chairman of Licensing & Appeals Committee
Cllr T Southerd	Deputy Leader of the Opposition (Labour Group)
Cllr P Watson	Chairman of Environmental & Development Services Committee
Cllr. B. Wheeler	Leader of the Council & Conservative Group

Officers

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

Appendix Two

Information Received by the Panel

1. Terms of Reference as agreed by Report to Council 2 July 2015 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 Fourth Report of the Independent Remuneration Panel (March 2011) including accompanying report to Council and accompanying Minutes that shows Council decision
10. Councillors Census 2013 data showing mean hours worked by Councillors broken down by type of council and positions held
11. PowerPoint presentation on introduction to allowances reviews: The South Derbyshire model, patterns and issues to consider (by Chair of IRP)
12. Office of National Statistics, 2014 Annual Survey of Earnings Statistical Bulletin showing average salary rates for South Derbyshire
13. The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) - to table when IRP convenes
14. Member role profiles
15. SDDC Annual Report 2014-15

16. SDDC Pay Policy Statement 2015-16
17. SDDC Expenses Policy & Guidance on claiming Expenses Novemberf 2014

Appendix Three: 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 publically 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 publically 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 publically available data