



## **Members Allowances 2018/19 - Recommendations of the Independent Remuneration Panel**

### **SUMMARY**

- 1.1 The Independent Remuneration Panel has been meeting throughout 2017/8 and has undertaken a thorough appraisal of the allowances and expenses paid to members. The Panel's recommendations for changes to the Council's Members' Allowances Scheme are detailed in its report attached at Appendix 2.
- 1.2 Members are encouraged to carefully read Appendix 2 to fully understand the deliberations that the panel has undertaken and the basis for its conclusions and recommendations.
- 1.3 The recommendations are put to Council for consideration.

### **RECOMMENDATIONS**

- 2.1 To consider the Independent Remuneration Panel's key messages arising from its deliberations, detailed in the Supporting Information and set out in Appendix 2.
- 2.2 To consider and make resolutions in relation to the eight recommendations of the Independent Remuneration Panel detailed in Appendix 2 and summarised in Appendix 3.
- 2.3 To approve a Members' Allowances Scheme for 2018/9, to take effect immediately, as set out in Appendix 4, subject to any changes that may be agreed in consideration of recommendations 1 and 2.

### **REASONS FOR RECOMMENDATION**

- 3.1 The council is required to publish a Members' Allowances Scheme and consider recommendations of an Independent Remuneration Panel.

### **SUPPORTING INFORMATION**

- 4.1 The Independent Remuneration Panel has considered much evidence during the 2017/8 municipal year to enable it to consider changes that should be made to the Members' Allowances Scheme.

- 4.2 The evidence it has considered includes:
- The existing Members' Allowances Scheme;
  - Reports of the previous Independent Remuneration Panel in the eight years since significant changes were last made to the scheme;
  - The minutes of Council meetings when their reports were considered and the reasons for rejection of some recommendations;
  - Benchmarking information relating to other authorities' Members Allowances Schemes;
  - Written submissions by councillors, including comments that were invited generally and those that were requested specifically;
  - Oral submissions by the Chief Executive, Director of Governance and other officers that were requested specifically.

### **Key Messages of the Independent Remuneration Panel**

- 4.3 The panel recognises that there is a need to balance the difference between public service and employment, and has taken this into account when compiling its recommendations.
- 4.4 While councillors' decisions to reject recommended increases that have been proposed by panels in previous years were understood, the panel was concerned that this has resulted in a scheme which now does not reflect the roles and responsibilities of becoming an elected member.
- 4.5 The panel therefore urges councillors to balance any desire they may have to be seen to save money with their responsibility to ensure becoming a councillor remains a viable option for people of all backgrounds to be attracted to the role.
- 4.6 It is felt that Derby's councillors are under-remunerated for the work they do, and that Derby City Council needs a scheme which is able to continue to attract a high calibre of councillor candidates.
- 4.7 Existing discrepancies within the scheme should be addressed to ensure the scheme is as transparent as possible and that councillors are treated equally.

<b>OTHER OPTIONS CONSIDERED</b>
---------------------------------

- 5.1 None. Consideration of this report and the reaching of a resolution following that consideration is required by statute.

<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	David Walsh 01332 643655 david.walsh@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Report of the Independent Remuneration Panel Appendix 3 – Summary of Recommendations Appendix 4 – Proposed Members' Allowances Scheme 2018/9
---	---

<b>IMPLICATIONS</b>
---------------------

**Financial and Value for Money**

- 1.1 The financial impact of the proposed increase in Basic Allowance for 2018/19 would be a cost of £98,124. However, this would be offset by a corporate saving of around £20,000, based on the average costs over the last five years, arising from the recommended removal of broadband, landline and home printing. The estimated net cost would therefore be £78,124.
- 1.2 Based on 2016/7 spending, the financial impact of the Special Responsibility Allowance would be a cost of £84,935, dropping to £72,515 if Employee Appeals are either removed entirely or remain as a sub-committee of the Licensing Committee. However, this would be offset by the recommended removal of the separate Mayoral and Deputy Mayoral 'purse', saving £7,370. This would bring the overall cost to £77,565, dropping to £65,145 subject to the decision on Employee Appeals.
- 1.3 The total cost of adopting all the panel's recommendations would therefore be £155,689, dropping to £143,269 subject to the decision on Employee Appeals.
- 1.4 The costs could be funded through the Budget Contingency Reserve in 2018/9 with a view to being absorbed as a budget pressure in the 2019/20 revenue budget setting process.

**Legal**

- 2.1 Council is required to consider the recommendations of an Independent Remuneration Panel on the allowances and expenses paid to councillors
- 2.2 It is for Council to determine whether to adopt the recommendations put to it, but members are obliged to give due consideration to the panel's report.

**Personnel**

- 3.1 None directly arising.

**IT**

- 4.1 The proposed withdrawal of council-funded landline, broadband and home printing facilities will impact directly on those members who currently benefit from this provision.

**Equalities Impact**

- 5.1 None directly arising.

**Health and Safety**

- 6.1 None directly arising.

## **Environmental Sustainability**

7.1 None directly arising.

## **Property and Asset Management**

8.1 None directly arising.

## **Risk Management and Safeguarding**

9.1 None directly arising.

## **Corporate objectives and priorities for change**

10.1 The role of councillors is fundamental to everything that the council seeks to achieve. The panel has given specific regard to the necessity for the council to maintain a Members' Allowances Scheme which is up-to-date and meets the needs of the authority. It is the panel's view that adopting the recommendations will update the scheme appropriately and ensure the role of councillors remains a viable option to attract suitable people from all walks of life.