

INDEPENDENT REMUNERATION PANEL **ON MEMBERS' ALLOWANCES**

REPORT TO HIGH PEAK BOROUGH COUNCIL

1 MEMBERS OF THE PANEL:

Declan Hall, Chair of Panel and an academic, from the Institute of Local Government, University of Birmingham, who specialises in Members' Allowances.

Jim Dixon – Site Manager, Federal Mogul, Chapel-en-le-Frith

David Jones – Editor of the Glossop Chronicle newspaper

Edward Schofield – Retired local government officer currently Parish Clerk and District Secretary of the Pennine Lodge of Oddfellows.

2 TERMS OF REFERENCE

- 2.1 The Terms of Reference of the Independent Panel were to produce a report making recommendations to High Peak Borough Council on the current scheme of allowances paid to members of the Council. The allowances were last amended in 2003.

3 BACKGROUND

- 3.1 Current legislation, contained within Statutory Instrument 2003 No. 1021 - 'The Local Authorities (Members' Allowances) (England) Regulations 2003' - requires that, before making or amending a Members' Allowance Scheme, the Council must have regard to the advice of an Independent Remuneration Panel.
- 3.2 The Council must consider the report of the Panel, ensure that it is available for public inspection and supply copies of the report on request. In addition the Council must publish a notice in one or more newspapers circulating in the area, stating that it has received the Panel's recommendations, describing the main features of the recommendations and specifying the recommended amounts of each allowance.

4 METHODOLOGY

- 4.1 As part of our review we were provided with information about the decision making processes of the Council, the current Members' Allowances Scheme, benchmark comparative data both at a national level and from other authorities. We also interviewed members of the Council to discuss their perceptions of where there may be anomalies in the current scheme of allowances. The Panel noted that the previous review in 2003 had made recommendations that were broadly in line with comparative practice and expectations of the time. However, there is now experience of what were

relatively new structures in 2003 and as High Peak Council has not applied an index allowances have fallen behind comparative authorities.

- 4.2 While Panel is aware of the issue of affordability it was not the driving principle in our deliberations. The Panel was under an obligation to take into account a number factors not just the issue of affordability.
- 4.3 The Panel had the support of Sarah Beal, Democratic Services Manager, who acted as 'Panelist's Friend' and ensured that requests for information by the Panel were met and generally facilitated the work of the Panel.

5 ISSUES CONSIDERED

5.1 The current level of Basic Allowance

- 5.1.1 In general the members of the Council we interviewed considered that the level of Basic Allowance did not reflect the commitment required by a fully engaged Councillor.
- 5.1.2 The Council's Basic Allowance is the lowest in Derbyshire and amongst the lowest in the country for district councils. No authority in Derbyshire pays a Basic Allowance lower than High Peak Council – see Appendix 2. Furthermore, the Panel noted that according to the IDeA survey of allowances published on 24 February 2004 that the national average Basic Allowance paid in District Councils was £3,396, a figure that would have increased due to on-going reviews and indexing. Members were aware of this and did make reference to it in the interviews. We considered that this should not be a reason in itself for recommending an increase but we felt that it was an issue. Yet, the differential has continued to increase particularly as there had not been a review since 2003 and the previous review had not been indexed linked. This has led to the situation whereby the Basic Allowance has become so far behind that it is almost impossible to catch up to comparable authorities in one review.
- 5.1.3 The Panel noted that to bring the Basic Allowance in the High Peak into line with the Basic Allowance paid both across Derbyshire Districts and nationally it would have to recommend an increase in the region of 75 per cent and more. The Basic Allowance has lagged so far behind comparable authorities that the Panel could not recommend that the Basic Allowance be increased in line with county wide and national comparators as affordability comes to the fore in this instance. As such the recommended increase is simply designed to reduce the glaring differential without recommending an increase over 50 per cent. The Council may wish to recall the Panel in 2007 to keep the levels of differential under review.
- 5.1.4 We took on board the comments made that implied there was a level of disparity between the levels of commitment by members. We considered that this could be assisted by introducing a system of reporting on activity. Attendance at meetings is only a small part of member activity and we considered that a mechanism would be helpful but should also include community activity.

5.1.5 We therefore recommend

- (i) That the Basic Allowance for all members of the Council be increased to £2750.**
- (ii) That the Panel is recalled in 2007 to review the current scheme once more in the comparative context and to monitor any ongoing changes that may have occurred in the political management structures of the Council.**
- (iv) That the Council introduce a system to enable members to publicly report on their meeting attendance and other community activity.**
- (v) That the Standards Committee be asked to look at this reporting on a regular basis.**

5.2 The Leader

5.2.1 All members of the Council we interviewed considered that the current level of remuneration for the Leader of the Council did not reflect the level of responsibility or time commitment required to carry out this position. It was recognised that the way in which the Council operated did not require a full time Leader.

5.2.2 We therefore recommend

- (i) That the Special Responsibility Allowance of the Leader of the Council be £9075.**
- (i) That the Special Responsibility Allowance of the Leader act as a baseline for calculating the Allowances attached to other positions within the scheme and represent 100%.**

5.3 Members of the Executive

5.3.1 We considered that the allowances paid to the members of the Executive were low. The Deputy Leader had taken responsibility for a number of portfolio issues that had previously been undertaken by the Leader. The commitment required by other portfolio holders does not reflect the workload and responsibility attached to these posts and they are very lowly paid compared to other authorities. They are only paid a SRA at 34% of the Leader's SRA, the more common ratio is 50%.

5.3.2 We therefore recommend

- (i) (i) That the Special Responsibility Allowance for the Deputy Leader of the Council be 60% of that paid to the Leader of the Council (£5445).**

- (ii) **That the Special Responsibility Allowance for the other members of the Executive be 45% of that paid to the Leader of the Council (£4083 – which equals 45% of £9,075)**

5.4 Chairs of the Select Committees

5.4.1 We recognised that the Chair of the Corporate Select Committee had a slightly greater role to play and that the current slightly greater allowance should continue to apply.

5.4.2 We therefore recommend:

- (i) **That the Special Responsibility Allowance for the Chair of the Corporate Select Committee be 20% of that paid to the Leader of the Council. (£1815 – which is 20% of £9,075)**
- (ii) **That the Special Responsibility Allowance for the Chairs of the Regeneration, Social Inclusion and Environment Select Committees be 15% of that paid to the Leader of the Council. (£1361 – which is 15% of £9,075)**
- (iii) **(iii) That the Special Responsibility Allowance for the Chair of the Development Plan Select Committee be 4% of that paid to the Leader of the Council. (£363 4% of £9,075)**

5.5 Special Responsibility Allowance to the Chairs of the Development Control, Licensing, Audit and Regulatory and Standards Committee, the Co-optees and the Personnel and Appeals Panel

5.5.1 Development Control is considered to be an important function of the Council. Meetings are held every three weeks. There are site visits and sub committee meetings in between. This requires commitment from the Chair and it is a high profile role, which carries a substantial workload. The Panel decided that the current ratio of 25% of the Leader's SRA should be increased from 25% to 30% to reflect the importance of this post.

5.5.2 The Licensing functions of the Council have recently been extended in line with the statutory requirements of the Licensing Act 2003; namely the transfer of liquor licensing functions from local magistrates to local authorities. The establishment of a Licensing Panel has meant that objections to liquor applications are heard at sittings on a regular basis. However, these panels have not met as often as originally anticipated and although the statutorily required chairs of the licensing sub-panels have been working hard the duties have not been as onerous as was expected on the other members of the Licensing Panel. The Panel decided to recommend a SRA to the Chairs of the Licensing Sub Panels at a ratio of 10% of the Leader's SRA.

5.5.3 The functions of the Regulatory Committee have recently been extended to take on board Audit. The Audit function is a mandated function that has recently come from central government and it is required to be the responsibility of a committee, not associated with the executive. This will

require greater commitment by the Chair and we consider that this should be recognised and as such the Panel decided to up lift the current ratio this post is remunerated from 13% to 20% of the Leader's SRA.

5.5.4 Although chaired by an independent person we considered that the role and importance of the Standards Committee should be recognised and as such the ratio this SRA is paid at should be marginally increased to 10%. We also considered that the co-opted members of the Standards Committee should continue to receive an allowance but that the current allowance should just be up rated.

5.5.5 The Council as required by the Local Government Act 2000 appoints a number of non-elected co-optees, namely to the Standards Committee. They are able to claim a Co-optees' Allowance paid at 3.7% of the Leader's SRA. The Panel supports the continuation of this allowance at the current ratio and rounds it up to 4%.

5.5.6 The Personnel and Appeals Panel meets only on an ad hoc basis and has not met recently. A different Chair is generally appointed each meeting depending on what matter is being considered.

5.5.7 We therefore recommend:

- (i) That the Special Responsibility Allowance for the Chair of the Development Control Committee be 30% of that paid to the Leader of the Council. (£2722 – which equals 30% of £9,075).**
- (ii) (ii) That the Special Responsibility Allowance for the Chairs of the Licensing Panels be 10% of that paid to the Leader of the Council. (£907).**
- (iii) That the Special Responsibility Allowance for the Chair of the Audit and Regulatory Committee be 20% of that paid to the Leader of the Council (£1815 which is 20% of the Leader's recommended SRA of £9,075).**
- (iv) That the Special Responsibility Allowance for the Chair of the Standards Committee be 10% of that paid to the Leader of the Council (£907).**
- (v) That co-opted Members in receipt of a Co-optees' Allowance should continue to receive one and should be paid at £363, which maintains (with a rounding up to nearest percentage point) ratio to Leader's SRA at 4%.**
- (vi) That the Special Responsibility Allowance for the Chair of the Personnel and Appeals Panel be removed from the scheme.**

6 The Leader of the Opposition

As required by the Regulations in the context where SRAs are paid and one or more parties forms the administration then a SRA must be paid to at least one member of the Opposition. In High Peak, this has traditionally been the leader of the largest opposition group, in this case the Labour group. The Panel does not see any reason to alter this arrangement. Moreover, the current SRA of £600 per annum, which is less than 10 per cent of the Leader's SRA. The Panel understands that in the comparative context this is very low. The Opposition Leader has to take a view across the whole Council and is under an obligation to propose alternative policies and budgets as well as be prepared to form an administration if and when the political context arises. This needs to be recognised in the Opposition Leader's SRA.

As such, the Panel recommends that the Leader's SRA 20% of that paid to the Leader of the Council (£1815 which is 20% of the Leader's recommended SRA of £9,075).

7 OTHER MATTERS

6.1 High Peak Community Housing

6.1.1 Several members made reference to the commitment that was required by those members who were appointed as the Councils board representatives of the High Peak Community Housing.

6.1.2 We therefore recommend:

That investigations be made with High Peak Community Housing to ascertain whether it would be possible for them to pay a Special Responsibility Allowance for members of the Board.

The Dependent Carers Allowance

1. The rate at which Members can claim for assistance with reimbursement of caring for dependents while on approved duties has not been up rated since 2003. It presently stands at £4 per hour. This is less than the minimum wage, it should be set at minimum wage.

Index

1. The Panel notes that there is no provision for indexing of allowances in High Peak Council. This situation only exacerbates the problem of allowances falling behind 'the rate for job'. The Panel recommends that an annual index is applied to the Basic Allowance, SRAs, Co-optees Allowance and the rate for which the Dependent Carer's Allowance can be claimed. This index should be the annual national percentage pay increase received by local government staff. This has the advantage of treating Members and Officers equitably and it is an increase that local government can afford.

Travel and Subsistence

1. The current travel and subsistence rates have not been up rated for at least 4 years and are now out of date. The Panel recommends that the travel and subsistence rates be the same as the Officer casual user rate and are up rated when the Officer casual user rate is up rated.

The Back Dating of Allowances

1. As permitted by the 2003 Regulations on Members' Allowances the Panel recommends that the revised allowances be implemented to the start of the financial year if the Council so wishes.

HIGH PEAK BOROUGH COUNCIL
PROPOSED SCHEME OF MEMBERS' ALLOWANCES

	Current Allowance	Proposed new percentage level	Proposed new Allowance	Total
Basic Allowance 43	2250		2750	118250
Leader	7500	100	9075	9075
Deputy Leader	3750	60	5445	5445
Portfolio Holder 4	2550	45	4083	16332
Corporate Select Chair	1425	20	1815	1815
Other Select Committee Chairs 3	975	15	1361	4083
Audit and Regulatory Committee	975	20	1815	1815
Development Control Committee	1875	30	2722	2722
Standards	675	10	908	908
Co-opted Members	250	3	272	816
Licensing Panel Chairs	No payment currently made	10	908	2724
Personnel and Appeals Panel	600	Recommend Removal from scheme		nil
Major Opposition Group	600	20	908	1815
Development Plan Select	300	4	363	363
			TOTAL	166163

INDEPENDENT REMUNERATION PANEL ON
MEMBERS' ALLOWANCES PANEL
SCHEDULE OF INTERVIEWS

Executive Portfolio Holder Councillor John Faulkner
Executive Portfolio Holder and Leader of the Conservative Group Councillor Alan Wells
Leader of Labour Group Caitlin Bisknell
Chairman of the Liberal Democrat Group Ray Atkins
Chair of the Corporate Select Committee Tony Ashton
Executive Portfolio Holder and Vice Chair of Development Control Committee Mike Harrison
Councillor Tim Norton Labour Group Member
Chair of Select Committee and Licensing Councillor Pearson
Leader of the Council Councillor Lomax

SCHEDULE OF ALLOWANCES PAID BY OTHER DERBYSHIRE AUTHORITIES

		Bolsover	High Peak	North East Derbyshire 1.4.05	Erewash	Chesterfield	Amber Valley 03/04	Derbyshire County Council	Derbyshire Dales	South Derbyshire
All Members	Basic Allowance	8,445	2,250	4,587	3732	3883	3,500	8,826	3,395	5,130
The Executive	Leader	12,667	7,500	15,768	15459 (100%)	24,413	10,500	29,160 100%	6,790	16,926
	Deputy	8,445	3,750	11,331	8529 (55%)	13,428	4,725	21,876 75%	2,243	9,309
	Portfolio Holder	4,222	2,550	7,227	4797 (31%)	7,631	4,200	14,580 50%		Chairs Policy Committees 8,463
Select Committees	Chair		C/S-1425 Other 3 – 975	3,450	2133 (14%)	3,067	2,100	8,748 30%	1,698	6,771
	Vice Chair	2,111	-	1,149	2133 (14%)		735	4,380 15%	566	1,692
			Developme nt Plan – 300							
Regulatory Committee	Chair		975			4,067		7,296 25%		
	Vice Chair		-					3,648 12.5%		

		Bolsover	High Peak	North East Derbyshire 1.4.05	Erewash	Chesterfield	Amber Valley 03/04	Derbyshire County Council	Derbyshire Dales	South Derbyshire
Development Control	Chair	2,111	1,875	Is a portfolio holder no additional allowance	4797 (31%)	3,067	2,100			8,463
	Vice Chair		-	1,149	2133 (14%)					2,115
Standards	Chair		675	0 (independent member)	2133 (14%)	3,067 (if and elected member)	1,050	17%	846	1,692
	Vice Chair		-	0 (independent member)	639			8.5%	261	
	Co-opted Member		250				315			267
Licensing	Chair		675	Not appointed		556	2,100			
	Vice Chair		-	Not appointed			1,050			
	Member						735			
Appeals Panel	Chair		300				735			
Group Leaders	Majority Group	4,222	600						2,857	
	Leader 1st Opposition		-			7,631	2,100		2,449	8,463

	Group									
	Leader 2nd Opposition Group		-			3,814			1,635	
Area Forums				2,400		3,067		4%		