



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**COUNCIL**

**WEDNESDAY, 23 MARCH 2022**

**Report of the Director - Legal and Democratic Services**

**Annual Report of the Independent Remuneration Panel**

**1. Purpose**

- 1.1 To consider the annual report of the Council's Independent Remuneration Panel (IRP) following consideration of it by the Governance, Ethics and Standards Committee.

**2. Information and Analysis**

- 2.1 The Council is required to adopt and publish a Members' Allowances Scheme and to consider recommendations from the IRP. Attached for consideration at Appendix 2, is the report of the Independent Remuneration Panel dated March 2022. The IRP held four virtual meetings in order to prepare their report and a summary of the work carried out is included in the Panel's report at section three.
- 2.2 The findings of the Panel are set out in section four of their report with the recommendations in full provided at section five.
- 2.3 In summary, the Panel is recommending that one change is made to the special responsibility allowance payable to the Chairman of the Council to bring it into line with comparable committee chairs. The IRP is recommending that there should be no further changes, aside from the uplift in line with the pay award to staff, to any member allowances for next year.

- 2.4 At its meeting held on 3 March, the Governance Ethics and Standards Committee resolved to fully support the recommendations made by the IRP to be put forward for formal adoption by Council.
- 2.5 Since the preparation of the GES report, the staff pay award for 2021/22 has been agreed so the figures quoted in Appendix 2 to the Panel's report have been increased by 1.75% in line with the award.
- 2.6 Governance Ethics and Standards Committee also approved the process to recruit to fill upcoming vacancies on the IRP and agreed to establish a Recruitment Panel comprising Councillors Swann, Flatley and Gillott. A further report to Council will be submitted in due course to formally make these appointments.

### **3. Consultation**

- 3.1 It has not been necessary to carry out formal consultation in relation to this report although the IRP did hold meetings with the Leader, Civic Chair and Chair of the Council to seek their views on the level of allowances to inform their recommendations

### **4. Alternative Options Considered**

- 4.1 Council could decide not to support the recommendations made by the IRP and supported by the GES Committee, although alternative recommendations would not be fully costed which may lead to an unsound decision being made.

### **5. Implications**

- 5.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

### **6. Background Papers**

- 6.1 None identified

### **7. Appendices**

- 7.1 Appendix 1 – Implications
- 7.2 Appendix 2 – Report of the Independent Remuneration Panel

### **8. Recommendation(s)**

- 1) To consider the report of the Independent Remuneration Panel, subsequently supported by the Governance Ethics and Standards Committee, and whether to accept the recommendations contained in the report;
- 2) Consequent on those recommendations, to agree the schedule of members' allowances for 2022/23 as attached at Appendix 2 to Independent Remuneration Panel's report;
- 3) To note the proposal to recruit to the positions on the Independent Remuneration Panel as the vacancies arise; and
- 4) To authorise the Monitoring Officer to make appropriate amendments to the Constitution to reflect any changes to the members' allowances scheme agreed.

## **9. Reasons for Recommendation(s)**

- 9.1 To ensure that the Council has an up to date and robust scheme for the payment of allowances to members.

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**Implications**

**Financial**

- 1.1 Should Council accept the Panel's recommendations, then costs can be accommodated from within existing budgets.

**Legal**

- 2.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) set out that local authorities must establish a panel to review and advise on the level of allowances payable to members. The Council must have regard to the recommendation made by the Panel.
- 2.2 Adopting the Members' Allowances Scheme and approval of amendments to the Constitution are both matters which are reserved to full Council. However, under its terms of reference at Article 11 of the Constitution, the Governance, Ethics and Standards Committee is required to advise the Council on any matters in connection with the Members' Allowance Scheme, taking into account the recommendations of the Independent Remuneration Panel.

**Human Resources**

- 3.1 None

**Information Technology**

- 4.1 None

**Equalities Impact**

- 5.1 None

**Corporate objectives and priorities for change**

- 6.1 Not applicable

**Other (for example, Health and Safety, Environmental, Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

- 7.1 None.

## **Appendix 2**

# **Report of the Independent Remuneration Panel Derbyshire County Council January 2022**

## **Table of Contents:**

1. Background
2. Terms of Reference
3. Process of the Review
4. Results of the Review
5. Recommendations
6. Work Programme for 2022-2023

## **Annex A**

Recommended Amounts Payable to Members under the Members Allowances Scheme 2022-2023

## 1. Background

- 1.1 The Independent Remuneration Panel is established under the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) to provide advice and recommendations to the Council on its Members' Allowances Scheme and amounts to be paid under it.
- 1.2 Relevant guidance was issued by the Office of the Deputy Prime Minister "EIM65960 - Local Government Councillors and civic dignitaries in England: ODPM guidance: Part One: members' allowances.
- 1.3 Panel members are appointed for a period of four years and no member may serve for more than two terms of office of four years. Three current members' terms of office end in December 2022.
- 1.4 Panel members are recruited by public advertisement and should be of good standing in the community either as a resident and/or a stakeholder in the County. Ideally members should have sound knowledge of employment and financial matters with an understanding of the operations of a local authority. To maintain independence political appointments, and appointments which are made through friendship or any other personal association of any members of the council must be avoided.
- 1.5 The current Derbyshire County Council Independent Remuneration Panel comprises five members, none of whom are members of the Council or any of its committees, nor an employee of the Council. The members are:
  - a) **Mr. Simon Westwood - elected by the panel as Chair for 2021-22** Independent Chair of the Safeguarding Children Partnership for the City of Stoke on Trent. Independent Scrutineer for Safeguarding Children at Salford City Council. Worked for the County Council until 2000, having held the posts of Head of Planning and Projects and Head of Planning and Strategic Development. Member since December 2014. Term ends December 2022.
  - b) **Mr Denis Heaney** - Former Investigations Manager HMRC, previously an Independent Member of the Derbyshire Police Authority Standards Committee and the County Council's Standards Committee. Member since December 2014. Term ends December 2022.
  - c) **Mr Andrew Sharpe** - Clerk and Responsible Financial Officer for a number of Parish Councils in Derbyshire. Former Head of Democratic Services and Deputy Monitoring Officer with

Erewash Borough Council. Member since December 2014.  
Term ends December 2022.

- d) **Mr Peter Clifford** - Retired Magistrate having served 17 years (including 6 years as a Chair). Former Pensions Manager at Coalite Group and Rolls-Royce. Bachelor of Law degree from the University of London. Member since December 2021.
- e) **Mr Peter Clay** - Former Banker, Retired Magistrate, Non-Executive Director NHS, Audit Chair and former Chair of Lincolnshire IRP. Member since December 2021.

1.6 During 2021-22 having served two terms, Mrs. Pat Boyle's term office expired. The Panel would like to thank Mrs. Boyle for her valuable and astute contributions to the Panel over the last eight years. Following a public advertisement and recruitment exercise two new members, Mr Peter Clay and Mr Peter Clifford, were appointed to the Panel by the Council with effect from 2 December 2021.

1.7 The Secretary to the Panel is the Head of Democratic and Registration Services. The Director of Legal and Democratic Services (Monitoring Officer), Director of Finance and ICT (Chief Finance Officer) and Principal Solicitor also attend the meetings to provide advice and support.

1.8 The Panel is advisory in nature and the recommendations it makes are not binding on the authority. However, the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) requires Council to "have regard" to the Panel's recommendations when setting its allowances.

## 2. **Terms of Reference**

The purpose of the Independent Remuneration Panel is as follows:

- a) To make recommendations to the authority as to the amount of basic allowance that should be payable to its elected members.
- b) To make recommendations to the authority about the responsibilities or duties which should lead to the payment of a special responsibility allowance and as to the amount of such an award.
- c) To make recommendations to the authority about the duties for which a travelling and subsistence allowance can be paid and as to the amount of this allowance.

- d) To make recommendations as to the amount of co-optees' allowance.
- e) To make recommendations as to whether the authority's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependents and if it does make such a recommendation, the amount of this allowance and the means by which it is determined.
- f) To make recommendations on whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended.
- g) To make recommendations as to whether annual adjustments of allowance levels may be made by reference to an index, and if so, for how long such a measure should run.
- h) The IRP will make its recommendations in the form of a report to Council.

### **3. Process of the Review**

The Panel held four meetings during the year in June, September, December and January. All were virtual due to the Covid restrictions.

The Panel were advised that, in May 2021, the Council had approved the addition of a new committee, the Improvement and Scrutiny Committee, Climate Change, Biodiversity and Carbon Reduction. The new roles created (Chair and Vice-Chair of the Committee) attracted additional Special Responsibility Allowances (SRAs). The Panel were advised that this cost could be met within existing resources.

The Panel received and considered information on comparative allowances from 13 other Council areas and all of the District Councils in Derbyshire and concluded there was no case for changing these for 2022-2023.

In respect of SRAs the Panel were informed of additional Cabinet Member roles that had been established and were advised that the costs of the SRAs for these was containable within the existing budget.

The Panel met with the Leader of the Council, the Chair of the Council and the Civic Chair of the Council to review the balance of responsibilities of these role after the role of Chair was initially introduced in 2019/20. These were due for review in 2020/2021 but due to the pandemic the activity of the role of the Civic Chair was particularly affected.

We considered the Role Profiles for these roles and received information from officers on previous Civic duties. We also considered the allowances paid in other Councils for these roles. We felt that the role of the Chair of the Council should be

remunerated in line with other committee chairs.

We did not feel that there was enough recent information to decide on any change to the Civic Chair remuneration for this year but that we would undertake a full review of that role in 2022/23.

In December 2021, the Panel were asked by the Governance, Standards and Ethics Committee to propose an appropriate rate of remuneration for Independent Persons appointed under the Localism Act within the standards regime for Derbyshire County Council.

We considered the report of Director of Legal and Democratic Services, the role profile for an Independent Person, benchmarking information from other Councils and reflected on the similarity between the IRP Panel members role and the Independent Persons role. As a result of that we provided our independent view to the working group considering this.

#### 4. **Results of the Review**

##### 4.1 Basic Allowance

On the issue of Basic Allowance the Panel agreed that there should be no change to the allowance for 2022-2023 other than the addition of any increase in the pay award due to employees covered by the NJC Pay Rates for Local Government Services as of the 1<sup>st</sup> April each year. This is currently agreed within the scheme.

##### 4.2 Special Responsibility Allowance

On the issue of Special Responsibility Allowance the Panel, having considered the importance, level of accountability and work required to prepare and manage lengthy meetings and managing public interaction with the Council, consider that the allowance for the Chair of the Council should be brought into line with the special responsibility allowance for other Council Committee Chairs of Derbyshire County Council and should be 25% of the full allowance for the year 2022/23. The Panel agreed that there should be no change to the other SRAs for 2022-2023 other than the addition of any increase in the pay award due to employees covered by the NJC Pay Rates for Local Government Services as of the 1st April each year. This is currently agreed within the scheme.

4.3 That we advised the Governance, Standards and Ethics Committee on suitable remuneration for Independent Persons appointed under the Localism Act and also advised officers that they consider if any similar Independent Person roles in the Council should also be considered.

4.4 A revised Members' Allowances Scheme incorporating the recommended amendments is attached at Annex A.

4.5 In preparing this report, and the recommendations contained herein the Panel wants to thank the Members and Council Officers who contributed to the discussions and assisted the Panel in its work.

## **5. Recommendations**

5.1 The Panel therefore recommends to Council that:

The basic allowance payable to all Members from 1<sup>st</sup> April 2022 should remain at the 2021-2022 level uplifted by any increase in the pay award due to employees covered by the NJC Pay Rates for Local Government Services as of 1<sup>st</sup> April each year. This is currently agreed within the scheme.

5.2 The Special Responsibility Allowances payable from 1<sup>st</sup> April 2022 for the Chair of the Council should be 25% of the full allowance.

5.3 There should be no change to the Civic Chair allowance during 2022-2023.

5.4 All other Special Responsibility Allowances payable from 1<sup>st</sup> April 2022 should remain at the 2021-2022 level uplifted by any increase in the pay award due to employees covered by the NJC Pay Rates for Local Government Services as of 1st April each year. This is currently agreed within the scheme.

5.5 The Members' Allowances Scheme should be amended to adjust the SRA for the Chair of the Council.

5.6 The revised Members' Allowances Scheme at Annex A is approved.

5.7 In recognition of the expiry of the term of office of three members of the Panel in December 2022, Council agrees to commence a recruitment exercise during 2022 so that it is in a position to appoint to the vacant positions.

## **6. Work Programme for 2022-23**

6.1 The Panel intends to continue to keep under review all aspects of the allowances paid to Members and review the role of the Civic Chair. An open invitation is extended to all Members of Council to ask questions or raise issues with the Panel at any time.

**Report Author**  
**Simon Westwood**  
**Independent Chair**

**Derbyshire County Council Independent Remuneration Panel      Appendix A**  
**Amounts Payable to Members under the Members Allowances Scheme      2022/23**

No Claim Required. These Allowances will be paid Automatically.

		Relative Responsibility %	Annual Amount 2022-23 £
<b>Special Responsibility Allowances</b>			
Council	Chairman	25	9,414
	Civic Chairman	25	9,414
	Civic Vice-Chairman	10	3,768
Cabinet	Leader	100	37,717
	Deputy Leader	75	28,258
	Cabinet Member	50	18,852
Leader of the Main Opposition Group		45	16,969
Leader of a Minority Opposition Group (with at least 10% of Council Members)		15	5,652
Cabinet Support Member		25	9,414
Improvement and Scrutiny Committee-Resources	Chairman	25	9,414
	Vice-Chairman	10	3,768
Improvement and Scrutiny Committee-Places			
Improvement and Scrutiny Committee-People			
Improvement and Scrutiny Committee-Health			
Improvement and Scrutiny Committee-Climate Change, Biodiversity and Carbon Reduction			
Planning Committee (Regulatory)			
Governance, Ethics and Standards Committee			
Audit Committee			
Pensions and Investments Committee			
Appointments and Conditions of Service Committee			
Basic Allowance			11,414
Co-optees Allowance			759
Fostering Panel			1,994

NB - A Member cannot be in receipt of more than two SRAs at any one time