

**THE INDEPENDENT REMUNERATION PANEL ON MEMBERS'  
ALLOWANCES**

**REPORT TO THE DISTRICT OF BOLSOVER**

**MEMBERS: -**

- ❖ Mr Gordon Inglis, Head Teacher of Bolsover School
  
- ❖ Mrs Susan Ambler, Head of Financial Accounting and Control at the University of Derby
  
- ❖ Mrs Joanne Hill, Asset, Strategy and Development Manager at South Yorkshire Housing Association

## **1. INTRODUCTION**

- 1.1 We, the members of the Independent Remuneration Panel (the Panel) were invited to participate by Bolsover District Council. This was done in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003. These regulations require that before making or amending a Members' Allowance Scheme, the Authority must have regard to the recommendations of an Independent Remuneration Panel.
- 1.2 The Panel comprises three members; two of whom, Gordon Inglis and Joanne Hill, were members of the panel in 2014 when the Members' Allowance Scheme was last reviewed in full. Susan Ambler has previous experience of reviewing Members' Allowances with another Local Authority.
- 1.3 We represent a broad range of disciplines within our local society. We are also independent from the Authority and so are able to look at the matter of members' allowances objectively, with no self-interest. We have also been able to bring the experience of our own spheres to bear on the discussions.
- 1.4 We have been supplied with a range of information to consider during the formulation of our recommendations and have interviewed two Members to help with clarification around questions that arose during our deliberations.

## **2. THE PANEL'S TERMS OF REFERENCE**

- 2.1 These terms of reference have been compiled with reference to The Local Authorities (Members' Allowances) (England) Regulations 2003.
- 2.2 In accordance with regulation 21 the Independent Remuneration Panel is required to make recommendations on the Members' Allowance Scheme in the form of a report to the Authority.
- 2.3 The remit requested by Members for the 2017 Review was:
  - ❖ To consider whether the Special Responsibility Allowances for the Chair and Vice Chair of Licensing Committee are adequate; and
  - ❖ To consider whether all allowances should be index linked.

### 3. THE PANEL'S METHODOLOGY

- 3.1 The Panel met on 13<sup>th</sup> January 2017 and were given the above remit.
- 3.2 The panel considered presented information and requested further details in order to inform their views. A further meeting took place on 6<sup>th</sup> February 2017 to consider the requested information and formulate recommendations to Council.
- 3.3 To inform the review, the Panel considered a number of factors including:
- figures paid by neighbouring and comparative authorities; (a)
  - comparison data considering overall spend on allowances distributed by capita and number of Members; (b)
  - LGA Submission Documents; (c)
  - The work undertaken by the IRP in 2014 during the last full review; (d)
  - Details of the duties and responsibilities of Chairmen of Licensing Committee and Scrutiny Committee Chairmen (e)
  - Details of information collated in relation to Licensing and Scrutiny Meetings (f);
  - Current salary levels for BDC Staff (g);
  - Deprivation levels for the area (h)
  - Efficiency Support Grant details (i)
  - Published details of payments made to Members of BDC during 2014/15 (j)
  - Financial implications of a 1% increase to allowances (k); and
  - The currently adopted scheme of Allowances. (l)
- Details of these are attached at **Appendix 2**.
- 3.4 The Panel considered the Members Allowance Comparison Data, comparing Bolsover District Council with other similar authorities in a CIPFA Data set comprised of similarities in population, tax base, unemployment levels, demographics and sparsity.

This comparative data showed Bolsover District Council as being one of the highest Allowance Schemes within the table. When referring back to previous information received comparing Bolsover District Council to the rest of Derbyshire County the BDC Allowances were the highest in terms of the Basic Allowance and mid range for all other SRAs.

Table 1: CIPFA Data Comparator Group

Authority	Allowance (£)	Notes
<b>Bolsover</b>	<b>9,903.44</b>	
Ashfield	6,368.00	
Mansfield	6,248.00	
Cannock Chase	5,339.00	Of which 1,224.00 is for consumables e.g. stationery, postage and the provision of indemnity insurance for work on outside bodies, which shall be arranged by each individual Councillor as they see fit.
Nuneaton and Bedworth	4,935.00	
Bassetlaw	4,628.00	
Chesterfield	4,421.00	
Newcastle Under Lyme	3,365.04	
Rossendale	3,342.00	
Copeland	3,063.24	

Table 2: Derbyshire Comparator Group

Authority	Allowance (£)	Notes
<b>Bolsover</b>	<b>9,903.44</b>	
Ashfield	6,368.00	
Mansfield	6,248.00	
South Derbyshire	5,982.00	
Rushcliffe	5,188.00	
North East Derbyshire	5,171.32	
Bassetlaw	4,628.00	
Chesterfield	4,421.00	
Erewash	3,932.00	
Amber Valley	3,800.00	

On further analysis it was noted that there were large gaps between comparative authorities and Bolsover District Council, which created doubt that a justification could be made to warrant any increase to current allowances.

- 3.5 The Panel also considered salary grade levels for the Authority in order to make an informed decision around indexing. Members Remuneration in its entirety, including attendance and mileage, was considered and the previous years' claims were scrutinised in detail.

- 3.6 Two interviews were conducted during the course of the IRP meetings.
- ❖ Cllr Brian Murray-Carr – as Portfolio Holder responsible for the Licensing Function; and
  - ❖ Cllr Ann Syrett – as Leader of the Council.

These interviews put a number of questions to the Members concerned in regard to areas within the remit of the review, general consideration of the area of Bolsover and factors which may affect allowances, and queried anomalies in the Panel's understanding to ensure that the information provided created an accurate overall picture.

The Panel as a whole wish to express their thanks to both Members for taking the time to consider the questions put and for the clarity brought to our queries.

#### **4. RECOMMENDATIONS**

##### **SRA'S FOR CHAIR AND VICE CHAIR OF LICENSING COMMITTEE**

- 4.1 The Independent Remuneration Panel were asked to consider whether the Special Responsibility Allowances for the Chair and Vice Chair of Licensing Committee were adequate.

It was the Panel's view that given the level of basic allowance paid to Members of Bolsover District Council, the Panel felt conflicted in making decisions to increase any Special Responsibility Allowances.

On consideration of the information provided around;

- ❖ the roles and responsibilities of Chairs and Vice Chairs of Licensing Committee and Scrutiny Committee,
- ❖ the levels of allowance paid overall by Authorities, both regionally and within the Derbyshire Comparator Group
- ❖ the information provided within the interviews conducted

it was deemed that the roles and responsibilities of the two different committees were not comparable and that indication was clear that the current SRA for the Chair of Licensing was appropriate.

Further, it was considered that the role of the Vice Chair of Licensing Committee did not differ significantly from that of other Committee Members except when required to take the Chair. Whilst it was recognised the role of the Licensing Committee and the decisions that they were to take may affect livelihoods it was still deemed that an increase to either role in this case would not be appropriate.

**RECOMMENDED THAT: Members retain the existing Special Responsibility Allowance payments to the Chairman and Vice Chairman of Licensing.**

## **INDEXING ALLOWANCES**

- 4.2 As part of their remit the Independent Remuneration Panel considered whether all allowances should be index linked to staff salary increase levels. It was noted that public sector employees had received a 1% increase for 2016/17 and request had been made by Members to consider linking to the increase levels for officers and backdating of Allowances for the 2016/17 financial year.

The Independent Remuneration Panel considered again the overall cost of allowances for the Council, divided by the number of residents (£5.88), and per the number of Members (£12,241), which rated second highest within the region behind Mansfield who employed a directly elected Mayor at circa £30,000.

It was deemed that a 1% rise on any part of the Allowance Scheme would exacerbate the differential between the highest paid Members and the lowest paid Members within the region.

Amber Valley	£1.79 per resident	£4,864 per Member
Bolsover	£5.88 per resident	£12,241 per Member

On full consideration it was deemed inappropriate at this time to link to an index which would increase payments to Bolsover District Council Members. Further it was suggested that indexing Members Allowances alongside staff pay level increases was not suitable. This was due to the differences that the Independent Remuneration Panel identified between salaries and allowances.

**RECOMMENDED THAT: Members do not index Members Allowances in line with staff pay awards.**

## **CONSIDERATIONS FOR THE NEXT FULL REVIEW OF BDC MEMBERS' ALLOWANCES**

- 4.3 The Panel, as part of their deliberations, have identified a number of areas which they feel could be useful to consider when a full review of Members' Allowances is next carried out. The suggestions are set out below:

- ❖ That the process begin earlier, ideally the first meetings commencing in October, when reporting to Council in March.
  - This would allow sufficient time to schedule a number of meetings with Members in order to undertake a full consultation
  - Further a report could be shared with Members in January / February to allow a response to be made in advance of the March Council meeting.
  
- ❖ Questionnaires to be submitted to the Citizen's Panel to gauge public perception.
  
- ❖ Travel Allowances be reviewed in line with HMRC guidelines.
  
- ❖ Consideration be given to the level of Basic Allowance paid to all Members of the Council and Special Responsibility Allowances paid with a view to aligning them with local and national comparator groups.

**RECOMMENDED THAT: Members refer the Panel's suggestions to the Independent Remuneration Panel appointed to conduct the next full review of Member's Allowances**