

**Durham County Council**

**At a meeting of the Independent Remuneration Panel** held in the Corporate Director, Resources Room, County Hall, Durham on **Friday 9 September 2016** at **10.00 a.m.**

**Present:**

**Members of the Panel** – John Cuthbert, Joyce Drummond-Hill, Alan Fletcher, John Hitchman, Ian Machin and Kate Welch

**Officers** – Paul Darby and Ian Croft

Apologies for absence were received from Professor Ray Hudson and Colette Longbottom.

**1. Notes of the Meeting held on 21 September 2015**

The notes of the meeting held on 21 September 2015 were agreed by the Panel.

**2. Review of Members Allowances Scheme for 2017/18**

The Panel considered a report of the Head of Legal and Democratic Services which provided information regarding the Members' Allowances Scheme.

Paul Darby, in presenting the report, highlighted the following to the Panel:

- The continued impacts of the Government's austerity programme was having on the Councils finances
- That a two-year pay agreement for Council officers for 2016/17 and 2017/18 had been agreed at a level of an increase of approximately 1% each year
- The Panel had previously agreed that membership of the Health and Wellbeing Board should not attract allowances as this was part of other SRA's
- The report had been written on the basis of the Combined Authority progressing. Since the production of the report the situation had changed somewhat, with four of the seven local councils voting against progressing with a proposed devolution agreement on 6 September. There was currently a state of limbo regarding devolution and governance. Although the Combined Authority was a legal entity, it currently had no powers.

Officers had canvassed the opinion of elected Members. Feedback on the Members Allowances Scheme had been received from two Members and details of this were provided to the Panel.

One Member had raised the issue of the number of Members on the Council, although this was not within the remit of the Panel to consider. The Member had

also suggested that a tabulated comparison of allowances between Authorities be provided and that this be shown as an allowance cost per resident. John Hitchman informed the Panel that comparison tables had previously been provided, but never by cost per resident.

Paul Darby informed the Panel that the number of Members had not changed since LGR, when the number had increased from 63 to 126. However, pre-LGR, including District Councils, the number of Members within County Durham was significantly higher. The number of members had been considered by the Boundary Commission as part of the LGR process.

Another Member had raised the issue that the basic allowance had not risen for the past 6/7 years which could mean that this was now below the minimum wage/living wage. Paul Darby reminded the Panel that the basic allowance was not an hourly rate but was an allowance and that comparison with minimum wage/living wage rates was not appropriate. The same Member had raised the issue of the Council being more stringent when paying the mileage allowance.

John Cuthbert questioned how mileage claims were monitored. Paul Darby replied that claims were submitted to and then checked by Business Support. Internal Audit also carried out reasonableness tests. Joyce Drummond-Hill considered that such claims would be difficult to monitor. John Cuthbert was assured that reasonableness checks were carried out on mileage claims.

Joyce Drummond-Hill asked how much mileage claims cost the Authority. Paul Darby replied that due to austerity Members now travelled a lot less than in previous years because of such things as fewer conferences being attended.

*Post Script Note: Members total mileage/travel costs for the last two financial years are as follows:*

*2014/15 – £124,904*

*2015/16 – £125,016*

Alan Fletcher asked how Members were performance managed to ensure they provided value for money and what sort of performance management the Authority had over Councillors. Paul Darby replied that the Council did not employ Members per se and as such were not treated like employees. Members were elected to represent constituents in their Wards. The Council did however support and develop members in terms of induction training when they come onto the Council and via member seminars. In reality, the performance of a Member takes place through their political group structure and ultimately at the ballot box. Attendance data for meetings was available and is reviewed by the individual parties.

Paul Darby informed the Panel that information had been requested from neighbouring Authorities regarding their current schemes and their proposals for 2017/18. Two had replied, stating that the review of their Members Allowances Scheme was underway but no changes were being proposed. Five had not replied.

John Hitchman informed the Panel that previously it had been provided with information from both neighbouring and national comparative Authorities. Paul Darby replied that the information provided had been from their published Members Allowances Scheme rates, whereas the information requested for the Panel today had been about what other Authorities were planning to do.

Paul Darby informed the Panel that North Tyneside were about to review their Scheme with a report to be submitted to Council in November. Newcastle City Council had made no changes to their Scheme in the current year and no changes were proposed. John Cuthbert informed the Panel that he sat on the Remuneration Panel for Sunderland City Council and thought that their proposals would be the same.

John Hitchman asked whether views of younger Members had been sought. Paul Darby replied that views of all Members of the Council had been sought and as previously stated only two responses had been received. Kate Welch added that she had recently spoken to one of the Council's younger Members who considered the current Scheme to be working fine.

Alan Fletcher informed the Panel that there did not seem to be a desire from Members for an increase to allowances.

John Cuthbert reminded the Panel that it had previously discussed the possibility that a recommendation of no increase in allowances could eventually lead to an increased pressure for a larger increase in future. However, the Panel noted that it had previously recommended a 1% increase and this had been declined by Members. He considered that the case for change to the Members Allowances Scheme was not strong at this stage.

Mr Fletcher asked about the cost of the Allowances Scheme against the Council's revenue budget. Paul Darby replied that the Net Revenue Budget of the Council was approximately £420m and Gross Expenditure approximately £850m. The Members Allowances Scheme annual cost was just under £2m.

Kate Welch considered that changes to the Allowances Scheme could only be made if the number of Members changed. Paul Darby replied that Durham was the 7<sup>th</sup> largest Authority in the country by both population and spend. John Cuthbert considered that an analysis of the total cost of the Allowances Scheme versus population and revenue spend would be interesting, but that he was unsure how this would translate into assisting the Panel make decisions.

Paul Darby informed the Panel that benchmarking had been done on democratic representation and how costs compared.

John Hitchman asked whether any representations had been made by Central Government on the number of Members on the County Council. Paul Darby replied that there had not been and that any changes to boundaries and numbers of Members would need to involve the Council inviting the Boundary Commission to review the County and then, ultimately, the approval of the Council.

In reply to a question from John Hitchman, Paul Darby confirmed there were no representations from Town or Parish Councils to present to the Panel.

Paul Darby asked the Panel to confirm its recommendation was that there should be no change to the Members Allowances Scheme for 2017/18.

The Panel agreed that this was its recommendation.

John Hitchman asked whether the list of Outside Bodies in the Scheme was up to date and also whether any feedback had been received from Members of the Police and Crime Panel (PCP). Paul Darby replied that the Outside Body list had been updated and, referring to the PCP, the Panel had previously said it would consider workloads as the Panel became established, however as no feedback had been received from PCP Members, it was considered that this was within the remit of the role of Members.

**Resolved:**

That the Panel recommends no increase to the Members Allowances Scheme for 2017/18.