

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

15 MARCH 2007

REPORT OF
CORPORATE
MANAGEMENT TEAM

COUNCIL DECISION/

CORPORATE – Lead Cabinet Member – Councillor Coleman

INDEPENDENT REMUNERATION PANEL

1. Summary

The report asks Cabinet to consider proposals regarding the re-establishment of the Authority's Independent Remuneration Panel as required by the Local Authorities (Members Allowances) (England) Regulations 2003 and accompanying Guidance.

2. Recommendations

It is recommended to Council that:-

1. The independent remuneration panel be re-established comprising the Chair and the two other persons specified at paragraph 8 and Appendix 2 (excerpt) of the report.
2. The terms of office of the three Panel Members be for the period up to May 2011.
3. The Council reserves the right to remove any one or more of the Panel Members at any time as indicated at paragraphs 7 and 8 of the report.

3. Reasons for the Recommendations

The terms of office of the current Panel members expire in May, 2007. Whether or not any review of allowances takes place in 2007/08, the Council is under a duty to maintain an Independent Remuneration Panel.

4. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

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SUMMARY

The report asks Cabinet to consider proposals regarding the re-establishment of the Authority's Independent Remuneration Panel as required by the Local Authorities (Members Allowances) (England) Regulations 2003 and accompanying Guidance.

RECOMMENDATIONS

It is recommended to Council that:-

1. The independent remuneration panel be re-established comprising the Chair and the two other persons specified at paragraph 8 and Appendix 2 (exempt) of the report.
2. The terms of office of the three Panel members be for the period up to May, 2011.
3. The Council reserves the right to remove any one or more of the Panel Members at any time as indicated at paragraphs 7 and 8 of the report.

DETAIL

1. The Local Authorities (Members Allowances) (England) Regulations 2003 require Councils to establish and maintain an Independent Remuneration Panel, so that the Panel can provide recommendations on Members' Allowances Schemes and the amounts to be paid to Members. An Authority is not able to introduce new or revised Schemes without first having had regard to its Panel's recommendations in that respect. A Panel must be in place and ready to act, even if an Authority proposes not to change its existing Allowances Scheme.
2. The terms of office of Stockton's current Independent Remuneration Panel members are due to expire in May this year. It is necessary therefore to reconstitute the Panel.
3. As regards the composition of the present Panel, the three members have indicated that they would be willing to serve again on a new Panel established by the Council. Details of the three members who are willing to sit on the new Panel are attached at **Appendix 2** (exempt).

4. Under the Regulations and Guidance, a Panel of three persons would be acceptable (and is in fact the minimum number required). None of the Panel members must be elected Members of a Local Authority or be disqualified from being an elected Member. The three current Panel members satisfy these requirements. The functions of the Panel, as previously reported to Cabinet, would be those specified at **Appendix 1**.
5. There is no specific appointments process specified in the Regulations and Guidance. The Council did however originally go through an appointments process for the inaugural Panel. In May, 2003, Cabinet and Council agreed to retain the present Panel Members. The Authority must be satisfied that re-appointing the three persons identified again, to its new Panel, would still result in the membership of the Panel being independent, well qualified to discharge the functions of the Panel and representative of the diversity of the communities in the Council's area. It is considered that nothing has changed in this regard since the last decision in May 2003 and that the three persons specified would ensure that these considerations are met.
6. The Allowances Guidance indicates that Authorities should consider:-
 - the extent to which some or all of the candidates are recognisable members of the community;
 - the extent of any candidate's connections to a political party; and
 - a candidate's knowledge of local government.
7. The Guidance also provides that when appointing a Panel, Councils should consider:-
 - whether to appoint one member of the Panel as Chair or allow the Panel to do so;
 - the term of office of members of the Panel;
 - incorporating provision for removal of a Panel member by the Council at any time in the event that there is sufficient reason to do so and subject to the requirements of natural justice;
 - whether to pay the Panel allowances.
8. These provisions were addressed in the May 2003 Cabinet report and it is proposed that, as before, Richard Bell be the Chair of the Panel and the other two members be Brent Godfrey and Paul McGee. It is suggested that their terms of office be for the period up to May, 2011 (the Guidance suggests 3 – 5 years, subject to the electoral cycle); and that their appointments are subject to termination as indicated in the preceding paragraph. Payment to the Panel for its work is as proposed at **Appendix 3** (exempt).

FINANCIAL AND LEGAL IMPLICATIONS

Financial

9. The only financial implications arising from this report are those referred to at paragraph 8 and set out in Appendix 3 (exempt).

Legal

10. The proposals in the report would satisfy the requirements of the Allowances Regulations and Guidance.

RISK ASSESSMENT

11. The issues identified in this report are categorised as low risk.

COMMUNITY STRATEGY IMPLICATIONS

12. Establishing the appropriate level of remuneration for Members' representational and advocacy roles in new executive arrangements is an important element of the Government's modernisation agenda for local government. Independent Remuneration Panels are integral to that process and the matters highlighted in the report are key features of the existing and proposed Members Allowances Regulations and statutory Guidance.

CONSULTATION

13. The report will be made available to all Members.

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<u>Background Papers</u>	Appendix 2
<u>Ward(s) and Ward Councillors:</u>	Not Ward specific
<u>Property Implications</u>	None

FUNCTIONS – INDEPENDENT REMUNERATION PANELS

The 2003 Regulations provide for independent remuneration panels to have the following principal functions:-

- to make recommendations to the Authority as to the amount of basic allowance which should be payable to its elected Members
- to make recommendations to the Authority about the roles and responsibilities for which a special responsible allowance should be payable and as to the amount of each such allowance
- 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 dependants and if it does make such a recommendation, the amount of this allowance and the means by which it is determined
- to make recommendations regarding any other allowances or matters which Independent Remuneration Panels are authorised by Regulations to consider (such as pensionable remuneration, backdating payments and annual adjustments by reference to a specific index)