

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

14 JULY 2011

**REPORT OF
CORPORATE
MANAGEMENT TEAM**

COUNCIL DECISION/

**Leader of the Council – Councillor Cook
Corporate Management and Finance – Lead Cabinet Member – Councillor Harrington**

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 (as amended) ("the Regulations") with a view to making appropriate recommendations to the Council.

2. Recommendations

1. The Independent Remuneration Panel be established comprising the persons specified at Appendix 1 (to follow)
2. The terms of office of the three Panel Members be for the period up to May 2015
3. The Council reserves the right to remove any one or more of the Panel members at any time as indicated in paragraph 6.
4. The Chair of the Panel be appointed by the Panel members from amongst their number.
5. The Panel's functions be as prescribed at Appendix 2.
6. The allowances for the Panel's work be as specified at paragraph 15.
7. The Panel reviews Stockton's Members' Allowances with a view to making any recommendations for 2011/12 and for 2012/13

3. Reasons for the Recommendations

To ensure that the Council fulfils the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) by establishing an Independent Remuneration Panel; and that the allowances for Members are reviewed appropriately.

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 (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must 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**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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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 (as amended) ("the Regulations") with a view to making appropriate recommendations to the Council.

RECOMMENDATION

1. The Independent Remuneration Panel be established comprising the persons specified at Appendix 1 (to follow).
2. The terms of office of the three Panel Members be for the period up to May 2015
3. The Council reserves the right to remove any one or more of the Panel members at any time as indicated in paragraph 6.
4. The Chair of the Panel be appointed by the Panel members from amongst their number.
5. The Panel's functions be as prescribed at Appendix 2.
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DETAIL

Background

1. The Regulations require local authorities to establish and maintain an Independent Remuneration Panel so that the Panel provide recommendations to Council on Members' Allowances Scheme. An Authority is not able to introduce new or revised allowances schemes, without first having had regard to its Independent Panel's

recommendations in that respect. A Panel ought to be in place and ready to act, even if an authority proposes not to change its existing allowance scheme.

2. Stockton's Independent Remuneration Panel has not met for over three years. The terms of office of the previous Panel Members expired in May this year. It, therefore, needs to be re-established afresh.
3. The Regulations require a Panel of at least three members. Stockton's Panel has always had this number. None of the Panel members must be elected Members of the authority in respect of which it makes recommendations, nor a member of a committee or sub-committee of such authority. Panel Members must also not be disqualified from being or becoming a member of an authority.
4. Guidance associated with the Regulations requires appointing authorities to be satisfied that proposed Panel members would result in the Panel Membership being independent, well qualified to discharge the Panel's functions, and representative of the diversity of communities in the Council's area.
5. In addition the 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
6. 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

The Proposed Panel

7. There is no specific appointments process prescribed in the Regulations or Guidance, save that the Council should appoint the Panel and make the related decisions referred to in paragraph 6.
8. The candidates whose details are specified at **Appendix 1** (to follow) are recommended to Cabinet and Council as the Authority's proposed Independent Panel.
9. They are not prohibited from becoming Panel Members for any of the reasons referred to at paragraph 3 and it is considered that they would ensure the Panel was independent; be able to fulfil its responsibilities and be representative of the

Authority's diverse communities. It is also considered that they are each appropriate candidates in the context of the considerations outlined in paragraph 5.

The Panel's Functions

10. The proposed functions of the Panel are set out at **Appendix 2**. These are the functions prescribed for Stockton's Panel since its inception.

The Chair

11. Previously Cabinet recommended and Council appointed the Chair of the Independent Panel. However, as an alternative the Panel could appoint its own Chair from amongst its number.

Terms of Office

12. It is recommended that the terms of office of the Panel Members be up to May 2015, unless they are removed, resign or otherwise leave office before then.

Removal of Panel Members

13. Cabinet has previously recommended to Council that it reserves the right to remove any one or more of the Panel Members at any time, as indicated in paragraph 6.

Panel Allowances

14. The payments previously agreed for the Panel for its work were:-

Chair - £330 per day, subject to a maximum for each review of £1,650

Other Panel Members - £65 per day, subject to a maximum of £325 for each review;
and

All Panel Members – reasonable travel and subsistence expenses.

15. These payments were agreed four years ago. It is suggested that they therefore be increased slightly as follows:-

Chair - £350 per day, with a maximum of £1750 per review;

Other Panel Members - £75 per day, subject to a maximum of £375 for each review;
and

All Panel Members – reasonable travel and subsistence expenses

Stockton's Members' Allowances Scheme

16. As a result of the Independent Panel's review on 19 June 2008, Cabinet asked Council to consider options for Allowances Schemes for 2008/09, 2009/10 and 2010/11.

17. The Scheme agreed for 2010/11 was then recommended by Cabinet as the scheme for 2011/12, without any change. Council approved this Scheme for 2011/12. A copy is attached at **Appendix 3**.

18. In view of the fact that there has been no review of allowances since 2008 and also that the Council has now introduced new executive arrangements, which includes the newly introduced position of Deputy Leader, it is proposed that the Panel reviews Members' allowances, with a view to making any recommendations for the current year (2011/12) and for the new Municipal year 2012/13.

FINANCIAL AND LEGAL IMPLICATIONS

Financial

19. There will be costs associated with the proposed review by the Panel. Paragraph 13 and 14 refer to the likely expenses involved. The Panel's recommendations may also change Members' allowances in 2011/12 and/or 2012/13.

Legal

20. Establishing a new Panel will satisfy the Council's responsibilities under the Regulations. A review of Members' allowances can also only be undertaken by a properly constituted Independent Panel.

RISK ASSESSMENT

21. The matters referred to in this report are classed as low risk.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

22. Establishing appropriate levels of remuneration for Members is an important part of the Council's organisational and operational effectiveness.

EQUALITY IMPACT ASSESSMENT

23. No assessment is considered necessary. There are no policy or service changes involved.

CONSULTATION

24. Discussions are held with all Political Group Leaders and relevant Cabinet Members and consultation takes place with all other Members as part of the Panel review process.

Director of Law & Democracy

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