

# CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

1 SEPTEMBER 2016

REPORT OF SENIOR  
MANAGEMENT TEAM

## COUNCIL DECISION

Leader of the Council – Councillor Cook

### 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

It is recommended to Council that:-

1. The Independent Remuneration Panel is established comprising the persons specified at **Appendix 1**.
2. The terms of office of the Panel Members be for the period up to 31<sup>st</sup> May 2020
3. The right is reserved to remove any one or more of the Panel members at any time as indicated in paragraph 6.
4. Tony Campbell is appointed as the Chair of the Panel.
5. The Panel's functions are as prescribed at **Appendix 2**.
6. The allowances for the Panel's work are as specified at paragraph 15.

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 so that the allowances for Members can be reviewed appropriately as when appropriate or necessary.

4. Members Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, 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 and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

### **Disclosable Pecuniary Interests**

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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## **COUNCIL DECISION**

**Leader of the Council – Councillor Cook**

### **INDEPENDENT REMUNERATION PANEL**

#### **SUMMARY**

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#### **RECOMMENDATION**

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#### **DETAIL**

##### **Background**

1. The Regulations require local authorities to establish and maintain an Independent Remuneration Panel so that the Panel can provide recommendations to Council on its 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 should therefore 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 last year (2015). It, therefore, needs to be re-established afresh.
3. The Regulations require a Panel of at least three members. Stockton's last Panel had four members, but prior to that the Panel always had three. None of the Panel members must be serving 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 sufficiently independent and 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 three candidates whose details are specified at **Appendix 1** 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 sufficiently independent; be able to fulfil its responsibilities and be representative of

the Authority's diverse communities. It is also considered that they are each supportable as 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. Although the last Independent Panel appointed its own chair from amongst its members, previously Cabinet has recommended and Council has appointed the Chair. This worked well and it is, therefore, recommended that it is repeated on this occasion. Given Tony Campbell's experience as a member of the Panel, and as a Chair of other organisations, it is recommended that he is appointed as the Chair of the Remuneration Panel.

### **Terms of Office**

12. It is recommended that the terms of office of the Panel Members be up to 31<sup>st</sup> May 2020, unless they are removed, resign or otherwise leave office before then. This will enable preparations for a new Panel to be established (or for the incumbent panel to be re-appointed) during the first year of the new Council after the 2019 local elections, whilst at the same time retaining the panel proposed by this report.

### **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. This power should be retained.

### **Panel Allowances**

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

Chair - £350 per day, subject to a maximum for each review of £1,750

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

All Panel Members – reasonable travel and subsistence expenses.

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

Chair - £400 per day, with a maximum of £2000 per review;

Other Panel Members - £100 per day, subject to a maximum of £500 for each review;  
and

All Panel Members – reasonable travel and subsistence expenses

## **Stockton's Members' Allowances Scheme**

16. Following on from the last Independent Panel review in December 2013 there have been reductions to Members allowances, including fewer Cabinet members and select committee Chair and Vice Chair positions, reducing special responsibility allowances and the freezing of the basic allowance since 2013/14.
17. A copy of the 2016/17 Allowances Scheme is attached at **Appendix 3**.

## **COMMUNITY IMPACT IMPLICATIONS**

18. No assessment is considered necessary. There are no policy, strategy or service changes involved.

## **FINANCIAL AND LEGAL IMPLICATIONS**

### **Financial**

19. There will be costs associated with any proposed review by the Panel. Paragraphs 14 and 15 refer to the likely expenses involved. Panel recommendations may also lead to a change in Members' allowances.

### **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.

## **COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES**

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

## **CORPORATE PARENTING IMPLICATIONS**

23. There are no corporate parenting implications arising from this report.

## **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 a Panel review process.

**Contact Officer:** David E Bond  
**Post Title:** Monitoring Officer  
**Telephone No:** 01642 527060  
**E-mail:** [david.bond@stockton.gov.uk](mailto:david.bond@stockton.gov.uk)

<u>Education related?</u>	No
<u>Background Papers:</u>	None
<u>Ward(s) and Ward Councillors:</u>	Not Ward specific
<u>Property Implications:</u>	None