

AGENDA ITEM 6
REPORT TO COUNCIL
14 SEPTEMBER 2016
REPORT OF SENIOR
MANAGEMENT TEAM

INDEPENDENT REMUNERATION PANEL

SUMMARY

The report asks Council 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").

RECOMMENDATION

It is recommended 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 31st 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 14.

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 almost 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 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 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 31st 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. Council has previously reserved 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. It is proposed that the payments previously agreed for the Panel for its work are retained. These 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.

Stockton's Members' Allowances Scheme

15. 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.
16. A copy of the 2016/17 Allowances Scheme is attached at **Appendix 3**.

Cabinet

17. At its meeting on 1st September 2016, Cabinet considered these proposals for the establishment of a new Independent Remuneration Panel, and supported each of the specified recommendations to Council set out in this report. A copy of Cabinet's decision record is attached at **Appendix 4**.

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. Paragraph 14 refers 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.

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<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