

Committee: Full Council

Agenda Item

Date: 23 February 2012

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Title: Appointment and Operation of the Independent Remuneration Panel

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Item for decision

Summary

1. The Council is required to establish an independent remuneration panel to make recommendations as to the allowances to be paid to members. The Council has a duty to have regard to the Panel's recommendations before either making or amending a scheme.
2. The Council's Panel was established in late 2001 and submitted its first report in April 2002.
3. The conditions by which Panel members are appointed and remunerated were agreed in 2001 and amended in 2004. There has been no subsequent consideration of how the Panel should operate and how it should be remunerated.
4. There is now a need to recruit a new member of the Panel before the next review of allowances begins later this year, and a further new member will be required to serve a four year term from April 2013.
5. This is an opportune time to reconsider the conditions of appointment and qualifications to serve as a member of the Panel. Members are therefore requested to consider the matters referred to in the body of the report and decide accordingly.

Recommendations

6. It is recommended as follows:
 - Members of the Independent Remuneration Panel should continue to serve for a term of four years.
 - The Panel should continue to consist of three members.
 - The criteria for membership should be as set out in appendix A.
 - The allowance paid to Panel members should continue to be £500 per annum and this amount should be reviewed every four years.
 - Delegated authority be given to the Chief Executive to appoint new members of the Panel by whatever means he considers necessary, and to

extend the appointment of individual panel members by a maximum of one year in exceptional circumstances, subject to a report to the Council.

- The Council ratify the actions taken by the Chief Executive in 2011 in extending the terms of office of two Panel members for one year in each case.

Financial Implications

7. *There are no cost implications arising from this report.*

Background Papers

8. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Guidance on Members' Allowances for Local Authorities in England
The Local Authorities (Members' Allowances) (England) Regulations 2003
Comparative data from other local authorities
Person specification and job description for Members of the IRP

Impact

- 9.

| | |
|---------------------------------|-----------|
| Communication/Consultation | N/a |
| Community Safety | N/a |
| Equalities | N/a |
| Health and Safety | N/a |
| Human Rights/Legal Implications | N/a |
| Sustainability | N/a |
| Ward-specific impacts | All wards |
| Workforce/Workplace | N/a |

Situation

10. The Independent Remuneration Panel was established by resolution of the Policy and Resources Committee on 19 June 2001. The following conditions were set at that time:

- The Panel would consist of three members, serving two, three and four years respectively for the initial period and all subsequent appointments to be for four years.
 - Appointments would be made by a panel consisting of the Chief Executive, Director of Resources and the Monitoring Officer.
 - An allowance of £250 would be paid to Panel members for the first review (subsequently increased to £500 per annual review from March 2004).
 - The Panel would elect its own chairman and would be supported by the Chief Executive, the Director of Resources and the Monitoring Officer.
11. The 2001 Regulations require that panels should have at least three members and that these cannot be elected members of the local authority. Additionally, the guidance says that the public perception of the independence of panel members is important in maintaining the credibility of the panel, and that local authorities should consider carefully the extent of any candidate's connections to a political party.
12. The Council operates further essential and desirable criteria in determining who may be a member of the Panel. These are set out at appendix A to this report. The job description is set out at appendix B.
13. Members are asked to examine and endorse the essential requirements and desirable criteria for membership of the Panel. No changes to these criteria are suggested.
14. The allowance paid to panel members was last considered and set at £500 per annual review in 2004. Information has been obtained from some other local authorities in Essex as to the allowances paid to their panel members. The allowance of £500 paid to Panel members in Uttlesford was set in 2004 but seems to be broadly in line with that paid by other councils and there seems no necessity to increase the amount payable.
15. The terms of office of two of the existing members of the Panel were extended in writing by the Chief Executive in August 2011 for a period one year in each case. That was in the light of the unexpected resignation of the other panel member and to avoid having to advertise for two new members at the same time. It also ensured continuity and that the necessary level of experience was retained by the Panel for the next annual review.
16. The Council is requested formally to ratify the action taken by officers in extending the terms of office of these two panel members by one year.

Risk Analysis

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| Risk | Likelihood | Impact | Mitigating actions |
|---|--|--|---|
| That there is insufficient experience and expertise available within appointed members of the Remuneration Panel to do an effective job of setting member allowances at a realistic and suitable level. | 1 – the present arrangements make it unlikely that future reviews and reports of the Panel will fail to address adequately the setting of a suitable allowances scheme | 2 – the failure to address the need to review members’ allowances thoroughly might have a significant impact on the Council’s ability to manage its functions adequately at member level | Ensure that suitable candidates continue to be selected and given the necessary support to review the allowances scheme |

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.