
REPORT TO: FINANCE AND MANAGEMENT
COMMITTEE

AGENDA ITEM: 14

DATE OF MEETING: 24TH JULY 2003

CATEGORY:
DELEGATED
OPEN

REPORT FROM: CHIEF EXECUTIVE

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SUBJECT: INDEPENDENT REMUNERATION
PANEL

REF: AGM/JB

WARD(S) AFFECTED: ALL

TERMS OF REFERENCE: FM

1.0 Recommendations

1.1 To delegate to the Chief Executive the power to appoint four members to the Independent Remuneration Panel.

2.0 Purpose of Report

2.1 The Local Government Act 2000 required all Councils to implement new decision making processes and to consider its arrangements for the remuneration of Councillors. Subsequent Regulations required Local Authorities to establish and maintain Independent Remuneration Panels to investigate and give advice on a new scheme of allowances and the amounts to be paid.

2.2 The Government has now made new Regulations in relation to Members' Allowances. These Regulations state that an Authority shall make a new scheme of allowances on or prior to 30th September 2003. However, before an Authority can make or amend a scheme, it must have regard to the recommendations made in relation to it by an Independent Remuneration Panel. The previous members of the Council's Independent Remuneration Panel have resigned. Authority is now sought for the Chief Executive Officer to appoint four new members.

3.0 Detail

3.1 The Local Authorities (Members' Allowances) England Regulations 2003 ("the 2003 Regulations") revoked all previous Regulations in relation to Members' Allowances.

3.2 It is, therefore, necessary for the Authority to make a scheme in accordance with the 2003 Regulations on or prior to 30th September 2003. Such a scheme may make provision for any allowances payable to be payable as if the scheme had been in force with effect from 1st May 2003.

- 3.3 However, before an Authority can make a scheme of allowances, the Authority must have regard to recommendations made to it by an Independent Remuneration Panel ("IRP"). The previous members of the IRP have resigned and, therefore, it is necessary to appoint new members to the IRP. Little guidance is given in relation to the composition of such an IRP. The only criteria being that there are at least 3 members, that these members are not current Members of a Local Authority or would not be disqualified from becoming a Member of a Local Authority.
- 3.4 In the circumstances, it would be sensible for an IRP of four to be appointed in order that they would be quorate, in the circumstances that one member was unable to attend any meeting of the IRP.
- 3.5 It is the role of the IRP to produce a report making recommendations as to the following items:-
- (a) the amount of the Basic Allowance
 - (b) the responsibilities or duties in respect of which the following should be available:-
 - (i) Special Responsibility Allowance
 - (ii) Travel and Subsistence Allowance
 - (iii) Co-optees Allowance
 - (c) the amount of the above allowances
 - (d) whether a Dependant's Carer's Allowance should be payable to Members of an Authority and the amount of such an allowance
 - (e) whether or not payment of allowances should be backdated to 1st May 2003
 - (f) whether adjustments to the level of allowances may be determined according to an index and, if so, which index and how long that index should be applied for, subject to a maximum of 4 years
 - (g) which Members of an Authority are to be entitled to pensions
 - (h) whether the Basic Allowance and/or Special Responsibility Allowance are to be treated as amounts in respect of which such pensions are payable
- 3.6 An explanation of the different types of allowances is shown at Annexe 'A'.
- 3.7 To oversee, advise and assist in organising a standing IRP, it is suggested that a well established national figure is approached to chair the IRP, who could bring an independent overview to the process. Such a person would need to have experience of new political structures and allowance reviews. In relation to the 3 remaining positions, it is suggested that nominations be sought through the shadow Local Strategic Partnership Board to achieve a degree of local accountability.
- 3.8 It is necessary to ensure that the terms of reference of the IRP are clear, in order that they are fully aware of what is required of them. It is suggested that the IRP would have reference to the following:-

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- 3.8 It is necessary to ensure that the terms of reference of the IRP are clear, in order that they are fully aware of what is required of them. It is suggested that the IRP would have reference to the following:-

- the payment of the Basic Allowance
- the range and levels of Special Responsibility Allowances
- advice to assist the Council on the development of a common and transparent policy on support for Members, including
 - information technology
 - stationery and minor office equipment
 - telephones
 - Members' training
- on whether none, some or all Members should be recommended to join the Local Government Pension Scheme
- how to exercise local discretion over the payment of Travel and Subsistence Allowances
- the appropriateness and level payable of a Co-optee's Allowance
- the appropriateness and level payable of a Dependant Carer's Allowance
- the appropriateness of an automatic indexing for allowances and the type of index

4.0 Financial Implications

- 4.1 The allowances and/or expenses of the IRP will need to be met by the Council, subject to budgetary constraints. In another report on this Agenda, the Chief Finance Officer has identified an amount of £8,000 out of the underspend of the last financial year to meet this expenditure

5.0 Conclusions

- 5.1 The Authority cannot make a scheme of allowances without having regard to the recommendations made to it by an IRP, therefore, new members need to be appointed to the IRP.

6.0 Background Papers

- 6.1

