

EAST HERTS COUNCIL

COUNCIL – 24 FEBRUARY 2010

9. REPORT BY THE DIRECTOR OF INTERNAL SERVICES

INDEPENDENT REMUNERATION PANEL

WARD(S) AFFECTED:

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**Purpose/Summary of Report**

- To constitute the Council's Independent Remuneration Panel (IRP)
- To determine allowances and expenses for IRP Members

**RECOMMENDATIONS: that (A) in relation to the constitution of the Independent Remuneration Panel (*Council to determine – see options in report*)**

**(B) each Panel Member, as of the date of this meeting, be paid an allowance of £1,000 in recognition of their work and time commitment in undertaking the major review of allowances and, subsequently, an allowance of £250 per annum be paid to each Member.**

1.0 Background

1.1 Council, at its meeting held on 30 September 2009, agreed to increase the size of the Authority's Independent Remuneration Panel (IRP) from three to five members following the resignation of Barry Norman. It further agreed to appoint Hazell Bentall, Michelle Drapeau and Greg Grant to the Panel until the end of the 2010/11 civic year, with an option to extend their appointments for a further two years if willing.

2.0 Report

2.1 The IRP subsequently commenced its review of Members' Allowances.

- 2.2 On 1 December 2009, Michelle Drapeau resigned from the Panel. As the Panel's consideration of Members' Allowances was significantly advanced, the Head of Democratic Services felt it inappropriate to delay its work in order to find a replacement. Members will no doubt recall that the quorum for a Panel is three Members.
- 2.3 Council is now invited to consider the following options to address the vacancy on its IRP.
- 2.4 Option 1 – to appoint one of the previously unsuccessful applicants to become a member of the IRP. Council is invited to note that these applicants subsequently formed a “shadow panel”. Although the Panel has completed its review, Council will still need to consider whether or not they may either have or may be perceived to have a conflict of interest and/or a predetermined view. One of the applicants has previously suggested that the option to appoint one of them to the Panel should be pursued and expressed a view that the successful candidate would not have any conflict/predetermined view.
- 2.5 Option 2 – to undertake a further public recruitment exercise.
- 2.6 Option 3 – to appoint an individual under another process that still results in the membership of the Panel being truly independent and well qualified to discharge (its) functions.
- 2.7 Members are reminded that candidates for an IRP should be assessed using the criteria detailed in guidance issued by the Department for Communities and Local Government entitled “Guidance on members' allowances for local authorities in England.”
- Members of the panel cannot be members (or co-opted members) of any local authority in respect of which it makes recommendations;
  - Anyone disqualified from being elected as a member of a local authority is also disqualified from being a member of the panel;
  - The membership of the panel should be truly independent and well qualified to discharge its functions and be representative of the diversity of the District's communities;

- To ensure public credibility in their independence, the extent to which panel members are recognisable members of the local community – avoiding political appointments and appointments made through friendship or any other personal association with Members of the Council;
- The extent of any applicant's connections to a political party and whether these are such as to risk the effective discharge of the panel's functions, and
- An applicant's knowledge of local government and the way it works – although lack of familiarity with the Council's functions should not be a bar to appointment.

- 2.8 Council will need to be satisfied that its selection process can be seen to be open and not discourage future applications.
- 2.9 Council will no doubt recall that it has previously agreed to require the IRP to meet at least once a year. It is likely that it will only need to meet (unless specifically requested otherwise) once a year in order to make recommendations on allowances to apply for the following financial year.
- 2.10 The provisions of statutory regulations enable a local authority to pay allowances to its IRP Members. It is for a local authority to determine the level of any allowance. Government guidance advises that a local authority should tell prospective Panel Members about an IRP allowance before they are appointed. Due to an administrative oversight, this issue was not brought before Council when recently reviewed the Panel's constitution.
- 2.11 Based on responses to a survey of local authorities in Hertfordshire, there are wide ranging practices in relation to Panel Allowances. For example, Broxbourne Borough Council pay mileage for attending a meeting at the offices, provide a light lunch and also invite Panel Member to its garden party in June. Stevenage Borough Council, in 2007 paid the Panel Chairman £2,275 and Panel Members £700 each. Hertfordshire County Council pays an allowance of £1,000 per member for (usually) one meeting per year.
- 2.12 It is recommended that each Panel Member, as of the date of this meeting, be paid an allowance of £1,000 in recognition of their work and time commitment in undertaking the major review of

allowances. Subsequently, an allowance of £250 per annum be paid to each Member.

2.10 Council is invited to consider and determine a course of action to fill the vacancy of the IRP and also and allowance for panel Members.

### 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

### Background Papers

Department for Communities and Local Government: Guidance on members' allowances for local authorities in England

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## ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	<b>Fit for purpose, services fit for you</b> <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	
Legal:	The appointment of panel members accords with the provisions of relevant legislation.
Financial:	There are no financial implications apart from the administration costs of the Committee. Any allowance would be met from within existing budgets.
Human Resource:	There are no Human Resource implications.
Risk Management:	The Council needs to give serious consideration to ensuring not only the independence of the panel but also the public perception of this independence.