

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**COUNCIL – 24 MARCH 2015**

Title of report	<b>INDEPENDENT REMUNERATION PANEL - PROTOCOL</b>
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Purpose of report	To approve the protocol which sets out the amended terms of reference of the Independent Remuneration Panel.
Council Priorities	Value for Money
Implications:	
Financial/Staff	There is a small saving of £200 per year by reducing the membership from five to four members plus a saving of officer and panel member time as a result of not needing to follow the recruitment process at the current time.
Risk Management	No direct implications.
Equalities Impact Assessment	No direct implications.
Human Rights	No direct implications.
Transformational Government	No direct implications.
Comments of Head of Paid Service	The report is satisfactory.
Comments of Section 151 Officer	The report is satisfactory.
Comments of Monitoring Officer	The report is satisfactory.
Consultees	Members of the Independent Remuneration Panel
Background papers	<ul style="list-style-type: none"> <li>Minutes of the meetings of the Independent Remuneration Panel held on <a href="#">8 December 2014</a> and <a href="#">9 February 2015</a>.</li> </ul>

	<ul style="list-style-type: none"> <li>• <a href="#">The Local Authorities (Members' Allowances) (England) Regulations 2003</a> and the Council's Constitution [<a href="http://www.nwleics.gov.uk">www.nwleics.gov.uk</a>]</li> </ul>
Recommendations	<p><b>IT IS RECOMMENDED THAT COUNCIL:</b></p> <p><b>(1) ACKNOWLEDGES THE ONGOING WORK OF THE INDEPENDENT REMUNERATION PANEL</b></p> <p><b>(2) APPROVES THE REDUCTION IN MEMBERSHIP OF THE INDEPENDENT REMUNERATION PANEL FROM FIVE MEMBERS TO FOUR;</b></p> <p><b>(3) APPROVES THE PROTOCOL SETTING OUT THE CONSEQUENTIAL AMENDED TERMS OF REFERENCE OF THE INDEPENDENT REMUNERATION PANEL, AS SET OUT IN APPENDIX 1</b></p>

## **1.0 BACKGROUND**

- 1.1 It is a legislative requirement for all Councils to establish and maintain an Independent Remuneration Panel (IRP) to make recommendations to the Council on its Members' Allowance Scheme and the nature and level of allowances to be paid to its elected members.
- 1.2 By resolution on 6 December 2005 the Independent Remuneration Panel for North West Leicestershire District Council was constituted with 5 members and a quorum of 3.

## **2.0 THE WORK OF THE PANEL**

- 2.1 The work of the Panel includes receiving reports from officers, considering statutory guidance, interviewing councillors and using comparative evidence etc. to formulate recommendations on appropriate levels of allowances for consideration by the Council.
- 2.2 The Panel has been meeting recently to look at and review its processes and to receive updates and benchmarking data in relation to members' allowances. It has been proactive in the run up to the forthcoming local elections and has agreed to meet again in early July to consider any post election implications.

## **3.0 MEMBERSHIP**

- 3.1 A vacancy arose during 2014 when contact was lost with one of the Panel's members. Every effort was made to establish links with this member but this proved unsuccessful.
- 3.2 The Panel met on 8 December 2014 and discussed the aforementioned vacancy. It was agreed that a recommendation be made that the membership be reduced from five members to four in order not to incur any recruitment costs on the basis that the Panel meets infrequently. However, in order to minimize the risk of a tied vote, it was felt that the chairman of the Panel should be given a casting vote.

## **4.0 PROTOCOL**

- 4.1 At the aforementioned meeting, it was agreed that the Panel's terms of reference be amended to reflect the above changes and that these be affirmed by Council.
- 4.2 The terms of reference have therefore been updated and are set out in the appended protocol which explains the role and functions of the IRP.

## **Independent Remuneration Panel**

### **Protocol**

#### **1. Background**

- 1.1 It is a legislative requirement for all Councils to establish and maintain an Independent Remuneration Panel (IRP) to make recommendations to the Council on its Members' Allowance Scheme and the nature and level of allowances to be paid to its elected members. The work of the Panel includes receiving reports from officers, considering statutory guidance, interviewing councillors as appropriate and using comparative evidence etc. to formulate recommendations on appropriate levels of allowances for consideration by the Council.
- 1.2 The Council cannot amend or update its Members' Allowance Scheme without first considering a report from the IRP, however it does not have to accept the recommendations put forward.
- 1.3 Any such report will be presented by the Chairman of the Panel to the next appropriate Council meeting.

#### **2. Membership**

- 2.1 The membership of the Independent Remuneration Panel is four members. (The regulations require at least 3).
- 2.2 The quorum is 3 members.
- 2.3 The Chairman will be appointed at the first meeting of the Panel in each civic year.
- 2.4 The Chairman will have a casting vote.
- 2.5 The Chief Executive and/or other officers may be in attendance in an advisory capacity at the request of the Panel.
- 2.6 In order to maintain the independence of the Independent Remuneration Panel, members shall not be
  - a person who has within the period of 5 years before receiving the date of appointment been a member or officer of the Authority; and/or
  - a person who is a relative or close friend of a member or officer of the Authority.
  - a person who does not either live or work in the district.
- 2.7 The term of office for members of the Independent Remuneration Panel is four years. A four year term of office ensures that the Independent Remuneration Panel benefits from stability and experience.
- 2.8 Four months prior to the expiration of the term of office, existing members will be asked to indicate whether they wish to continue for a further four year term.
- 2.9 Should recruitment be required, a process of application, short-listing, selection and appointment will be undertaken by the Panel. Suitable applicants may be identified by:
  - advertisement in newspapers circulating in the area of the Authority

- advertisement on the Authority's website or social network sites.

Any decision of the Panel will be reported to the next appropriate Council meeting for endorsement.

### **3. Remuneration**

- 3.1 Under the Council's Members Allowance Scheme, co-opted Members of the Independent Remuneration Panel receive reasonable expenses incurred in attending meetings and in addition a small remuneration of £200.00 per annum.

### **4. Terms of Reference**

- 4.1 The Panel's terms of reference are as follows:-

- a) to make recommendations to the authority as to the amount of basic allowance that should be payable to its elected Members;
- b) to make recommendations to the authority about the responsibilities or duties which should lead to the payment of a special responsibility allowance and as to the amount of such an allowance;
- c) to make recommendations to the authority about the duties for which a travelling and subsistence allowance can be paid and as to the amount of this allowance;
- d) to make recommendations on whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended;
- e) to make recommendations as to whether annual adjustments of allowance levels may be made by reference to an index, and, if so, for how long such a measure should run;

### **5. The Panel's Adopted Approach**

- 5.1 Since its establishment, the Panel's approach has been that recommendations should be formulated appropriate to the circumstances of the Council.

- 5.2 The following underlying principles form the fundamental basis of the Panel's review process:

- (a) the allowances should take account, as far as possible, of the amount of time taken by Members to fulfil their roles.
- (b) the scheme should enable, as far as practical, that as wide a range of people as possible should be able to stand for election.
- (c) the allowances are a level of 'compensation';
- (d) any increases to the scheme which might be recommended should be balanced against the interests of the council tax payers in the district.
- (e) the Special Responsibility Allowance payments should be banded to reflect both the time commitment and workload of the identified special responsibilities;
- (f) the assumption is made that all members will participate as fully as possible in council business and play an active role in their wards and the importance of these mutually inclusive roles is reflected in the level of the basic allowance.

- 5.3 The Panel will adopt a logical, evidence based approach when determining any issues which will include the consideration of benchmarking and comparative data.

### **6. Referrals**

- 6.1 A matter may be referred to the Panel by the Council or by the Leader of a political group which has the support of all his/her members.
- 6.2 The Panel will consider such referrals on an annual basis.
- 6.3 Additional meetings may be convened at the request of the Chief Executive.