

# Independent Remuneration Panel

## Independent Remuneration Panel – Appointment of Panel Members and Agreement to Terms of Reference

### 1. Summary

- 1.1 The current scheme of allowances was drafted in 2015 and came into force in 2016. It has not been subject to any inflationary increase or other significant review during this time and is therefore overdue for a review. Any review must be informed by an independent panel. This report sets out the requirements for a review and asks members to agree the process.
- 1.2 It is important that members are fully involved in the review and much of the Panel's time will be spent speaking to members. It is important to note that the Panel does not have the power to decide what allowances will be paid – it will make recommendations to the Council and the Council will then decide how it wishes to respond to those recommendations.
- 1.3 Council is invited to agree a Panel to sit as the Independent Remuneration Panel and to agree Terms of Reference for the Independent Remuneration Panel and ultimately to approve a revised scheme of Members' Allowances.

### 2. Statutory Requirements

- 2.1 Under the Local Authorities (Members' Allowances) (England) Regulations 2003, before reviewing its scheme of members allowances every relevant local authority must consider the advice of an Independent Remuneration Panel. In doing so, local authorities are required to establish and maintain an Independent Remuneration Panel, whose function is to provide the local authority with advice and recommendations on its scheme, the amounts to be paid and whether such allowances should be pensionable.
- 2.2 Local Authorities must include in their scheme of allowances a basic allowance, payable to all members, and may include provision for the payment of special responsibility allowances and a dependents' carer's allowance. In addition, the 2003 Regulations allow for the inclusion of a travel and subsistence allowance and a co-optees' allowance, within the allowances scheme.

### 3. The Independent Remuneration Panel (IRP)

- 3.1 An Independent Remuneration Panel ("IRP") last met in 2015. A new Panel of independent people is being recruited to undertake a review of the scheme.

- 3.2 It is recommended that the Chairman should be someone who has considerable experience in reviewing Members' Allowances. Mark Palmer, Development Director for South East Employers (a branch of the Local Government Association) has indicated he would be willing to serve on the panel as the Chairman, he has extensive experience leading Independent Remuneration Panels reviewing member allowances and has served as Chairman for Panels across the country particularly in the South East and East of England. A summary of Mark's experience is included in **Appendix 2** of this report.
- 3.3 It is proposed that three other members be sought from representatives of the our residents and the Essex business sector. For this purpose, the role was advertised on the ECC website and expressions of interest were sought from members of the business sector, education sector and from our independent members used for Independent Statutory School Appeals Panels. At the time of writing, a total of ten applications were received and, of these, six people were formally interviewed by the Head of Democracy and Transparency. All those interviewed had the right type of experience and could bring skills and expertise to the panel. In order to give as long as possible for people to apply we have not been able to make recommendations in time for publication of this agenda, but the recommended Panel will be set out in the Order Paper circulated to Members before the meeting.
- 3.4 In recognition of the amount of time the Panel members will spend undertaking this task, it is proposed that they be paid a nominal sum of £500. No further expenses would be paid.

#### **4. Eligibility for Appointment**

- 4.1 The Regulations stipulate that no member of the IRP may be:
- i) a member of, or a member of a committee or sub-committee of the Council; or
  - ii) disqualified from becoming a member of a local authority i.e. was not an employee of the Council, not bankrupt, not convicted within the last 5 years).
- 4.2 The recommended candidates have been asked to confirm that they are eligible to serve.

#### **5. Terms of Reference for the Independent Remuneration Panel**

- 5.1 As it is a number of years since there has been a thorough review of the Council's scheme of allowances, it is seen as timely to check that the Scheme is still current and complies with up-to-date policies and that it properly recompenses councillors operating in a large, visionary local authority; bears comparison with other Councils; is completely transparent about what can or cannot be claimed; and is justifiable to the public. The panel will be asked to consider the remuneration paid to those representing other similar local

authorities (in terms of size, location and budget) and other non-local authority public sector organisations, charities and public sector or private sector companies. The draft Terms of Reference are set out below in **Appendix 1**.

## **6. Recommendations**

1. That Mark Palmer be appointed to chair the new Independent Remuneration Panel serving alongside the members recommended in the order paper.
2. That the Terms of Reference and remuneration for the review of the Members' Allowances Scheme by the Independent Remuneration Panel as set out in Appendix 1 be approved.
3. That the report of the Panel be brought back to the next suitable meeting of the Council.

## Appendix 1

### Draft Terms of Reference

#### Membership:

Organisation/ Role	Name
Chairman	Mark Palmer
Other Panel Members	TBC

Officer Support	Name
Director, Legal and Assurance	Paul Turner
Head of Democracy and Transparency	Joanna Boaler
Senior Democratic Services Officer	Graham Hughes

#### Role

1. To review the County Council's Members' Allowances Scheme, taking in to account the roles and responsibilities of Members (both in the Council and in serving their communities) set out in the County Council's agreed role profiles and elsewhere.
2. To take account of comparative data on the remuneration paid by other comparable local authorities in terms of size, location and budget and other non-local authority public sector organisations, social enterprises, charities and public sector or private sector companies.
3. To hear representations from elected Members
4. To make recommendations to the Council on:
  - (a) the amount of Basic Allowance which should be paid to all Members;
  - (b) the responsibilities or duties for which Members should receive Special Responsibility Allowances and the amount of such allowances;
  - (c) the amount of the Childcare and Dependants' Carers' Allowances;
  - (d) Travelling and Subsistence Allowances;
  - (e) Independent and Co-opted members' allowances;
  - (f) whether allowances should be index-linked and if so what the suitable index might be; and
  - (g) the timing of implementation of the recommendations.
5. To consider the introduction of a parental leave policy.

#### Frequency of Meetings:

The Panel has been scheduled to sit on 15-17 March 2022 on a virtual basis and will meet again as and when required for the purpose of further reviewing the allowance scheme if requested to do so by the Council.

**Term of Office:**

Four years from the date of their appointment.

**Remuneration:**

That the Chairman be paid a fee of £850 per day via the East of England Local Government Association with the fee paid on completion of the work. The other panel members will be paid a one-off sum of £500 each with a further payment of £500 for each further full detailed review of allowances undertaken by the Panel.

### Panel Members

**Mark Palmer** (Chairman) is Development Director for South East Employers. Mark heads the Development Team of South East Employers and has a lead role in the facilitation and delivery of programmes to enhance effective governance, scrutiny and accountability. Specialising in effective governance, political leadership and change management he is a strong advocate of local democracy and has extensive experience working with councillors. He also leads the implementation of the LGA Councillor Development Charter across the South East, East of England, London and Northern Ireland. Mark is a Senior Research Associate at the Local Government Centre, University of Warwick and was one of the facilitators on the Local Government Association (LGA) Leadership Academy. He has also supported a number of LGA/IDeA Peer Improvement Reviews. Mark also supports councillors through 1-1 coaching.

He has significant experience of chairing and supporting Independent Remuneration Panels in respect of member's allowances and he chairs and supports 17 Independent Remuneration Panels across the South East and East of England.