

<b>COUNCIL</b>	AGENDA ITEM 16(ii)
<b>18 APRIL 2012</b>	<b>PUBLIC REPORT</b>

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## **INDEPENDENT MEMBERS' REMUNERATION PANEL**

<b>R E C O M M E N D A T I O N S</b>
<b>FROM : Solicitor to the Council</b>
That Council:  Notes the process for the recruitment of an Independent Members' Remuneration Panel, as agreed by Council on 11 <sup>th</sup> April 2001 and agrees to the recruitment of a new Independent Members' Remuneration Panel, using the same Terms of Reference, which have been updated in part to provide a more generic approach.

### **1. PURPOSE AND REASON FOR REPORT**

- 1.1 This report concerns the Independent Members' Allowances Panel and the process to follow to engage a new panel.
- 1.2 On 11<sup>th</sup> April 2001 a report, which outlined a new legislative requirement to establish an Independent Members' Allowances Panel, was taken to full Council. Council resolved to establish a panel, with the terms of reference set out at Appendix A.
- 1.3 The relevant section of the minutes of the meeting held on 11<sup>th</sup> April 2001 is attached as Appendix B, Item 16 refers.
- 1.4 Point 4 of the Terms of Reference refers to the appointment of the panel being made by the Chief Executive, in consultation with the three group leaders, with any unresolvable disagreement to be referred to the Policy Executive Panel for determination.
- 1.5 It is proposed to amend point 4 to read: The members of the panel will be appointed by the Chief Executive, in consultation with group leaders.

### **2. FINANCIAL IMPLICATIONS**

There are no financial implications for any of the above report.

### **3. LEGAL IMPLICATIONS**

These have been addressed within the body of the report.

#### **4. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Peterborough City Council Constitution.

#### **5. APPENDICES**

Appendix A: Independent Members' Allowances Panel – Terms of Reference, as agreed by Council on 11<sup>th</sup> April 2001.

Appendix B: Relevant section of minutes of Council meeting held on 11<sup>th</sup> April 2001. Item 16 refers.

## **TERMS OF REFERENCE**

**(As agreed by Council on 11 April 2001)**

1. To recommend to Council a scheme of payments to councillors for implementation from 29<sup>th</sup> July 2001, which:-
  - recognises that councillors undertake their council work for the sake of public service and not private gain;
  - recognises in both basic and special responsibility allowances the varying demands placed upon councillors, dependent upon their roles and responsibilities;
  - fairly and equitably compensates councillors, so far as the panel thinks appropriate, for the time and effort they can reasonably be expected to devote to their work as a councillor;
  - is economic, efficient to administer and effective;
  - is easy to understand, explain and justify to the electorate of Peterborough.
  
2. As part of 1 above, to recommend:-
  - the level of basic allowance;
  - which member roles should receive a special responsibility allowance;
  - the levels of special responsibility allowance;
  - whether any roles should receive pensionable allowances, where permitted in law;
  - whether a childcare and dependent carers' allowances should be made available, at what level, and how it should be determined.
  
3. To offer advice concerning the appropriate levels of allowance which should be paid for travelling/conferences/subsistence and to the chairman and vice-chairman of the council (ie. Mayor and Deputy Mayor) under sections 174, 3 and 5 respectively of the Local Government Act 1972.

## **CONSTITUTION**

**(As agreed by Council on 11 April 2001)**

1. Candidates will be sought by asking for quotations from suitable academic/consultancy experts, together with invitations to regional and local partners and stakeholders.
  
2. In order to meet the statutory guidance's three criteria for Panel membership – "truly independent, well qualified...and representative" – its composition will be as follows:
  - a public sector job evaluator or other personnel professional from the Eastern Region, appointed to Chair the Panel;
  - an academic/consultancy expert in the field;
  - a local private or voluntary sector, or union (not a council employee representative);
  - a person of well-known public standing, such as from one of Peterborough's faith communities;

3. The term of office will be three years each, initially two years only for the third and fourth persons in the above list. Full Council may remove a member at Annual Council, or at any other time during the year should it feel the circumstances merit this, on the grounds of loss of confidence in the person (due to criminal conviction or other lack of independence or integrity).
4. The members of the Panel will be appointed by the Chief Executive, in consultation with the four Group Leaders, any unresolvable disagreement to be referred to the Policy Executive Panel for determination.
5. In order to avoid any perception of personal gain involved with membership of the Panel, travel and subsistence allowances only will be paid to Allowances Panel members, at the rate approved by the Council annually within the limits determined by the Secretary of State. No other allowances will be paid to them, except for any fees required by the academic or consultancy expert.

## 16. MEMBERS' ALLOWANCES SCHEME (FROM MINUTES OF COUNCIL MEETING HELD ON 11<sup>TH</sup> APRIL 2001)

The Government had for some time made clear its intention to abolish attendance allowances, as part of its approach to modernising local governance. Draft statutory guidance about the new members' allowances regime had recently been published, setting the timescale for change, which now made clear that payment of attendance allowances should cease by 28<sup>th</sup> July. Furthermore, any change to the Council's allowances scheme which took place from 4<sup>th</sup> May 2001 onwards would have to be determined "having regard to" recommendations from an independent panel set up by the Council for that purpose. It would also now be possible for certain members in new governance structures to be paid pensionable allowances, and it had been clarified that dependents' and child care allowances could be paid.

It was recommended that Council establish a Members Allowances Panel, as soon as possible, so that it could report to the Council Meeting in July in order to implement a new scheme from 29<sup>th</sup> July onwards. It was expected that Special Policy Committee meeting on 23<sup>rd</sup> April would recommend the introduction of new governance structures from 3<sup>rd</sup> September 2001, so this new scheme would tie into that timetable. However, even if new structures were postponed, the Panel could still formulate recommendations to the July Council Meeting, incorporating an interim allowances scheme to cover the period until new structures were introduced.

The report set out legal requirements for the new independent panel, summary details of the current allowances scheme and a case study of how this new regime had been introduced at two District Councils in Southern England. Panel membership and terms of reference were proposed, and it was suggested that member "profiles" should be drawn up to help the panel complete its work. These could also be of use in other ways, such as to help members carry out self assessments for training purposes, to guide individuals on whether to stand for election or office and so on.

A change to the officers' recommendations was proposed, to the effect that the independent members of the Council's Standards Panel should act as the Member Allowances Panel. This would allow the Council to take advantage of the experience which they had accumulated, without going to the time and expense of setting up a new Panel. However, other members were concerned that the independence of these particular members would not necessarily be perceived clearly by the general public in relation to this separate issue of members' allowances, given that their existing involvement with the Council in issues of conduct had been well publicised in recent months. The amendment was put to the vote and lost (by 7 votes in favour, 20 against and others abstaining).

It was RESOLVED (voting pattern 45 for and 7 against):

(i) That an independent Members Allowances Panel be established with the terms of reference set out below:

1. To recommend to Council a scheme of payments to councillors for implementation from 29<sup>th</sup> July 2001 which:

- recognises that councillors undertake their council work for the sake of public service and not private gain;
- recognises in both basic and special responsibility allowances the varying demands placed upon councillors, dependent upon their roles and responsibilities;
- fairly and equitably compensates councillors, so far as the panel thinks appropriate, for the time and effort they can reasonably be expected to devote to their work as a councillor;
- is economic, efficient to administer and effective;
- is easy to understand, explain and justify to the electorate of Peterborough.

2. As part of 1 above, to recommend:

- the level of basic allowance;
- which member roles should receive a special responsibility allowance;
- the levels of special responsibility allowance which should be paid for each role;
- whether any roles should receive pensionable allowances, where permitted in law;
- whether a childcare and dependent carer's allowance should be made available, at what level, and how it should be determined.

3. To offer advice concerning the appropriate levels of allowance which should be paid for travelling/conferences/subsistence and to the chairman and vice-chairman of the council (ie. Mayor and Deputy Mayor) under sections 174, 3 and 5 respectively of the Local Government Act 1972.

(ii) That the Panel's constitution be as follows:

1. Candidates will be sought by asking for quotations from suitable academic/consultancy experts, together with invitations to regional and local partners and stakeholders;

2. In order to meet the statutory guidance's three criteria for Panel membership – "truly independent, well qualified ... and representative" – its composition will be as follows:

- a public sector job evaluator or other personnel professional from the Eastern region, appointed to chair the panel;
- an academic/consultancy expert in the field;
- a local private or voluntary sector, or union (not a city council employee) representative;
- a person of well-known public standing, such as from one of Peterborough's faith communities;

3. The term of office will be three years each, initially two years only for the third and fourth persons in the above list. Full Council may remove a member at Annual Council, or at any other time during the year should it feel the circumstances merit this, on the grounds of loss of confidence in the person (due to criminal conviction or other lack of independence or integrity);

4. The members of the panel will be appointed by the Chief Executive, in consultation with the three Group Leaders, any unresolvable disagreement to be referred to the Policy Executive Panel for determination;

5. In order to avoid any perception of personal gain involved with membership of the panel, travel and subsistence allowances only will be paid to Allowances Panel members, at the rate approved by the Council annually within the limits determined by the Secretary of State. No other allowances will be paid to them, except for any fees required by the academic or consultancy expert;

(iii) That member profiles be drawn up and made available to the Member Allowances Panel to help it in its deliberations; officers to obtain copies of member profiles produced elsewhere and refine them to suit Peterborough in consultation with Group Leaders and Group Secretaries, then submit them to Policy Executive Panel for approval so that they are ready for use as soon as possible by the independent panel;

(iv) That the Member Allowance Panel's report be made available to Council on 18<sup>th</sup> July, so that a new allowance scheme without attendance allowance may be implemented from the proposed statutory deadline of 28<sup>th</sup> July 2001.