

**SELECTION AND APPOINTMENT OF INDEPENDENT REMUNERATION PANEL
(IRP) MEMBERS**

To: **Constitution and Ethics Committee**

Meeting Date: **22nd September 2016**

From: **LGSS Director of Law & Governance
and Monitoring Officer**

Purpose: **To consider the selection and appointment of Independent
Remuneration Panel members.**

Recommendation: **The Constitution and Ethics Committee is asked to agree
the approach to selecting and appointing Independent
Remuneration Panel members.**

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1. BACKGROUND

- 1.1 Local authorities are required to make schemes of allowances for their elected members. The process for making and reviewing these schemes of allowances is strictly regulated in order to ensure that the public can have confidence in the independence, openness and accountability of the process involved. At the heart of this process is the requirement that a local authority must establish an Independent Remuneration Panel (IRP), and before making or amending its scheme of members' allowances, it must have regard to the views of the IRP as set out in a report submitted to the relevant decision making body which, in the case of a County Council, is Full Council.
- 1.2 Statutory guidance stresses the importance of local authorities developing an appointments process that will command public confidence throughout all the communities in the local area. The following extract from the guidance deals with the appointment of the panel itself.
33. *The 2001 Regulations do not specify how a local authority may go about finding members of its remuneration panel. A local authority will need to consider carefully and plan its appointments process having regard to this guidance and the need to ensure that this process commands public confidence throughout all the communities in the local authority's area.*
34. *The council should adopt an appointments process which it considers is best able to result in the membership of its independent remuneration panel being truly independent, well qualified to discharge the functions of the panel and representative of the diversity of the communities in the local authority's area.*
35. *Local authorities may wish to advertise for candidates in local papers or may wish to ask particular stakeholders, eg the voluntary sector or the local business community, if they wish to put forward candidates. Councils may consider it best to use a combination of advertising and inviting the putting forward of candidates. In all cases the local authority will need to ensure that its appointment process is open to public scrutiny.*
36. *A local authority should give very serious consideration not only to ensuring the independence of its independent remuneration panel but also the public perception of this independence. To maintain the credibility of its panel a local authority will need to consider the extent to which some, if not all, of its panel members are recognisable members of the local community. Political appointments, and appointments which are made through friendship or any other personal association of any members of the council, should always be avoided.*
37. *Local authorities should consider very carefully the extent of any candidate's connections to a political party and whether these are such as to risk the effective discharge of the panel's functions were the candidate to be appointed.*
38. *In appointing its panel, a local authority should consider candidates' knowledge of local government and the way it works although lack of familiarity with the functions of councils should not be a bar to appointment.*
- 1.3 The Council's Constitution and Ethics Committee has been given the formal role in the process by being delegated with the authority to select and appoint persons as members of

the County Council's IRP as set out in the Committee's terms of reference contained within the Council's Constitution¹.

- 1.4 The current scheme of allowances was last reviewed in March 2014. The 2003 Regulations require councils to review their schemes every four years, with a minimum requirement to review any index link applied to allowances. It is proposed that a review should take place after the May 2017 elections following the appointment of an IRP.
- 1.5 One of the key requirements of the process is that the council must, before determining the content of its scheme of allowances, have considered the report of an IRP, established for this purpose. In accordance with the Council's constitution, the current IRP was appointed following a process agreed by the old Standards Committee at a meeting on 11 January 2012. The terms of reference of the Panel are attached at **Appendix A**.
- 1.6 Panel members were appointed, following an interview process, for a period of five years. The appointments therefore come to an end in February 2017. The membership of the current IRP comprises the following:

David Sales – Chairman
Professor Helen Valentine – Vice-Chairman
Robert Smith
Yolanda Warwick
Dr Sam Weller
- 1.7 Panellists are paid £20 per hour up to a maximum of £150 per one day to include time spent in meetings, preparation and reading time. They can also charge mileage and parking costs.

2. SELECTION AND APPOINTMENT OF PANEL MEMBERS

- 2.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 state that an independent remuneration panel shall consist of a least three members. The Committee is asked to consider whether to advertise for three members only or continue with five members which is the current composition of the panel.
- 2.2 The 2003 Regulations provide that where an independent remuneration panel was set up, under the Local Authorities (Members' Allowances) Regulations 2001, it shall continue to operate providing recommendations to the relevant authority. The Committee may therefore wish to re-appoint the current panel or appoint a completely new panel or a new panel with fewer members. It is important to note that a panel may become more effective as its knowledge and understanding of members' allowances is increased.
- 2.3 The Regulations suggest that local authorities may wish to consider appointing members of the panel for a term of office of several years, perhaps 3-5 years. They may also wish to consider phasing appointments to ensure that there is always one member of the panel who has some experience. Transitionally, on setting up the independent remuneration panel this would need different periods of office. This could be achieved by differing lengths of appointment. A local authority will also need to consider the relationship

¹ Part 3B-Responsibility For Functions, Committees of Council, Constitution and Ethics Committee

between appointment dates and the electoral cycle and the benefits of continuity in the panel's membership.

- 2.4 The Regulations permit the Council to pay the expenses incurred by an IRP. The Committee is asked to consider whether to pay panellists on an hourly basis as detailed in 1.5 or to opt for a one off payment of £550 for panellists and a slightly higher taxable allowance of £650 to reflect the additional responsibilities and duties of the IRP Chairman/woman; the latter is currently being used by East Cambridgeshire District Council to cover time plus expenses. Panel members are not remunerated beyond reimbursement of out of pocket expenses.
- 2.5 If the Committee decide to advertise for a completely new Panel, candidates for panel membership will be sought utilising a combination of advertising for applicants, and inviting interest groups to propose a suitably qualified representative. Advertising will be in multiple media, including the internet, social media, the press via a press release not formal advert, voluntary sector publication(s) and Chamber of Commerce channels. Subject to the Panel's decision, a draft application pack (which will include a role and person description) and an information pack will be shared with the Committee first. Proposed interest groups are:
- Chamber of Commerce
 - Voluntary sector
 - Health services
 - School Governors' Advisory Group
 - Recognised Trade Unions
- 2.6 Following the advertising process, it is proposed that the Constitution and Ethics Committee appoint three of its members, based on political proportionality i.e. one Conservative, one Liberal Democrat and one UKIP, to undertake the function of interviewing and recommending for approval the appointment of members of the IRP.
- 2.7 The Committee will need to appoint people who they think will best meet the requirements of the role. It will also need to try to avoid all of the people appointed having the same background or experience or coming from the same part of the County. The appointment process will be as open as possible.
- 2.8 Based on the interviews, the interview panel will recommend to Constitution and Ethics Committee one of the successful candidates to chair the panel. Applicants will be asked as part of the interview process whether they are prepared to be Chair.
- 2.9 Candidate interviews will be held in private. However, once Panel members have been appointed, the membership will be publicised including the background and qualifications of Panel members.

Source Documents	Location
New Council Constitutions: Guidance on Regulation for Local Authority Allowances. ODPM July 2003	DCLG Website http://www.legislation.gov.uk/ukxi/2003/1021/pdfs/ukxi_20031021_en.pdf

TERMS OF REFERENCE FOR AN INDEPENDENT REMUNERATION PANEL

The role of the Panel is to consider and keep under review and, as and when requested by the Monitoring Officer, submit reports making recommendations, in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003, to the Council on:

- The amount of basic allowance that should be payable to its elected members.
- The responsibilities or duties which should lead to the payment of a special responsibility allowance and the amount of such an allowance.
- Any arrangements for the withdrawal of Basic and/or Special Responsibility Allowance if a member is wholly or partially suspended
- Whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended.
- The duties for which a travelling and subsistence allowance can be paid and as to the amount of this allowance.
- Allowances for co-opted members.
- Whether the authority's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants and if it does make such a recommendation, the amount of this allowance and the means by which it is determined.
- 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.
- Which members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972.
- Treating basic allowance and special responsibility allowance as amounts in respect of which such pensions are payable.