

Cabinet

4th December 2008



Members' Allowances Independent Remuneration Panel

Report of Stuart Crowe, County Treasurer [Cabinet Portfolio Member for Corporate Resources, Councillor Michele Hodgson]

Purpose of Report

- 1 The purpose of this report is to seek Cabinet approval for the establishment of an Independent Remuneration Panel which will be required to make recommendations to the County Council about Members' Allowances.

Background

- 2 The previous County Council's Independent Remuneration Panel has resigned after advising the Council for a number of years, to allow the new Council to establish a new panel.

Guidance on the Appointment of the Panel

- 3 The Government has set out guidance on the establishment of Remuneration Panels previously which must have at least three members.
- 4 Authorities are required to have regard to this guidance and to ensure that their appointments process commands public confidence throughout all the communities in the local authorities area.
- 5 The guidance indicates that the Panel should be:
 - (a) truly independent,
 - (b) well qualified to discharge the functions of the Panel, and
 - (c) representative of the diversity of the communities in the local authority's area.
- 6 Local authorities may (although they are not required to) advertise for candidates in local newspapers or may ask particular stake holders, for example the voluntary sector or the local business community to put forward candidates. In all cases the local authority will need to ensure that its appointment process is open to public scrutiny.

- 7 The guidance indicates that 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 any appointments which are made through friendship or any other personal association with Members of the Council should always be avoided.
- 8 Regulations provide that local authorities can pay allowances to panel members. These allowances are a matter for the local authority to determine.

Recommendations of Panels

- 9 The work of the Panel is concerned with making recommendations:
 - (1) as to the amount of Basic Allowance which should be payable to all Members,
 - (2) as to the duties in respect of which Members should receive a Special Responsibility Allowance and as to the amount of such an allowance, and
 - (3) as to whether the Allowance Scheme should include allowances in respect of the expenses of arranging for the care of children or dependants and as to the amount of such allowances.

Proposals

- 10 It is suggested that there is merit in both appointing people to the Panel through a formal selection process following advertisement and, inviting organisations within the County to nominate individuals who are recognised as having an appropriate profile in Durham to make up a new Panel.
- 11 It is suggested that the Panel would comprise no more than 7 people. This would provide for a good range of individual views whilst keeping the numbers on the Panel to a reasonable number.
- 12 It is not proposed to pay allowances to panel members and this would be consistent with co-opted members on Overview and Scrutiny and Audit Committees. However, it is proposed that reasonable expenses should be reimbursed.

Conclusion and Recommendations

- 13 The Council is required to establish a Remuneration Panel which is independent and composed of individuals who represent Durham's communities.

- 14 It is recommended that I be authorised in consultation with the Leader to make arrangements to appoint up to 7 people to an Independent Remuneration Panel through both selection and nomination.
- 15 It is recommended that Panel Members be reimbursed their expenses.

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p/reports/ct18-08

Appendix 1: Implications

Local Government Reorganisation

(Does the decision impact upon a future Unitary Council?)

None

Finance

Minimal expenditure related to expenses for the panel members.

Staffing

None

Equality and Diversity

None

Accommodation

None

Crime and disorder

None

Sustainability

None

Human rights

None

Localities and Rurality

None

Young people

None

Consultation

Considered by Constitution Working Group

Health

None