

Report of	Meeting	Date
Chief Executive (Introduced by the Executive Member for Customer, Democratic and Legal Services, Councillor J Walker)	Council	19/12/06

## MEMBERS ALLOWANCES – APPOINTMENT OF INDEPENDENT REMUNERATION PANEL

### PURPOSE OF REPORT

- To seek approval to the appointment of a new Independent Remuneration Panel to review the Council's Members Allowances Scheme.

### CORPORATE PRIORITIES

- The appointment of an Independent Remuneration Panel will support the Council's corporate priority of "involving people in their communities".

### RISK ISSUES

- The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy		Information	
Reputation	✓	Regulatory/Legal	✓
Financial	✓	Operational	✓
People		Other	

- The review of certain elements of the Members Allowances Scheme will be in accordance with the guidance in the statutory regulations.

### BACKGROUND

- The Council is required under Paragraph 20 of the Local Authorities (Members Allowances) (England) Regulations 2003 to appoint and maintain an Independent Remuneration Panel, which will review and make recommendations to the Council on the Members Allowances Scheme.
- The Regulations state that the Independent Remuneration Panel shall consist of at least three members none of whom: -
  - is also a member of an authority in respect of which it makes recommendations or is a member of a committee or sub committee of such an authority; or
  - is disqualified from being or becoming a member of an authority.

7. The Council may pay the members of the Panel such allowances or expenses, as it deems appropriate for the purposes of carrying out its function of reviewing the allowances scheme.

#### **INDEPENDENT REMUNERATION PANEL**

8. The composition of the Panel needs to be revised because one of the existing members, Alan Cain is now a member of the Council and ineligible to be on the Panel and, the Bishop of Burnley, The Right Rev John Goddard has indicated that he is unable to continue as a member of the Panel due to other commitments. Mr Dennis Benson the current Chair of the Panel has indicated he would like to continue his membership of the Panel.
9. The composition of the new Independent Remuneration Panel was discussed at the All Party Leaders Liaison Meeting on 20 November 2006 to ensure that the proposed members will meet the requirements of the regulations referred to above and are well qualified to discharge the functions of the Panel. The proposed members of the Independent Remuneration Panel are:
  - Mr Dennis Benson (Chair of Lancashire Teaching Hospitals NHS Trust),
  - Mr John Cowdall (former Chief Executive of West Lancashire District Council)
  - Mr Tom Waring (former Director of Personnel at Lancashire County Council)
10. It is also proposed that the period of the Panel membership is up to 5 years and that the Panel members be reimbursed for any expenses incurred.

#### **REVIEW OF MEMBERS ALLOWANCES SCHEME**

11. The current Members Allowance Scheme was approved at the Council meeting held on 1 November 2005 following the consideration of a report by the previous Panel. The scheme may be amended at any time but may only be revoked with effect from the beginning of a year.
12. The following outstanding issues need to be reviewed by the new Panel:
  - a methodology for the annual uplift rate for the Allowances Scheme (for a maximum period of 4 years),
  - the provision of allowances for co-opted members,
  - the provision of allowances for Shadow Executive Members and,
  - whether allowances should be withheld if a member is suspended (e.g. arising from a standards hearing) and to make provision for the repayment of allowances.
13. In addition to this, it would be appropriate to ask the Panel to review:
  - the role descriptions for Members,
  - the Special Responsibility Allowance for the Lead Members for Development Control and Licensing following the recent changes in membership of the Executive Cabinet, as these two posts are also Chairs of regulatory committees that meet on a regular basis,
  - the Special Responsibility Allowance for the Vice Chairs of the Development Control and Statutory Licensing Committees,
  - the Special Responsibility Allowance for the Chair and Vice Chairs of the four Community Forums to be implemented from February 2007 and,
  - the overall operation of the scheme.
14. Following a review of these issues, the Panel will submit a report on its recommendations to a future meeting of the Council for consideration.

#### **COMMENTS OF THE DIRECTOR OF HUMAN RESOURCES**

15. There are no HR implications arising from this report.

## COMMENTS OF THE DIRECTOR OF FINANCE

16. There are no immediate financial implications associated with this report.

## RECOMMENDATION(S)

17. The Council is requested to give approval to:
- (1) the appointment of Mr D Benson, Mr J Cowdall and Mr T Waring as its Independent Remuneration Panel for a term of office of upto 5 years.
  - (2) the appointment of Mr D Benson as the Chair of the Panel.

## REASONS FOR RECOMMENDATION(S) (If the recommendations are accepted)

18. To ensure that the Council complies with the requirements of the Local Authorities (Members Allowances) (England) Regulations 2003.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

19. None

DONNA HALL  
CHIEF EXECUTIVE

Background Papers			
Document	Date	File	Place of Inspection
Local Authorities (Members Allowances)(England) Regulations 2003.	7/4/03	Members Allowances	Democratic Services Section, Town Hall, Chorley

Report Author	Ext	Date	Doc ID
Steve Pearce	5196	28/11/06	ADMINREP/0612LM