

## REPORT TO COUNCIL

### APPOINTMENT OF AN INDEPENDENT REMUNERATION PANEL

#### **KEY ISSUE/DECISION:**

To agree the arrangements for the appointment of an Independent Remuneration Panel to review the existing Members' Allowances Scheme.

#### **BACKGROUND:**

- 1 The Council has a duty under the Local Authorities (Members' Allowances) (England) Regulations 2003 to have in place and maintain an independent remuneration panel (IRP) to make recommendations about the allowances paid to Members under the Scheme of Allowances. The Panel's recommendations will include the level of the Basic Allowance received by all Members, as well as the level of Special Responsibility Allowances and to whom they should be paid. While it is up to the Council to agree its Scheme of Allowances, under the Regulations it must have regard to the advice and recommendations from its IRP before making any changes.
- 2 The current Members' Allowances Scheme was agreed by the Council in May 2014 and is valid until May 2017. There is no IRP currently in place and a new IRP therefore needs to be appointed to review the existing Scheme and make recommendations to Council in order for a new Scheme to take effect from May 2017.

#### **APPOINTING AN IRP**

- 3 Under the Regulations an IRP is required to consist of at least three members. Councils are permitted to decide their own arrangements for appointing IRP members and should ensure public confidence by putting in place a process to appoint a panel which is independent, well qualified to discharge its functions, and representative of all the communities in the local authority's area.
- 4 The Regulations also state that an authority should determine the term of office of members of its IRP and can pay allowances to its panel members. Previously Surrey County Council's IRP members were appointed for an initial three year period with the option to extend for a further period, the aim being to ensure continuity and knowledge within the IRP. The Panel's Chairman received an allowance of £2,500pa, with the other members receiving £2,000pa. The level of these allowances was set in 2001 and has not been revised since. Comparative data from other county councils has been sought to inform a decision on whether these rates should change. The arrangements in other counties in the South East are as follows:

**Essex County Council:**

Chairman £650 per day (£3,500 for last review) plus travel and expenses; other panel members receive a flat rate of £500, with no travel or other expenses.

**East Sussex County Council:**

£256 per day (pro rata for part-days) per panel member, plus travel expenses.

**Hampshire County Council:**

£675 per member per year, plus travel expenses.

**Kent County Council:**

£100 per day (pro rata for part-days) per panel member, plus travel expenses.

**West Sussex County Council**

Travel expenses only.

- 5 From this sample it is clear that there is a wide variation in the allowances paid to IRP members. The time taken to complete a review is difficult to determine precisely but it can be anticipated that, with a new panel, some time will need to be devoted to building knowledge about the operation of the Council's boards and committees and the roles of Members before the review can fully commence. An estimate of ten days' work to complete the entire process would therefore seem reasonable. The allowance rates previously offered by Surrey would appear to be high when compared to those paid by the other county councils in the South East. A prudent approach would be to align the IRP allowance to that of the £1,000pa paid to Surrey's Independent Person, with an additional amount paid to the IRP Chairman. The suggested rates are therefore £1,500 for the Chairman and £1,000 for the other Panel members, plus travel expenses, for the duration of the review.
- 6 In order to comply with the requirements of the Regulations for the appointment of an IRP as set out in paragraph 3 above, the Council is asked to approve the creation of an Appointments Panel to oversee the process. It is proposed that the Appointments Panel should be a cross-party group with the following membership:
- Chairman or Vice-Chairman of the Council
  - Conservative Group Leader
  - Residents' Association/Independent Group Leader
  - Surrey Opposition Forum Group Leader
- 7 The proposed timetable for the appointment of an IRP and the completion of its subsequent review of Allowances Scheme is as follows:
- July/August 2016 - advertise for members of the IRP
  - September 2016 - Interviews/proposed appointments (Appointments Panel)
  - 11 October 2016 - Council ratifies appointments

- October/November 2016 - IRP begins its review of the Allowances Scheme
- 23 May 2017 - IRP presents its report and recommendations to Council

8 Support for the Appointments Panel and the IRP will be provided by Democratic Services.

#### **NEXT STEPS**

9 Subject to approval of the recommendations below, a further report will be presented to the Council in October 2016 seeking ratification of the Appointment Panel's preferred candidates from the selection process. At that point the Council will also be asked to agree the terms of reference for the IRP.

#### **RECOMMENDATIONS:**

- (a) That an Appointments Panel, consisting of the Chairman or Vice-Chairman of the Council and the Conservative, RA/Independent and Surrey Opposition Forum Group Leaders be established to appoint a new Independent Remuneration Panel in line with the timetable set out in paragraph 7 of this report.
- (b) That the Independent Remuneration Panel should consist of three members.
- (c) That, for the 2016/2017 review of Members Allowances, a fee of £1,500 plus travel expenses be paid to the Chairman of the Independent Remuneration Panel, and a fee of £1,000 plus travel expenses be paid to the other Panel members.

---

**Contact:** Bryan Searle, Tel: 020 8541 9019, email: [bryans@surreycc.gov.uk](mailto:bryans@surreycc.gov.uk)

#### **Sources/background papers:**

Guidance on Consolidated Regulations for Local Authority Allowances, Office of the Deputy Prime Minister 2003.

This page is intentionally left blank