
INDEPENDENT REMUNERATION PANEL REPORT

1 SUMMARY

- 1.1 This report contains the recommendations from the re-convened Independent Remuneration Panel regarding Members' allowances for 2008/09, based on the stronger leadership model of governance that was agreed by the Council on 24 April 2008 comprising the Leader of the Council appointed for a period of 4 years and Members of the Executive with responsibility for specific portfolios.
- 1.2 The Independent Remuneration Panel was also asked to review the allowances for independent members of the Standards Committee, given the potential workload as a result of all complaints about Members' conduct now being heard by a sub-committee of the Standards Committee.

2 BACKGROUND

- 2.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require that each Council sets up an Independent Remuneration Panel to make recommendations about the level of allowances for Members.
- 2.2 The Council has to have regard to the advice of the Panel, except in the area of pensionable allowance where the view of the Panel is binding if it does not recommend implementation. The Panel has not recommended that any allowances should be pensionable.

3 DISCUSSION AND PROPOSALS

- 3.1 The report of the re-convened Independent Remuneration Panel is attached at Appendix 1. The Panel have adopted the same approach as previously by building the special responsibility allowances as multiples of the basic allowance.
- 3.2 In summary, the main recommendations from the Panel are as follows:-
 - Executive portfolio holders allowance to be set at 200% of the basic allowance, plus the basic allowance of £4,250, making a total of £12,750 per annum.
 - Deputy Leader of the Council's remuneration to be set at 300% of the basic allowance, plus the basic allowance of £4,250, making a total of £17,000 per annum.
 - Leader of the Council's remuneration to be set at 500% of the basic allowance, plus the basic allowance of £4,250, making a total of £25,500.
 - All other allowances to remain at existing levels.

3.3 In respect of the independent members of the Standards Committee the Panel has recommended:-

- that the remuneration for the Chairman of the Standards Committee remain at £2,125 per annum.
- that the basic remuneration for the independent members of the Standards Committee be set at £425 per annum (10% of the basic allowance for District Council Members).

3.4 It is suggested that if adopted, the revised scheme is implemented with effect from 14 May 2008, the day after Annual Council confirmed appointments to the political structure.

4 RISK IMPLICATIONS

4.1 To minimise reputational risk the Council needs to have regard to the recommendations of the Independent Remuneration Panel.

5 RESOURCE IMPLICATIONS

5.1 The additional cost of the recommendations is estimated at £50,000 per annum. These costs will be included in the 2008/09 budget strategy when the estimates are revised at mid-year.

6 RECOMMENDATION

6.1 It is proposed that the Council **RESOLVES** to adopt the amendments to the remuneration scheme for 2008/09 as proposed by the Independent Remuneration Panel.

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Background Papers:-

None

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**REPORT OF THE INDEPENDENT REMUNERATION PANEL TO ROCHFORD
DISTRICT COUNCIL – JUNE 2008**

1. Background

- 1.1. The Local Authorities (Members' Allowances) (England) Regulations 2003 require that each Council must establish and maintain an Independent Remuneration Panel to make recommendations about the level of basic allowance for all Members, the level of special responsibility allowances and to whom they should be paid, and on whether dependants' carers' allowance and travel and subsistence allowances should be paid and the levels of these allowances. The Panel also can consider whether any allowances should be pensionable and/or subject to an annual inflationary increase.
- 1.2. The Council has to have regard to the advice of the Independent Remuneration Panel except in the instance of pensionable allowances where the view of the Panel is binding if it does not recommend their implementation. The Panel has not recommended that any allowances should be pensionable.
- 1.3. The Panel met in April 2007 to advise on remuneration for the Executive Board and Area Committee Structure, and then reviewed this in December 2007.
- 1.4. In April 2008 the Council decided to move to a stronger leadership model of governance with the Leader appointed for a period of 4 years, supported by an Executive of 7 portfolio holders with delegated decision-making authority. The Panel had therefore been requested to reconvene to consider the impact of this new structure.
- 1.5. The Panel was also asked to consider the remuneration for independent members on the Standards Committee, given the new statutory arrangements for dealing with complaints against Councillors.

2. Work Programme

- 2.1. The Panel held one meeting and heard from John Honey, Corporate Director (Internal Services) and Monitoring Officer. The Panel would like to express their thanks for his contribution.
- 2.2. The Panel considered the following documents:-
 - comparative information about executive allowances in District Councils in Essex
 - report to the Executive Board on 23rd April 2008 outlining the new political decision-making structure
 - extract from the Constitution showing levels of responsibility of the portfolio holders

- forward plan of key decisions containing the major decisions that would be taken by portfolio holders in the next 4 months.

3. District Council Proposals

3.1. **Executive Allowances**

The Panel considered information about the additional work and accountability required of the roles of the new Executive, compared to the former Executive Board that had operated as a collective. In particular, the Panel noted that all of the Executive power is now vested in the Leader who can delegate authority to individual portfolio holders or officers.

The Panel wished to continue using 'building blocks' of the basic allowance (£4,250) to determine remuneration levels.

Recommendation: that Executive Portfolio holders receive an allowance of 200% of the basic allowance, plus the basic allowance of £4,250, making a total remuneration of £12,750 per annum.

Recommendation: that the Deputy Leader receive an allowance of 300% of the basic allowance, plus the basic allowance of £4,250, making a total remuneration of £17,000 per annum.

Recommendation: that the Leader of the Council receive an allowance of 500% of the basic allowance, plus the basic allowance of £4,250, making a total remuneration of £25,500 per annum.

3.2. **Chairmen's Allowances**

The Panel considered the roles of the Review Committee and other Chairmen but decided that at this stage their remuneration should remain at the existing levels.

Recommendation: that the remuneration for the Review Committee Chairman remain at £3,125 and for other Committee Chairmen (including Area Committee Chairmen) remains at £2,125 per annum.

4. Independent Members of the Standards Committee

- 4.1. The Panel was advised that as a result of a new statutory arrangement, all complaints about Members' conduct within the District affecting Town/Parish Councils or the District Council had to be considered by a Sub-Committee of the Standards Committee that had to be chaired by an independent member. It was anticipated that there would be a significant increase in the workload as a result. The Panel considered various possibilities and decided that their recommendation would need to be subject to review once there was evidence of the actual level of work involved.

Recommendation: that the remuneration for the Independent Chairman of the Standards Committee remain at £2,125 per annum.

Recommendation: that the remuneration for the independent members of the Standards Committee be set at £425 per annum (10% of the basic allowance for District Council members).

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Independent Remuneration Panel
June 2008