

North Tyneside Council

Report to Council

Date: 26 July 2012

ITEM 8

Title: INDEPENDENT
REMUNERATION PANEL
REPORT

Portfolio(s): Elected Mayor

Cabinet Member(s): Mrs Linda Arkley

Report from Directorate: Chief Executive's Office

Report Author: Vivienne Geary – Head of Legal, Governance (Tel: 643 5339)
and Commercial Services

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Commercial Services

Wards affected: All

PART 1

1.1 Purpose:

This report brings forward to the Council a report from the Independent Remuneration Panel, which makes a number of recommendations in respect of the Members' Allowance Scheme.

1.2 Recommendation:

The Council is recommended to

- 1.2.1 approve the recommendations of the Independent Remuneration Panel; and
- 1.2.2 refer to the Constitution Task Group to consider:
 - i) an amendment to Article 4 of the Constitution to remove the reservation of the adoption of the Members' Allowances Scheme to Full Council ; and
 - ii) a delegation to the Council's Chief Executive, in consultation with the Section 151 Officer, to receive or consider reports and recommendations of the Council's Independent Remuneration Panel and if appropriate to agree those recommendations and the timescale and process for the implementation of such recommendations.
- 1.2.3 approve the Members' Allowances Scheme for 2012/13 subject to the deletion of the allowances paid in respect of the former Standards Committee and the insertion of allowances paid to the Chair and Deputy Chair of the Governance Committee as detailed in recommendation 4.4 of the report of the Independent Remuneration Panel attached to this report.

1.3 Forward plan:

This report does not appear on the Current Forward Plan. However, it is required to be considered at this Council meeting due to the timescales set by the Council as a consequence of motions submitted to meetings held on 17 May and 4 July 2012 (rearranged from 28 June 2012).

1.4 Council plan and policy framework:

This report has no direct relevance to the Council Strategic Plan or Policy Framework.

1.5 Information:

The Independent Remuneration Panel was first appointed by the Council in line with the Local Authorities (Members' Allowances) (England) Regulations 2003. The Panel currently comprises Mr John Anderson CBE, Mr Brian Reeve and Mr Phil Harwood.

The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to consider advice and recommendations from the Independent Remuneration Panel in relation to its scheme of allowances.

The Panel has considered and made recommendations on the following aspects of the Members' Allowance Scheme following referrals from previous meetings of the Council:

- i) A cap of £50,000 on any allowance paid under the Members' Allowances Scheme;
- ii) Representations in respect of a national Members' Allowances Scheme
- iii) The amount paid under the scheme in respect of Dependent Carers Allowances
- iv) The level of Special Responsibility Allowance which should be applied in respect of the post of Chair and Deputy Chair of the Governance Committee

In making its recommendations, the Panel has considered the current allowance scheme and comparator information from other Councils.

The Independent Remuneration Panel's report is attached at Appendix 1.

The Members' Allowance Scheme is made annually following receipt of recommendations on the scheme from the Council's Independent Remuneration Panel. At the present time the adoption of the scheme is a matter reserved to Full Council under Article 4 of the Constitution. This is not a statutory requirement but a matter of choice by the Council.

The Council's Independent Remuneration Panel is shortly to commence an in depth review of the allowances paid under the scheme as the current levels of allowances for Members has been noted to be significantly lower than the regional average. Given the sensitivity surrounding the allowances provided to Members, Members may wish to delegate authority to the Council's Chief Executive, in consultation with the Section 151 Officer, however this is a matter that would require amendment of the Council's Constitution as well the Officer Delegation Scheme. The Constitution Task Group is currently undertaking a review of the constitution. Members may refer this to the Constitution Task Group for the Group to consider an amendment to the constitution and a delegation to the Council's Chief Executive to consider the appropriateness of the recommendations of the Remuneration Panel following the forthcoming review and

consider and determine the process for implementation of those recommendations if found acceptable.

At the Annual Council meeting held on 17 May 2012 the Council was requested to formally approve a Members' Allowances Scheme for 2012/13. During deliberation of the report Members agreed a motion which requested the Independent Remuneration Panel to give consideration to the topics outlined above. Having received the report of the Independent Remuneration Panel Members now need to give consideration to the adoption of a Members' Allowances Scheme for 2012/13. A copy of the original report to the Annual meeting is attached as an appendix 2

1.6 Decision options:

The Council has a range of options available as follows:

- a) To approve the recommendations in part or in full
- b) To agree alternatives to the recommendations
- c) To reject the recommendations in part or in full

Members are recommended to approve the recommendations in paragraph 1.2 of this report

1.7 Reasons for recommended option:

Recommendations 1.2.1 and 1.2.3 are in line with the recommendations detailed in the Independent Remuneration Panel's reports; and

Recommendation 1.2.2 provides members with the opportunity to review and amend the Constitution and Officer Delegation Scheme in relation to the adoption of the Members' Allowances Scheme annually.

1.8 Appendices:

1. Report of the Independent Remuneration Panel.
2. Report to Council 17 May 2012 – Members Allowances Scheme 2012/13

1.9 Contact officers:

Dave Parkin, Legal, Governance and Commercial Services Tel: 643 5316
Alison Campbell, Finance Business Manager Tel: 643 7038

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

Report from the Independent Remuneration Panel – July 2012
Council Report and Minutes – 17 May 2012

N.B. The Panel's reports also identify a number of background papers and information used by the Panel in the preparation of the Panel's report.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and Other resources

(a) The report of the Independent Remuneration Panel does not propose any increase in the costs associated with the Members' Allowances Scheme. The increased costs of the allowances payable to the Chair and Deputy Chair of the Governance Committee recommended by the Remuneration Panel will be covered by a reduction in the allowances which would have been payable to the Chair and the Independent Members of the former Standards Committee.

(b) Any recommendations from the Constitution Task Group which have budget implications will have to be fully costed prior to further consideration and decision on the proposals.

2.2 Legal

The Local Authorities (Members' Allowances) (England) Regulations 2003 requires the advice from the Independent Remuneration Panel in relation to the operation of its scheme of allowances is considered prior to taking any decision in relation to the adoption of the Scheme.

2.3 Consultation/community engagement

The Strategic Leadership Group, comprising the Elected Mayor and the leaders and deputy leaders of the political groups represented on the Council have been consulted on the level of allowances for 2012/13. There has been no consultation on the other aspects of the report of the Independent Remuneration Panel.

2.4 Human rights

There are no human rights implications arising from this report.

2.5 Equalities and diversity

There are no direct equalities and diversity implications arising from this report.

2.6 Risk management

The risks associated with this report will be managed in accordance with the North Tyneside Council risk management process.

2.7 Crime and disorder

There are no crime and disorder implications arising from this report.

2.8 Environment and sustainability

There are no environment and sustainability implications arising from this report.

PART 3 - SIGN OFF

- Chief Executive X
- Chief Finance Officer X
- Monitoring Officer X
- Strategic Manager, Policy and Partnerships X