



**NORTHAMPTON**  
BOROUGH COUNCIL

# COUNCIL

## 8<sup>th</sup> September 2008

**Agenda Status: Public**

**Directorate: Borough Solicitor**

Report Title	Independent Remuneration Panel
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### 1. Summary

- 1.1 Local Authorities are required by legislation to have in place an Independent Remuneration Panel to determine the Councillors' Allowances Scheme and make recommendations regarding that scheme to Council. This report seeks Council's approval to the setting up of the Panel and appointments to it.

### 2. Recommendations

- 2.1 It is recommended that Council approves the setting up of an Independent Remuneration Panel.
- 2.2 That Council appoints the following people to the Panel:
- 2.2.1 Mr. Paul Joy
- 2.2.2 Mr. Augustine Madu
- 2.2.3 The third member of the Panel is to be confirmed
- 2.3 It is recommended that the period of service for the Independent Remuneration Panel members be varied between three to five years in order to retain experience on the Panel and avoid all members leaving together. The length of service is to be negotiated with each of the Panel members and is to have regard to the relationship between the length of service and the electoral cycle.
- 2.4 Council note that the recruitment and selection of the Independent Remuneration Panel has been undertaken in line with the Local Authorities (Members' Allowances) (England) Regulations 2003.

### 3. Report Background

- 3.1 Local Authorities have for some time been responsible for developing local schemes in relation to allowances and pensions for Councillors. The approach regarding amounts payable to Councillors are a matter of local determination. It is important that Councils can take full account of their particular circumstances when deciding the remuneration for

their local Councillors and that the Council is advised on its allowances by a local panel whose members are independent.

- 3.2 Prior to the report to Cabinet on the 6<sup>th</sup> of May the Council was a member of Northamptonshire County Councils' Independent Members' Remuneration Panel. Cabinet resolved to establish a new Independent Remuneration Panel for Northampton Borough Council, and that the Panel recommends a new Councillors' Allowances Scheme to Council on the 27<sup>th</sup> of October 2008.
- 3.3 In respect of any Allowances Scheme it is considered good practise to convene a Panel each year to review the scheme, although this is only legally required every four years. With regard to refreshing or recruiting a new panel, whilst it is considered good practise to give Panel members a reasonable term of office so that expertise etc can be developed, this must be balanced with the need for the panel to reflect changes to local circumstances and differences. Specifically in respect of joint panels, Councils must consider whether this approach is appropriate and cost effective arrangement for their local circumstances.
- 3.4 Since panels were required for all Authorities from 2003, the circumstances facing Northampton Borough Council have changed, as has the way in which it operates (both managerially and politically through the new Constitution) and therefore it is now appropriate for the Council to put in place an independent panel that can deal solely with Northampton Borough Council.
- 3.5 Following an advertisement in the local newspaper the Council interviewed six candidates on the 12<sup>th</sup> and 13<sup>th</sup> of August 2008 in order to recruit the Independent Remuneration Panel. The following Candidates have been nominated by the interview panel to Council as members of the Independent Remuneration Panel:
- 3.5.1 Mr. Paul Joy  
3.5.2 Mr. Augustine Madu  
3.5.3 The third member of the Panel is to be confirmed
- 3.6 Since the above Cabinet resolution the Council has engaged the services of Declan Hall, a national expert on Councillors' Allowances from INLOGOV to undertake training and advise the Independent Remuneration Panel on the development of a new Councillors' Allowances scheme.

#### **4. Implications (including financial implications)**

##### **4.1 Resources and Risk**

- 4.1.2 In the report to Cabinet on the 6<sup>th</sup> of May 2008 the resource implications for the recruitment, training, scheme development and on going Panel costs were outlined. Following the Cabinet report we now have more definitive costs associated with setting up the Panel which are summarised as follows:

4.1.3.	Expert consultancy, including training, scheme development	£6,300
	Advertising	£1,213.95
	Panel meetings for training and scheme development	£1,650
	<b>SUB TOTAL</b>	<b>£9,163.95</b>

- 4.1.4 There will be some costs associated with Panel mileage and subsistence but this is not anticipated to bring the amount to more than the original budget of £10,000
- 4.1.5 The anticipated ongoing running cost of the Panel is as follows and is based on an optimistic number of meetings and therefore the actual number of meetings required each year and the costs maybe less depending upon the scheme review programme put in place at the end of the development of the Councillors' Allowances Scheme:
- 4.1.5.1 6 meetings per year (= £2,000) - 9 meetings per year (= £3,000)
- 4.1.6 The cost of the new Panel will be found from within existing resources.

## 4.2 Legal

- 4.2.1 Section 18 of the Local Government and Housing Act 1989 (as amended) allows Local Authorities to make provision for various Councillors' Allowances. The Local Authorities (Members' Allowances) (England) Regulations 2003 requires the Council to have a relevant scheme and to have regard to the recommendations of an Independent Remuneration Panel as a pre-requisite to adopting the scheme.
- 4.2.2 The guidance on the regulations for Local Authority Allowances states that the Council should adopt a recruitment process which it considers is best able to result in the membership of its Independent Remuneration Panel being truly independent, well qualified to discharge the functions of the Panel and be representative of the diversity of Northampton's communities.
- 4.2.3 The above aspects were taken into account in the development of the recruitment process in that the recruitment and selection process was advertised externally across Northampton using local media, and the successful candidates have been drawn from backgrounds that includes a deep understanding of community issues and a knowledge of local government, including previous public roles involving public probity, accountability and transparency.

## 4.3 Other Implications

- 4.3.1 None

## 5. Background Papers

- (1) "New Council Constitutions: Guidance on Regulation for Local Authority Allowances" Department for Communities and Local Government
- (2) "Members Remuneration – Models, issues, incentives and barriers" Dr Declan Hall and Sir Rodney Brooke, Councillors Commission December 2007
- (3) "Guidance on members' allowances for local authorities in England" ODPM April 2001
- (4) "The Local Authorities (Members' Allowances) (England) Regulations 2003, Statutory Instrument 2003: No. 1021; and various amendment regulations.
- (5) "Members' Allowances: Post 2003 Regulations – Patterns and Issues" Conference. School of Public Policy, University of Birmingham, 2007

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