

Leaders' Committee AGM

Approval of Panel Members for London Councils *Independent Panel for Members Remuneration*

Item no. 15

Report by: Christiane Jenkins

Job title: Director, Corporate
Governance

Date: 11 July 2017

Contact Officer: Christiane Jenkins

Telephone: 020 7934 9540

Email: Christiane.jenkins@londoncouncils.gov.uk

Summary:

The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) (the **Regulations**) authorise the establishment by London Councils of an independent remuneration panel to make recommendations in respect of the members' allowances payable by the London borough councils and members' allowances for their London Councils work.

The Independent Panel on the Remuneration of Councillors and Members' Allowances (the Panel) was established and reported in 2001, 2003 and 2006, 2010 and 2014 in accordance with the Regulations.

This paper requests Committee approval for the re-constitution of the Panel.

Recommendations:

Leaders' Committee is recommended to approve the re-constitution of the Panel, the reappointment of Sir Rodney Brooke CBE, DL, Mr Steve Bundred and Mrs Anne Watts CBE to the Panel and for Sir Rodney to continue to act as Chair.

Independent Panel on the Remuneration of Councillors and Members' Allowances

Background

1. London Councils, and its predecessor body the Association of London Government (the ALG), has maintained an independent panel to make recommendations in respect of the remuneration of councillors since 1998. Under the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) (the Regulations) an independent remuneration panel must be established to make recommendations to London borough councils in respect of allowances for their members¹.
2. The Regulations provide that an independent remuneration panel in respect of any of the London borough councils may be established by London Councils. Independent remuneration panels only make recommendations – it remains the responsibility of the individual authorities to make a scheme for the payment of member allowances having regard to the recommendations of the independent remuneration panel.
3. The Regulations² also authorise London Councils to make a scheme for the payment of members' allowances for their London Councils work. Such a scheme must be made in accordance with the Regulations which provide, amongst other things, that an authority must have regard to the recommendations of the independent remuneration panel established in respect of that authority before making or amending a scheme.
4. When, in 2004, London Councils decided to remunerate its leading members for their work for London Councils, the panel was requested to make recommendations on the scope and quantum of that remuneration so that, since that time, the Panel has made two separate sets of recommendations, one for consideration by the London borough councils for their members' allowances and one for consideration by London Councils in respect of members' allowances for their London Councils work.
5. Where an authority has regard to an index for the purpose of annual adjustment of allowances in making or amending a scheme, the Regulations require that it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel established in respect of that authority on the application of an index to its scheme. The Independent Panel has reported in 2001, 2003 and 2006, 2010 and 2014. It is now timely to look to reconvene the Panel.

¹ Regulation 20

² Regulation 6

Current Position

6. The current Panel, comprising Sir Rodney Brooke CBE DL, Anne Watts CBE and Mr Steve Bundred have all indicated that they would be willing to be reappointed. A summary of their respective biographies can be found attached at Appendix one.
7. The role profile for a panel member can be found at Appendix Two.
8. It is proposed that the Panel undertakes the review work late summer/early autumn with a view to recommendations being presented to the Executive in November 2017 and draft reports being discussed at Leaders' Committee in December 2017.

Equalities Implications:

There are no direct Equalities implications for London Councils.

Financial Implications:

The appointment of the Panel will be managed from existing resources.

Legal Implications:

There are no direct Legal implications for London Councils.

Recommendations:

Leaders' Committee is recommended to approve the re-constitution of the Panel, the reappointment of Sir Rodney Brooke CBE, DL, Mr Steve Bundred and Mrs Anne Watts CBE to the Panel and for Sir Rodney to continue to act as Chair.

Appendices:

- **Appendix One;** Biographies of the existing Independent Panel Members for the Remuneration of Councillors and Members' Allowances
- **Appendix Two:** Role Profile

Appendix One

Biographies of the existing Independent Panel Members for the Remuneration of Councillors and Members' Allowances:

- **Sir Rodney Brooke CBE, DL:**

Sir Rodney Brooke has a long career in local government, including as chief executive of West Yorkshire County Council, Westminster City Council and the Association of Metropolitan Authorities.

He was knighted in 2007 for his contribution to public service.

- **Mrs Anne Watts CBE:**

Anne Watts CBE has an extensive career in equality and diversity that spans the private, voluntary and public sectors with organisations including the Open University, the Commission for Equality and Human Rights and Business in the Community.

She chaired the Appointments Commission and is currently Vice Chair of Council, University of Surrey and Board member of *Newable* (previously GLE) where she chairs specifically both organisations' remuneration committees.

- **Mr Steve Bundred:**

Steve Bundred was chairman of Monitor, chief executive of the Audit Commission and chief executive of the London Borough of Camden.

Item 15 - Appendix Two

Role Profile: Independent Remuneration Panel Member

Overview:

The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) (the **Regulations**) permit London Councils to establish an independent remuneration panel to make recommendations in respect of members' allowances paid by London borough councils.

Such a panel (the Panel) was established and reported in 2001, 2003, 2006, 2010 and 2014.

Under the Regulations London Councils may make a scheme for the payment of members' allowances for their London Councils work. Such a scheme must be made in accordance with the Regulations which provide, amongst other things, that an authority must have regard to the recommendations of the independent remuneration panel established in respect of that authority before making or amending a scheme. The Panel therefore also makes separate recommendations on the allowances to be paid to the elected officers of London Councils. [The Panel also makes recommendations on any appropriate changes to London Councils Members' Allowances Scheme]. It is for London Councils to decide on the Members' Allowances Scheme that is put in place, having regard to the Panel's recommendations.

The Panel is convened at least once every four years. The time commitment is not expected to exceed five days. The Panel shall consist of at least three members.

Main purpose of role:

- To attend meetings of the Independent Remuneration Panel;
- To review/collate relevant data;
- To make recommendations regarding the remuneration of members allowance;
- To contribute to a report making recommendations as to the payment and amount of all forms of allowances.

Role Activities:

1. Attend meetings of the Independent Remuneration Panel to consider information in connection with members' allowances.
2. To formulate a view and make recommendations to the London borough councils and London Councils on members' allowances and to London Councils as to any appropriate changes to its Members' Allowances Scheme, as laid down in the Regulations and Section 7, Superannuation Act 1972, namely:-
 - (a) The level of basic allowance for all Members;
 - (b) Categories of special responsibility for which a special responsibility allowance should be paid and the levels of those allowances;
 - (c) The rate of childcare / dependency allowance;
 - (d) Travel & Subsistence Allowance;
 - (e) Any annual uplift.

Additional information:

- Independent Remuneration Panel meetings are held at London Councils offices;
- Candidates may be interviewed prior to recommendation for appointment;
- Appointments will be made by London Councils Leaders' Committee.

Personal Attributes			
		Ess	Des
1.	Able to make informed judgements based upon complex information	√	
2.	An awareness of the sensitive and confidential nature of the work	√	
3.	To be contactable via E-Mail	√	
4.	To be available to attend and contribute to meetings	√	
5.	Committed to undertaking the background work in preparation for meetings	√	
6.	Have excellent interpersonal and communication skills		
7.	Have experience of Committee work		√
8.	Have experience of setting remuneration levels in complex organisations		√
9.	Knowledge of Local Authority structures		√

Persons will be disqualified from serving on the Panel if they:

1. Are a member of any London borough council or London Councils, or a member of a committee or sub-committee of any London borough council or London Councils.
2. Are employed or appointed by any London borough council or London Councils.
3. Are a senior employee (in a politically restricted post) of another local authority.
4. Are the holder of any position within a political party at local, regional or national level.
5. Are the subject of a bankruptcy restrictions order or interim order.
6. Have been convicted in the last 5 years of an offence with a sentence of imprisonment (whether suspended or not) for a period of not less than 3 months without the option of a fine.
7. Are in debt to or in dispute with London Councils.
8. Are a relative or personal friend of an elected member of London Councils.

Removal from the Panel:

London Councils will have the right to remove particular members from the Panel before the 4 year term expires in special circumstances such as:

1. Becoming disqualified for any of the reasons detailed above.
2. Persistent non-attendance.
3. Breach of confidentiality.
4. Conduct that brings the Panel into disrepute and/or prejudices its impartiality or its effective operation.