

## **CONSTITUTION COMMITTEE – 8 MARCH 2006**

### **REPORT OF THE CHIEF EXECUTIVE**

### **INDEPENDENT REMUNERATION PANEL**

#### **Purpose**

1. This report concerns the arrangements for maintaining the Independent Remuneration Panel which advises on Members' Allowances and, in particular, the allowances paid to Panel Members themselves.

#### **Background**

2. At its meeting on 26 September, 2001, the Committee considered and approved arrangements for the establishment of an Independent Remuneration Panel to put forward recommendations on Members' Allowances in accordance with statutory requirements and government guidance.
3. Those arrangements authorised the Chief Executive to take the necessary action to establish the Panel on the basis set out in the report, the main features of which involved:-
  - a three Member Panel
  - a term of office for Members of two years renewable by mutual agreement.
  - the payment of an allowance of £500 p.a. for the Chairman of the Panel and £300 p.a. for the other Members.
4. Since that time the Panel has provided regular advice to the County Council on its Members' Allowances Scheme and the system has worked well. Over the course of the period since 2001 Panel Members have acquired a detailed knowledge of the Council's working practices. All three Panel Members have been happy to continue to serve on the Panel and therefore their term of office has been extended.
5. The Panel Members are:

Prof. David Wilson, Dean of the Faculty of Business and Law,  
De Montfort University (Chairman).  
Mrs. Judith Handford nominated by the CVS Community Partnership.  
Mr. Martin Traynor nominated by the Leicestershire Chamber of  
Commerce.

6. It is understood that the Panel Members continue to be willing to serve and a further extension of their term of office is therefore proposed.
7. With regard to the allowances payable to the Chairman and Members of the Panel these have not been renewed since 2001 and it is believed that an increase in the allowance in line with inflation would now be appropriate.
8. In order that these allowances are maintained at the correct level it is suggested that in future the allowance be increased in line with inflation on an annual basis, with the Chief Executive being given delegated powers to determine the details. This would avoid the need to report to the Committee each time a change is necessary.

#### **Resources Implications.**

9. There are no significant resource implications arising from these proposals.

#### **Equal Opportunities Implications**

10. The Panel was established having regard to the need for its membership to be truly independent, well qualified to discharge the function and representative of the local community.

#### **Recommendation**

11. That the Chief Executive be authorised to continue to take all necessary steps to maintain the Independent Remuneration Panel to advise the Council on Member Allowances on the basis agreed by the Committee on 26 September 2001, including the power to determine the allowances paid to Panel Members, having regard to increases in inflation.

#### **Circulation under Sensitive Issues Procedure.**

None.

#### **Background Papers**

Minutes of the meeting of the Constitution Committee held on 26 September 2001 and report of the Chief Executive on Allowances for Members of Local Authorities to that Meeting.

#### **Officer to Contact**

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