

STANDARDS AND CONSTITUTIONAL OVERSIGHT COMMITTEE

26th September 2019

REPORT TITLE:	MEMBERSHIP OF THE INDEPENDENT REMUNERATION PANEL
REPORT OF:	DIRECTOR OF GOVERNANCE AND ASSURANCE

REPORT SUMMARY

The ongoing review of the Council's governance arrangements may result in the introduction of a different set of roles and responsibilities for Members. In the light of that, this report asks the Committee to confirm postponement of the ongoing review of this Council's Scheme of Members' Allowances pending the agreement of any revised governance arrangements.

Discussion with Members has highlighted that the onset of any revised governance arrangements, of whichever form they might take, is an ideal juncture at which to refresh the membership of the Independent Remuneration Panel (IRP) and introduce fresh perspectives. Moreover, whilst the Council is extremely grateful to the current IRP for the work that it has carried out, its membership has remained largely unchanged for a considerable number of years. In order to maintain a robust IRP review process and to sustain a public perception of independence it is necessary that the membership of the IRP is refreshed from time to time.

RECOMMENDATION/S:

- (1) That, pending any revised governance arrangements coming into effect, the Committee:
 - (a) agrees to pause the current review of the Members' Allowances Scheme; and
 - (b) considers refreshing the membership of the Independent Remuneration Panel (IRP) in advance of requesting a new review of the Scheme of Members' Allowances in respect of any revised Council governance arrangements.
- (2) If the Committee so agrees, that the Head of Democratic and Member Services be authorised:
 - (a) to advertise for candidates from the general public and a wide range of organisations, including the local business community and voluntary organisations, for up to five members of the IRP to serve for a period of four years and conduct the next review of Members' Allowances; and
 - (b) to interview and recommend for selection (in consultation with political Group Leaders) up to five nominees for appointment to the IRP.

- (3) That the nominees for appointment to the IRP be subject to approval of the Council;
- (4) That the scope of the review of the Scheme of Members' Allowances be comprehensive, taking into account any revision of governance arrangements;
- (5) That an honorarium of £500 (no increase) be paid to the Chair of the Panel for a period of four years and the Committee determines whether to make payments to the other IRP Members ; and
- (6) That the Committee determines whether the IRP should elect its own Chair or whether, as now, the Council separately recruits for and appoints the Chair as having a separate and distinct skill set and knowledge requirement.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 If the Council wishes to make or amend a Scheme of Members' Allowances for Councillors it must appoint an Independent Remuneration Panel (IRP) to conduct such a review. The membership of the IRP was confirmed at the Annual Meeting 2019 and is beginning its review of Members' Allowances under the Council's current governance arrangements. As those governance arrangements are themselves under review, any new Members' Allowances Scheme is potentially immediately redundant.
- 1.2 The opportunity to recruit a new IRP, in advance of implementation of any new or revised governance arrangements, offers clear advantages in terms of fresh thinking and perspectives when formulating an associated new Scheme of Members' Allowances.
- 1.3 Guidance identifies the need to ensure that Councillors' allowances both encourages people to come forward as elected members and helps to retain such service to the community. Achieving a Panel that is independent, well qualified, and representative of the diversity of communities in the Borough is essential to this aim. The recruitment process is critical to a successful refresh: the proposed approach recognises this and combines advertising with inviting organisations to put forward candidates.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Committee may feel it would be appropriate to continue with the existing IRP to conduct the review of allowances this year. This approach complies with the Regulations and avoids the time and cost involved with a refresh. Obviously, the opportunities associated with a refresh would be lost if the Council selected this option.
- 2.2 The Committee may wish to explore the option of a partial refresh of the IRP membership. This would ensure that at least one member of the Panel has some experience of previous Wirral Borough Council reviews. This may alternatively be achieved by inviting the current IRP members to apply to be reappointed to a refreshed IRP if they so wish and by considering all applicants together.

3.0 BACKGROUND INFORMATION

- 3.1 In accordance with Regulations under the Local Government Act 2000, the Council established an Independent Remuneration Panel in 2001 to review Councillors' allowances. A Council cannot determine or amend allowances until it has considered and had regard to the recommendations of its IRP.
- 3.2 The IRP is currently beginning a regular review of the current Scheme of Members' Allowances.

- 3.3 The Annual meeting of the Council on 14th May 2019 resolved to undertake a review of the Council's governance agreements and also its number, terms of reference and make-up of the overview and scrutiny committees. This may result in the Council adopting a different form of governance and, therefore, a different array of Members' Special Responsibilities. A different form of governance would necessitate a different Scheme of Members' Allowances and thus a new review by the IRP.
- 3.4 The Council is extremely grateful to the current IRP for the work that it has carried out; however, aside from the Chair, the length of service of the Panel members is considerable. The current membership is:

Panel Member	First appointed
Ray Allan	2007
Nunzia Bertali	2002
Peter Bounds	2018
Pauline Brown	2002

- 3.5 The public perception of the independence of the IRP and the robustness of the review process is important. It is essential for the Council to ensure the Panel remains representative and in touch with the issues and challenges faced by those making decisions.
- 3.6 Now is considered to be an appropriate point for the Council to refresh the IRP. The potential adoption of new governance arrangements is deemed to be an appropriate juncture at which to recruit a new Panel and introduce fresh thinking and perspectives. Moreover this has been the topic of discussion amongst Members and the subject of a motion adopted by the Council's Labour Group.

4.0 Appointing a Panel

- 4.1 The Regulations do not prescribe how a local authority should appoint IRP members. The Guidance advises that the appointment process for the IRP should ensure the Panel is independent, qualified to discharge its functions, and representative of the diversity of the communities in the local authority's area. Candidates' knowledge of local government structures and functions is important, but a lack of familiarity with such matters should not be a bar to appointment.
- 4.2 The Regulations require that an IRP must have at least three members, but do not specify a maximum number. The Guidance advises avoiding unduly large Panels that would be unable to be an effective and publicly accountable source of clear recommendations. Therefore, it is suggested that the maximum size of the Panel remains unchanged and consists of up to five members. This would help address any potential quorum issues.
- 4.3 The Guidance asks local authorities to consider the term of office of members of the Panel, and suggests a period of 3-5 years. A period of four years is

recommended. (Looking ahead, the Council may wish to consider the value of term limits on IRP members to ensure the Panel is periodically refreshed. The ability to re-apply after a number of years might be included in such arrangements.)

- 4.4 In terms of recruitment, it is suggested that the Council advertise for IRP candidates in the local press and ask a wide range of organisations, including those in the third sector and the local business community, to propose candidates.
- 4.5 To help ensure that the IRP's work accords with the timetable for drafting and implementing any revised governance arrangements for the Council, it is suggested that the Head of Democratic and Member Services, in consultation with the Political Group Leaders, be authorised to shortlist and interview candidates. The Head of Democratic and Member Services, in consultation with the Political Group Leaders and the Director of Governance and Assurance, will recommend for selection up to five nominees for appointment.

5.0 FINANCIAL IMPLICATIONS

- 5.1 **Honorarium** – The Committee is requested to consider the level of honorarium payable to Panel members. Currently, the Chair receives an honorarium which has previously been set at £500 per annum. Recruitment of chairs of such IRPs can be difficult, given the depth of knowledge and skill set concerned, and an allowance is normal. Wirral acquired the recently appointed current Chair following a request to St Helens Council for the details of its IRP Chair.
- 5.2 This Council does not currently pay an honorarium to any of the other members of the IRP. The Committee is asked to consider this amount and whether an amount should be offered for each panel member in recognition of their time commitment for a four year period. This amount will be set out in the advert.
- 5.3 **Members Allowances Scheme** – It is for the IRP to recommend the amount of allowances. In the past, the Councillors have submitted evidence, which the IRP has taken note of and accepted in setting its recommended Members' Allowances.

6.0 Legal Implications

- 6.1 The Council must appoint an Independent Remuneration Panel to review its Scheme of Members' Allowances in accordance with the Regulations.
- 6.2 Whilst the Panel is required to make a recommendation, the Panel has always consulted all Political Group Leaders during each periodic review of Members' Allowances and then produced a written report for the Council to consider. It is the Council that decides whether or not to increase Members' allowances, not the Panel.

6.3 The Guidance referred to is that issued by the then ODPM in 2003, which this Council has followed, and states as follows:

‘5.1 A local authority should give very serious consideration not only to ensuring the independence of its independent remuneration panel but also the public perception of this independence. To maintain the credibility of its panel a local authority will need to consider the extent to which some, if not all, of its panel members are recognisable members of the local community. Political appointments, and appointments which are made through friendship or any other personal association of any members of the council should always be avoided.

5.2 Local authorities should consider very carefully the extent of any candidate's connections to a political party and whether these are such as to risk the effective discharge of the panel's functions were the candidate to be appointed.

5.3 In appointing its panel, a local authority should consider candidates' knowledge of local government and the way it works although lack of familiarity with the functions of councils should not be a bar to appointment.’

7.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

None.

8.0 RELEVANT RISKS

There is a slight risk that a new Panel may not be in place in time to recommend a new Scheme of Members' Allowances to the Council before the start of the new Municipal Year.

9.0 ENGAGEMENT/CONSULTATION

The Standards and Constitutional Oversight Committee is being consulted on whether to refresh the IRP and requested to determine the way forward in this respect. If it agrees to the proposals the Political Group Leaders will be consulted over the recruitment, interview process and selection of new IRP members.

10.0 EQUALITY IMPLICATIONS

None.

11.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

11.1 None.

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APPENDICES

None

BACKGROUND PAPERS

The Local Authorities (Members' Allowances) (England) Regulations 2003
The Wirral Labour Group's Motion that the IRP be reformed

SUBJECT HISTORY (last 3 years)

Council Meeting	Date