

**Meeting of the Full Council**  
**Meeting to be held on Thursday, 17 December 2020**

Report submitted by: Head of Legal and Democratic Services

**Part A**

Electoral Division affected:  
None;

**Independent Remuneration Panel - Membership and Terms of Reference**  
(Appendix 'A' refers)

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**Executive Summary**

The Independent Remuneration Panel terms of reference have been reviewed to ensure they remain relevant and consistent with regulations and guidelines.

In addition, it is proposed that the existing three experienced members of the Independent Remuneration Panel are re-appointed for a further term of office.

**Recommendation**

Full Council is asked to:

- (i) Approve the revised terms of reference of the Independent Remuneration Panel, as set out at Appendix 'A' to this report.
- (ii) Subject to the approval of (i) above, approve the re-appointment of Keith Leaver, Irene Divine and Terry Whitehead to serve on the Independent Remuneration Panel for a four year term with effect from 28 March 2021.

**Background and Advice**

The Local Authorities (Members' Allowances) (England) Regulations 2003 make provision for a scheme of allowances and the amounts to be paid under that scheme. Councils are required to establish and maintain an Independent Remuneration Panel which provides the local authority with advice on its scheme and the amounts to be paid.

## 1. Terms of Reference for the Independent Remuneration Panel

Central Government guidance has been reviewed to ensure that the terms of reference for the panel are up to date in advance of the next review of the Members' Allowances Scheme. The guidance has been considered and the terms of reference amended to reflect the following advice:

- The Regulations require that Independent Remuneration Panels have at least three members and should avoid unduly large membership which would not be able to be an effective and publicly accountable source of clear recommendations.
- Members are subject to the same regulations as county councillors in respect of disqualification criteria.
- Options for the appointment of the Chair.
- The effectiveness of the panel improves as knowledge and understanding of members' allowances increases.
- Regulations provide that a meeting of the panel is not required if the only change to the Members' Allowances Scheme for that year is an increase to allowances in line with approved indices.
- Councils may pay panel members allowances or expenses incurred in carrying out the panel's functions.

The proposed new terms of reference are set out at Appendix 'A'. The relevant amendments made are as follows:

1.1 – References to pensions have been removed, as since 2014, councillors are no longer able to join the Local Government Pension Scheme.

2.1 – The reference to the size of the panel has been changed from "at least 5 members" to "between 3 and 5 members".

2.2 – Amended to provide clarity on serving multiple terms. It is suggested that, from 1 April 2021, members serve a maximum of two terms. Current members who have exceeded this would be able to complete their existing terms. It is proposed that this rule is brought in on this phased basis to ensure there is continuity of expertise on the panel.

3.1 – Makes the appointment of a Chair of the panel a decision for the panel itself rather than Full Council, and extends the Chair's term to four years rather than one.

4.1 – clarifies that the panel does not need to meet where there are no changes to the Members' Allowances Scheme, other than up-rating in line with previously approved indices.

## 2. Membership of the Independent Remuneration Panel

The panel is currently made up of four members independent of the county council and recruitment is underway to source a fifth.

Irene Divine, Keith Leaver and Terry Whitehead have served on the panel since 2013 and their current term of office will end on 28 March 2021. All have confirmed that they are willing to be re-appointed for a further four year term. In line with Government guidance, which states that effectiveness of a panel increases with experience, it is recommended that they be re-appointed. They have considerable knowledge and experience of the county council and also serve as Independent Persons in relation to councillor Code of Conduct matters. Their re-appointment will ensure that the panel has the necessary expertise and knowledge to be able to review and make recommendations on any changes to the 2021/22 Members' Allowances Scheme following the county council elections in 2021.

### **Consultations**

N/A

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

Finance

The Independent Remuneration Panel provides impartial advice with regard to allowances paid to county councillors, to ensure payments are fair and appropriate. Regulations provide that county councils may pay panel members allowances or expenses incurred in carrying out the panel's functions. This is currently £398 per annum, per member (currently four) and is increased annually in line with the council employees' pay increase. This covers time and travel costs and no other expenses can be claimed.

Legal

It is a statutory requirement as part of the Local Authorities (Members' Allowances) (England) Regulations 2003, that county councils have regard to recommendations made by an Independent Remuneration Panel, when establishing a Members' Allowances Scheme. The regulations also specify how the panel should be established and the functions it undertakes. These are reflected in the panel's terms of reference.

**Local Government (Access to Information) Act 1985**  
**List of Background Papers**

Paper	Date	Contact/Tel
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None		
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Reason for inclusion in Part II, if appropriate		
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