

**REPORT OF THE INDEPENDENT REMUNERATION PANEL –  
REVIEW OF AUTHORITY CHAIRMAN AND VICE CHAIRMAN  
REMUNERATION**

Presented by the Director of Corporate Services

**SUMMARY**

At the Authority meeting on 9 July 2015 Members requested that a review of Authority Chairman and Vice Chairman remuneration be undertaken before the end of 2015/16 as the last review had been undertaken in 2010. In April 2016 (paper E/443/16) Executive Committee agreed the establishment of an Independent Remuneration Panel. The appointed Panel met on 29 June 2016 and the report attached as Appendix A to this report details its findings and recommendations for the remuneration.

**RECOMMENDATIONS**

- Members Note: (1) the report of the Independent Remuneration Panel attached as Appendix A to this report; and
- Members Consider: (2) the Independent Remuneration Panel's recommendations detailed in paragraph 14 of this report.

**BACKGROUND**

- 1 The Lee Valley Regional Park Act 1966 allows the Authority to pay the Chairman and Vice Chairman such remuneration as the Authority may from time to time determine.
- 2 A review of the Chairman and Vice Chairman remuneration was carried out in October 1996 (paper UC958). Members agreed an increase of the remuneration from £1,378 to £2,600 for the Chairman and from £924 to £1,800 for the Vice Chairman.
- 3 The remuneration for the Chairman and Vice Chairman for the period 2001 to 2010 rose in line with the national pay awards except for 2001/02, 2005/06 and 2010/11 when there was no increase.

- 4 Following a change of the committee structure in 2009 with the introduction of an Executive Committee and the increasing workload associated with the London 2012 Games, it was agreed to set up an Independent Remuneration Panel (IRP) to review Chairman and Vice Chairman remuneration.
- 5 Following this IRP review Members at the Authority meeting of 21 October 2010 agreed that the remuneration of the Chairman should be increased to £6,000 per annum and the Vice Chairman to £3,000 per annum (paper A/4103/10).
- 6 The remuneration of the Chairman and Vice Chairman has been £6,000 per annum and £3,000 per annum respectively since 2011.

#### **APPOINTMENT OF INDEPENDENT REMUNERATION PANEL**

- 7 The Executive Committee meeting on 28 April 2016 approved the establishment of an IRP and appointment of Alan Warner as Chairman of the IRP and delegated to the Director of Corporate Services, in consultation with the Chief Executive, the appointment of the other 2 members of the IRP.
- 8 The Director of Corporate Services contacted some local boroughs and the Public Law Partnership (PLP) (the legal services partnership of authorities in Essex, Cambridgeshire, Hertfordshire and Suffolk, who work together to share resources) to source individuals with relevant and direct experience of being a member of an IRP. This enables the Authority to keep the costs of this review at an affordable level. It should be noted that the London Boroughs engage one IRP to provide a single report for all of the London authorities.
- 9 The members of the IRP were:
  - Alan Warner FCIPD (Chairman)
  - Sean Brady
  - Barry Mathiason

Each of the above Panel members has significant and relevant experience in remuneration of Members allowances.

#### **INDEPENDENT REMUNERATION PANEL TERMS OF REFERENCE**

- 10 The IRP Terms of Reference were agreed by Executive Committee (paper E/443/16):
  - To review the research on remuneration undertaken by officers
  - To consider any comments made to the Panel by Members of the Authority who will be invited to input into the process
  - To make recommendations to the Authority as to the amount of remuneration which should be paid to its Chairman and Vice Chairman

#### **EVIDENCE FOR THE REVIEW**

- 11 The IRP considered and reviewed research undertaken by officers of the Authority on remuneration. The research was sent in an Information Pack to the IRP and Members of the Authority prior to the IRP meeting on 29 June 2016.
- 12 Members of the Authority were invited to meet with the IRP on 29 June 2016 and/or submit written evidence to the IRP prior to the meeting. The IRP also considered evidence from the following:

- 3 written submissions from Members
- An interview with 2 Members
- An interview with the Chairman
- A telephone interview with the Vice Chairman
- An interview with the Chief Executive and Director of Corporate Services

## **CONTEXT FOR THE REVIEW**

- 13 The IRP set the evidence and research detailed above against the context of the current economic climate and the Authority's aim of making savings, but it also noted that remuneration of the Chairman and Vice Chairman had not been reviewed for 6 years (July 2010).

### **Transition**

As summarised in the IRP report attached as Appendix A to this report, the Authority is undergoing a period of transition with a focus on legacy and ensuring that its venues are viable and sustainable.

### **Economic Climate**

The IRP acknowledged the prevailing economic climate of the levy contributing authorities and the wider economic climate in public sector organisations.

## **RECOMMENDATIONS OF THE IRP**

- 14 The IRP recommendations on remuneration for the Chairman and Vice Chairman for 2016/17 are:
- a 1% increase for both remunerations;
  - a further annual increase of 1% for both remunerations until the current Trust contract expires. At which point the remuneration to be reconsidered taking into account the impact of any new future contract;
  - the role of Chairman and Vice Chairman to be reassessed at the end of the current Trust contract;
  - at no point should any increase in remuneration for the Chairman and Vice Chairman exceed increases paid to the staff of the Authority.
- 15 The rationale of the IRP and how it arrived at the above recommendations is set out in its report which is attached as Appendix A to this report.
- 16 Due to the fact that the four year term of office for all Members ends on 30 June 2017 the Chairman has suggested that if the Authority is minded to approve the increase in remuneration following this review that it is effective from 1 July 2017 at the commencement of the new four year term of office. Any future remuneration review could then be undertaken to take effect at the commencement of each new term of office.

## **ENVIRONMENTAL IMPLICATIONS**

- 17 There are no environmental implications arising directly from the recommendations in this report.

## **FINANCIAL IMPLICATIONS**

- 18 If Members approve the recommendations of the IRP, then the cost to the

Authority will be an additional £90 in 2016/17, which will be funded from existing budgets. Further annual increases will need to be built into the budget for future years.

#### **HUMAN RESOURCE IMPLICATIONS**

- 19 There are no human resource implications arising directly from the recommendations in this report.

#### **LEGAL IMPLICATIONS**

- 20 The Lee Valley Regional Park Act 1966, s.43(1) states that “the Authority may pay to the Chairman and Vice Chairman such remuneration, whether by way of salary, or by way of fees, as the Authority may from time to time determine.”

#### **RISK MANAGEMENT IMPLICATIONS**

- 21 There are no risk management implications arising directly from the recommendations in this report.

#### **EQUALITY IMPLICATIONS**

- 22 There are no equality implications arising directly from the recommendations in this report.

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#### **BACKGROUND REPORTS**

IRP Report June 2016

#### **PREVIOUS COMMITTEE REPORTS**

Authority	A/4096/10	Review of the roles and allowances of the Chairman and Vice Chairman of the Authority	8 July 2010
Authority	A/4103/10	Report of the Independent Remuneration Panel – Review of the allowances of the Chairman and Vice Chairman	21 October 2010
Executive Committee	E/443/16	Review of Authority Chairman and Vice Chairman Remuneration	28 April 2016

#### **APPENDIX ATTACHED**

Appendix A Independent Remuneration Panel Report 2016

#### **LIST OF ABBREVIATIONS**

IRP Independent Remuneration Panel

**INDEPENDENT REMUNERATION PANEL REPORT 2016**

**Introduction**

- 1 The Park Authority set up an Independent Remuneration Panel (IRP) in 2010 and it carried out a review of the remuneration paid to the Chairman and Vice-Chairman which are paid under section 43 of the Lee Valley Regional Park Act 1966. The Park Authority agreed that the level of remuneration to be paid to the Chairman and Vice Chairman would normally remain in place for a 4 year period when a further review would be undertaken.
- 2 At the AGM in 2013 the Park Authority considered undertaking an interim review of the report of the IRP following changes to the Park Authority brought about by the London 2012 Games. It was noted that the Park Authority was still continuing to work on Olympic Legacy matters and the volume of work remained similar at that time to the work undertaken prior to the Games. It was agreed by Members that the Park Authority would not undertake a review until the end of the 4 year period in 2014.
- 3 At the AGM in 2014 the Park Authority again considered whether it would undertake a review but due to work commitments relating to the Olympic Legacy and more recently the implementation of the Lee Valley Leisure Trust, and the unknown outcome in relation to the workload of the Chairman and Vice-Chairman following the changes, it was not considered appropriate to review.
- 4 At the AGM in 2015 Members agreed that a review of the Chairman and Vice Chairman remuneration be undertaken before the end of 2015/16.
- 5 Executive Committee of 28 April 2016 approved the establishment of an IRP to carry out a review of the remuneration for the roles of Chairman and Vice Chairman (paper E/443/16).
- 6 The IRP comprised:  
  
Alan Warner FCIPD (Chairman)  
Sean Brady  
Barry Mathiason
- 7 Members of the Park Authority were invited to either make written submissions or attend the IRP meeting in person to provide information regarding the roles of Chairman and Vice Chairman.
- 8 The IRP received administrative support from the Member & Committee Services team.

**Independent Remuneration Panel recommendation to the Park Authority**

- 9 The Panel at its meeting on 29 June 2016, having considered all of the evidence, recommends to the Park Authority a level of remuneration for the Chairman and Vice Chairman for 2016/17 as follows:
  - a 1% increase for both allowances;
  - a further annual increase of 1% for both allowances until the current Trust contract expires. At which point the allowances to be reconsidered taking into account the impact of any new future contract;
  - the role of Chairman and Vice Chairman to be reassessed at the end of the current Trust contract;

- at no point should any increase in allowances for the Chairman and Vice Chairman exceed increases paid to the staff of the Park Authority.

### **Terms of Reference of the Independent Remuneration Panel**

- 10 The IRP Terms of Reference were approved by Executive Committee (paper E/443/16)
- To review the research on remuneration undertaken by officers
  - To consider any comments made to the Panel by Members of the Authority who will be invited to input into the process
  - To make recommendations to the Authority as to the amount of remuneration which should be paid to its Chairman and Vice Chairman

### **The Park Authority's Powers to Pay Allowances**

- 11 The Park Authority is a public body and was established by the Lee Valley Regional Park Act 1966 which allows for the payment of an allowance to the Chairman and Vice Chairman only (section 43(1)).
- 12 The Local Government Act 2000 (LGA 2000) introduced new rules and regulations for the setting and payment of Members allowances and travel/subsistence. The Local (Member's Allowances) Regulations 20001 set out the details of this, subsequently amended by the Local Authorities (Member's' Allowances) (England) Regulations 2003. The Park Authority is not classed as a "relevant authority" under the LGA 2000 and as such the Local Authorities (Members' Allowances) Regulations do not apply to the Park Authority.

### **Remuneration received from their home local authorities**

- 13 All Members receive a basic allowance from their own authorities. It is intended that this allowance covers them not only for their duties at their own authorities, but also for work in relation to any outside appointments such as Lee Valley Regional Park Authority. In addition to that, some will receive Special Responsibility Allowances if for example they are portfolio holders or chair committees at their own authorities. Members may also receive expenses such as travel for attending Park Authority meetings, although some do not as their own local authority policy does not allow for this.

### **IRP Considerations**

- 14 The Panel considered the following factors in relation to their recommendation to the Park Authority:
- the role of the Chairman and Vice Chairman which it was noted is changing;
  - background information on the Park Authority's role and responsibilities as detailed in the IRP Information Pack;
  - the prevailing economic climate of the levy contributing authorities and the wider economic climate in public sector organisations;
  - comparative data against other organisations such as National Parks and local district councils who pay on average, higher allowances than Lee Valley;
  - financial pressures on the Park Authority in the forthcoming years;
  - the Local Government Pay negotiations for employees since the allowances for these roles has been reviewed and the 1% pay increase for 2016/17 and 2017/18;
  - written representation from 3 Members;
  - the oral submission of the Chairman with regard to the role;

- the oral submission via telephone of the Vice-Chairman to the IRP Chairman with regard to the role;
- the oral submission of 2 Members with regard to the roles of Chairman and Vice Chairman;
- the oral submission of the Chief Executive and Director of Corporate Services with regard to the roles of Chairman and Vice Chairman and the challenges facing the Park Authority;
- the perceived level of performance of the Chairman and Vice Chairman i.e., are they successful?
- the level of challenge facing the Authority;
- the report and recommendations of the last IRP (2010).

15 In the context of the review the IRP acknowledged the current economic climate and that the Park Authority was looking to make savings in other areas, but it was also noted that the remuneration of the Chairman and Vice Chairman had not been reviewed since 2010.

16 The Park Authority is undergoing a period of transition. In 2010 the Olympics were about to happen and the focus was very much on making the right contribution to ensure success. Post Olympics the emphasis has been on legacy and ensuring that the venues for which the Park Authority is responsible are viable and sustainable.

The impact on the roles of Chairman and Vice Chairman has meant that there is a requirement for much more of a strategic approach.

The leadership team also have to work with multiple stakeholders, including government, as the pressures to reform funding of the Park Authority increase.

17 The IRP had a conversation with two members who came to make representations and noted the 3 written submissions. There is clearly strength of feeling from these that the Chairman and Vice Chairman roles have diminished since the Olympics and that the new Trust was taking on many of their responsibilities. They were also concerned that any proposed increase in allowance would be inappropriate given the financial pressures.

The IRP understood the arguments and acknowledged the changes taking place and the financial pressures. However the transition into a new type of organisation and the task of dealing with the funding pressures is still incomplete.

The Trust is still relatively new and the viability and sustainability challenges are immediate, very important and require strong leadership. It was also noted that the Chairman and Vice Chairman occupy relatively high profile positions and are both accountable.

The IRP was advised by the Chief Executive that the Trust contract was for a relatively short period and by the time of the next IRP review the situation might be different. Whilst the IRP therefore took careful note of the dissenting submissions it felt that it was too soon to reflect the points made in the recommendations.

18 The recommendation to increase the allowances takes into account all of the points made above and the fact that they have not been reviewed for 6 years. The Park Authority has previously recognised that there is a `value` by offering allowances to the Chairman and Vice Chairman and if that is to be meaningful it is not unreasonable that the remuneration goes some way to maintaining that value albeit quite modestly.

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