

**REVIEW OF AUTHORITY CHAIRMAN
AND VICE CHAIRMAN REMUNERATION**

Presented by the Director of Corporate Services

EXECUTIVE 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. It had been anticipated that a review would be undertaken in 2013 following the London 2012 Games, but at that time the Authority considered that work was still continuing on legacy matters and the volume of work remained similar to the work undertaken prior to the London 2012 Games (paper A/4172/13), so a review was postponed until the end of the four year period in 2014. However it was not practical to complete the review then due to implementation of the Lee Valley Leisure Trust and the need to fully understand the implications of that on the roles of both the Chairman and Vice Chairman. The Lee Valley Leisure Trust has now been operational for a year.

This report recommends that an Independent Remuneration Panel be established to carry out a review of Chairman and Vice Chairman remuneration to provide advice and guidance to the Authority as this could be seen as best practice to ensure that the review is both independent and transparent.

RECOMMENDATIONS

- Members Approve:
- (1) the establishment of an Independent Remuneration Panel to carry out a review of the remuneration for the roles of Chairman and Vice Chairman of the Authority;
 - (2) the appointment of Alan Warner as Chairman of the Independent Remuneration Panel; and
 - (3) delegation to the Director of Corporate Services, in consultation with the Chief Executive, to appoint the other members of the Independent Remuneration Panel.

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.

REASONS FOR REVIEW

- 7 Chairman and Vice Chairman remuneration has not been fundamentally reviewed since 2010 whereas local authorities have been required under legislation to review Member allowances on a regular basis.
- 8 With receipt of 3 legacy venues and the hosting of major international events there is more focus on the Authority and the role of the Chairman in particular involves taking a lead political and ambassadorial role in promoting the Authority with stakeholders and partners.
- 9 Greater leadership and liaison required with the establishment of Lee Valley Leisure Trust Limited and the new mechanism for service delivery in 14 of the Authority's venues.

APPOINTMENT OF INDEPENDENT REMUNERATION PANEL

- 10 Local Authorities are governed by the Local Authorities (Members' Allowances) (England) Regulations 2003 No. 1021. They are required to establish and maintain IRP with the purpose of the panel making recommendations to the authority about the allowances to be paid to elected members. The Regulations advise the following:
 - IRPs should have at least 3 Members;
 - Members of the IRP cannot be elected Members of the Authority in respect of which it makes recommendations.

The Regulations do not specify how an authority should go about finding

Members of its IRP.

- 11 This legislation does not apply to the Authority, but an IRP is considered to be a good method of carrying out a review to provide advice and guidance to the Authority. It could be seen as best practice which will ensure that the review is both independent and transparent.
- 12 There is no clear set procedure on how to procure an IRP but officers have 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 either chairing or being a member of an IRP from which to form an IRP for the Authority.
- 13 This initial contact has generated expressions of interest from a number of people and officers are of the opinion that each of these individuals has the relevant experience to form an IRP.
- 14 Subject to Member approval of this approach, it is intended to form an IRP of 3 members from this pool of experienced individuals. The terms of reference of the IRP to be:
 - 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

MEMBERSHIP OF THE INDEPENDENT REMUNERATION PANEL

- 15 Following receipt of the expressions of interest as above, the Chief Executive and Director of Corporate Services met with Alan Warner FCIPD to explore the potential of recommending him as Chairman of the IRP.
- 16 Alan Warner is an experienced human resources professional with over 20 years service as Corporate Director of People and Property and Deputy Chief Executive at Hertfordshire County Council. He previously worked in HR at 2 London Boroughs and was President of the Society of Chief Personnel Officers in 2004/05. He currently runs his own company and is chairman of the IRP at Three Rivers District Council.
- 17 The remaining 2 members of the IRP will be selected from the pool of experienced individuals who have expressed an interest. It is proposed that these appointments be made through delegated authority to the Director of Corporate Services in consultation with the Chief Executive.

NEXT STEPS

- 18 All Members will receive a copy of the information pack provided to the IRP for their consideration and to assist them with the review.
- 19 It is suggested that Members have the opportunity to submit any written information to the IRP regarding the roles of Chairman and Vice Chairman and the IRP will meet with the Chief Executive and Director of Corporate Services

who will outline the current business plan of the Authority and provide an overview of its statutory remit/purpose. They will also assist the IRP and be able to answer any questions on legislation which applies to the Authority. The Committee and Member Services team will provide the administrative support to the IRP.

- 20 The IRP will submit a report to Authority making their recommendations on the remuneration for Chairman and Vice Chairman for consideration by the Authority.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 22 Each panel Member would be paid for undertaking the review and it is estimated that the approximate cost of carrying out the review will total between £1,500 - £2,000; this will allow for at least one date for the panel to meet and a report to be produced. These costs will be met from existing budgets.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

- 24 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. It is therefore open to the Authority to agree a mechanism for reviewing these allowances."

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

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PREVIOUS COMMITTEE REPORTS

Urgency Committee	UC 958		October 1996
Authority	A/4096/10	Review of the roles and allowances of the Chairman	8 July 2010

Authority	A/4103/10	and Vice Chairman of the Authority Report of the Independent Remuneration Panel – Review of the Allowances of the Chairman and Vice Chairman	21 October 2010
Authority	A/4172/13	Review of Standing Orders and Other Related Governance Matters	11 July 2013

LIST OF ABBREVIATIONS

IRP Independent Remuneration Panel

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