

Advice from the Director of Legal Services in respect of IRP recommendation 9

Whilst the Panel felt unable to comment on the level of remuneration paid to directors of the Council's ASDVs, although those payments are NOT allowances, there IS a regulatory connection to the remuneration scheme.

The Local Authorities (Companies) Order 1995 makes it a legal requirement for 'regulated' companies (companies owned or controlled by local authorities) not to pay directors more than the 'maximum amount.' That is defined as 'the greatest amount which would for the time being be payable by [the Council] in respect of a comparable duty performed on behalf of [the Council], less any amount paid by that authority in respect of the relevant duty to the regulated director in question.'

In other words, payments to Directors of ASDVs should not exceed the amount paid in respect of the nearest equivalent role that commands a SRA. Moreover, if the Director is also paid for that equivalent role, that other payment should be deducted.