

Proposed remuneration for co-opted, non-elected, non-voting independent members of the Performance and Audit Scrutiny Committee

Report number:	AGM/WS/24/002	
Report to and date:	Annual Council	14 May 2024
Cabinet member:	Councillor Gerald Kelly Portfolio Holder for Governance and Regulatory Tel: 07968 396389 Email: Gerald.kelly@westsuffolk.gov.uk	
Lead officer:	Teresa Halliday Monitoring Officer Tel: 01284 757144 Email: Teresa.halliday@westsuffolk.gov.uk	

Decisions Plan: Not applicable as this is not an executive matter

Wards impacted: Not applicable

Recommendations: It is recommended that Council:

- 1. Approves the level of remuneration proposed by the Independent Remuneration Panel for co-opted, non-elected, non-voting independent members of the Performance and Audit Scrutiny Committee, as detailed in section 2.3 of Report number: AGM/WS/24/002.**

- 2. The proposed allowance referred to in (1) above be written into the Council's current Members' Allowances Scheme with immediate effect.**
- 3. The proposed allowance referred to in (1) above be subject to review as part of the annual review of the Members' Allowances Scheme undertaken by the Independent Remuneration Panel.**

1. Background and context

- 1.1 On 25 January 2024, the Performance and Audit Scrutiny Committee (PASC) agreed that subject to Council approval, amendments should be made to the Constitution to enable the co-option of two non-voting non-elected independent members to be appointed to PASC as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) (Report number: PAS/WS/24/004 refers.) On 26 March 2024, the proposed changes were approved by Council following consideration by the Constitution Review Group (Report number COU/WS/24/008 refers.)
- 1.2 Also on 25 January 2024, and subject to Council's approval of the changes to the Constitution, PASC agreed that the Independent Remuneration Panel should be requested to consider and recommend to Council a proposed allowance payable to each co-opted independent member of PASC to cover attendance at meetings, training, conferences, seminars or other events as part of their role on the Committee.
- 1.3 The Independent Remuneration Panel (IRP) met on 30 April 2024 for this purpose.

2. Proposals within this report

- 2.1 On 30 April 2024, the IRP was provided with the following documentation to support its deliberations:
- Report number: PAS/WS/24/004, 'Co-opting non-elected independent members', as referred to in section 1. above
 - Appendix A to Report number: PAS/WS/24/004, which was an example role description for the co-opted non-elected independent member, amended to include reference to PASC's consideration for the prospective co-optees to be residents of Suffolk (see Council minute 352 (26 March 2024))
 - Benchmarking data: levels of remuneration for co-opted members on audit committees set by other local authorities.
- 2.2 The co-optees' allowance provisions prescribed in the Local Authorities (Members' Allowances) (England) Regulations 2003 state that:
- 9.—(1) The scheme may provide for the payment of an allowance for each year to a member in respect of attendance at conferences and meetings ("co-optees' allowance").*
- (2) In relation to co-optees' allowance, the scheme shall—*
- (a) specify the amount of entitlement by way of co-optees' allowance in respect of any year to which it relates; and*
 - (b) provide that where the appointment of a member begins or ends otherwise than at the beginning or end of a year, his entitlement shall be to payment of such part of the co-optees' allowance as bears to the whole*

the same proportion as the number of days during which his term of office as member subsists bears to the number of days in that year.

- 2.3 In accordance with the above Regulations and following due consideration, the IRP recommends that the following is an appropriate level of remuneration for a co-opted, non-elected, non-voting, independent member of the Performance and Audit Scrutiny Committee:
- An allowance of £300 per annum plus an additional £100 'attendance' fee.
 - Payment of travel expenses in accordance with section 5.3 of the current Members' Allowances Scheme.
- 2.4 The 'attendance' fee would cover attendance at meetings, training, conferences, seminars or other events as part of the co-optee's role on the Committee. Where such events are held in person, travel expenses may be claimed, as set out in 2.3 above.
- 2.5 **Rationale**
- 2.5.1 The IRP considered a range of supporting material to assist its deliberations, namely:
- a. Benchmarking data which provided differing levels of remuneration for co-opted members on audit committees set by other local authorities.
 - b. The amount of time expected to be committed to the role outside of meetings, for example, preparatory work reading of reports.
 - c. The allowance payable to Independent Persons that have been appointed to the Suffolk authorities' pool to consider matters relating to the Members' Code of Conduct. This attracted an allowance of £300 per annum plus £50 payable if the Independent Person is asked to consider matters over and above what they have been appointed to do.
 - d. At the request of a member of the IRP, the level of Special Responsibility Allowances (SRAs) payable to the Chair and Vice Chair of the Performance and Audit Scrutiny Committee (PASC).
 - e. Aside from PASC meetings, the anticipated number of other events expected to be attended by the co-optee per year.
- 2.5.2 The IRP considered the benchmarking data was a useful starting point; however, it was felt that as the co-optees' allowance for PASC independent members was comparatively new, it was not reliable, as the sample was small and the amounts paid varied quite substantially. It was therefore considered that allowances paid to other independent members specifically utilised by West Suffolk Council would be more holistically appropriate. Presently, the Independent Persons referred to in 2.5.1 c. above were the only other independent members utilised by West Suffolk Council.
- 2.5.3 An annual allowance of £300 was considered to be an appropriate retainer; however, given the amount of preparatory work involved outside of meetings, as referred to in 2.5.1. b. above, it was considered that a payment of £100

attendance fee was a reasonable amount to recognise both this work and each co-optee's contributions to the Committee.

2.5.4 The SRAs payable to the Chair and Vice Chair of the Performance and Audit Scrutiny Committee, as referred to in 2.5.1 d. above were not considered to be relevant as the co-optee's role would be to act as a member of the Committee which does not attract an SRA.

2.5.5 The IRP acknowledged that its recommendation in paragraph 2.3 above is subject to review as part of its annual review of the entire Members' Allowances Scheme due to take place later in 2024. This will provide the opportunity to consider:

- Potential feedback from elected West Suffolk Council members on the level of remuneration proposed.
- Potential difficulties appointing co-opted members to PASC if these related to the level of remuneration (if any).
- New national guidance or information relating to the role that may be released.
- Other benchmarking data which may be available by then.

3. Alternative options that have been considered

3.1 Whilst there is no legislative direction to include co-opted independent members, CIPFA's Position Statement 2022 recommends that each local authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise. The Position Statement is supported by The Department for Levelling Up, Housing and Communities and the Home Office.

3.2 The Council must take the recommendations of the Independent Remuneration Panel into account when setting a co-optees' allowance as part of the overall Members' Allowances Scheme, although the Council is within its right to agree an alternative co-optees' allowance for the proposed co-opted independent members of PASC.

4. Consultation and engagement undertaken

4.1 None required.

5. Risks associated with the proposals

5.1 That a level of remuneration for the proposed co-opted independent members of Performance and Audit Scrutiny Committee (PASC) is not approved by Council. This may have an impact on the timeline for the anticipated recruitment process for appointing independent members to PASC. As there is no legislative deadline by which to appoint, there would be some flexibility to

the recruitment process timeline while an appropriate level of remuneration is agreed.

6. Implications arising from the proposals

- 6.1 Financial – An allowance and expenses will be payable to the co-opted independent members on the Performance and Audit Scrutiny Committee and this would need to be included in future budget setting processes.
- 6.2 Legal compliance – the consideration of the proposed co-optees' allowance has been undertaken in accordance with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003. This includes ensuring that copies of this report are available for public inspection on West Suffolk Council's website and at West Suffolk House. The proposed recommendation of the IRP set out in paragraph 2.3 above will also be published in the local press before and after the Council meeting on 14 May 2024.

7. Background documents associated with this report

- 7.1 [The Local Authorities \(Members' Allowances\) \(England\) Regulations 2003](#)
- 7.2 Performance and Audit Scrutiny Committee: 25 January 2024 - Report number: [PAS/WS/24/004](#), 'Co-opting non-elected independent members' and [Appendix A](#)
- 7.3 Council: 26 March 2024 - Report number: [COU/WS/24/008](#), 'West Suffolk Council Constitution – proposed amendments'