

INDEPENDENT REMUNERATION PANEL RECOMMENDATIONS – AUDIT COMMITTEE SPECIAL RESPONSIBILITY ALLOWANCES (SRAs)

Committee: Council

Date: 15 July 2021

Author: Democratic Services Manager

[W39]

1.0 **ISSUE**

1.1 To consider the recommendations of the Independent Remuneration Panel (IRP) relating to Special Responsibility Allowances for the newly established Audit Committee.

2.0 **RECOMMENDATIONS**

2.1 That Council approve the recommendations of the Independent Remuneration Panel (IRP) as set out in paragraph 3.5, or approve alternative Special Responsibility Allowances (SRAs) in respect of the Audit Committee, to be backdated to the establishment of the new Committee from the Annual Council meeting on 29 April 2021.

2.2 That Council notes the IRP comment regarding potential conflicts of interest in the membership of the Audit Committee and F&A Committee in paragraph 3.7 of the report.

3.0 **BACKGROUND/OPTIONS**

3.1 The current Independent Remuneration Panel (IRP) was originally appointed by a process agreed by the then Corporate Governance and Finance Committee on 28 July 2016. It was re-convened by full Council on 21 February 2019 specifically to consider the remuneration of the Leader and Deputy Leader of the Council, but this review was extended in the light of a request from the Cambridgeshire and Peterborough Combined Authority for Constituent Authorities to consider the payment of allowances to their representatives on the Combined Authority (CA), as the CA is excluded by law from paying such allowances, and to make general recommendations on allowances to the October 2019 Council meeting, rather than having to convene another Panel in 2020 (as required by statute).

3.2 The following 4 Lay Members comprise the current IRP:

Richard Tyler
Margaret Clark
Stanley Curtis
Richard Powell

- 3.3 On 23 February 2021, Council approved a Committee re-structuring resulting in the establishment of an Audit Committee from the Annual Council meeting. As part of this report, Council authorised the Democratic Services Manager to consult with the existing Independent Remuneration Panel (IRP) to consider the implications of the new Audit Committee
- 3.4 The IRP was provided with a Briefing Note and supporting documents providing information on the new Audit Committee and the current Council Scheme of Members' Allowances. A Conference Call then was held with all 4 members of the IRP on 14 May 2021 to obtain their views and recommendations on the level of SRAs for the Committee.
- 3.5 Having considered all of the information provided to them and discussed the issues during the Conference Call, the IRP recommended that the SRAs to be paid to the Audit Committee Chair, Vice-Chair and Lead/Member(s)/Spokesperson(s) should be the same as those for the Finance & Assets Committee. Their rationale for this was that the Audit role, responsibilities and business previously were dealt with by that Committee and, whilst the new Audit Committee would meet 4 times per year, compared to the 6 times per year that the F&A Committee was timetabled to meet, the important financial overview, scrutiny and monitoring role that it would be undertaking would be ongoing throughout the year outside of the meetings themselves. Therefore, the importance, status and ongoing nature of this work should be considered equal to that of the 2 Policy Committees and reflected in the SRAs. In addition, Members of this Committee would need a good level of knowledge and competency in financial management and monitoring, so the SRAs needed to be at a level that would encourage Members to undertake the role and necessary training.
- 3.6 Councillors are asked to consider the recommendations of the IRP and take a decision on the level of the SRAs and the date that they should take effect from. These could be backdated to the establishment of the new Committee.
- 3.7 As part of their general discussions, the IRP noted that there was some crossover of membership between the new Audit Committee and the F&A Committee. They commented that this could give rise to potential conflicts of interest and suggested that the Political Groups on the Council should have regard to this when appointing Members to the two Committees. Members are asked to consider the comment of the IRP and whether they wish to make any response in relation to this.

4.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CLIMATE IMPACT ASSESSMENT

- 4.1 The SRAs recommended by the IRP would cost approximately an additional £7,089.75 per annum, based upon the existing allowances Scheme – Chair's SRA: £4623.75, Vice-Chair's SRA: £1541.25, Lead Member SRA: £924.75.
- 4.2 Equality Impact Assessment and Climate Impact Assessment not required.

5.0 APPENDICES

None

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
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IRP Briefing Note & Information Pack on Audit Committee provided to IRP held on file in Room 214B, The Grange.	Room 214B The Grange, Ely	Tracy Couper Democratic Services Manager & Deputy Monitoring Officer (01353) 616278 E-mail: tracy.couper@eastcambs.gov.uk
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