

Report of the Independent Remuneration Panel

Scheme of Members' Allowances for Dorset Council

1. Introduction

This report has been prepared by the Independent Remuneration Panel (the **Panel**) for Dorset Council (the **Council**) comprising three individuals drawn from the community:

- (i) John Quinton (Chairman);
- (ii) Keith Broughton; and
- (iii) Martin Varley.

2. Legal Basis

- 2.1. The Local Authorities (Members' Allowances) (England) Regulations 2003 (the **Regulations**) apply to all local authorities.
- 2.2. The Regulations require a relevant authority to make a scheme providing for the payment of a basic allowance to each member of that authority.
- 2.3. Regulation 9 permits an authority to make allowances in respect of Co-Opted Members. Regulation 10(3) provides for the scheme to be amended at any time.
- 2.4. Before a relevant authority may make or amend a scheme of allowances it must have regard to recommendations made in relation to such a scheme by an independent remuneration panel.

3. Context of the Review

- 3.1. The Panel last reviewed the overall members' allowance scheme for Dorset Council (the **Scheme**) in 2020.
- 3.2. In 2022 the Panel undertook a limited review of the allowances paid to co-opted members of committees established by the Council (**2022 Review**).
- 3.3. After the 2022 Review was presented to the Council, the Chartered Institute of Public Finance and Accountancy issued guidance

(**Guidance**) recommending that local authorities should appoint two co-opted members to their audit and governance committees .

- 3.4. At its meeting on 27 February 2023, the Audit and Governance Committee of the Council (**Committee**) agreed to support the Guidance.
- 3.5. The Monitoring Officer has asked the Panel to consider whether to recommend to the Council that an allowance should be payable if the creation of the role of Co-Opted Member of the Committee (**Co-Opted Member**) is established by the Council. If such an allowance is to be recommended, the Panel was asked to consider the rate at which such an allowance might be paid.

4. **Role of the Panel**

- 4.1. Regulation 20(2) requires that an independent remuneration panel shall consist of at least three members none of whom:
 - (i) is also a member of an authority in respect of which it makes recommendations or is a member of a committee or sub-committee of such an authority; or
 - (ii) is disqualified from being or becoming a member of an authority.
- 4.2. The three members of the Panel are individuals, none of whom is disqualified from being or becoming a member of a relevant authority.

5. **Evidence**

- 5.1. To inform its recommendations, the Panel was provided with the following evidence:
 - (i) the Regulations;
 - (ii) the report to the Audit and Governance Committee on 27 February 2023;
 - (iii) the Guidance;
 - (iv) a job description and person specification prepared for the role of Co-Opted Member;
 - (v) the allowances payable to other co-opted members of committees established by the Council;
 - (vi) HM Government public appointments webpage of the Cabinet Office website; and

(vii) what allowances (if any) were reported as payable to co-opted members of audit and governance committees of certain other local authorities in the 2021/2022 financial period.

5.2. The Panel also had the opportunity to interview those individuals named at paragraphs 6.2 and 6.3.

6. Methodology for the review

6.1. The Panel met on three occasions on 14, 17 and 18 April 2023.

6.2. The Panel interviewed the following Councillors:

- (i) Councillor Richard Biggs, Chairman of the Audit and Governance Committee;
- (ii) Councillor Susan Cocking, Vice Chairman of the Audit and Governance Committee.

6.3. In addition, the Panel interviewed:

- (i) Jonathan Mair, Monitoring Officer, Dorset Council;
- (ii) Aidan Dunn, Executive Director of Corporate Development and Section 151 Officer, Dorset Council; and
- (iii) Marc Eyre, Service Manager for Assurance, Dorset Council.

6.4. The Panel wishes to record its thanks to those individuals who gave evidence.

7. Deliberations and Conclusions

7.1 The Panel recognised that consideration of any allowance payable to a Co-Opted Member involved assessing the workload and time commitment required to fulfil this role. It was not about individual responsibilities, accountabilities or ability/experience.

7.2 The Panel noted that audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements.

7.3 The primary role of the Co-Opted Member would be to support the Committee by offering independent and constructive challenge on issues before the Committee, and to provide expertise related to finance, accounts or audit and corporate governance.

7.4 All the interviewees agreed that the technical expertise and experience that each Co-Opted Member is anticipated to bring would complement the existing skill set of the councillors on the Committee. This technical expertise and experience would also help add to the rigour of examining the finances of the Council. It would be anticipated that the

overall questioning and the holding to account of the officers reporting to the Committee would benefit from the knowledge and experience of Co-Opted Members.

- 7.5 It was intended that a Co-Opted Member would have full voting rights in respect of all audit matters considered by the Committee, but not in respect of matters concerning the standards of conduct of members. The Panel was told that voting rights would emphasise the significance of the role of Co-Opted Member. Furthermore, it was felt by interviewees that the payment of an allowance would help attract applicants and provide some recognition of the significance of the Co-Opted Member role.
- 7.6 The Panel concluded from the evidence received that the Co-Opted Member role could have a significant impact on the financial performance of the Council. Therefore, this is potentially an important role if it is created by the Council. It was also clear from the evidence received by the Panel that Co-Opted Members could provide some continuity in membership of the Committee during a time of changing membership, particularly following elections.
- 7.7 The Panel estimated that the role would require approximately two days per month to perform effectively. Based on the allowances payable to co-opted members of other committees of the Council within the current scheme, the allowance for each Co-Opted Member should be £2,000 per annum.

8. RECOMMENDATIONS

The Panel recommends that, if the role of Co-Opted Member of the Audit and Governance Committee is created by the Council, that:

- 8.1. **an allowance be payable to each Co-Opted Member of the Committee; and**
- 8.2. **that such allowance be £2,000 per annum.**