

Report to Governance Committee

27 September 2022

Independent Remuneration Panel Report

Report by Director of Law and Assurance

Electoral divisions: Not applicable

Summary

The Independent Remuneration Panel (IRP) has met twice in 2022 to consider initial observations and feedback on the Members' Allowances Scheme after a year of this Council's term. It has concluded that no interim review of the scheme is required in 2022 but has identified some key areas to include in its main quadrennial review, which will begin in 2023.

The Panel has considered its term limits as two members' terms of office will expire in October 2023. It recommends that a third term should be granted.

Recommendations

- (1) That a recommendation be made to the County Council on 14 October 2022 that the term of office for members of the Independent Remuneration Panel be amended from a maximum of two four-year terms to a maximum of three four-year terms in Part 3, Appendix 13 of the Council's Constitution; and
 - (2) That the Panel's plans for and approach to a full review of West Sussex County Council's Members' Allowance Scheme from spring 2023 be considered and responded to or noted.
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Proposal

1 Background and context

- 1.1 Councillors are able to receive allowances and expenses in recognition of the time they invest and of particular responsibilities they carry.
- 1.2 The Member Allowances Regulations 2003 require all local authorities to have a Members' Allowance Scheme published as part of their Constitution. They also require authorities to maintain Independent Remuneration Panels which should review schemes from time to time and make recommendations to the local authority about its scheme. A Panel must do so around every four years.
- 1.3 The current County Council scheme was approved in 2020 following a full review of roles and responsibilities of members. It took effect from May 2021.

2 Proposal details

- 2.1 The County Council's IRP has met twice in 2022 to consider the current scheme and any feedback to date. The Panel noted that the Members' Allowance Scheme is operating successfully and that inflationary indexes had been applied in April 2022, in line with the requirements of the current Scheme. It noted that compliance with the Scheme in relation to claiming travel and subsistence expenses is good and that the Scheme appears to be well-understood by councillors. It also noted that no significant change to any member roles has occurred since the election.
- 2.2 The Panel concluded that there is no need for an interim review to be carried out. It therefore plans to undertake a full review from spring 2023, with an aim to report to the Governance Committee in the summer or autumn of 2024. This would enable any recommended changes to be applied from the new Council in May 2025.
- 2.3 The Panel has indicated that it will include consideration of the following in its 2023 review:
- A survey of councillors to ask for general feedback on the scheme.
 - A check of current member roles and whether the currently applied links to officer role spinal points are still appropriate?
 - Are the indices set out in the Scheme still appropriate?
 - Consideration of general demographics of West Sussex from census information.
 - Checking the South East Employers table of member allowances across councils in the South East for comparison information.
- 2.4 The Panel considered the rationale behind the Council's current constitution for the Panel, which states that members can serve for up to two four-year terms. It was advised that the Member Allowances Regulations 2003, which require the Council to have an Independent Remuneration Panel, do not impose any particular term limits. The County Council established the two four-term limit (up to eight years in total) to encourage a staggering of membership to retain continuity.
- 2.5 The Panel noted that independent co-opted members of other committees have more recently been granted a three four-year term limit, so up to 12 years in total. This is the case for Regulation, Audit and Accounts Committee, the Pensions Committee and the Pensions Advisory Board. The Panel therefore has decided to recommend to the County Council that the same provision should be applied for the Independent Remuneration Panel. One of the two members whose term of office is due to expire in October 2023 has indicated that he would be willing to serve a third term.

3 Other options considered (and reasons for not proposing)

- 3.1 An interim review could be carried out, but the Panel has not seen any evidence to suggest that this would be useful on this occasion.

4 Consultation, engagement and advice

- 4.1 The Panel intends to consult all county councillors in 2023 about the current Allowances Scheme.

5 Finance

5.1 There are no financial implications arising from this report.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Losing experienced IRP members can reduce the working knowledge and inhibit its effectiveness.	Allowing a third term of office would give greater flexibility to retain expertise alongside newly appointed members.

7 Policy alignment and compliance

There are no implications relating to Council policies.

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Appendices – None

Background papers – None