

Appendix 1

SHROPSHIRE COUNCIL

SUPPLEMENTARY REPORT OF THE  
INDEPENDENT REMUNERATION PANEL ON  
MEMBERS' ALLOWANCES

8 JANUARY 2010

## 1.0 Further Matters

1.1 The Council has requested that, following the receipt of amendments to our original recommendations we give further consideration to the points both groups have raised.

1.2 The Liberal Democrat amendment, which is in two parts, states:

“Council accepts the recommendations of the Independent Remuneration Panel with the following amendments:

1. Allowances for Chairs of the four Area and Strategic Planning Committees are set at a multiplier of 0.5 of Basic Allowance, equating to an SRA of £6,060 per annum.
2. Members of Area Planning Committees receive an SRA of 10% of the Chairs Basic Allowance equating to an SRA of £606.00 per annum.”

1.3 The first part of the amendment proposes a 25% reduction in the Special Responsibility Allowance (SRA) of £9,090 currently paid to each of the Chairs of the Strategic Planning Committee and the three Area Planning Committees. If implemented this would reduce each of their SRAs to £6,060 per annum and produce an annual saving of £12,120 per annum.

1.4 The second part of the amendment then reallocates this amount to the 20 members of the three Area Planning Committees who do not presently receive a Special Responsibility Allowance at a rate of 10% of the Chairs' Basic Allowance.

1.5 While the amendment is arithmetically sound, we have received no evidence to justify the proposed change. We spoke to the leading members of all groups last Spring and again this Autumn while preparing the scheme for the new Council and when carrying out the latest review. The extended role of the Chairs of the Area Planning Committees was something which was emphasised by all political groups. We therefore recognised this in our original recommendations because of the extra work and responsibility each Chair was/is expected to carry.

1.6 We accept that there is a need to keep all matters under review, but consider that the new roles have not been given sufficient chance to bed down. Consequently, we feel that the proposed reduction in the Chairs SRAs as set out in this amendment is premature and not something with which we concur.

1.7 The suggestion that the ordinary members of each Area Planning Committee should receive a small SRA was promoted by the Liberal Democrats in the Autumn and was considered in detail during our last review. Paragraphs 6.3 - 6.5 specifically refer to the point. During our deliberations we were advised that the relative workloads of Backbench members had been set in such a way as to compensate for the additional time that those members serving on the Area Planning Committees are required to devote to this work. We did not feel there was a need at that time to recommend a small SRA and as no new evidence has been presented, see no reason to alter our view.

1.8 Moreover, in reaching our recommendations on SRAs, we have always taken full account of the guidance issued by the Department of Communities and Local Government. This states:

"Special Responsibility Allowance may be paid to those members of the Council who have *significant* additional responsibilities, over and above the generally accepted duties of a councillor. These special responsibilities must fall into one of the categories which are specified in the Regulations.

The Regulations do not limit the number of Special Responsibility Allowances which may be paid, nor do the Regulations prohibit the payment of more than one Special Responsibility Allowance to any one member.

However, ... if the **majority** of members of a Council receive a Special Responsibility Allowance, the local electorate might rightly question whether this was justified."

1.9 We have always taken the view that the number of SRA payments should normally be restricted to fewer than 50% of the Council in the light of this guidance. Adding another 20 SRAs would, however, bring the total number of Shropshire Council up to 56 members, which equates to 75.6% of the Council.

1.10 Neither does it necessarily follow that a particular responsibility, including serving on a committee which meets more frequently than most, adds any significant additional responsibility for which a Special Responsibility Allowance should be paid. We remain convinced that the responsibilities of those members serving on the Area Planning Committees should be treated as a time commitment. This is acknowledged within the Basic Allowance and therefore, not something for which a Special Responsibility Allowance should be recommended.

1.11 The Labour Group's amendment is also in two parts and is as follows:

"Given the reduction in grants and income to Local Government and in recognition of the need to reduce expenditure by firm restraint on costs, we resolve to amend the IRP Report as follows:

1. Para 5.5 Delete all after "allowance" and substitute "and that indexing provision be withdrawn from 1 January 2010.
2. Para 6.44 Delete all"

1.12 Given the national economic situation and the recent furore over MPs allowances, we understand the reasons behind the amendment. Clearly, it is important for the Council to show that it is responsive to public disquiet and be able to show leadership in such matters. But the NJC staff pay award is unlikely to move more than 1% per year over the next few years, if at all.

1.13 With this in mind, we believe that it would be a mistake to remove the historic indexing of Members' allowances to the NJC indices. Firstly, in our view such change would be little more than symbolic in the short/medium term. And in the longer term the absence of any link to objective, nationally accepted, indices runs the risk that the level of allowances could be manipulated for political advantage. Secondly, there is the obvious danger that deferring modest increases now could lead to the need for very large increases later, as members press to catch up once the economy recovers sufficiently.

- 1.14 It should also be noted that the deletion of the whole of paragraph 6.44 has the potential to inflict further detriment to the mileage, subsistence and other related allowances which are payable to members under the scheme.
- 1.15 For these reasons we believe that deletion of the references to indexation to the annual NJC Staff pay award should not be supported and the current indexing arrangements retained.

Ciaran Martin (Chairman)  
Julia Baron  
June Jones

James Parker  
John Thomas  
Alan Weaver