

**REPORT OF THE INDEPENDENT REMUNERATION PANEL -
REVIEW OF SCRUTINY COMMITTEE CHAIRMAN ALLOWANCE AND
MEMBERS'S ALLOWANCES SCHEME FOR 2016/17**

1.0 INTRODUCTION

1.1 In approving the current Members' Allowances Scheme in February 2016 Council also agreed that the Independent Remuneration Panel should meet to revisit the Scheme in the light of any changes to the role of elected Members and in particular the role of the Scrutiny Chairs with the Panel's proposals then being submitted for future consideration by Council.

1.2 The Independent Remuneration Panel met on 9 June 2016 and received oral representations from:

Clive Wright – Chief Executive
Councillor Pauline Dee – Independent Group
Councillor Hannah Fraser – Liberal Democrat Group
Councillor Alan Mosley – Labour Group
Councillor Roger Evans – Liberal Democrat Group
Councillor Heather Kidd – Liberal Democrat Group – written representations
Councillor Michael Wood – Conservative Group
Councillor Malcolm Pate – Conservative Group + Leader of the Council

2.0 SUBMISSION OF EVIDENCE

Chief Executive

2.1 During his discussion with the Panel the Chief Executive provided a detailed synopsis of the financial pressures facing the Council and the steps being taken to address the pressures. He drew particular attention to the massive impact of the county's demographic whereby people were living longer; this had an enormous impact on the Adult Social Care budget. Although the Council showed high levels of efficiency and enterprise the annual growing demand on this budget continued to result in a funding gap.

2.2 Responding to a question from the Panel, he commented that in his opinion, Members' workload had not significantly changed, though in the future Councillors are likely to play an even greater leadership role in their communities.

2.3 Responding to the Panel, the Chief Executive confirmed that despite thought having been given to possible alternatives, the necessary future development of the scrutiny function within the authority is still to be resolved.

2.4 He highlighted the remaining key areas of responsibility on the reduction of discretionary services, namely:

- Adult Social Care [noted also the ongoing debate whether this area was a health issue or a social issue and potential for joint working with health colleagues]
- Waste Collection – contract management
- Childrens’ Safeguarding
- Highways
- Planning – statutory function

2.5 Responding to the Panel, the Chief Executive confirmed that despite thought having been given to possible alternatives, the future development of the scrutiny function within the authority remained a highly political issue.

Councillor Pauline Dee

2.6 The Panel received confirmation from Councillor Pauline Dee that she believed that Members continued to work very hard. She had some concerns how younger people could be encouraged to become involved in local politics and drew attention to the methods she used in her local area to communicate with as wide a sector of the community as possible. She believed that local communication was essential in ascertaining the views of the public.

2.7 Referring to the Council’s current Scrutiny Committees, she commented that the work undertaken was largely very interesting but the level of ‘influence’ that resulted was less certain.

Councillor Hannah Fraser

2.8 She commented that she did not feel that the current scrutiny set-up was working, nor was it fit for purpose, and that subsequently the allowance being paid to each of the Scrutiny Chairman was not providing value for money for the Council. She added that the role of scrutiny was considered to be important but sadly she believed that money was being put in with little return. Responding to a comment from a member of the Panel she commented on the excellent work being done by Task and Finish Groups that did not receive any allowances.

2.9 The current system of allowances to Scrutiny Chairs and to Deputy Portfolio Holders could, she believed, be considered to be a system of patronage. Responding to a query from the Panel regarding the impact of the change in the Council’s leadership, she believed that it was too early to make an assessment.

2.10 Referring to the basic Member Allowance, Councillor Fraser stated that if the allowance was higher she would be able to do more to represent her electorate and be more effective in holding the decision makers to account. She believed that the current scrutiny regime was not wholly effective in this regard and had a tendency not to be open to ‘constructive criticism’. She also drew attention to some scrutiny committee agendas featuring a raft of items but did not actually ‘do anything or make recommendations for change.

- 2.11 She believed that the work of Task and Finish Groups was the most effective arena for scrutiny work but also understood that with the current political balance of the authority any real scope for change was limited.

Councillor Alan Mosley

- 2.12 Councillor Mosley was of the view that Members' Allowances should share the burden of the cuts (see 2.15 below). He was of the strong belief that the Council comprised too many Members particularly given the significant cuts in some of the Council's functions and the 37% reduction in staff numbers.
- 2.13 He commented on the inequity of the allowances scheme whereby, for example, a hard working Chair of a Task and Finish Group received no additional remuneration for this work whereas the Chairman of the parent Scrutiny Committee received a significant allowance. He noted that the much needed revitalisation of the Scrutiny process had been withdrawn hence, associated adjustments to allowances had not been implemented. The current role of most portfolio holders and the scrutiny chairs are incomparable, yet all received similar allowances, he said. He also made reference to the allowances paid to deputy Portfolio Holders when their contribution was hard to recognise and had little impact. He believed that there was a wide discrepancy in the workload of Members with some Members being rewarded in his view for doing very little whereas others worked extremely hard for the same allowance.
- 2.14 Referring to a query from a member of the Panel, he re-iterated his earlier point that the number of Shropshire Councillors needed to be decreased and he called for a Boundary Review in order to re-assess the number of Councillors within the authority. He commented that the number of services being commissioned out of the Council should be borne in mind and the reduced direct responsibilities of the Council did not require as many Members. Members were 'kept busy' in his view rather than having a role in policy and decision making.
- 2.15 Responding to the Panel Chairman, Councillor Mosley did not believe that the level of basic allowances should be reduced as this would make it even more difficult to recruit young Councillors. The distances to be travelled in the county and the significant time pressures should not be underestimated he concluded.

Councillor Heather Kidd's written representations

- 2.16 The Panel received written representations from Councillor Heather Kidd that drew attention to the current levels of I.T. support available to Members and the I.T. equipment offered. She considered that a full reappraisal of the scheme of Special Responsibility Allowances was necessary as those being paid SRA's would have less work to do as services were removed from Council control. She also believed that the Scrutiny Chairs did not undertake anywhere near the amount of work of Portfolio Holders and the level of work of Deputy Portfolio Holders was also questionable.

- 2.17 She believed that the allowances should be equalised across all Members in order to try and attract good quality candidates particularly as the role often resulted in having to give up paid work to do it justice.

Councillor Roger Evans

- 2.18 Confirmation was received from Councillor Roger Evans regarding his Group's concerns that the scrutiny process was not working and Chairmen were not carrying out their functions especially in relation to holding the Executive to account and examining the subsequent impact of their decisions. He commented on the scrutiny review process that had not been actioned by the Administration resulting in the five Scrutiny Committees still remaining in existence.
- 2.19 Amongst a number of issues raised, he made the point that the committees were not meeting on a regular basis and he circulated a schedule of dates which he said supported the concern that some of the scrutiny committees had met infrequently in recent months. He suggested that the allowance paid to the Scrutiny Chairmen should be reduced to reflect their perceived reduced workloads, with payments made instead to Task and Finish Group chairmen: raising the basic allowance paid to all members, or increasing the basic member allowance by a small amount and the balance used to reduce the total allowances paid. Examples from other Local Authorities were provided.
- 2.20 He also drew attention to the allowances paid to Deputy Portfolio Holders and suggested that, with the reduced responsibilities of the Council, their areas of responsibility could be absorbed by the Portfolio Holders.

Councillor Claire Wild

- 2.21 As a current Scrutiny Chairman and a former Portfolio Holder, Councillor Claire Wild commented that the work of a Scrutiny Chair was not as onerous as that of a Portfolio Holder, the latter was full time and high pressure. She believed that scrutiny work was evenly spread across the Scrutiny Committees and the development of the Work Programmes and the issues investigated by Task and Finish Groups were worthwhile.
- 2.22 Speaking from a personal perspective, she stated that her main aim as a Councillor was to seek to make improvements for the future. She drew attention to the difficulties in attracting young people to the role and stressed the need to nurture young talent within the authority. She commented that the average age of a Shropshire Councillor was 72 years.

Councillor Michael Wood

- 2.23 As a current Portfolio Holder, Councillor Michael Wood stressed that the work of a Portfolio Holder could not be compared against that of a Council Backbencher. The workload of a Portfolio Holder was significantly greater, but still retained responsibilities for routine Council work. He also commented that the work of the Chairman of the Audit Committee was onerous and should be recognised in the level of allowance attributed to this role. He drew

attention to the loss of pension contributions but also recognised that this was a national decision and commented that the level of allowances for Members had not changed since 2009.

Councillor Malcolm Pate – Leader of the Council

- 2.24 The Leader stated that he was concerned about the differential in the allowances paid to Scrutiny Chairs and Portfolio Holders and did not believe that the current levels made sense and needed to be reconsidered. Changes would be made to scrutiny after the elections in 2017 with implementation later that same year; a sensible evidence based format would be devised with measurable outcomes. He stressed how the role of Councillors had changed over the years with the massive responsibilities of the executive decision making role.
- 2.25 Referring to the need to attract young people to the role, the Leader stressed the need to offer an incentive to ensure that young people could 'afford' to do the job. He believed that young people coming in to the role needed to become full time politicians and receive adequate financial recompense to allow them to do this.
- 2.26 He disagreed with the view that the role of Portfolio Holders was becoming less onerous because of the commissioning of Council services. Furthermore, he disagreed that the role of backbenchers was diminishing and added that he was seeking to involve as many Members as possible in a consensus approach to decision making and therefore in his opinion the work of the backbencher was likely to increase. The Chief Executive added that Members who may not attend as many meetings or travel as frequently to the Shirehall may feel disenfranchised.
- 2.27 The Leader agreed that the number of Shropshire Councillors may be too high but added that the authority was geographically the largest in the country and this needed to be factored in to future thinking. He agreed that not all Members undertook the same amount of work and agreed that the SRAs needed to be re-visited; however, he added that he believed that the Deputy Portfolio Holders made a positive contribution to the efficiency of the Council.

3.0 **CONCLUSIONS**

- 3.1 Having analysed all of the evidence presented, the Panel made the following observations:
- There was likely to be a change in the scrutiny operation in the next 12 months. It was felt that there was a general consensus within the authority across all political parties that the current scrutiny system was no longer fit for purpose, required amendment and that related SRAs needed to be adjusted to reflect role scale, scope and complexity.
 - The Panel was of the view that the existing 5 scrutiny committees should probably be replaced with an alternative arrangement but it

would not be appropriate to change the allowances for Scrutiny Chairs for the time being pending the likelihood of scrutiny changes in 2017.

- The Panel agreed that, whilst there was a case for increasing the level of the basic allowance, it was felt that this should not add to the overall budget for Members' allowances. Rather, any increase in basic allowance should be funded from within the existing overall allowances budget. It was concluded that this could be achieved through a simplification and realignment of SRAs and that this should form part of a thorough review to be undertaken following the establishment of the next administration in 2017.
- Notwithstanding the previous conclusions, the currently unpaid roles of the Chairs of Task and Finish Groups were identified as needing further consideration for some form of allowance in the review suggested for 2017.

4.0 **RECOMMENDATIONS**

4.1 The Independent Remuneration Panel recommends to Council as follows:

- (a) That the Special Responsibility Allowance paid to the Scrutiny Chairman be continued at its present level on the basis that further changes are expected to be made to the existing Scrutiny Committee structure following the establishment of the next administration in 2017 and implemented later that year.
- (b) That although a 1% increase to the basic allowance to Members - which reflects that given to local authority staff - would seem to be appropriate, no increase in basic allowance should be implemented until it can be funded by a simplification of the current SRA structure as part of a thorough review.
- (c) That, following the establishment of the next administration in 2017, a thorough review should be undertaken at the earliest possible opportunity thereafter and that it should address the specific items mentioned previously but should also look more broadly at the allowances structure with a view to their continued relevance, utility and appropriateness.
- (d) That, as part of the above-mentioned review, consideration be given to:
 - The adoption of a slimmer, simplified approach to Special Responsibility Allowances
 - In so far as it possible and aligned to the previous point, seeking to reduce the size of the overall allowances budget whilst at the same time, recognising appropriately the contribution of members
 - The Scrutiny Function being restructured and simplified such that it better reflects the work that it needs to do in holding the administration to account and the work done by those involved is recognised appropriately

Ciaran Martin (Chairman)
Julia Baron
June Jones

James Parker
John Thomas