

A Review

Of

Special Responsibility Allowances

For the

**Chairs of Scrutiny and Audit
Committees**

For

East Staffordshire Borough Council

A Supplementary Report

By the

Independent Remuneration Panel

**Simon Chapman
Dr Declan Hall (Chair)
Shaid Hussain
Paul Laffey**

January 2022

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The Regulatory Context

1. This supplementary report contains the recommendations arising out of the independent review, carried out in January 2022 of Special Responsibility Allowances (SRAs) for the new posts of the Chairs of Scrutiny Committees (3) and the Chair of the Audit Committee by the Council's statutory Independent Remuneration Panel ('IRP' or 'Panel'). It also lays out the deliberations of the IRP to show elected Members, Officers and the public the rationale for the IRPs recommendations.
2. The IRP was convened under The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) (the 2003 Regulations). These regulations, arising out of the relevant provisions in the Local Government Act 2000, require all local authorities to maintain an IRP to review and provide advice on the Council's Members Allowances. This is in the context whereby the Council retains powers to determine the scope and levels of Members' Allowances.
3. All Councils are required to convene their IRP and seek its advice before they make any changes or amendments to their Members' allowances schemes and they must 'pay regard' to the IRPs recommendations before setting a new or amended members' allowances scheme.
4. As the Council is asking for a change to its current scheme the IRP, in this particular instance, has been reconvened under the 2003 Regulations (paragraph 19. 1) which states:

Before an authority ... makes or amends a scheme, the authority shall have regard to the recommendations made in relation to it by an independent remuneration panel.

Terms of Reference

5. In this particular case, the terms of reference are very specific namely to
 - a) To review the SRAs for the Chairs of the three new Scrutiny Committees, increased from two Scrutiny Committees
 - b) To review an SRA for the newly created position of Audit Committee Chair

The IRP

6. The East Staffordshire Borough Council Independent Remuneration Panel was reconvened, constituting of the following members:

Simon Chapman

- Managing Director of a local business and resident of the Borough, Simon is also Vice President of the Burton-on-Trent Chamber of Commerce and past Chair of the local Roundtable.

Declan Hall PhD (Chair)

- A former academic at the Institute of Local Government, the University of Birmingham and now independent consultant specialising in members' allowances and who was appointed by the Council as Chair of the IRP .

Shaid Hussain

- A local businessperson and a resident of the Borough; Shaid is also a volunteer for Staffordshire police, active in local community groups and a former a school governor of a local school .

Paul Laffey

- Chief Executive of Burton & District YMCA and a resident of the Borough; Paul is also on the National Board of YMCA England and Wales YMCA.

7. The IRP was supported by Andrea Davies, Principal Democratic Services Officer.

Process and Methodology

8. The IRP met as a “virtual” IRP on 10th January 2022 to carry out this Supplementary Review. This was partly due to the on-going Covid pandemic. It was also partly because the IRP was asked only to consider a few specific new SRAs rather than carry out a full review of the Members' Allowances scheme. As such, to physically convene the Panel would incur disproportionate costs or inputs on the part of the Council and IRP in relation to the results required and would not be an efficient use of Council resources; thus, the use of a virtual IRP in this instance was more appropriate on two counts.
9. In arriving at its recommendations, the IRP met with a representative range of Members and received factual briefings from relevant Officers. It also reviewed a range of written evidence. For full details see:

- Appendix One: Members and Officers who met with the IRP
- Appendix Two: Details of written evidence considered by the IRP

The IRPs Recommendations

10. Currently the Council has two Scrutiny Committees:
 - Community Regeneration, Environment & Health & Well Being
 - Audit & Value for Money Council Services
11. The respective Chairs of the two Scrutiny Committees each receive an SRA of £3,682 that was set at 20 per cent of the Leader's SRA (£18,410).
12. Following a review of the Council's committee structure in December 2021 it has decided to discontinue the current Scrutiny committees and replace them with, from the date of the Council's Annual Meeting on 13th May 2022, the following committees:
 - Value for Money Council Scrutiny Committee
 - Community Regeneration Scrutiny Committee
 - Environment & Health & Well Being
 - Audit Committee
13. The three new Scrutiny Committees are aligned to the Council's three corporate priorities. A standalone Audit Committee is being established, following the review of Committees carried out in 2021 and in the wake of a recent publication, "Audit Committees and Scrutiny: Working Together", by the Centre for Governance and Scrutiny (June 2021), which concurs with the recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) that the functions of Audit and Scrutiny Committees should not be combined in a single committee. The Council will continue to retain a separate Audit (Approval of Statement of Accounts) Committee.
14. The starting point for the IRPs deliberations was the situation in 2017 where prior to a reorganisation the Council had similar Scrutiny/Audit arrangements, with four Scrutiny Committees and one Audit Committee with each Chair receiving an SRA set at 10 percent of the Leader's SRA equivalent to £18,410 today.
15. The IRP has rejected the 2017 situation as a relevant comparison to the new arrangements. Firstly, from May 2022 there will be three Scrutiny Committees and one Audit Committee as opposed to four Scrutiny Committees and one Audit Committee in 2017. Secondly, the workloads of the new committees will be similar to that of current Scrutiny Committees. Thirdly, the remits of the four new committees will not simply be half of the two current committees.
16. In recent years, with statutory changes to the Audit regime, and how it works, it has made the function larger. In addition, the Chair of Audit will also chair the Audit (Approval of Statement of Accounts) Committee. The Scrutiny function has

also been enhanced with the Stronger Towns Fund being a new remit to scrutinise. The intention behind the new committees is to improve Member engagement, by having a structure of smaller, more focussed committees, bringing greater focus and clarity to Audit and Scrutiny, and be more effective all round. As such, the IRP takes the view that the SRA (£3,682) paid to current Chairs of Scrutiny is still appropriate, which is set at 20% of the Leader's SRA (£18,410).

17. **The IRP recommends that the SRAs payable to the Chairs of the three new Scrutiny Committees and one new Audit Committee should be £3,682, subject to any applicable index.**
18. The IRP will specifically revisit these SRAs at the time of the next full review (2023) to assess the appropriateness of the recommended SRAs in light of experience.

Implementation

19. **The IRP further recommends that SRAs for the three Chairs of Scrutiny Committees and one Chair of the Audit Committee are paid from the date of Council's Annual Meeting on 13th May 2022.**

Appendix 1: Members and Officers who met with IRP

Members who met with the IRP

Cllr A. Clarke:	current Chair of the Scrutiny (Audit & Value for Money Council Services) Committee
Cllr M. Fitzpatrick:	Leader of Main (Labour) Opposition Group
Cllr D. Florence-Jukes:	Leader of Minority (Independent Alliance) Opposition Group
Cllr D. Goodfellow:	Leader of the Council (Conservative)
Cllr C. Wileman:	current Chair of the Scrutiny (Community Regeneration, Environment & Health & Well Being) Committee

Officers who briefed the IRP

Andy O'Brien:	Chief Executive
Andrea Davies:	Principal Democratic Services Officer

Appendix 2: Information reviewed by the IRP

1. IRP Terms of Reference and scheduled interviews for the day
2. Current Committee Structure
3. Report to Council 13th December 2021 – recommendations contained within the report were agreed at this meeting (Weblink:
<http://www.eaststaffsbc.gov.uk/council-democracy/committees/council/2021-12-13-000000>)
4. New Committee Structure agreed at the Council meeting held on 13th December 2021.
5. Current Members Allowances paid (Constitution extract and Current incl indexation)
6. Current Committee Terms of Reference for Scrutiny (Community Regeneration, Environment and Health and Well Being) Committee and Scrutiny (Audit and Value for Money Council Services) Committee (Constitution extracts);
7. Committee Structure in 2017 (including Audit Committee);
8. Members Allowances in 2017 (including Audit Committee);
9. Committee Terms of Reference in 2017 - Scrutiny (Promoting Local Economic Growth) Committee; Scrutiny (Protecting Strengthening Communities) Committee; Scrutiny (East Staffordshire Health) Committee; Scrutiny (Value for Money Council Services) Committee and Audit Committee.
10. Committee Terms of Reference, June 2021, Audit (approval of Statement of Accounts) Committee)