

**OPEN**

**CHESHIRE EAST COUNCIL**

**Report of the Independent Remuneration Panel**

**November 2023**

**Focussed Review of Members' Allowances**

**1.0 Introduction**

- 1.1 In August 2023, The Independent Remuneration Panel (IRP) was asked by the Council to undertake a focussed review of members' allowances, covering three specific issues: the allowances paid to the Leader and Deputy Leader of the Council respectively; the allowances paid to the Chair and Vice-Chairs of the six Service Committees (and the Finance Sub Committee); and a reconsideration of the case for allocating special responsibility allowances (SRAs) to opposition spokespersons on these committees.
- 1.2 The reason for this request was the fact that the Council, between 2019 and 2023 and again since the elections in May 2023, has been operating a 'joint administration' involving the Labour and Independent groups. In 2021, a committee system of decision making was introduced to replace the 'leader and cabinet' model which had previously been in operation. The philosophy behind the 'joint administration' involved a strong emphasis on a joint approach to both the council leadership and the operation of the service committees, in which the leadership roles at both Council and committee level were shared in a way which was untypical of traditional approaches to these divisions of responsibility. For example, the Chairs and Vice Chairs of committees are shared equally (rather than proportionately); if a committee is chaired by a Labour councillor, then the vice chair will be held by an independent member and vice-versa.
- 1.3 The Chair of the Panel was briefed by senior officers of the Council at a virtual meeting on 28<sup>th</sup> August 2023. The Panel, which comprises Chair, Steve Leach (Emeritus Professor of Local Government, De Montfort University), Mandy Ramsden (former local government officer and local resident) and Jacquie Grinham (former CEO of Cheshire East North Citizens Advice) met at Westfields on September 20<sup>th</sup> when interviews were carried out with the Council Leader and Deputy Leader, the chairs and vice chairs of two of the service committees and with the Deputy Leader of the Conservative group. Comments were invited from chairs and vice chairs of the other service committees, an opportunity to which three further members responded. The Panel is grateful to the councillors involved for their time and for the excellent support it received from Brian Reed, Diane Moulson and Katie Small.

1.4 It was acknowledged that any impact resulting from the Panel's recommendations on the overall level of member allowances should involve at the most a marginal increase. It should also be recognised that the selective nature of this review means that relativities with existing allowances in other spheres (such as the regulatory committees) may change. The Panel endeavoured to take such relativities into account but, because of the limited nature of its brief, was not in a position to make recommendations for changes outside the three topics on which the review was focussed. It should be emphasised that the analysis and recommendations set out in this report apply specifically to a joint administration operating a committee system of decision-making. If either or both of these conditions ceased to apply (i.e., a majority party; a cabinet and leader model) a fundamental review of members' allowances would be required.

## **2.0 The Leader and Deputy Leader**

2.1 It is in relation to council leadership that the commitment to the principles of a joint administration were most apparent. The Council Leader and the Deputy, whom we saw together, provided clear evidence of their commitment to genuine joint working at leadership level and provided several examples of how they had put this principle into operation. Weekly briefings from the Chief Executive are attended jointly. Negotiations with Ministers and ministerial visits typically involve both Leader and Deputy, a practice which is rare in majority-controlled councils and indeed with many councils operating as a coalition. On the recent Devolution initiative, in joint meetings with neighbouring authorities the same practice operates, one suspects to the surprise of the other leaders attending. There is a functional division of responsibility involved; the Deputy Leader chairs the Highways and Transportation Committee and would typically attend meetings with other agencies on his own, which seems a sensible use of time resources. The Leader chairs the Corporate Policy Committee in similar fashion. There is little evidence of overlap and duplication, but on any meeting of major significance for the Council, both Leader and Deputy would normally be involved.

2.2 The Panel received a good deal of positive response about the way the joint administration was working, from officers and members of the two Parties concerned alike. If it were legally possible, the adoption of a formal co-leadership model would be compatible with the principles adopted. The Panel's understanding is that local authorities are legally required to appoint an individual designated Leader. But that does not preclude a council operating an informal model of shared leadership, which appeared to the Panel to be the case in Cheshire East.

2.3 Because of the requirement to designate a formal individual leader and the specific responsibilities attached to that role, the Panel felt that a redistribution of the total SRA allocated to the Leader and Deputy Leader positions in a way which resulted in the equalisation of the two SRAs would not be appropriate.

But given the level of commitment to joint leadership, it would be logical to reflect this commitment (and the sharing of responsibilities which it involves) by moving in this direction. It was difficult for the Panel to make a precise judgement as to the most appropriate balance of SRAs without updated job descriptions or more detailed evidence of how the Leader and Deputy spent their time, which was not feasible within the time constraints of the review. Its 'best estimate' was that if 10% of the Leader's SRA (£2,952) were re-allocated to the Deputy Leader's SRA, that would be a reasonable reflection of the commitment to the philosophy of shared leadership, whilst recognising the specific formal responsibilities which the council leadership role entailed. This adjustment would result in the Leader's SRA reducing to £26,565 and the Deputy Leader's increasing to £20,772. The implementation of this recommendation would send a clear message to the public, partner organisations and central government about the seriousness of the administration's commitment to shared leadership and joint working.

- 2.4 There would be value, in the Panel's view, in the development of a statement of the roles and responsibilities of the Leader and Deputy Leader respectively, based on current practice. A statement of roles and responsibilities is considered to be more appropriate than detailed job descriptions, not least because it could be drawn up more quickly. However, the current mode of operation is felt to be well-established enough for the Panel's recommendation in 2.3 above to be implemented prior to completion of this process.

### **3.0 Committee Chairs and Vice-chairs.**

- 3.1 Although the principles of joint working and shared responsibilities were apparent from the interviews carried out by the Panel and the responses it received, there was some variation in the extent to which these principles had been applied at Committee level. It was rare to find examples of the way in which the Leader and Deputy Leader had thought through the implications of these principles among Committee Chairs and Vice-Chairs. In some cases, newly elected councillors, serving as Vice-Chair, acknowledged that they currently lacked the experience to become involved in shared leadership at this level. In other cases, it was clear that the Vice-Chair was content to adopt a more traditional interpretation of this role and recognised the greater experience of the Chair involved. Currently there are responsibilities which cannot be shared, for example the regular joint briefings Committee Chairs receive from the Chief Executive and other officers on matters of corporate significance, which Vice-Chairs do not attend.
- 3.2 These perceptions and practices may change over time as less experienced Vice-Chairs 'learn on the job'. But at this point in time, the Panel's view was that it would be premature to change the balance of SRAs between Chairs and Vice-Chairs of Service Committees. There might be justification in doing so in some cases, for example in relation to Committees chaired by the

Council Leader or Deputy Leader, but not comprehensively and the measure should not be introduced in piecemeal fashion. However, the Panel, aware of the Council's commitment to joint working and shared leadership at all levels, would wish to encourage the Council to take steps to embed these principles at committee level which, if effective, could well justify reassessment of the appropriate balance of SRAs between Chairs and Vice-Chairs within the next few months. As with the positions of Leader and Deputy Leader, the Panel considered that statements of the roles and responsibilities of Committee Chairs and Vice-Chairs or the service committees should be drawn up as quickly as feasible. There appeared to the Panel to be a real momentum in the move to a genuinely shared administration, which should be sustained. In this case, it may be helpful, once the role specifications have been agreed, for tailored training and development sessions for the relevant members to be organised.

#### **4.0 Scrutiny Leads on the Service Committees. (Opposition or Lead Spokespersons allowances)**

- 4.1 In the Panel's 2021 and (selective) 2022 reports, the payment of SRAs to what it termed 'Opposition spokespersons' on the seven service committees (including Finance Sub) was recommended. The justification for this recommendation was as follows: the Conservative opposition was (and still is) the largest party on the Council. On democratic principles and to ensure that the administration is held to account for its decisions, it is important that it is enabled to play a responsible scrutiny role. This cannot be achieved solely by allocating the Chair of the Scrutiny Committee to the opposition (as has happened); much of the business of this Committee is focused on external partner organisations, notably in the fields of health and crime and disorder.
- 4.2 It has been rightly recognised that, under a committee system, scrutiny of service issues will be expected to take place within the committees themselves. Although in principle scrutiny can be exercised by any committee member, the reality, given the need for and expectation of group support among members of the joint administration partners, is that scrutiny, particular on major issues, is likely to be led by the Opposition. It is for these reasons that other councils which have introduced a committee system of decision making, such as Nottinghamshire and Brighton and Hove, have introduced SRAs for opposition spokesperson roles (see the members allowances reports for these two authorities for further details and justifications).
- 4.3 One argument that was presented to the Panel was that SRAs would normally be attached to positions in which a degree of formal responsibility was involved (such as the chair of a Planning Committee) and that opposition spokespersons on service committees did not meet this criterion. But this argument is premised on a limited interpretation of the concept of responsibility. Scrutiny in any form cannot involve direct responsibility for decision making; it can only seek to influence and persuade by force of

argument those who do have responsibility for decisions. Yet all local authorities allocate SRAs to scrutiny positions. Indeed, when considering formal responsibilities in a committee system, neither the chair nor the vice-chair has formal responsibility for decisions; it is the committee as a collectivity which has the responsibility. However, no-one is suggesting that the demanding jobs of Chair and Vice-Chair of committees should not be acknowledged in the allocation of substantial SRAs, broadly equivalent (in total) to those previously allocated to Portfolio Holders. Indeed, we were told by more than one respondent that the job of Committee Chair was more demanding and certainly more time-consuming than that of Portfolio Holder.

- 4.4 The Panel's preference would be for these positions to be retitled '**Lead Spokespersons**', rather than 'Opposition Spokespersons'. Although the Panel is clear that they should be filled by opposition members, the emphasis should be on scrutiny, rather than opposition per se. The allocation of SRAs to these roles was supported by the Conservative Opposition and although views among the administration parties about the desirability of this measure were more mixed, we were told of committees where the opposition member playing this role was regularly consulted by the Chair, a process which was found to be helpful in the avoidance of misunderstandings about agenda items and the efficient dispatch of committee business.
- 4.5 For reasons set out in the 2021 report the Panel recommended that the SRA allocated to the Lead Spokesperson role should be £4,200. However, as this role is a new and untried and tested initiative in Cheshire East, the Panel considers it appropriate that, prior to recommending a specific figure, a statement of roles and responsibilities should first be drawn up by the Council. This process, which should be completed as quickly as feasible, should include consultation with all the political groups: the committee chairs of today may one day be the lead spokespersons of tomorrow and vice versa. The Panel would be happy to make a specific recommendation once this process has been completed. However, it is clear from the interview evidence that the figure should be less than that agreed for vice-chairs.
- 4.6 The current situation is that opposition members can request a briefing from the relevant chief officer on any agenda item coming before a Committee. There are likely to be occasions when Lead Spokespersons want to request additional information, to enable them to make a judgement as to whether or not it is appropriate to challenge a proposed decision. In these circumstances, we believe such requests should be channelled to Democratic Services, where there is already a dedicated scrutiny support capacity, and where they should be responded to, unless the time implications of doing so are unrealistic. In this event, the matter should be referred to the Monitoring Officer for resolution.
- 4.7 In the event that SRAs for Lead Spokespersons are introduced, the net effect is likely to be a relatively small increase in the members' allowances budget.

## **5.0 Limit on the number of SRAs allowed to be claimed per member**

- 5.1 At present several SRAs are currently unclaimed as a result of the provision that any member can only claim one SRA. It should, however, be noted that the Panel, in its 2016 report, recommended that this provision should be changed to permit two SRAs to be claimed by any one councillor, a view which the current Panel supports and reiterated in its Targeted Review in February this year. We suggest that this restriction be removed and any member be permitted to claim up to two SRAs.

## **6.0 Summary of recommendations**

**The Panel recommend that:**

### **6.1 Leader and Deputy Leader's SRA**

- (a) 10% of the Leader's SRA (£2,952) be re-allocated to the Deputy Leader's SRA resulting in the Leader's SRA reducing to £26,565 and the Deputy Leader's increasing to £20,772.
- (b) A statement of roles and responsibilities for these two positions, based on existing practice, be drawn up, but not as a pre-requisite for the implementation of recommendation 6.1(a)

### **6.2 Service Committee Chairs and Vice-Chairs SRA**

- (a) No change be made to the balance of SRAs between the Chairs and Vice Chairs, until a statement of roles and responsibilities for these positions has been agreed by the Council, a process which should be carried out as soon as feasible.
- (b) Once such a statement has been agreed then the Panel should be asked to make a recommendation as to the SRAs to be allocated to these positions
- (b) It may then be helpful to establish tailored training and development sessions for the members involved.

### **6.3 Scrutiny Leads on Service Committees**

- (a) Lead Spokesperson on Service Committees should be introduced. The positions should be filled by opposition members.
- (b) A statement of the roles and responsibilities attached to such positions should be drawn up as soon as feasible. All parties represented on the Council should be consulted in this process.
- (c) The Panel should then be asked to make a recommendation as to the SRA to be allocated to these positions
- (d) In the event of Lead Spokespersons wanting to request additional information to enable them to make a judgement as to whether or not it is appropriate to challenge a proposed decision, such requests should be channelled to Democratic Services, unless the time implications of

doing so are unrealistic. In this event, the matter should be referred to the Monitoring Officer for resolution.

**6.4 Limit on the number of SRAs any member may claim**

- (a) The Allowances Scheme be amended to allow any member to claim up to a maximum of two SRAs if they so wish.