

**Independent Remuneration Panel
for Worcestershire District Councils**

Annual Report and Recommendations for 2018-19

Redditch Borough Council

December 2017

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Recommendations

The Independent Remuneration Panel recommends to Redditch Borough Council the following:

- 1. That the Basic Allowance for 2018-19 is £4,350 representing approximately a 1% increase.**
- 2. That the Special Responsibility Allowances are as set out in Appendix 1.**
- 3. That travel allowances for 2018-19 continue to be paid in accordance with the HMRC mileage allowance.**
- 4. That subsistence allowances for 2018-19 remain unchanged.**
- 5. That the Dependent Carer's Allowance remains unchanged.**
- 6. That for Parish Council in the Borough, if travel and subsistence is paid, the Panel recommends that it is paid in accordance with the rates paid by Redditch Borough Council and in accordance with the relevant Regulations.**

Introduction

The Independent Remuneration Panel (IRP) has been appointed by the Council to carry out reviews of the allowances paid to Councillors, as required by the Local Government Act 2000 and subsequent legislation. The Panel has carried out its work in accordance with the legislation and statutory guidance.

The law requires each Council to "have regard" to the recommendations of the Independent Panel. We noted that Allowances were not increased and that travel allowances would continue to be paid in accordance with the HMRC mileage allowance.

At this point we would like to stress that our recommendations are based on thorough research and benchmarking. We have presented the Council with what we consider to be an appropriate set of allowances to reflect the roles carried out by the Councillors. The purpose of allowances is to enable people from all walks of life to become involved in local politics if they choose.

The Panel does however acknowledge that in the current challenging financial climate there are difficult choices for the Council to make. Ultimately it is for the Council to decide how or whether to adopt the recommendations that we make.

Background Evidence and Research Undertaken

There is a rich and varied choice of market indicators on pay which can be used for comparison purposes. These include:

- National survey data on a national, regional or local level;
- Focussed surveys on a particular public sector;
- Regular or specific surveys
- Use of specific indices to indicate movement in rewards or cost of living.

As background for the decisions taken by the Panel this year we have:

- Analysed and considered the Annual Survey of Hours and Earnings (ASHE) statistics for 2017 which gives the mean hourly wage rate for Worcestershire at £15.26 an increase of 3.6% but the Local Government Public Sector increase was capped at 1% which has been adopted.
- Benchmarked the Basic Allowance against allowances for comparable roles paid by the Chartered Institute of Public Finance and Accountancy (CIPFA) "Nearest Neighbour" Councils for each authority.

We give more details about these areas of research at the end of the report.

In 2015, Worcester City Councillors recorded time spent on Council business for a number of weeks. This enabled the Panel to confirm the number of hours per week for front line councillors, which is used to calculate the recommended basic allowance. More detail is given about this under the Basic Allowance heading later in the Report.

The figure being recommended by the Panel of £4,350 for the Basic Allowance appears reasonable and appropriate when compared to other Local Authorities.

Arising from our research, in **Table 1** we have included information showing the Members' allowances budget for Basic and Special Responsibility Allowances paid for 2016-17 as a cost per head of population for each Council. To give context, we have included details of the proportion of net revenue budget spent by each Council on basic and Special Responsibility allowances.

In **Table 2** we show the average payment per member of each authority of the Basic and Special Responsibility Allowances, which illustrates the balance between the level of Special Responsibility Allowances paid and the Basic Allowance.

Table 1 - Total spend on Basic and Special Responsibility Allowances (SRA) as a cost per head of population 2016-17 figures

Authority, population¹ and number of Councillors	Total spend Basic Allowances	Total spend on SRA	SRA as a percentage of total Basic Allowance	Cost of total basic and SRA per head of population	Total of basic and SRA as a percentage of Net General Revenue Fund expenditure
	£	£	%	£	%
Bromsgrove DC (31) 96,800	133,270	60,553	45.42	2.00	1.62
Malvern Hills DC (38) 75,339	159,138	65,093	41.00	2.98	2.50
Redditch Borough (29) 85,000	95,019	38,852	40.89	1.58	1.17
Worcester City (35) 100,405	147,385	65,004	44.10	2.11	1.82
Wychavon (45) 118,738	189,934	69,800	36.75%	2.21	2.08

¹ ONS population figures mid 2017. Totals for Basic and Special Responsibility allowances paid are as published by each authority for the 2016-17 financial year.

Table 2 - Average allowance per Member of each authority (Basic and Special Responsibility Allowances, 2016 – 17 figures)

Authority (number of Councillors)	Amount £
Bromsgrove District (31)	6,251
Malvern Hills District (38)	5,901
Redditch Borough (29)	4,616
Worcester City (35)	6,068
Wychavon District (45)	5,772

Basic Allowance 2018 - 19

Calculation of Basic Allowance

The Basic Allowance is based on:

- The roles and responsibilities of Members; and
- Their time commitments – including the total average number of hours worked per week on Council business.

We then apply a public service discount of 40% to reflect that Councillors volunteer some of their time to the role.

The Basic Allowance is paid to all Members of the Council.

Whilst each council could set out role descriptions for councillors, the Panel notes that each councillor may carry out that role differently, reflecting personal circumstances and local requirements. However, we consider the Basic Allowance to include Councillors' roles in Overview and Scrutiny, as any non-Executive member of the Council is able to contribute to this aspect of the Council's work. It is for this reason that we do not recommend any Special Responsibility Allowance for members of the Overview and Scrutiny Committee. We also consider that ICT could be included in the Basic allowance as it is generally more readily available to individuals than in previous years. However, we are comfortable that specific local decisions may be made about how ICT support is provided.

As mentioned earlier, in 2015 Worcester City Councillors recorded the time spent per week on Council business for a number of weeks during the early autumn. This was considered to reflect an appropriate "average" period of time for meetings and other commitments. The results from this survey showed that the average input was 10 hours and 50 minutes per week. This figure matches the one used for a number of years by the Panel, based on previous research with constituent councils, to calculate the basic allowance.

We reviewed the levels of wage rates for Worcestershire as set out in the ASHE data (details in appendix 2) and the benchmark information available to us from the Chartered Institute of Public Finance and Accountancy (CIPFA) "nearest neighbours" authorities as part of our research into the level of basic allowance recommended. We are also aware that the majority of local government employees received a 1% increase in pay in April 2017.

The calculation used to arrive at the Basic allowance is set out at appendix 2.

Special Responsibility Allowances (SRA) 2018-19

General Calculation of SRAs

The basis for the calculation of SRAs is a multiplier of the Basic Allowance as advocated in the published Guidance.

The Panel has reviewed the responsibilities of each post, the multipliers and allowances paid by similar authorities. As in previous years, the Panel has benchmarked the allowances against those paid by authorities listed as "nearest neighbours" by CIPFA.

The Panel has been asked on occasions to consider recommending SRA's for Vice-Chairmen of Committees. Having considered evidence presented to us and the nature of the roles, as a principle the Panel does not recommend SRA's for Vice-Chairman roles.

Appendix 1 to this report sets out the allowances recommended for 2018-19.

Mileage and Expenses 2017-18

The Panel notes that the Council has used the HMRC flat rate for payment of mileage for Councillors and recommends that this continues.

The Panel is satisfied that the current levels of subsistence allowances are set at an appropriate level and recommends that these continue.

The Panel notes that the Council's Scheme of Members' Allowances provides that Dependant Carer Allowances are payable to cover reasonable and legitimate costs incurred in attending approved duties and recommends that this provision continues.

Allowances to Parish Councils 2017-18

The Independent Remuneration Panel for Worcestershire District Councils acts as the Remuneration Panel for the Parish Councils in each District.

This year the Panel has not been asked to make recommendations on any matters by any Parish in Bromsgrove/Malvern Hills/Redditch/Worcester City/ Wychavon.

The Independent Remuneration Panel

The Members' Allowances Regulations require Local Authorities to establish and maintain an Independent Remuneration Panel. The purpose of the Panel is to make recommendations to the authority about allowances to be paid to Elected Members and Local Authorities must have regard to this advice. This Council's Independent Remuneration Panel is set up on a joint basis with 4 of the other 5 District Councils in Worcestershire. Separate Annual Reports have been prepared for each Council.

The members of the Panel are:

Bill Simpson MBE JP, the Chair of the Panel - – Bill spent 30 years in Further Education culminating in 11 years as Principal of Pershore College. He then entered the private sector as Director of two national Horticultural Societies, one being the Royal Horticultural Society. He served as a magistrate for 9 years until retirement. He is a Trustee of several charities including chairing Thrive – the national Society for Horticultural Therapy between 1993 and 2008. A Past President of the professional Institute of Horticulture he returned to the Council in 2012 to achieve chartership with the Royal Charter being awarded in 2014. Currently he is Vice Chair of Governors of Red Hill CE Primary School Worcester and a Chair/Member of the County Council, Academy and Diocesan Panels for Schools Preferences Appeals. Appointed a Member of the British Empire (MBE) in 2011 for services to horticulture and the local community.

Rob Key – Rob has 42 years’ experience of working in District Councils in a variety of operational and management roles, including senior positions at Worcester City, Wychavon District and Wyre Forest District. He was an Independent Chair for the Strategic Health Authority for Continuing Care and sits on County Council Appeals Panels for School Preference Appeals and Service Complaints.

Elaine Bell, JP, DipCrim – Elaine has been a Magistrate for 20 years on the South Worcester Bench. She was Deputy Chair of the Bench for 5 years, standing down in July 2014 when bench boundaries changed. She was Chair of the Bench Training and Development Committee for 9 years, and sat on the Magistrates Advisory Panel for 9 years (interviewing and selecting applicants for appointment as Magistrates). She sits as Chair in both Adult and Family courts in the newly constructed Worcestershire Bench stretching geographically from Hereford, Kidderminster, Redditch and Worcester. She is also Chair of the Lloyds Educational Foundation, past member of Sytchampton School Appeals Panel; Past Hon Treasurer of Ombersley and Doverdale Tennis Club and a Past Governor of Ombersley Primary School.

Terry Cotton - Terry spent 34 years working in central and local Government, mostly managing regeneration programmes across the West Midlands. Until May 2011 he worked at The Government Office for The West Midlands where he was a Relationship Manager between central and local Government and a lead negotiator for local performance targets. Following voluntary early retirement in May 2011, he worked in Birmingham's Jewellery Quarter; setting up a new business led community development trust and currently works part-time for Worcestershire County Council. He is also a trustee of a small charitable trust providing grants to grass roots community initiatives in deprived communities.

Don Barber – After several Human Resources and Productivity Improvement Management roles in Industry, Don became Chief Executive of a change management facilitating consultancy. Over the last 20 years he has been an independent consultant and advisor on a number of United Nations, European Commission, and World Bank transition projects, in particular in Europe, Africa, Asia, and Australasia. He also operates in an advisory role to other consultancy groups seeking EU contracts. This experience has included the development of national civil service/public sector reform programmes including aspects of the effect of legislative change for central and local government and, in the U.K., working for the Office of Manpower Economics (advisors to the Prime Minister) on Public Sector Pay, in particular relating to: Civil Service Pay Reform, UK Armed Forces and the Medical Professions.

The Panel has been advised and assisted by:

- Claire Chaplin and Margaret Johnson from Worcester City Council;
- Darren Whitney from Bromsgrove and Redditch Councils;
- Mel Harris from Wychavon District Council;
- Matthew Box from Malvern Hills District Council.

The Panel wishes to acknowledge its gratitude to these officers who have provided advice and guidance in a professional and dedicated manner.

Bill Simpson, Chairman of Independent Remuneration Panel

Appendix 1

Independent Remuneration Panel for District Councils in Worcestershire Recommendations for 2018-19

Redditch Borough Council

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
Basic Allowance – all Councillors	1	1	4,350	3,350
Special Responsibility Allowances:				
Leader	3	2	13,050	6,697 plus 1,560 as portfolio holder
Deputy Leader	1.75	1.4	7,613	4,697 plus 1,560 portfolio holder
Portfolio Holders	1.5	0.46	6,525	1,560
Executive Members without portfolio	****	0.32	*****	1,072
Chairman of Overview and Scrutiny Board/Committee	1.5	0.6	6,525	2,009
Chairman of Overview and Scrutiny Task Groups	0.25	0	1,088	0
Members of Overview and Scrutiny Committee	0	0.32	0	1,072
Chairman of Audit, Governance and Standards Committee	0.25	0	1,075	0

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
Chairman of Planning Committee	1	0.466	4,350	1,560
Chairman of Licensing Committee	0.75	0.4	3,263	1,340
Political Group Leaders	0.25	0.31	1,088	1,040

Summary of Research

Chartered Institute of Public Finance and Accountancy (CIPFA) "Nearest Neighbour" authorities tool.

No two Councils or sets of Councillors are the same. Developed to aid local authorities in comparative and benchmarking exercises, the CIPFA Nearest Neighbours Model adopts a scientific approach to measuring the similarity between authorities. Using the data, Redditch Borough Council's "nearest neighbours" are:

- Tamworth Borough Council
- Gloucester City Council
- Stevenage Borough Council
- Kettering Borough Council
- Worcester City Council
- Cannock Chase District Council

Information on the level of Basic and Special Responsibility Allowances was obtained to benchmark the levels of allowances recommended to the Council.

Annual Survey of Hours and Earnings (ASHE) Data on Pay

<https://www.nomisweb.co.uk/articles/980.aspx>

Table 8.6a – hourly pay for all employees by local authority place of residence

Published by the Office for National Statistics, the Annual Survey of Hours and Earnings (ASHE) shows detailed information at District level about rates of pay. For benchmarking purposes the Panel uses the levels for hourly rates of pay excluding overtime. This is multiplied by 11 to give a weekly rate, which is then multiplied by 44.4 weeks to allow for holidays.. This was the number of hours spent on Council business by frontline Councillors which had been reported in previous surveys and substantiated by a survey with Worcester City Councillors in the autumn of 2015. The rate is then discounted by 40% to reflect the element of volunteering that each Councillor undertakes in the role.

CPI (Consumer Price Inflation)

In arriving at its recommendations the Panel has taken into account the latest reported CPI figure available to it, published by the Office for National Statistics. This was 3% for October 2017 – October 2018.