

**Independent Remuneration Panel
for Worcestershire District Councils**

Annual Report and Recommendations for 2016-17

Redditch Borough Council

December 2015

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Recommendations

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

- 1. That the Basic Allowance for 2016-17 shows a 1% increase to £4,250.**
- 2. That the Special Responsibility Allowances are as set out in Appendix 1.**
- 3. That travel allowances for 2016-17 continue to be paid in accordance with the HMRC mileage allowance.**
- 4. That subsistence allowances for 2016-17 remain unchanged.**
- 5. That the Dependent Carer's Allowance remains unchanged.**
- 6. That for the 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 and we noted that last year the Borough Council did not accept our recommendations but decided instead not to increase allowances and for all allowances to remain at the rate agreed by the Council previously.

This year the Panel offered to meet with the Leader of the Council to discuss any other particular issues. We agreed mutually that there were no specific issues to discuss this year.

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.

However, we 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 2015 which gives the mean hourly wage rate for Worcestershire at £14.68
- 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.

This autumn, 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 £4,250 (1% increase in line with the Public Sector settlement) 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 2014-15 as a cost per head of population for each Council. To give context, we have included details of the proportion of the 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 as a cost per head of population 2014-15 figures

Authority, population¹ and number of Councillors	Total spend Basic Allowances 2014-15 £:	Total spend on Special Responsibility Allowances (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 (39) 94,744	168,064	66,417	40%	2.48	234,481/ 12,456,000 =1.88%
Malvern Hills DC (38) 75,339	161,089	63,949	40%	2.99	225,038/ 10,736,000 = 2.10%
Redditch Borough (29) 84,521	95,804	44,709	47%	1.66	140,513/ 10,622,000 = 1.32%
Worcester City (35) 100,405	139,650	58,513	42%	1.97	198162/ 10,690,000 = 1.85%
Wychavon (45) 118,738	185,776.61	70,515.54	37.96%	2.16	256,293/ 12,255,000 = 2.09%

¹ ONS population figures mid 2013. Totals for Basic and Special Responsibility allowances paid are as published by each authority for the 2014-15 financial year.

Table 2 showing average allowance per Member of each authority (Basic and Special Responsibility Allowances, 2014 – 15 figures)

Authority (number of Councillors)	Amount £
Bromsgrove District (39)	6,012
Malvern Hills District (38)	5,921
Redditch Borough (29)	4,845
Worcester City (35)	5,661
Wychavon District (45)	5,695

Basic Allowance 2016 - 17

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 may set out role descriptions for councillors, the Panel accepts that each councillor will 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, this year 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 after a period of no pay increases, the majority of local government employees received a 2.2% increase in pay in January 2015 in an agreement that lasts through to March 2016.

The Panel has not recommended any increase in the basic allowance since 2012 due to the exceptional economic circumstances which have prevailed nationwide and the challenging

financial climate for local authorities. However, arising from our research and benchmarking, and acknowledging the increase to local government employees' pay this year, we consider that it is appropriate to recommend an increase of 1% to the basic allowance for 2016-17.

The calculation used to arrive at the Basic allowance is set out at appendix 2. This shows an increase higher than 1% for the basic allowance. However, given the continuing pressure on local government finance and pay restraint for employees, the Panel is recommending that the increase in the basic allowance is capped at 1% for 2016-17, which gives a figure of £4,250 (rounded up)

The Council has previously not accepted our recommendations to increase the Basic Allowance to £4,200. For some years it has decided not to increase Members' allowances. However, we believe the scheme of allowances should not create barriers to potential candidates standing for office. We suggest it may be appropriate for the Council to consider increasing the Basic Allowance to match the pay award for local government employees and to move towards the rate we recommend for the role.

Special Responsibility Allowances (SRA) 2016-17

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 last year, 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 2016-17. We have highlighted changes to previous recommendations below.

Audit, Governance and Standards Committee

The Panel notes that in 2014-15 the Council merged the work of the former Standards Committee into the existing Audit and Governance Committee. The Panel continues to recommend a Special Responsibility Allowance is paid to the Chair of the Committee but notes that Redditch does not currently pay an allowance for this role.

Mileage and Expenses 2016-17

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

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 the Parish in Redditch. In the past the Panel which covered the three South Worcestershire Districts has considered travel and subsistence for Parish Councillors, and we consider it appropriate to apply this consideration to each of the Districts. We have reviewed the Parish Council travel and subsistence allowances and recommend for 2016 - 17 that no changes are made.

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:

Rob Key, the Chair of the Panel – 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.

Bill Simpson MBE JP Bill Simpson MBE JP – 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.

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 part-time in Birmingham's Jewellery Quarter, setting up a new business led community development trust and currently works part-time for Worcestershire County Council on sustainable transport initiatives. 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;
- Sheena Jones 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.

Rob Key, Chairman of Independent Remuneration Panel

Appendix 1

Independent Remuneration Panel for District Councils in Worcestershire Recommendations for 2016-17

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
Basic Allowance – all Councillors	1	1	4,250	3,350
Special Responsibility Allowances:				
Leader	3	2	12,750	6,697 Plus 1,560 as Portfolio Holder
Deputy Leader	1.75	1.4	7,438	4,687 Plus 1,560 as Portfolio Holder
Portfolio Holders	1.5	0.46	6,375	1,560
Executive Members without Portfolio	0.25	0.32	1,063	1,072
Chair of Overview and Scrutiny Committee	1.5	0.6	6,375	2,009
Members of Overview and Scrutiny Committee	0	0.32	0	1,072
Chair of Overview and Scrutiny Task Groups	0.25	0	1,063	0

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
Chair of Audit, Governance and Standards Committee	0.25	0	1,063	0
Chair of Planning Committee	1	0.47	4,250	1,560
Chair of Licensing Committee	0.75	0.4	3,188	1,340
Political Group Leaders	0.25	0.31	1,063	1,040 X1
Borough Council representatives on the following bodies:				
Local Government Association (LGA) and General Assembly	0	N/A	0	269
West Midlands Employers	0	N/A	0	269

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’s “nearest neighbours” are:

- Tamworth
- Cannock Chase
- Stevenage
- Worcester City
- Gravesham
- Wellingborough

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

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

<http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-400803>

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. For 2016-17 the Panel is recommending that the increase in the basic allowance is capped at 1%.

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 -0.01% for October 2014 – October 2015.