

**Independent Remuneration Panel
for Worcestershire District Councils**

Annual Report and Recommendations for 2019-20

Redditch Borough Council

December 2018

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Recommendations

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

- 1. That the Basic Allowance for 2019-20 is £4,437, representing 2% increase.**
- 2. That the Special Responsibility Allowances are as set out in Appendix 1.**
- 3. That travel allowances for 2019-20 continue to be paid in accordance with the HMRC mileage allowance.**
- 4. That subsistence allowances for 2019-20 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 for 2018/19 the recommended increase in the Allowances were not accepted. We further noted items regarding travel, subsistence and dependent carers allowances would continue to be paid in accordance with the HMRC mileage allowance.

Currently, Redditch Borough Council, instead of giving a Special Responsibility Allowance (SRA) to the Chair of an Overview and Scrutiny Task Group all members of the Overview and Scrutiny Committee receive an SRA.

This year there was a change in political leadership and the Panel offered to meet with the Leader of the Council to discuss any other particular issues. This is due to take place in January and so this report may be amended.

Our recommendations are based on thorough research and benchmarking and 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 acknowledge that in the current challenging financial climate there are difficult choices for the Council to make. 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:

- 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 2018 which gives the mean hourly wage rate for Worcestershire at £14.09
- 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.
- Information from local analysis of time spent by Councillors on Council business (carried out by Worcester City Council in 2015)
- Considered local government pay awards

We give more details about these areas of research in Appendix 2.

Arising from our research, in **Table 1** we have included information showing the Members' allowances budget for Basic and Special Responsibility Allowances paid for 2017-18 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 2017-18 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) 97,594	134,885	61,892	45.89	2.02	1.8
Malvern Hills DC (38) 75,339	159,204.84	63,497.12	39.88	2.89	2.8
Redditch Borough (29) 85,204	95,019	38,876	40.91	1.57	1.36
Worcester City (35) 100,405	149,675	67,188	44.88	2.16	1.78
Wychavon (45) 118,738	192,949	71,984	37.31	2.23	1.69

¹ ONS population figures mid 2018. Totals for Basic and Special Responsibility allowances paid are as published by each authority for the 2017-18 financial year.

Table 2 - Average allowance per Member of each authority (Basic and Special Responsibility Allowances, 2017 – 18 figures)

Authority (number of Councillors)	Amount £
Bromsgrove District (31)	6,348
Malvern Hills District (38)	5,860.58
Redditch Borough (29)	4,617
Worcester City (35)	6,196
Wychavon District (45)	5,887

Basic Allowance 2019 - 20

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.
- 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. We are comfortable that specific local decisions may be made about how ICT support is provided, however it is felt that where iPads or other equipment is provided for use by Councillors, an ICT allowance should not be paid.

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.

As outlined above 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 an average of 2% increase in pay in April 2018 (dependent on scale).

The figure being recommended by the Panel of £4,437 for the Basic Allowance appears reasonable and appropriate when compared to other Local Authorities. It represents an increase of 2%. The calculation used to arrive at the Basic allowance is set out at appendix 2.

Special Responsibility Allowances (SRA) 2019-20

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-Chairs 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-Chair roles.

Appendix 1 to this report sets out the allowances recommended for 2019-20.

Mileage and Expenses 2019-20

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 2019-20

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 Redditch.

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.

Recruitment of new IRP Panel

Following the retirement of three of the five existing panel members at the end of the 2017 reporting cycle, including panel Chair Bill Simpson, the authorities embarked on a recruitment process for new panel members during the early summer of 2018. The job description and person specification were reviewed and updated and adverts for new panel members were placed in WM Jobs and the authorities' websites in July 2018. A very good response was received and the shortlisting panel met on 24th July. Seven candidates were shortlisted for interview on 9th and 21st August and five candidates were subsequently offered and accepted appointments.

The two remaining members of the 2017 panel will continue to serve in 2018, when their terms of office will expire, though one of the two (Terry Cotton) has agreed to serve for one further year to provide some continuity and support to the new panel.

The shortlisting and interview panel members were:

- Cllr Linda Robinson, Leader Wychavon
- Cllr Geoffrey Denaro, Leader Bromsgrove
- Terry Cotton, Vice Chair IRP
- Claire Chaplin, Democratic and Civic Services Manager/Deputy Monitoring Officer
- Mel Harris, Member Support Officer
- Matthew Box, Member Support Officer
- Darren Whitney, Electoral Services Manager

The new members of the Independent Remuneration Panel are:

Polly Reed, Chair of the Panel - Polly has 15 years' experience working in local government and public sector organisations, within the West Midlands. Between 2009 and 2015 she was a Programme Manager for a regional West Midlands Children's Services programme, delivering efficiency and improvement projects and supporting Lead Members to deliver their safeguarding responsibilities. She is currently the Head of Business Services for the West Midlands Police and Crime Commissioner, and manages a portfolio including governance and the Strategic Police and Crime Board, engaging with members of the public and delivering against workforce and HR priorities. The Police and Crime Commissioner is supporting her to undertake the ICSA Qualifying Scheme to become a Company Secretary, which is a professional qualification at Master's Level. She is also a school governor in Bromsgrove.

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.

Caroline Murphy – Caroline has 20 years' experience of working in public and voluntary sector organisations, including three West Midlands Local Authorities and the Civil Service. She was a senior Education Manager at Wolverhampton City Council until 2011 developing and delivering a large part of the 14-19 Pathfinder, during which time her department was recognised as achieving Beacon Council Status. She has a wealth of experience at building partnerships. Caroline now works as freelance Education, Skills and Development Adviser supporting individuals and organisations with strategic management, quality assurance and improvement, safeguarding, regulation compliance, research and evaluation, data protection and developing policies and procedures. She has worked in a consultancy capacity for a number of organisations, specialising in those who support vulnerable young people. She also spent 14 years as the Vice Chair of Governors of a primary school in Birmingham.

Jonathan Glover – Jonathan has over 30 years experience working in central and local government. He has worked mostly in central government, in a range of departments and disciplines. These include: regional finance and accounts; building management; personnel management; contract management. At a local level he specialised in employment support for people with disabilities. Returning to a regional role, he ensured projects throughout the West Midlands region, which were receiving European Commission grants, complied with EC financial and regulatory compliance. Since leaving the civil service he has worked in both the public and private sector. Jonathan was a governor at his local junior school for eight years. He was vice chair of the full governing body, representing the school at Ofsted inspection and appeal panels; chair of its curriculum sub committee; and a member of personal and finance sub committees. He was a member of several recruitment and interview panels, including for a new headteacher.

Reuben Bergman – Reuben is a Fellow of the CIPD with significant senior HR leadership experience across a range of public sector organisations in both England and Wales. He currently runs a HR Consultancy Business in Worcestershire providing advice and support on managing change, employment law, HR policy development, mediation, management coaching and employee relations. Reuben has led successful equal pay reviews in three separate local authorities and is known for his successful work in managing change and developing effective employee relations. He is a qualified coach, mediator and a Shared Service architect. He has won national awards for his work on employee engagement and the development of an innovative Café style leadership development programme.

Matthew Davies – Matthew qualified as a Social Worker in 2008, and subsequently worked in Worcestershire and Jersey in the Channel Islands with children, their families and carers. On returning to Worcestershire in 2013 he worked with children in the care of the local authority before he was appointed as a Safeguarding Manager in Worcestershire in 2014, a role he continued in Manchester City until 2017. Currently he's employed as an Independent Reviewing Officer in Worcestershire. Independent

Reviewing Officers are Social Workers, who are also experienced social work managers whose duty is to ensure the care plans for children in care are legally compliant and in the child's best interest. Passionate about learning and development Matthew is a guest speaker who contributes toward the West Midlands Step Up To Social Work Programme for the West Midlands, contributing toward the learning of social workers in training. He is also an Independent Panel Member of an Independent Fostering Agency, contributing toward the approval of prospective and established foster parents for children in care.

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 and Lisa Perks 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. The Panel also thanks the previous panel for their commitment to this agenda.

Polly Reed, Chair of Independent Remuneration Panel

Appendix 1

Independent Remuneration Panel for District Councils in Worcestershire Recommendations for 2019-20

Redditch Borough Council

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
Basic Allowance – all Councillors	1	1	4,437	3,350
Special Responsibility Allowances:				
Leader	3	2	13,311	6,697 plus 1,560 portfolio holder
Deputy Leader	1.75	1.4	7,765	4,697 plus 1,560 portfolio holder
Portfolio Holders	1.5	0.46	6,656	1,560
Executive Members without portfolio	****	0.32	****	1,072
Chair of Overview and Scrutiny Committee	1.5	0.6	6,656	2,009
Chair of Overview and Scrutiny Task Groups	0.25	0	1,109	0
Members of Overview and Scrutiny Task Groups	0	0.32	0	1,072
Chair of Audit, (Standards and Governance) Committee	0.25	0	1,109	0
Chair of Planning Committee	1	0.466	4,437	1,560

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
Chair of Licensing Committee	0.75	0.4	3,328	1,340
Political Group Leaders	0.25	0.31	1,109	1,040

Appendix 2

Summary of Research and Influencing Factors

"Nearest Neighbour" Authorities

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, Bromsgrove District Council's "nearest neighbours" are:

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

The average basic allowance for all nearest neighbour councils* is £5250. (*This figure is the average of all named nearest neighbours for all 5 Worcestershire Districts.).

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

Published by the Office for National Statistics, the Annual Survey of Hours and Earnings (ASHE) shows detailed information at County and District level about rates of pay. For benchmarking purposes the Panel uses the levels for hourly rates of pay excluding overtime (£14.09 for 2018) This is multiplied by 11(hours per week) to give a weekly rate, which is then multiplied by 44.4 weeks to allow for holidays. Eleven hours per week was the number of hours spent on Council business by frontline Councillors which had been reported in previous surveys and substantiated most recently 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. Applying this formula produces a figure of £4,129 per annum.

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 2.2% for November 2017 – November 2018.

Local Government Pay Award

The Panel was also mindful of the latest Local Government pay award implemented from 1 April 2018. For the majority of Local Government employees (i.e. those on salaries of £19,430 per annum and above) this resulted in a pay increase of 2% on 1 April 2018 with a further 2% increase payable on 1 April 2019.

From this analysis we have determined that a 2% increase in the figure from last year is an appropriate recommendation, in line with the increases in our benchmark figures.