

**Independent Remuneration Panel  
for Worcestershire District Councils**

**Annual Report and Recommendations for 2020-21**

**Redditch Borough Council**

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**January 2020**

<b>Contents</b>	<b>Page</b>
Recommendations to Council	1
Introduction	2
Background Evidence and Research Undertaken	2-4
Basic Allowance 2020/21	4-5
Special Responsibility Allowances 2020/21	5
Mileage and Expenses 2020/21	5-6
Allowances to Parish Councils	6
The Independent Remuneration Panel	6-7
Appendix 1 – Current and Recommended Allowances	8
Appendix 2 – Summary of Research	9

## **Recommendations**

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

- 1. That the Basic Allowance for 2020-21 is £4,526 representing a 2% increase.**
- 2. That the Special Responsibility Allowances are as set out in Appendix 1.**
- 3. That travel allowances for 2020-21 continue to be paid in accordance with the HMRC mileage allowance.**
- 4. That subsistence allowances for 2020-21 remain unchanged.**
- 5. That the Dependent Carer's Allowance remains unchanged.**
- 6. That for Parish Councils 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 last year the Council supported the recommendations of the panel.

This year the Panel offered to meet with the Group Leaders of the Council to discuss any other particular issues. Members of the Panel met with the Leader of the Council on 23 October and discussed the role of the panel and Special Responsibility Allowances (SRAs) for vice chairs of committees. There were, however, no specific suggestions for the Panel to consider.

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 help 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 2019 which gives the mean hourly wage rate for Worcestershire at £14.88.
- 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.
- Considered local government pay awards.
- Reviewed information from the West Midland Members' Allowance Survey 2019.
- Considered the inflation rate (CPI) which was 1.5% in November 2019 (ONS).

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 in the consideration of the recommended basic allowance.

The figure being recommended by the Panel of £4,526 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 2018-19 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 2018-19 figures**

<b>Authority, population<sup>1</sup> and number of Councillors</b>	<b>Total spend Basic Allowances</b>	<b>Total spend on SRA</b>	<b>SRA as a percentage of total Basic Allowance</b>	<b>Cost of total basic and SRA per head of population</b>	<b>Total of basic and SRA as a percentage of Net General Revenue Fund expenditure</b>
	<b>£</b>	<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
Bromsgrove DC (31) 95,768	136,350	60,697	45.01	2.05	1.80
Malvern Hills DC (38) 75,339	163,274.80	65,517.37	40	2.93	2.99
Redditch Borough (29) 84,500	100,881	38,706	38.37	1.65	1.46
Worcester City (35) 100,405	150,117	68,016	45.31	2.17	1.64
Wychavon (45) 118,738	192,241	69,087	35.94	2.08	1.95

<sup>1</sup> ONS population figures mid 2019. Totals for Basic and Special Responsibility allowances paid are as published by each authority for the 2018-19 financial year.

**Table 2 - Average allowance per Member of each authority (Basic and Special Responsibility Allowances, 2018 – 19 figures)**

<b>Authority (number of Councillors)</b>	<b>Amount £</b>
Bromsgrove District (31)	6,356.35
Malvern Hills District (38)	6,020.85
Redditch Borough (29)	4,813.37
Worcester City (35)	6,232.37
Wychavon District (45)	5,807.29

### **Basic Allowance 2020 - 21**

#### **Considerations in calculating the Basic Allowance**

In considering the Basic Allowance note is taken of:

- 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. As part of the Panel’s assessment and analysis in June 2019 of a random sample of IRP reports from Nearest Neighbour councils we identified that other panels reported that they also apply a 40% public service discount. The Panel remain of the opinion that this level of public service discount is appropriate.

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.

During the round of meetings held with Leaders during autumn 2019, all raised the issue of the SRA recommended for the Chair of Overview and Scrutiny. The Panel’s position had always been that the Chair of Overview and Scrutiny has a very important and independent statutory role to scrutinise and, where appropriate, to challenge or question decisions taken or planned to be taken by the Council, as set out in the Local Government Act 2000. The Panel considered that this should be reflected in the award of an SRA equivalent to that of a Cabinet Portfolio Holder (ie, a multiplier of 1.5.). As a result of concerns raised, the Panel has reviewed its

position on the SRA for Chair of Overview and Scrutiny in this reporting cycle but it is not persuaded that this SRA should be reviewed downwards as suggested by some Councils. In reaching this decision the Panel has taken account of the "Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities published in May 2019, which reinforces the significance and importance of the role of Overview and Scrutiny in holding an authority's decision makers to account on behalf of their electorate.

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 an average of 2% increase in pay in April 2019 (dependent on scale).

The research information used in considering the level of the Basic allowance is set out at **appendix 2**.

## **Special Responsibility Allowances (SRA) 2020-21**

### **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 SRAs for Vice-Chairs of Committees. Having considered the evidence presented to us and the nature of the roles, as a principle the Panel does not recommend SRAs for Vice-Chair roles.

**Appendix 1** to this report sets out the allowances recommended for 2020-21.

### **Mileage and Expenses 2020-21**

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 was asked by one council to make a recommendation in relation to mileage rates for privately owned electric vehicles. The Panel notes that councils generally apply the HMRC Approved Mileage Allowance Payment (AMAP) rates for employees and council members using their own privately owned vehicles for official business. The Panel notes that whilst HMRC introduced an Advisory Electric Rate (AER) for electric vehicles in September 2018, this

rate does not apply to privately owned electric vehicles and the AMAP rate should, therefore, continue to be used where the AMAP rates are applied by Councils.

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 2020-21**

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:

**Terry Cotton, Interim Chair of the Panel** - 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 severance 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's Road Safety Team. He is also a trustee of a small charitable trust providing grants to grassroots community initiatives in deprived communities.

**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, Amanda Scarce and Jess Bayley from Bromsgrove and Redditch Councils;
- Mel Harris from Wychavon District Council;
- 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.

**Terry Cotton, Interim Chair of Independent Remuneration Panel**

## Appendix 1

### Independent Remuneration Panel for District Councils in Worcestershire Recommendations for 2020-21

#### Redditch Borough Council

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance  £	Current Allowance (paid)  £
<b>Basic Allowance – all Councillors</b>	1	1	4,526	4,437
<b>Special Responsibility Allowances:</b>				
<b>Leader</b>	3	3	13,578	13,311, plus 6,656 as portfolio holder
<b>Deputy Leader</b>	1.75	1.75	7,920.50	7,765, plus 6,656 as portfolio holder
<b>Cabinet Portfolio Holders</b>	1.5	1.5	6,789	6,656
<b>Executive Members without portfolio</b>	****	1	****	4,437
<b>Chair of Overview and Scrutiny Committee</b>	1.5	1.5	6,789	6,656
<b>Chairs of Overview and Scrutiny Task Groups</b>	0.25	0.25	1,131.50	1,109
<b>Chair of Audit, Standards and Governance Committee</b>	0.25	0.25	1,131.50	1,109
<b>Chair of Planning Committee</b>	1	1	4,526	4,437
<b>Chair of Licensing Committee</b>	0.75	0.75	3,394.50	3,328
<b>Political Group Leaders</b>	0.25	0.25	1,131.50	1,109

### 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/reports/lmp/la/contents.aspx>

<https://www.nomisweb.co.uk/query/construct/summary.asp?reset=yes&mode=construct&dataset=30&version=0&anal=1&initset=>

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. Applying this formula would produce a figure of £4,360 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 1.5% for November 2019.

Local Government Pay Award

The Panel was particularly mindful of the latest Local Government pay award implemented from 1 April 2019. For the majority of Local Government employees this resulted in a pay increase of 2% on 1st April 2019.