

**Independent Remuneration Panel for Worcestershire
District Councils**

Annual Report and Recommendations for 2013-14

Redditch Borough Council

December 2012

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Recommendations

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

- (i) That the Basic Allowance for 2013-14 is £4,200**
- (ii) That the Special Responsibility Allowance for the Leader of the Council is increased to a multiplier of 3 times the Basic Allowance, as set out at Appendix 1.**
- (iii) That the Special Responsibility Allowance for the Deputy Leader of the Council is increased to a multiplier of 1.75 times the Basic Allowance, as set out in Appendix 1.**
- (iv) That the Special Responsibility Allowance for Non-Portfolio Holders on the Executive Committee is 0.25 of the Basic Allowance, as set out in Appendix 1.**
- (v) That the members of Overview and Scrutiny Committee cease receiving a Special Responsibility Allowance.**
- (vi) That the Chairs of Overview and Scrutiny Task Groups receive a Special Responsibility Allowance of a multiplier of 0.25 the Basic Allowance.**
- (vii) That the Special Responsibility Allowance for the Chair of the Planning Committee is a multiplier of 1 times the Basic Allowance.**
- (viii) That the Special Responsibility Allowance for the Chair of Licensing Committee is a multiplier of 0.75 times the Basic Allowance.**
- (ix) That the Special Responsibility Allowance for the Chair of the newly- constituted Standards Committee (if appropriate) is a multiplier of 0.25 times the Basic Allowance**
- (x) That all other Special Responsibility Allowances remain unchanged as set out in Appendix 1.**
- (xi) That travel allowances for 2013/14 continue to be paid in accordance with the HMRC mileage allowance.**
- (xii) That subsistence allowances for 2013/14 remain unchanged.**
- (xiii) That the Dependent Carer's Allowance remains unchanged.**
- (xiv) 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 the Borough Council and in accordance with the relevant Regulations.**

Background Evidence and Research Undertaken

The Panel has conducted its work in accordance with the legislation governing the role of the Panel and statutory guidance produced in 2006. 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.

Initially the Panel tended to focus on the Office for National Statistics Annual Survey of Hours and Earnings (ASHE) survey data on average hourly earnings, together with public sector comparisons including the Local Government Annual Survey and the South East Employers surveys.

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

- Analysed and considered the ASHE statistics for 2012¹;
- Benchmarked the Worcestershire Districts' Basic Allowance against the following indicators:
 - Allowances for comparable roles paid by the Chartered Institute of Public Finance and Accountancy (CIPFA) "Nearest Neighbour" Councils for each authority²;
 - Allowances for comparable roles paid by other District and Borough Councils in two-tier areas in the West Midlands;
 - Survey of allowances in the South East of England undertaken by the South East Employers for 40 Councils;

This research shows that the mean average for the Basic Allowance is between £4123 (ASHE survey) and £4532 (South East Employers). So the figure being recommended by the Panel of £4,200 does appear reasonable when compared to other Local Authorities.

The Panel also considered the level of multipliers indicated by other comparator surveys, in particular the 2012 South East Employer survey and the last Local Government Association survey, where considered valid.

Arising from our research we have included information overleaf showing the percentage of the members allowances budget for the areas we cover (Basic, Special Responsibility, Travel and Subsistence and Dependant Carers' allowances) as a percentage of the net revenue budget for each Council. We also show the average payment per member of each authority of the Basic and Special Responsibility Allowances, to give context to our recommendations.

¹ <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-280149>

² <http://www.cipfastats.net/resources/nearestneighbours/profile.asp?view=select&dataset=england>

Table showing average allowance per member of each authority (Basic and Special Responsibility allowances, 2011 – 12 figures)

Authority	Amount £
Bromsgrove District	5,134
Malvern Hills District	5,643
Redditch Borough	4,645
Worcester City	5,669
Wychavon District	5,609
Wyre Forest District	7,069

Total spend on Members Allowances as a Percentage of Net Revenue Expenditure 2011-12 figures – Special Responsibility Allowances shown

Authority	Total spend members allowances 2011-12 £: Basic SRAs Travel and subsistence Dependant carers etc	Total spend on Special Responsibility Allowances £:	Spend on allowances as a percentage of net Revenue expenditure £:
Bromsgrove District	209,196	57,669	2.02%
Malvern Hills	240,391	54,845	2.7%
Redditch Borough	145,397	41,800	1.25%
Worcester City	196,610	60,170	1.91%
Wychavon District	271,184	63,886	2.37%
Wyre Forest District	299,079	82,696	2.09%

This year we have offered to discuss current issues with the Leaders of each of the authorities to whom we make recommendations. We have found this very helpful in increasing our understanding of Councillors' roles and the expectations placed on leading Councillors and would like to place on record our thanks to them for taking the time to meet us.

At this point we would like to stress that our recommendations are based on thorough research and benchmarking. We understand that if the Council adopts them, some of our recommendations would lead to a substantial increase in the allowances being paid to Councillors. In the current challenging financial climate this is a difficult decision for the Council. 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. Ultimately it is for the Council to decide how or whether to adopt them.

Basic Allowance 2013/14

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.

In reviewing the Basic Allowance the Panel has noted that participation in Overview and Scrutiny activities is generally regarded as part of the role for all non-Executive Councillors, except where they chair Task and Finish Groups, a role for which a Special Responsibility Allowance is recommended.

Special Responsibility Allowances (SRA) 2013/14

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. The Panel has benchmarked the allowances against those paid by authorities listed as “nearest neighbours” by CIPFA and by other District and Borough Councils across the West Midlands.

Appendix 1 to this report sets out the allowances recommended for 2013/14.

Leader of the Council

Last year we undertook to review the role of the Leader of the Council. This was as a result of the Panel’s understanding that there appeared to be an increasing expectation of the role. However, as a Panel we wished to evaluate the implementation of aspects of the Localism Act 2011 and the Police and Crime Panel before we took a view on this.

The research we have undertaken includes benchmarking the allowances paid against the CIPFA Nearest Neighbours and other Borough/District Councils in two-tier areas in the West Midlands. We also discussed their role with a number of Council Leaders to hear what the time commitments and specific additional responsibility is involved with the Leader role.

Resulting from our research we are recommending that the Special Responsibility Allowance for the Leader of the Council is increased from 2.5 to 3 times the Basic Allowance. During our research we were clear that for the Councils we make recommendations to, the Leader of the Council chairs the Executive/Cabinet meetings and we consider this is an intrinsic part of the role as we have evaluated it.

In our discussions with the Leaders, they indicated the increasing expectations on their role. We were impressed by their commitment and the time they put into public service. Most (but not all) of them are now on the Police and Crime Panel which holds the new Police and Crime Commissioner to account and has some important powers in terms of ensuring value for money for residents. They are all actively involved in working with the Local Enterprise Partnerships and there is an expectation that they will play a leading part in this work to support economic growth.

Deputy Leader

Having considered the SRA for the role of the Leader we also reviewed the level of Special Responsibility for the Deputy Leader. We are recommending that the multiplier for the Deputy Leader role should increase to 1.75. We have benchmarked this against examples from elsewhere in the West Midlands region and consider this multiplier reflects the level of responsibility involved.

In the Panel's view, having heard about the role, the Deputy Leader does involve responsibility additional to that of a Portfolio Holder. This does not imply always acting in tandem with the Leader, however.

In reviewing this role it would have been helpful if there had been clearer definitions of the responsibilities of the Deputy Leader for all Councils.

Portfolio and Non-Portfolio Holders on Executive/Cabinet

In reviewing the Special Responsibility Allowance for the Leader and Deputy Leader roles, we also reviewed those for the Portfolio holders and non-Portfolio holder members of the Executive.

The Panel is not recommending any change to its previous recommendations that portfolio holders should be paid a multiplier of 1.5 times the Basic Allowance. However, in reviewing this role we noted that there are members of the Executive who do not have portfolio responsibilities.

We consider that the role of the Portfolio holder carries additional responsibility to the other members of the Executive. Therefore we recommend that the multiplier for non-Portfolio holder members of the Executive should be 0.25 of the Basic Allowance.

Overview and Scrutiny Committee

The Guidance on Members Allowances for Local Authorities in England states that Special Responsibility Allowances may be paid to those members of the Council who have "significant additional responsibilities", over and above the generally accepted duties of a Councillor. It also suggests that if the majority of members of a Council receive a Special Responsibility Allowance, the justification for this may be questioned.

We have stated elsewhere in our report that 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. We are aware that Redditch has been paying a Special Responsibility Allowance to each member of the Overview and Scrutiny Committee, on the basis that all members of the Committee are expected to play an active role in its activities, including task groups.

Given our view that the Basic Allowance includes Councillors' role in Overview and Scrutiny and the Guidance above, we are recommending that the Special Responsibility Allowance for members of the Overview and Scrutiny Committee should cease. However, we do recommend that a Councillor who leads a Task Group is paid an allowance of 0.25 of the Basic Allowance to reflect their responsibilities in ensuring investigations and reports are completed and presented as required.

Chair of Planning

We were asked by one authority this year to review the SRA for the Chair of the Planning Committee. In doing so we compared the workload of each Planning Committee in the Worcestershire Districts against each other. The level of allowance was benchmarked against nearest neighbour data.

The workload for the Committee at Redditch does not justify any increase in our recommended multiplier of 1 x the Basic Allowance.

Chair of Licensing

We reviewed the current level of workload for the Licensing Committee chairmen in terms of both the full Committee and Licensing Sub-Committees. We also checked the level of allowance against the Nearest Neighbour data.

In general terms we consider that the current multiplier of 0.3 for this role is appropriate. However, there are exceptions to this in Worcestershire, primarily in the urban areas, where the volume of work is markedly above that of the other Districts. The allowances recommended to each authority reflect this difference.

Therefore, in the case of Redditch, our recommendation of 0.75 x the Basic Allowance reflects the higher number of applications in the Borough compared to other Districts in the County.

Leaders of Political Groups

In the legislation, a Political Group on a Local Authority consists of 2 or more Councillors. We were asked this year by one authority to review the allowance for the Opposition Group Leader and in doing so considered the role of the Political Group Leaders more generally.

In most cases the Leader of the Council also leads the main political group on the authority. In the past the IRP for South Worcestershire had recommended payments to political group leaders on a per head basis, based on the number of Councillors in each group. Whilst this reflected changes in group sizes and allowed for flexibility following changes in political balance, we were persuaded last year to change this approach for one Council and to recommend a lump sum allowance for the leader of the Opposition group. We received a similar request from another Council this year.

We have recommended an increase in the SRA for Council Leaders this year based on their responsibilities in that role, excluding any responsibilities for leading political groups. In some cases the Allowances Scheme for their authority did not enable a Leader to receive any support for the Group Leader role.

We considered carefully evidence from the data we collected and checked the Statutory Guidance about the potential to be paid more than one SRA. We are content that Councillors can be in receipt of more than one. Therefore, we are recommending that Leaders of all political groups are entitled to an allowance of 0.25 of the Basic Allowance, recognising that they all have an important role to play in the governance of the Council.

Standards Committee

In 2011 we were aware that there were proposals in the Localism Act to change the Standards Regime³. The changes were introduced in July 2012 and no longer require an Independent Chair for the Standards Committee. Instead, Councils are required to appoint an Independent Person whose role is to deal with complaints against Councillors and act as a mediator to try and encourage early and local resolution of complaints.

We understand that any payments to the Independent Person are outside our remit so we do not offer a recommendation for this role.

The Council will now be aware that the Localism Act 2011 sets out the new arrangements for standards regimes. These replaced those stated in the Local Government Act 2000. Where Local Authorities have re-constituted their Standards Committee to reflect these new arrangements, the Panel recommends a multiplier of 0.25 for the Chair's Special Responsibility Allowance.

However, our recommendation is on the understanding that the Committee has clear and transparent terms of reference complying with the new operating arrangements and a named Independent Person is appointed. Where no allowance has been paid the Council could choose to backdate it to July 2012, providing the new arrangements complying with the Localism Act were in place on that date.

³ <http://www.parliament.uk/briefing-papers/SN05707>

As the arrangements are very recent, we will review this role in 2013 when the new Committee has been operating for nearly one year and will seek evidence of workload and responsibilities to assist us in this.

Mileage and Expenses 2013/14

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 any Parish. In the past the Panel which covered the three South Worcestershire Districts has considered travel and subsistence, 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 2013 - 14 that no changes are made. This means that in Redditch Borough Council we recommend that these payments should be made in accordance with the rates paid by the Council and in accordance with the relevant Regulations.

The Panel also confirm that we will be happy to consider any formal requests from Parish Councils on allowances and each will be considered on its own merits.

The Panel would wish to reiterate that it is the decision of the Council whether, or not, it implements these proposals in whole or part. In doing so, we recognise that the Council is dealing with very challenging economic circumstances.

The Independent Remuneration Panel

The Members' Allowances Regulations require Local Authorities to establish and maintain an Independent Remuneration Panel (IRP). 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 the other 5 District Councils in Worcestershire, the decision having been taken during 2010 to follow the principle previously established by having a joint Panel

in the South of the County. Separate Annual Reports have been prepared for each Council.

The members of the Panel have been:

- 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 is Deputy Chair of the South Worcestershire Magistrates Bench – she has been a Magistrate for 16 years, Day Chair of Adult and Family Courts; Past Chair of the Bench Training and Development Committee; past member of the Magistrates Advisory Panel (interviewing and selecting for appointment to the Bench). She is also a Trustee of the Lloyds Educational Foundation; Past Member of the Sytchampton School Appeals Panel; Hon Treasurer of Ombersley and Doverdale Tennis Club and a Past Governor of Ombersley Primary School.
- 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 between 1993 and 2008. Currently he is Vice Chair of Governors of Red Hill CE Primary School Worcester and a Chair/Member of the County Council and Diocesan Appeals Panels for Schools Preferences.
- 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.

Mr Mel Nock retired from the Panel during the early part of the year as his term of office had ended. Mel had contributed a tremendous amount of time and careful consideration to the Panel both before and after its expansion to cover all the District Councils in the County. We would like to thank him for his help and support during his term of office.

The Panel has been advised and assisted by:

- Claire Chaplin from Worcester City Council;
- Sheena Jones from Wychavon District Council and latterly Bromsgrove and Redditch Councils;
- Mel Harris from Wychavon District Council;
- Joanne Lowman from Malvern Hills District Council;
- Karen Firth from Bromsgrove District Council until her departure from Local Government in the early summer;
- Penelope Williams from Wyre Forest District Council;
- Ivor Westmore from Redditch Borough 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

**Independent Remuneration Panel for District Councils in Worcestershire
Recommendations for 2013-14**

Redditch Borough Council

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
Basic Allowance – all Councillors	1	1	4,200 ⁴	3,350
Special Responsibility Allowances:				
Leader	3	2	12,600	6,697 plus 1,560 as portfolio holder
Deputy Leader	1.75	1.4	7,350	4,687 plus 1,560 as portfolio holder
Portfolio Holders	1.5	0.46	6,300	1,560
Executive Members without Portfolio	0.25	0.32	1,050	1,072
Chair of Overview and Scrutiny Committee	1.5	0.6	6,300	2,009
Members of Overview and Scrutiny Committee	0	0.32	0	1,072

⁴ This figure takes into account a public service discount of 40%

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
Chair of Overview and Scrutiny Task Groups	0.25	0	1,050	0
Chair of Audit & Governance Committee	0.25	0	1,050	0
Chair of Planning Committee	1	0.47	4,200	1,560
Chair of Licensing Committee	0.75	0.4	3,150	1,340
Chair of new Standards Committee	0 (0.25 if applied)	0	0 (1,050 if applied)	0
Political Group Leaders	0.25	0.31	1,050 X 2	1,040 X 1