

**Independent Remuneration Panel for Worcestershire
District Councils**

Annual Report and Recommendations for 2012-13

Redditch Borough Council

December 2011

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Recommendations

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

- (i) That in view of the continuing exceptional economic circumstances, the Basic Allowance remains unchanged from the recommendations from 2011/12 for 2012/13 at £3,350 per Councillor (whilst we note that Redditch Borough Council has maintained the actual level of allowances paid at the level set for 2009-10). However, it should be noted that the Panel would be recommending £4,200 but acknowledges that in the present climate it would not be wise to implement an increase of 25%.**

The Panel has included for information at Appendix 2 details of the level of allowances based on a basic allowance of £4,200 and the resulting Special Responsibility Allowances based on multipliers of the Basic Allowance that the Panel consider are consistent with the roles carried out.

- (ii) That the Special Responsibility Allowances remain unchanged for 2012/13, as set out at Appendix 1.**
- (iii) That travel allowances for 2012/13 continue to be paid in accordance with the HMRC mileage allowance (currently 45p per mile).**
- (iv) That subsistence allowances for 2012/13 remain unchanged.**
- (v) That the Dependent Carer's Allowance remains unchanged.**
- (vi) That for Parish Councils in the District, if travel and subsistence is paid, the Panel recommends that it is paid in accordance with the rates paid by the District Council and in accordance with the relevant Regulations.**

Basic Allowance 2012/13

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 calculating the recommended Basic Allowance, the Panel has previously used the average hourly earnings for the West Midlands from the Annual Survey of Hours and Earnings (ASHE) based on place of residence, produced by the Office for National Statistics. However, the basis for this measure has changed in recent years and we sought other indicators.

For this year's report the Panel also benchmarked the level of allowance against the following indicators:

- Survey of allowances in the South East of England undertaken by the South East Employers;
- Allowances for comparable roles paid by the CIPFA "Nearest Neighbour" Councils for each authority.

This work showed that the basic allowance currently paid by Redditch is not in line with comparable roles in similar authorities. The Panel is recommending a Basic Allowance of £4,200 for Malvern Hills, Worcester City and Wychavon Councils, which is more consistent with the levels of allowances resulting from the benchmarking exercise. We consider this should be regarded as the "standard" level of basic allowance for each of the District Councils in Worcestershire.

However, in view of the severe wider economic situation, the Panel acknowledges that the Council may not feel able currently to support an increase in its basic allowance - currently £3,350 - to this level. We acknowledge that Redditch Councillors have accepted previous IRP recommendations but not increased the actual amount paid to Councillors for the last 3 years. The Panel must always be aware of its responsibility to command public confidence in its decisions. For this reason the Panel considers that there should be no increase in the hourly rate for 2012-13. However, we have included additional indicative information at Appendix 2, showing the level of allowances for Redditch if the £4,200 basic allowance was applied using the multipliers recommended by the Panel.

Special Responsibility Allowances (SRA) 2012/13

General Calculation of SRAs

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

This method has now been in use for a number of years in South Worcestershire and 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. Having reviewed the evidence gathered very carefully, the Panel considers that there are some SRAs currently paid by Redditch which are substantially different to the mean average recommended elsewhere in Worcestershire and paid by CIPFA nearest neighbour authorities. The Leader’s and Chair’s of Overview and Scrutiny Committee allowances stand out in this regard.

Appendix 1 to this report sets out the allowances for 2012/13. As mentioned above, we have included additional information at Appendix 2 to show the impact on the allowances currently paid by Redditch Borough Council of (a) using the “standard” multipliers recommended by the Panel but using the current Basic Allowance and (b) the impact using the “standard” multipliers and the recommended “standard” Basic Allowance of £4,200.

We acknowledge that in this difficult time economically the Council is unlikely to feel able to increase allowances substantially, but the Panel should be seen to be recommending what it considers to be an appropriate allowance for the levels of responsibilities carried out by Councillors.

Leader of the Council - During our consideration of the Special Responsibility Allowances, we met with the Leaders of 4 of the District Councils and the Deputy Leader of the other, to discuss the expectations of the role of the Leader and how it is changing as a result of the Localism agenda and the impact of other legislation. We will review the role during the year once the full impact of the Localism Act and other requirements are being felt.

Standards Committee

At the time of writing this report we have been made aware of the potential changes affecting the Standards regime as proposed in the Localism Bill. Whilst the original Bill proposed the abolition of the national Code of Conduct and most elements governing the establishment and work of the Standards Committee, current amendments being proposed through the Lords indicate a local Standards Committee may continue in some form. The current arrangements are in any case very likely to continue until the end of the financial year at least.

We are therefore content to recommend that the Special Responsibility Allowances for the Chair and Independent members of the Standards Committee continue at the rate we recommended last year.

Mileage and Expenses 2012/13

The Panel note that Redditch Borough Council has used the HMRC flat rate for payment of mileage for Councillors (currently 45p per mile) 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 2012 - 13 that no changes are made. This means that in Redditch we recommend that these payments should be made in accordance with the rates paid by the District 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 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.

Initially the South Worcestershire Panel has carried out the work for the 6 Districts, while the Councils reviewed the size and operation of the Panel. 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 is 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 14 years, Day Chair of Adult and Family Courts; Chair of the Bench Training & Development Committee; past member of the Magistrates Advisory Panel (interviewing and selecting for appointment to the Bench). She is also a Governor of the Lloyds Educational Foundation; 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 JP MBE – 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. He served as a magistrate for 9 years until retirement. He is Chairman of several charities including *Thrive* between 2001 and 2008.
- Terry Cotton - Terry spent 34 years working in central and local Government, mostly managing regeneration programmes across the West Midlands. Most recently 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 now works part-time setting up and running a community development trust in Birmingham's Jewellery Quarter. 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 Reverend Prebendary Michael Vockins OBE retired from office during the year. We would like to pay tribute to his work and support during his term of office, particularly during the transition to a new Panel as it expanded its role from South Worcestershire to include all the District Councils in Worcestershire.

The Panel could not begin work on this year's report until the end of the summer. We appreciate that this has meant we have not been able to review each Council in as much detail as we would like. Our early understanding of the current situation across the Worcestershire Districts shows some differences between the level of allowances paid for similar roles. We have not been able to investigate the detail behind this in the time available to us this year.

We have agreed that we will begin our research for our next Annual Report early in 2011 so that we can undertake an in depth review and complete our proposals by December in order to tie in with each Council's budget-making process.

The Panel has been advised and assisted by:

- Claire Chaplin and Doreen Porter from Worcester City Council;
- Sheena Jones from Wychavon District Council;
- Joanne Lowman from Malvern Hills District Council;
- Karen Firth from Bromsgrove District Council;
- Penelope Williams from Wyre Forest District Council;
- Trish Buckley and 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

Redditch Borough Council – Allowance Recommendations 2012-13

Appendix 1

Redditch BC Current Position and Independent Remuneration Panel Recommendations for 2012-13			
	Current Multiplier of Basic Allowance	Recommendations for 2011/12 and unchanged for 2012/13	Actual for 2011/12
Basic Allowance:		3,350¹	3,219
Special Responsibility Allowances:			
Leader/Chair of the Executive Committee plus currently also receives allowance as portfolio holder	2	6,697	6,438 plus <u>1,500</u> <u>7,938</u>
Deputy Leader/Vice-Chair of Executive Committee plus currently also receives allowance as portfolio holder	1.4	4,687	4,506 plus <u>1,500</u> <u>6,006</u>

¹ This figure takes into account a public service discount of 40%

Redditch BC Current Position and Independent Remuneration Panel Recommendations for 2012-13			
	Current Multiplier of Basic Allowance	Recommendations for 2011/12 and unchanged for 2012/13	Actual for 2011/12
Portfolio Holders/Executive Co Members (includes Exec Panel Chair role, includes Leader & Deputy as portfolio holders)	0.46	1,560	1,500
Other Executive Committee Members who are not portfolio holders (ie other political parties)	0.32	1,072	1,030
Chair of Executive Panel (if not a portfolio holder)	0.4	1,340	1,288
Chair of Overview and Scrutiny	0.6	2,009	1,931
Overview and Scrutiny members	0.32	1,072	1030
Chair of Audit and Governance Committee	0.25	838	none
Chair of Planning Committee	0.96	3,214	3,090
Chair of Licensing Committee	0.4	1,340	1,288
Independent Chair of Standards Committee	0.078	261	258

Redditch BC Current Position and Independent Remuneration Panel Recommendations for 2012-13			
	Current Multiplier of Basic Allowance	Recommendations for 2011/12 and unchanged for 2012/13	Actual for 2011/12
Independent Member of Standards Committee	0.03	101	100
Leaders of "Minority" Groups	0.31	1,040	1,000
Representative on Local Government Association and General Assembly	0.08	269	258
Representative on Local Government Association Rural Commission	0.08	269	258
Representative on Local Government Urban Commission	0.08	269	258
Representative on West Midlands Leaders Board (<i>being wound up</i>)	0.08	269	258

Appendix 2

Indicative Amounts for 2012-13 for Redditch BC if Independent Remuneration Panel recommended basic allowance of £4,200 and applied "standard" multipliers			
	"Standard" Multipliers recommended by the Panel for Worcestershire Districts	Indicative amounts using recommended Basic allowance of £3,350	Indicative amount using basic allowance of £4,200 and multipliers recommended by Panel
Basic Allowance		3,350	4,200 ²
Special Responsibility Allowances:			
Leader/Chair of the Executive Committee plus currently also receives allowance as portfolio holder	2.5	8,375 (No additional SRA)	10,500
Deputy Leader/Vice-Chair of Executive Committee plus currently also receives allowance as portfolio holder	1.5	5,025 (no additional SRA)	6,300

² This figure takes into account a public service discount of 40%

Indicative Amounts for 2012-13 for Redditch BC if Independent Remuneration Panel recommended basic allowance of £4,200 and applied “standard” multipliers			
	“Standard” Multipliers recommended by the Panel for Worcestershire Districts	Indicative amounts using recommended Basic allowance of £3,350	Indicative amount using basic allowance of £4,200 and multipliers recommended by Panel
Portfolio Holders/Executive Co Members (includes Exec Panel Chair role, includes Leader & Deputy as portfolio holders)	1.5	5,025	6,300
Other Executive Committee Members who are not portfolio holders (ie other political parties)	-	-	-
Chair of Executive Panel (if not a portfolio holder)	-	-	-
Chair of Overview and Scrutiny	1.5	5,025	6,300
Overview and Scrutiny members	-	-	-
Chair of Audit and Governance Committee	0.25	838	1,050
Chair of Planning Committee	1	3,350	4,200

Indicative Amounts for 2012-13 for Redditch BC if Independent Remuneration Panel recommended basic allowance of £4,200 and applied "standard" multipliers			
	"Standard" Multipliers recommended by the Panel for Worcestershire Districts	Indicative amounts using recommended Basic allowance of £3,350	Indicative amount using basic allowance of £4,200 and multipliers recommended by Panel
Chair of Licensing Committee	-	-	-
Independent Chair of Standards Committee	0.25	838	1,050
Independent Member of Standards Committee	-	-	-
Leaders of "Minority" Groups	—	-	-
Representative on Local Government Association and General Assembly	—	—	—
Representative on Local Government Rural Commission	—	—	-
Representative on Local Government Association Urban Commission	—	—	—

Indicative Amounts for 2012-13 for Redditch BC if Independent Remuneration Panel recommended basic allowance of £4,200 and applied “standard” multipliers			
	“Standard” Multipliers recommended by the Panel for Worcestershire Districts	Indicative amounts using recommended Basic allowance of £3,350	Indicative amount using basic allowance of £4,200 and multipliers recommended by Panel
Representative on West Midlands Leaders Board	–	–	–