

**Independent Remuneration Panel
For Worcestershire District Councils**

Annual Report and Recommendations for 2017-18

Bromsgrove District Council

December 2016

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Recommendations

The Independent Remuneration Panel recommends to Bromsgrove District Council the following:

1. That the Basic Allowance for 2017-18 is £4,300, which represents just over 1% increase on last year's recommendation.
2. That the Special Responsibility Allowances are as set out in Appendix 1.
3. That travel allowances for 2017-18 continue to be paid in accordance with the HMRC mileage allowance.
4. That subsistence allowances for 2017-18 remain unchanged.
5. That the Dependent Carer's Allowance remains unchanged.
6. That for Parish Councils in the District:
 - (a) parish basic allowance should not be paid to every member of a Parish Council;
 - (b) parish basic allowance should only be payable to the Chairman of a Parish Council with a precept of £15,000 or above, and that the amount of such allowance should be maintained at 11% (to the nearest round figure) of the basic allowance payable to Bromsgrove District Councillors;
 - (c) parish basic allowance should be paid to eligible Chairmen in preference to the 'historic' Chairman's Allowance and that a Chairman should not receive both payments*;
 - (d) the Panel will only undertake any further reviews on this matter in response to specific requests from Parish Councils or changes in legislation;
 - (e) Where paid, travelling allowances should be paid in accordance with the HM Revenue and Custom mileage allowance.

** 'historic' Chairman's Allowance is that payable under Section 15 (5) of the Local Government Act 1972 to meet the expenses of this position.*

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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 did not accept our recommendations and retained a basic allowance at £4,326..

This year members of the Panel met the Leader of the Council, who had taken up the role since we last reported, to discuss the methodology used by the Panel in making its recommendations. In particular we discussed the Special Responsibility allowances for portfolio holders and Committee Chairmen. The Leader did not ask the Panel to carry out any specific research or reviews at this time.

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.

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 2016 which gives the mean hourly wage rate for all Worcestershire employees (by residence) at £14.95.
- Benchmarked the Basic and Special Responsibility Allowances against allowances for comparable roles paid by the Chartered Institute of Public Finance and Accountancy (CIPFA) “Nearest Neighbour” Councils for each Authority (25 in total across all the Authorities to whom we report).
- Undertaken a detailed and thorough study of the Basic and Special Responsibility Allowances paid to Councillors in the 25 Authorities using 2016 “Nearest Neighbour” comparison data, assessing in particular the SRAs paid to the Chairman of a) Planning and b) Overview and Scrutiny.

We give more details about these areas of research at the end of the report.

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 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 £4,300 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 2015-16 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. The allowances used were those paid by each Authority in the financial year 2015-16.

Table 3 shows the cost per head of population of each Council's Basic Allowances using 2014-15 allowance figures and the population figures for mid-year 2014. This summarises a piece of work undertaken by a member of our Panel and given as further comparative evidence for information.

Table 1 - Total spend on Basic and Special Responsibility Allowances as a cost per head of population 2015-16 figures

Authority, population¹ and number of Councillors	Total spend Basic Allowances 2015-16 £:	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 (31) 95,800	138,747	60,632	43.70	2.08	1.65%
Malvern Hills DC (38) 75,700	158,829	59,888	38%	2.89	2.7%
Redditch Borough (29) 84,700	96,970	38,905	40%	1.61	1.31%
Worcester City (35) 101,300	142,100	60,004	42.23%	1.995	1.903%
Wychavon (45) 121,500	187,261	69,554	37.14%	2.11	1.81%

Table 2 showing average allowance per Member of each Authority (Basic and Special Responsibility Allowances, 2015 – 16 figures)

Authority (number of Councillors)	Amount £
Bromsgrove District (31)	6,432
Malvern Hills District (38)	5,756
Redditch Borough (29)	4,685
Worcester City (35)	5,772
Wychavon District (45)	5,707

¹ ONS population figures mid 2015. Totals for Basic and Special Responsibility allowances paid are as published by each Authority for the 2015-16 financial year.

Table 3 A member of the Panel also calculated the cost per head of population of each Council's basic allowances. These are (2014-15 figures):

Authority	Basic allowance	Basic allowance per Head of population £pa
Bromsgrove	4,326	1.46
Malvern Hills	4,200	2.14
Redditch Borough	3,350	1.15
Worcester City	4,200	1.49
Wychavon	4,250	1.63
Average from survey of 25 Councils	4,962	2.12

This shows that the level of Basic Allowance paid by the District Councils, and recommended by the Panel, is below the average for the 25 "Nearest Neighbour" Councils surveyed.

Basic Allowance 2017 - 18

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.

For the recommendations this year the calculation used the "Mean" (average) Worcestershire hourly earnings 2016 from the Office for National Statistics of £14.95. This represented an increase over the 2015 figure of 1.8% and a basic allowance of £4,381. However, in view of the financial situation facing local government at the moment and the likelihood that any pay increase for employees will not exceed 1%, the Panel is recommending a basic allowance of £4,300 for 2017-18.

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, 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 a 1% increase in pay in July 2016.

The calculation used to arrive at the Basic allowance is set out at appendix 2.

Special Responsibility Allowances (SRA) 2017-18

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-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 2017-18. We have reviewed the multipliers used for Chairmen of Planning and Overview and Scrutiny Committees this year, in response to comments received from Councillors. We have reiterated our recommendations concerning Planning Committees for the following reasons:

- the research undertaken across nearest neighbour Authorities indicates that the multipliers recommended for these roles (1 for Planning, 1.5 for Overview and Scrutiny) are appropriate;
- We maintain our view that the level of responsibility of the role of Chairman of Overview and Scrutiny in keeping a watching brief across all executive areas of the Council’s work, and that of various external agencies, justifies a multiplier to match that of portfolio holders.

Mileage and Expenses 2017-18

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 Parishes in Bromsgrove District. As in previous years we repeat the former District Council Panel's recommendation relating to Parish Council travel and subsistence allowances.

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:

Bill Simpson MBE JP, the Chair of the Panel – 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 and currently the Hopmarket Charity in Worcester. 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. At the present time 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.

Rob Key – 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 21 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.

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. 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.

Bill Simpson, Chairman of Independent Remuneration Panel

Appendix 1

Independent Remuneration Panel for District Councils in Worcestershire Recommendations for 2017-18

Bromsgrove District Council

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
Basic Allowance – all Councillors	1	1	4,300	4,326
Special Responsibility Allowances:				
Leader	3	3	12,900	12,978
Deputy Leader	1.75	2	7,525	8,653
Cabinet members (Portfolio Holders)	1.5	1.3	6,450	5,624
Chairman of Overview and Scrutiny Board	1.5	1.3	6,450	5,624
Chairman of Overview and Scrutiny Task Groups	0.25	0.25	1,075 Paid pro-rata for length of task group	1,082 Paid pro- rata for length of task group
Chairman of Audit, Standards Governance and Committee	0.25	0.25	1,075	1,082
Chairman of Planning Committee	1	1.3	4,300	5,624
Chairman of Licensing Committee	0.3	0.3	1,290	1,298

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
Political Group Leaders	0.25	0.25	1,075 (If a Group Leader is in receipt of any other S.R.A. allowance is reduced by 50%)	1,082
Chairman of Appointments Committee	0	0.03	0	130 per meeting
Chairman of Electoral Matters Committee	0	0.03	0	130 per meeting
Chairman of Appeals Committee	0	0.03	0	130 per meeting
Chairman of Standards Sub-Committee (excluding the Chairman of the parent Committee)	0	0.03	0	130 per meeting

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, Bromsgrove District Council’s “nearest neighbours” are:

- Stroud
- Lichfield
- Maldon
- South Staffordshire
- Harborough
- Tewkesbury

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

<https://www.nomisweb.co.uk/articles/980.aspx>

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. 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.

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 0.9% for October 2016 – October 2017.

Taxpayers’ Alliance Research Findings for Councillors’ Allowances 2015 published 8th March 2016

http://www.taxpayersalliance.com/councillors_allowances_2015

The report summarises allowances paid to Councillors across the country during 2014-15 and reports that in the West Midlands the basic allowance ranged between £2,902 and £16,267.

Using information from this report the Panel calculated an average basic allowance in the West Midlands region of £4,107 in 2014-15.