

Independent Remuneration Panel for Wyre Forest District Council

Annual Report and Recommendations for 2015-16



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Recommendations

The Independent Remuneration Panel recommends to Wyre Forest District Council the following:

- (i) The Basic Allowance for 2015-16 is £4,400.**
- (ii) That the Special Responsibility Allowances are as set out in Appendix 1.**
- (iii) That the Dependent Carer's Allowance should, where appropriate, be available for care of children, and for the disabled and elderly. Consideration should also be given to allowing payments to be made to family members in line with the practice followed in awarding Personal Care Budgets under Social Services legislation.**
- (iv) That travel allowances for 2015/16 remain unchanged at 40 pence a mile. However consideration should be given to awarding each Councillor a suitable sum at the beginning of each year to cover the cost of travel and other expenses within the Wyre Forest area rather than having to make specific claims each time.**
- (v) That the subsistence allowances for 2015/16 remain unchanged.**
- (vi) Any changes to remuneration should be implemented in one go with the advent of the new council in May 2015.**
- (vii) Assuming the Basic Allowance decided upon is at or around that recommended, consideration should be given to index linking for future years.**

Introduction

The panel has considered all the information before them, the views of Councillors and the Chief Executive, the latest information on average public sector pay, the changes in the cost of living over the last few years. The complexities of this background, including the fact that the recommendations of previous panels have been rejected by the Council, does not allow for simple resolution. We are mindful that within the time available it has not been possible to undertake an in-depth analysis of all the statistical information, which is open to differences of interpretation and judgements have had to be made as to the weight placed on various factors. We are satisfied that our recommendations are logical, justified and transparent.

Our view is that:

- the current level of Basic Allowance is too high
- any changes to allowances should be implemented in one go with the advent of the new Council in May 2015 and not phased
- assuming that the Basic Allowance is at or around that recommended, for future years this could be index linked
- the carers' allowance be extended to the carers of elderly/disabled
- the carers' allowance be paid to family members
- the level of expenses remain at 40p per mile
- there is broad agreement as to the relative weightings of Council posts

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 2003. There is a rich and varied choice of market indicators on pay that can be used for comparison purposes. These include:

- National survey data on a national, regional or local level
- Focused 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 the panel have received an Information Pack including:

- Terms of Reference
- Existing Members' Allowances Scheme
- Reports from IRP for Worcestershire District Councils 2011-12, 2012-13, 2013-14 and 2014-15
- Financial Strategy Report to Council – February 2014
- The Local Authorities (Members' Allowances) (England) Regulations 2003.
- Political Structure of Wyre Forest District Council
- Calendar of Meetings
- Local and Regional Rates of Pay
- General Information including press cuttings

The Panel also interviewed the Leader of the Council, Group Leaders, Chairmen of Committees, a Vice Chairman and Cabinet Member and a Backbencher. The Chief Executive gave an opening presentation followed up with a letter. 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 2015/16

The calculation of 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. The Panel looked at evidence presented in previous reports and has also looked at neighbouring councils with a similar profile, in particular Newcastle Under Lyme, Stafford and Kettering as well as the other Worcestershire District Councils. The average Basic Allowance for all Councils looked at is £4,143 as set out in Appendix 2 and the average for Councils in Worcestershire is £4,140 as set out in Appendix 3. It is noted that all other Worcestershire Councils included in the considerations of the previous IRPs have either accepted the recommendations in respect of the basic allowance at £4,200 or settled on a lower figure.

Previous panels used the following formula to calculate the Basic Allowance: hours per week x 52 weeks a year x average public sector pay for full time staff in Worcestershire – 40% public service. In our view this approach leads to an over reliance on mechanical formula, which can be too rigid when looked at in the wider context. Furthermore the choice of data is open to question. We do not feel confident that the figure of 11 hours a week is correct. However in the time available to us we accept it in the absence of any more detailed analysis. It is arguable that the multiplier should not be 52 weeks of the year as, whilst there may be a certain amount of constituency work during August and Bank Holidays (8 days in total), there are few committee meetings or representational activities. The multiplier could therefore be 47 (4 weeks August and 1 week statutory holidays deducted). The figure of £14.07 is accepted, although it could be argued that a figure for part time (less than 30 hours a week) average earnings should be used but this might result in a “double” reduction given the public service discount of 40%, which is accepted.

Therefore 11 hours per week x 47 weeks of the year = 517 hours x £14.07 = £7274.19 - 40% public service = £4,364.57.

In our view, the above calculation is only one of the factors to be taken into account when arriving at the Basic Allowance and we have given significant weight to the average allowances paid in comparator authorities, which would lead to a lower figure being recommended.

It is noted however that, in line with other authorities, the Basic Allowance for Wyre Forest has not increased since 2008. We have taken this into account together, with the likely effect of the changes to the Council Wards in 2015. The consequent reduction in the number of Councillors from 42 to 33 will have an impact on workload and, in many cases, will also result in increased time spent travelling across larger wards. We have considered also, arguments supporting a level of Basic Allowance sufficient to attract a more diverse range of candidates but conclude that whilst this is a factor, there are many other factors which are equally, if not more important, than the level of remuneration. For these reasons the panel consider the Basic Allowance should be £4,400.

Special Responsibility Allowances (SRA) 2015/16

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 allowances and by other District and Borough Councils across the West Midlands.

Leader of the Council

Resulting from our research we recommend that the Special Responsibility Allowance for the Leader of the Council is set at 3 times the Basic Allowance of £4,400.

Deputy Leader of the Council

Having considered the Special Responsibility Allowances for the role of the Leader of the Council, we also reviewed the level of Special Responsibility for the Deputy Leader of the Council. We recommend that the multiplier for the Deputy Leader role is set at 1.75.

Cabinet Members

In reviewing the Special Responsibility Allowance for the Leader and Deputy Leader roles, we also reviewed those for the Cabinet Members. We recommend that the multiplier for the Cabinet Members is set at 1.5 times 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 a non-Executive member of the Council is able to contribute to this aspect of the Council’s work.

It is recommended that a Councillor who leads the Overview and Scrutiny Committee is paid an allowance of 1.5 of the Basic Allowance to reflect their responsibilities in ensuring investigations and reports are completed and presented as required.

Chairman of Scrutiny Task Groups / Panels

We understand that such Task Groups / Panels may only meet once or twice whilst on other occasions there may be a series of meetings to deliver the required work. We also understand that the Panels are often chaired by a Councillor who is already in receipt of the Special Responsibility Allowance. It is therefore recommended that no allowance be made for this post.

Chairman of Planning Committee

We reviewed the current level of workload for the Planning Committee and consider that the multiplier of 1 for this role is appropriate.

Chairman of Licensing Committee

We reviewed the current level of workload for the Licensing Committee Chairman in terms of both the full Committee and Licensing Sub-Committees. In general terms we consider that the current multiplier of 0.75 for this role is appropriate.

Chairman of Audit Committee

We reviewed the current level of workload for the Chairman of the Audit Committee and consider that a multiplier of 0.25 for this role is appropriate

Leaders of Political Groups

The panel recognises that in the interest of ensuring consensus and as a contribution to the democratic process, additional responsibilities may fall to political group leaders. However no distinction between parties or size of parties should be made. We recommend that leaders of political groups with at least 4 members receive an allowance multiplier of 0.25 of the Basic Allowance. There should be no distinction in allowance for those Groups that have more than 4 members.

Ethics and Standards Committee

There is currently no evidence for such a post as the last meeting was held in March 2013, but should one be needed a multiplier of 0.25 is recommended.

Vice Chairmen

The majority of the panel could find no evidence that being Vice Chairman of the Licensing and Environmental Committee or Vice Chairman of the Audit Committee resulted in any significant increase in workload, the main role being to chair the committee on any occasion when the Chairman was absent. Therefore no Special Responsibility Allowance is recommended for these posts. The Vice Chairman of the Overview and Scrutiny Committee and the Vice Chairman of the Planning Committee do have additional duties, in particular because of the quasi judicial role of the Chairman of the Planning Committee, the Vice Chairman leads for the authority in public debate. That being the case, it is recommended that a multiplier of 0.25 for both is appropriate.

Mileage and Expenses 2015/16

Although the current rate set by HMRC for travel is 45p per mile, the panel has taken into account the views expressed by the Councillors interviewed. The panel recommend that the travel allowance therefore should remain at 40p but consideration should be given to awarding each Councillor a suitable sum at the beginning of each year to cover the cost of travel and other expenses within the Wyre Forest area. This would be a more efficient method of payment than having to make specific claims each time.

The Panel is satisfied that the current levels of subsistence allowances are set at an appropriate level and recommends that these continue.

Carers' Allowance

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. The Panel recommends that the Carers' allowance should be available for claimants who care not just for children but also for the disabled and elderly. Consideration should be given to allowing payment to relatives where they undertake care duties. This is in line with the new arrangements for Personal Care Budgets under Social Services legislation.

Implementation

The panel hope that, with the creation of a new Council next May, based on new ward boundaries, the opportunity will be taken to implement any changes to remuneration at one go. In view of the uncertain economic situation both at local and national level, the panel feels unable to make a definite recommendation at this time to index link the Basic Allowance to Consumers Prices Index or Retail Prices Index for future years. However, assuming that the level of Basic Allowance for 2015 is at or around that recommended by the panel, it would be advantageous in the interest of forward planning for such a mechanism to be in place.

The Independent Remuneration Panel Members

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.

The members of the Panel have been:

Mrs Christine Noons

Lived in Kidderminster for over 20 years and latterly in Bewdley. Married. Educated to degree level (BA Sociology 2:2 Leicester).

Retired civil servant, working with local authorities in the West Midlands region for around 20 years by supporting local government in housing, planning, transport and governance. Member of Wyre Forest District Council Ethics and Standards Committee since 2005; Chair of Headway North Worcestershire 2004 – 2009; currently Company Secretary of Hartlebury Castle Preservation Trust.

Committed to good governance, open and transparent procedures in both public and charitable sector. Having served Governments of all political persuasions she understands and is comfortable with the requirement to give impartial advice and to treat all parties equitably.

Mr Tim Hipkiss

Tim retired as Deputy Head of a comprehensive school in the West Midlands in 2003, after 22 years in post. He was then involved in the assessment of trainee teachers and was Quality Assurance Manager for the West Midlands Consortium until 2011.

He was an Independent member of the Wyre Forest District Council Standards and Ethics Committee until 2012. In September 2012 Tim became an Independent Person for Worcestershire County Council, and Hereford and Worcester Fire and Rescue Service. He has been asked to consider several cases for these bodies as well as those from Wyre Forest D.C.

He is involved, in a voluntary capacity, with several organisations in the Wyre Forest.

Christine Noons and Tim Hipkiss

November 2014

**Independent Remuneration Panel for Wyre Forest District Council
Recommendations for 2015-16**

Role	Current Multiplier	Recommended Multiplier	Current Allowance (paid) £	Recommended Allowance
Basic Allowance – all Councillors	1	1	4,900	4,400
Special Responsibility Allowances				
Leader of the Council	2.5	3	12,250	13,200
Deputy Leader of the Council	1.875	1.75	9,188	7,700
Cabinet Members	1.625	1.5	7,963	6,600
Chairman of Overview and Scrutiny Committee	1.25	1.5	6,125	6,600
Chairman of Overview and Scrutiny Task Groups / Panels	-	0	-	0
Chairman of Audit Committee	0.5	0.25	2,450	1,100
Chairman of Planning Committee	1.125	1	5,513	4,400
Chairman of Licensing Committee	1.125	0.75	5,513	3,300
Chairman of Standards Committee	0.375	0 *	1,838	0 *
Political Group Leaders	1.25 0.5	0.25 (subject to a minimum of 4 members)	6,125 (Leader of main opposition group) 2,450 (Leaders of other opposition groups subject to a minimum 5 members)	1,100
Vice Chairman of Overview and Scrutiny Committee	0.25	0.25	1,225	1,100
Vice Chairman of Planning Committee	0.25	0.25	1,225	1,100
Vice Chairman of Licensing and Environmental Committee	0.25	0	1,225	0
Vice Chairman of Audit Committee	0.125	0	613	0

*There is no evidence that such a post is needed as the last Ethics and Standards Committee meeting was held in March 2013. If a post should be needed, a multiplier of 0.25 is recommended.

**Average Basic Allowances for Neighbouring Councils
with a similar profile 2014/15**

Council	Basic Allowance
Kettering Borough Council	£5,309
Newcastle-Under-Lyme Borough Council	£3,285
Stafford Borough Council	£3,836
Average Allowance	£4,143

Average Basic Allowances for Worcestershire Councils 2014/15

Authority	Basic Allowance	Leader of the Council	Deputy Leader	Cabinet Members	Chairman of Overview & Scrutiny	Chairman of Planning	Chairman of Licensing	Chairman of Standards	Chairman of Audit
Bromsgrove District Council	4200	12600	8400	5460	5460	5460	5460	1218	1218
Malvern Hills District Council	4200	12600	7350	6300	6300	2 x £3,150	1260	1050	1050
Redditch Borough Council	3350	8257	6247	1560	2009	1560	1340		
Worcester City Council	3990	9975	5985	5985	3990	3990	2992	997	2394
Wychavon District Council	4200	12600	7350	6300	6300	6300	1260		1050
Wyre Forest District Council	4900	12250	9188	7963	6125	5513	5513	0	2450
IRP Recommendations	4200	12600	7350	6300	6300	4200	3150	0	1050
Average Allowance	4140	11380	7420	5595	5031	3804	2971	544	1360