

**Independent Remuneration Panel for Worcestershire  
District Councils**

**Annual Report and Recommendations for 2015-16**

**Malvern Hills District Council**

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**December 2014**

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## **Recommendations**

**The Independent Remuneration Panel recommends to Malvern Hills District Council the following:**

- 1. That the Basic Allowance for 2015/16 is £4,200.**
- 2. That the Special Responsibility Allowances are as set out in Appendix 1.**
- 3. That travel allowances for 2015/16 continue to be paid in accordance with the HMRC mileage allowance.**
- 4. That subsistence allowances for 2015/16 remain unchanged.**
- 5. That the Dependent Carer's Allowance remains unchanged.**
- 6. 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 Malvern Hills District 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 and we noted that last year the Council accepted the recommendations of the panel.

This year we offered to meet with the Leader of the Council to discuss any other particular issues. The leader of Malvern Hills District Council did not feel it was necessary to meet with us on this occasion.

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.

However, we 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 2014;
- 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;

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

The figure being recommended by the Panel of £4,200 for the Basic Allowance does appear reasonable when compared to other Local Authorities.

Arising from our research we have included information showing the members' allowances budget for Basic and Special Responsibility Allowances paid for 2013/14 as a cost per head of population 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.

**Table 1 - Total spend on Basic and Special Responsibility Allowances as a cost per head of population 2013/14 figures**

<b>Authority and population<sup>1</sup></b>	<b>Total spend Basic Allowances 2013/14 £:</b>	<b>Total spend on Special Responsibility Allowances (SRA) £:</b>	<b>SRA as a percentage of total Basic Allowance %:</b>	<b>Cost of total basic and SRA per head of population £:</b>
Bromsgrove DC 94,744	168,074	64,150	38%	2.45
Malvern Hills DC 75,339	159,227	61,762	39%	2.93
Redditch Borough 84,521	97,020	39,928	41%	1.62
Worcester City 100,405	139,650	58,937	42%	1.98
Wychavon DC 118,738	188,650	70,096	37%	2.18

**Table 2 - Average allowance per member of each authority (Basic and Special Responsibility Allowances, 2013/14 figures)**

<b>Authority (number of Councillors)</b>	<b>Amount £</b>
Bromsgrove District (39)	6,060
Malvern Hills District (38)	5,816
Redditch Borough (29)	4,722
Worcester City (35)	5,674
Wychavon District (45)	5,750

<sup>1</sup> ONS population figures mid 2013. Totals for Basic and Special Responsibility allowances paid are as published by each authority for the 2013/14 financial year.

## **Basic Allowance 2015/16**

### **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.

Having reviewed the levels of wage rates and the benchmark information available to us from the Chartered Institute of Public Finance and Accountancy (CIPFA) “nearest neighbours” authorities, we do not recommend any increases in the Basic Allowance for 2015/16.

Further analysis of relevant research data indicates that there is no justification for increasing the basic allowance from the £4,200 recommended.

## **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. As in last year, the Panel has benchmarked the allowances against those paid by authorities listed as “nearest neighbours” by CIPFA.

Appendix 1 to this report sets out the allowances recommended for 2015/16.

### **1. Leaders of Political Groups**

In the legislation, a Political Group on a Local Authority consists of 2 or more Councillors.

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 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 in 2013.

We noted that 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 have recommended 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.

## **2. Deputy Leader**

We are recommending that the multiplier for the Deputy Leader role be 1.75 x the Basic Allowance as recommended for 2013/14.

## **3. Portfolio Holders on the Cabinet**

We are recommending that the multiplier for Portfolio Holders be 1.5 x the Basic Allowance as recommended for 2013/14.

## **4. Overview and Scrutiny Committee**

We are recommending that the multiplier be 1.5 x the Basic Allowance as recommended for 2013/14.

## **5. Chairman of Standards Committee**

Changes to the arrangements for governing the behaviour of Councillors were set out in the Localism Act 2011 and were introduced in July 2012. Councils are no longer required to appoint an Independent Chairman 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. Remuneration for this role is outside the terms of reference for the Independent Panel although it is known that an honorarium is frequently paid. Where the Council decides to retain a Standards Committee, as in Malvern Hills the Chairman is now appointed from among the Councillors.

Last year we reviewed the work of the Standards Committee since the changes. We checked the number and length of meetings of the Committee and the role and responsibilities of the Chairman.

Having completed this review we consider our previous recommendation of a multiplier of 0.25 x the Basic Allowance for the Chairman's Special Responsibility Allowance is appropriate and we continue this recommendation.

## **6. Chairman of Area Development Control Management Committee**

We are recommending that the multiplier be 0.75 x the Basic Allowance as recommended for 2013/14.

## **7. Chairman of Licensing Committee**

We are recommending that the multiplier be 0.3 x the Basic Allowance as recommended for 2013/14.

### **Mileage and Expenses 2015/16**

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 Malvern Hills. 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 2015/16 that no changes are made.

### **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, the decision having been taken during 2010 to follow the principle previously established by having a joint Panel in the South of the County. Wyre Forest District Council withdrew from the arrangement in 2014. Separate Annual Reports have been prepared for each Council.

The members of the Panel are:

- 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 has been a Magistrate for 18 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.
- 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 Panels for Schools Preference and Exclusions Appeals.
- 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.

The Panel has been advised and assisted by:

- Claire Chaplin 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.

**Rob Key**

**Chairman of Independent Remuneration Panel**

## Appendix 1

### Independent Remuneration Panel for District Councils in Worcestershire Recommendations for 2015/16

#### Malvern Hills District Council

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
<b>Basic Allowance – all Councillors</b>	1	1	4,200 <sup>2</sup>	4,200
<b>Special Responsibility Allowances:</b>				
<b>Leader</b>	3	3	12,600	12,600
<b>Deputy Leader</b>	1.75	1.75	7,350	7,350
<b>Portfolio Holders</b>	1.5	1.5	6,300	6,300
<b>Chairman of Overview and Scrutiny Committee</b>	1.5	1.5	6,300	6,300
<b>Chairman of Overview and Scrutiny Task Groups</b>	0.25	0.25	1,050	1,050 Paid pro-rata for the length of the task group
<b>Chairman of Audit Committee</b>	0.25	0.25	1,050	1,050
<b>Chairman of 2x Area Development Control Committees</b>	0.75	0.75	6,300 (2x 3,150)	6,300 (2x 3,150)
<b>Chairman of Licensing Committee</b>	0.3	0.3	1,260	1,260
<b>Chairman of Standards Committee</b>	0.25	0.25	1,050	1,050
<b>Political Group Leaders</b>	0.25	0.25	1,050	1,050 (If a Group Leader is in receipt of any other S.R.A. allowance is reduced by 50%)

<sup>2</sup> This figure takes into account a public service discount of 40%

## 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, Malvern Hills District Council’s “nearest neighbours” are:

- Derbyshire Dales District Council
- Craven District Council
- Cotswold District Council
- Hambleton District Council
- Tewkesbury Borough Council

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

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 for the County residents excluding overtime. This is multiplied by 11 to give a weekly rate. This was the number of hours spent on Council business by frontline Councillors which had been reported in previous surveys. 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 1% for November 2014.