

**FOREST DISTRICT COUNCIL****COUNCIL****23<sup>rd</sup> FEBRUARY 2011****Report of the Independent Remuneration Panel**

<b>OPEN</b>	
<b>SUSTAINABLE COMMUNITY STRATEGY THEME:</b>	-
<b>CORPORATE PLAN AIM:</b>	A Well Run and Responsive Council
<b>CABINET MEMBER:</b>	Councillor J Campion Councillor Anne Hingley
<b>DIRECTOR:</b>	Ian Miller, Chief Executive Caroline Newlands, Director of Legal and Corporate Services
<b>CONTACT OFFICER:</b>	Diana Glendenning, Principal Committee Officer, Ext. 2763 Diana.glendenning@wyreforestdc.gov.uk
<b>APPENDICES:</b>	Appendix A Report of the Independent Remuneration Panel

**1. PURPOSE OF REPORT**

- 1.1 To receive the report of the Independent Remuneration Panel and to decide the scheme of allowances to be paid to Members for the financial year 2011/2012.

**2. RECOMMENDATION**

**The Council is asked to DECIDE:**

- 2.1. **To adopt the present scheme of allowances as the scheme to be operated for the financial year 2011-2012 until Annual Council 18<sup>th</sup> May 2011.**
- 2.2 **At Annual Council in May 2011 to consider any amendments to the scheme in light of decisions at that meeting on the committee structure and any other relevant factors.**

**3. BACKGROUND**

- 3.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 No 1021 require local authorities to establish an Independent Remuneration Panel to review and provide advice on Members' allowances.
- 3.2. On 24<sup>th</sup> February 2010 the Council agreed to join a multi-authority Independent Remuneration Panel comprising Malvern Hills, Worcester City, Wychavon, Bromsgrove, Wyre Forest and Malvern Hills Councils.
- 3.3 The multi-authority Independent Remuneration Panel gathered "desk-top" information about the authority in the summer and a series of meetings of the Panel

were held throughout the autumn months, including a meeting between the Panel and two members of the Council.

3.4 The Independent Remuneration Panel agreed that it would not produce one single scheme applicable to all participating authorities but would review and report to each authority separately taking into account their own circumstances and operating arrangements.

3.5 The Independent Remuneration Panel is required to produce a report in relation to the authority or authorities in respect of which it was establishing making the following recommendations:

- (i) special responsibility allowances
- (ii) travelling and subsistence allowance
- (iii) co-optees allowance
- (iv) basic allowance
- (v) dependant carer's allowances
- (vi) travelling and subsistence allowance

The Independent Remuneration Panel's report is attached at appendix 1 of this report.

3.6 Regulation 10(1) of the 2003 Regulations requires that, before the beginning of each financial year, an authority shall determine the scheme for the payment of allowances for that year.

3.7 Regulations 10(3) and (6) allow a Council to amend its scheme at any time during a year and a Council may backdate any changes to the start of the financial year concerned.

#### **4. KEY ISSUES**

4.1 Regulation 19 of the 2003 Regulations provides that, in making or amending the scheme of allowances, the authority is required to "have regard to the recommendations made in relation to it by an Independent Remuneration Panel".

4.2 "Have regard to" does not mean that an authority has to follow slavishly the recommendations made to it. The handling of the present report has been discussed with the Chairman and Group Leaders. The conclusion is that it would be premature to invite the Council to make substantive changes to the scheme of allowances at this point, as the Annual General Meeting will decide the structure of committees etc. for the next municipal year. These and any other relevant factors would need to be taken into account in finalising the scheme of allowances for 2011/12. It is also felt that decisions on changes to the scheme of allowances should be taken by the Councillors who would be affected by them, rather than by Councillors who might be standing down at the May elections or who might lose their seat then.

4.3 However because there is a legal duty to adopt a scheme of allowances before the financial year to which it relates, it is necessary for the Council to determine a scheme for 2011/12 at this meeting, with any amendments to be considered at the AGM in May.

**5. FINANCIAL IMPLICATIONS**

- 5.1 The cost of the present scheme of allowances for Members can be met through existing budgets.

**6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 The relevant provisions of the 2003 Regulations have been mentioned above.

**7. EQUALITY IMPACT NEEDS ASSESSMENT**

- 7.1 This report has been screened for its equality impact on the areas of race, disability, gender, gender identity, religion and belief, sexual orientation and age. It was not considered to have a disproportionate impact on any target area and therefore no full equality impact assessment is required.

**8. RISK MANAGEMENT**

- 8.1 Regulation 19 requires the Council to have regard to the recommendations of the Independent Review Panel. Whilst the Council does not have to follow the recommendations, as with any decision of Council, it is subject to the risk of challenge by the way of judicial review and therefore reasons for decisions must be made clear. This is covered in paragraph 4.2 above.

**9. CONCLUSION**

- 9.1 The report recommends maintaining the current scheme of allowances with substantive consideration of the detailed recommendations of the Independent Remuneration Panel being undertaken at the annual meeting, in light of the committee structure etc. for the municipal year 2011/12 and other relevant factors.

**10. CONSULTEES**

- 10.1 Chairman of the Council and Group leaders, including the Leader of the Council

**11. BACKGROUND PAPERS**

- 11.1 Independent Remuneration Panel Report to Council 24<sup>th</sup> February 2010
- 11.2 Appointment of a Member – Joint Independent Remuneration Panel for Members' Expenses – report to Council 28<sup>th</sup> July 2010
- 11.3 The Local Authorities (Members' Allowances) (England) Regulations 2003

**Independent Remuneration Panel for Worcestershire  
District Councils**

**Annual Report and Recommendations for 2011-12**

**Wyre Forest District Council**

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**December 2010**

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Recommendations

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

**We have reviewed the Wyre Forest District Council allowances which we found to be out of line with the other Districts in Worcestershire hence we have made the following recommendations:**

- (i) That the Basic Allowance for Councillors be reduced from £4,992 to £4,200.**
- (ii) The Special Responsibility Allowances to be reduced to be more consistent with the other Councils reviewed by the IRP (see Appendix 1).**
- (iii) Vice-Chairmen – it is recommended that there should be no payment for Vice-Chairmen on the basis that the Panel have no evidence of substantial additional responsibility for these roles.**
- (iv) That travel and subsistence allowances for 2011/12 be paid in accordance with HMRC rates.**
- (v) That the Dependent Carer's Allowance remains unchanged.**

## **Basic Allowance 2011/12**

### **Calculation of Basic Allowance**

This 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 i.e. £12.24 per hour.

Since the early days of the Panel, following research eleven hours has been used as the average figure from which the rate is calculated resulting in annualised hours of  $572 \times £12.24 = £7,001$  - public service discount of 40% which = £4,200.

In 2009 the Panel reviewed the figure for weekly average hours and whilst this may be considered to be on the low side, is of the opinion that as a guide and a base figure it does produce allowances which are comparable to national figures for allowances for other similar authorities. The average Basic Allowance for shire districts taken from the 2008 IDEA survey of members' allowances being £4,194 compared to the Panel's recommendation in its 2008 report of £4,200. Therefore, the Panel saw no reason to alter the basis of the calculation.

In reaching its recommendations for Wyre Forest, the Panel acknowledges that the District Council has been paying £4,992 based on recommendations from its previous Independent Remuneration Panel. The current Panel carried out research to establish whether there were any exceptional circumstances applying to Wyre Forest to justify its allowances remaining at a higher level than those of the other Worcestershire Districts. This process included meeting with two Councillors and hearing their views and experiences.

The Panel acknowledges that many Councillors work for long hours on behalf of their communities, sometimes in excess of what might reasonably be expected. However, when arriving at the figure for the Basic Allowance we have applied a discount of 40% to recognise that an element of what Councillors do is public service.

The Panel, in view of the severe wider economic situation, considers that its overriding duty is to arrive at recommendations that are fair and reasonable. The Panel must always be aware of its responsibility to command public confidence in its decisions. It is aware that two other Districts have yet to implement previously recommended increases and the Panel therefore considers that there should be a reduction in the basic allowance for 2011/12 and that transitional phasing is not recommended.

## **Special Responsibility Allowances (SRA) 2011/12**

### **General Calculation of SRAs:**

We have reviewed the Wyre Forest District Council allowances which we found to be out of line with the other Districts in Worcestershire; hence we have recommended reductions in the Special Responsibility Allowances. We outline our recommendations in more detail below and these are summarised at Appendix 1.

In our work previously for the South Worcestershire Districts, we have used multipliers of the basic allowance to recognise the level of additional responsibility involved with certain roles. In general we have applied these multipliers consistently across the District Councils reflecting the similarity in the roles, but we do allow for particular characteristics within each authority.

**Deputy Leader of the Council** – The Panel considers that generally the work of the Deputy Leader does not involve substantial additional responsibility to that of the role of a cabinet member and we considered recommending that the Special Responsibility Allowance is reduced to the same as that for a cabinet member. We recognise that the formal position may be changing with the implementation of the Local Government and Public Involvement in Health Act from May 2011.

Rather than recommend change currently, we intend to research and review the role and responsibilities of the Deputy Leader during 2011 to establish whether there is any substantial additional responsibility that justifies continuing to recommend the higher payment.

**Group Leaders** – The Panel noted the amounts currently set for leaders of the opposition and of the political groups. The Panel was concerned at the payment of fixed fees. We favour the approach of payments on a per head basis, which allows for any changes to Group membership during the year.

Due to time constraints preventing detailed research into these payments, the Panel is not recommending changes to them in 2011-12. However, we will review them in more detail during the forthcoming year.

**Chair of the Licensing and Environmental Committee** – We recommend that the multiplier of 0.75 of the basic allowance is reasonable for this position. We understand that the Licensing function has a workload similar to other Districts with urban areas and sufficient to justify this.

**Chair of Audit Committee** - The Panel received a report on the workload of this position, and having regard to the allowance paid by other Districts; recommend that a multiplier of 0.25 is appropriate.

**Vice-Chairmen** – The Panel has previously been reluctant to recommend Special Responsibility Allowances for Vice-Chairmen unless it receives evidence of the position incurring significant additional responsibility above other members of the relevant Committee. We did not consider on the evidence we received that this was the case. We are therefore not recommending that allowances continue



to be paid for Vice-Chairmen of Committees. However, the Panel note that any allowance for the Chairman/Vice-Chairman of the Council is outside its remit.

### **Travel and Subsistence 2011/12**

The Panel notes that Wyre Forest District Council currently pays 40p per mile for mileage for Councillors and recommends that this continues. We also recommend that subsistence allowances remain unchanged for 2011-12.

We also recommend that subsistence allowances and dependence allowances remain unchanged.

### **Allowances to Parish Councils**

The Panel notes its continuing role as Independent Remuneration Panel for Parish Councils within the Districts covered.

### **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 – 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.

- Reverend Prebendary Michael Vockins OBE – Mike is Honorary Curate of three rural parishes, Rural Dean of Ledbury and one of the original members of the Independent Remuneration Panel. He is former Chief Executive of Worcestershire County Cricket Club and currently Secretary of a sporting charity.
- Mel Nock OBE, BA Joint Hons, Dip IPD – Mel is currently Vice-Chair of the Lucy Faithfull Foundation and Chair of the Governance, Finance and General Purposes Committee. He is Executive Chair of EIL Malvern. Previously Mel was Chairman of a GKN division and Regional Director with a Regional Health Authority moving on to become Assistant Managing Director. Mel established his own HR consultancy in the 1990's specialising in remuneration and organisational change. He has also served as a member of the Lord Lieutenant's (South Worcestershire) Advisory Committee on the appointment of magistrates.

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 particularly in respect of Wyre Forest District Council. We have agreed that we will begin our research for our next Annual Report early in 2011 so that we can cover the areas requested by each authority and complete our proposals in time for each Council's meeting in December.

The Panel has been advised and assisted by:

- Steve Taylor from Worcester City Council, who retired during the year, and was replaced by Chris Watkins;
- Sheena Jones from Wychavon District Council;
- Joanne Lowman from Malvern Hills District Council;
- Karen Firth from Bromsgrove District Council;
- Penelope Williams and Diana Glendenning from Wyre Forest District Council;
- Steve Skinner and Trish Buckley 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**

Wyre Forest District Council – Allowance Recommendations 2011-12

Appendix 1

	<b>Current Allowance £</b>	<b>Multiplier of Basic Allowance</b>	<b>Recommendations for 2011/12 £</b>
<b>Basic Allowance:</b>	4,992		4,200 <sup>1</sup>
<b>Special Responsibility Allowances:</b>			
Leader	12,486	2.5	10,500
Deputy Leader (subject to further review)	9,366	1.8	7,560
Cabinet Members	8,121	1.5	6,300
Chair of Corporate Resources Scrutiny Committee	6,240	1.25	5,250
Chair of Community and Regeneration Scrutiny Committee	6,240	1.25	5,250
Leader of main Opposition (as per deputy leader subject to review)	6,240	-	6,240
Planning Committee Chair	5,616	1	4,200
Licensing and Environmental Committee Chair	5,616	0.75	3,150
Audit Committee Chair	5,616	0.25	1,050
Opposition Group Leader (subject to a minimum of 5 members in a Group) (as per deputy leader subject to review)	2,496	-	2,496

<sup>1</sup> This figure takes into account a public service discount of 40%