



**Report to: Annual Council, 16 May 2017**

**Report of: Monitoring Officer**

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**Subject: MEMBERS' ALLOWANCES 2017/18**

**1. Recommendation**

- 1.1 That the Council note and consider the recommendations of the Independent Remuneration Panel for Members' Allowances as set out in Appendix 1;**
- 1.2 That the Council adopt the Scheme for Members' Allowances from 16 May 2017 as set out in Appendix 2; and**
- 1.3 That the Council agree to undertake a review of Members' Allowances within 12 months.**

**2. Background**

- 2.1 The Members' Allowances Regulations require Local Authorities to establish and maintain an Independent Remuneration Panel (IRP). The Panel represents the following Councils:
  - Bromsgrove District
  - Malvern Hills District
  - Redditch Borough
  - Worcester City
  - Wychavon District
- 2.2 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.
- 2.3 The IRP conducts its work in accordance with the legislation governing the role of the Panel and statutory guidance produced in 2006.
- 2.4 The current allowances payable were agreed by the Council on 22<sup>nd</sup> November 2016 and were adopted from 1<sup>st</sup> December 2016. These were agreed having regard to the findings of a Review of Time Spent on Councillor Duties and were supported by the Independent Remuneration Panel.
- 2.5 In light of the decision to change the Council's governance from the Executive model to the Committee model, it has been necessary to review Members' Allowances and to prepare a new scheme of Members' Allowances for adoption at Annual Council. This was recognised as one of the key elements of work that needed to be delivered as part of the transition to the Committee model of governance.

As a result there was early engagement with the IRP to prepare a new scheme of Members' Allowances that can be used for the Committee Model.

- 2.6 It has been recognised by the IRP and Group Leaders that the detail of the new roles under the Committee model will not be fully understood until the Committee model has been in operation for a period of time. In light of this, there has been a recommendation from the IRP and a commitment from Group Leaders to undertake a review of Members' Allowances is also undertaken within 12 months as part of a review of the operation of the Committee model within the first 12 months.
- 2.7 The report and recommendations of the IRP for 2017/18 are shown at **Appendix 1**. The key findings of the IRP report are summarised below.
- 2.8 Following discussions with Group Leaders, a number of the recommendations in the IRP report accord with Group Leaders understanding of how they envisage that the Committee model will operate. However, there are some differences that are more fully explained below.

### **3. Report and recommendations of the IRP for 2017/18**

- 3.1 In preparing its report, the IRP carried out thorough research and benchmarking. This included a review of the Council's decisions for the transition to the Committee model as well as comparative data from other authorities which are currently operating the Committee model. The IRP met on a number of occasions to consider its research, including a meeting with Group Leaders.
- 3.2 In summary, the IRP has recommended a 1% increase on the Basic Allowance for 2017/18, which is an increase from £4,250 to £4,300 per annum. The IRP's recommendations for Special Responsibility Allowances are as set out in Appendix 2 to the report.
- 3.3 The IRP has considered Travel Allowances and has recommended that for 2017/18 they continue to be paid in accordance with the HMRC mileage allowance.
- 3.4 The IRP recommends that Subsistence Allowances and the Dependent Carer's Allowance for 2017/18 remain unchanged.

### **4. Group Leaders' recommendations**

- 4.1 Group Leaders' have recognised that the preparation of a new scheme of Members' Allowances has been a difficult exercise for the IRP. Group Leaders have welcomed the opportunity to engage with the IRP and the discussions have informed the Group Leaders recommendations which are set out in **Appendix 2**. Discussions with Group Leaders have identified the following differences between the recommendations of the IRP and the views of Group Leaders.
  - 4.1.1 Deputy Leader – the Committee model of governance envisages that the role of the Leader and the Deputy Leader are very similar in terms of roles and responsibilities and therefore it is recommended that the multiplier for the Deputy Leader is increased from 1.75 in the IRP report to a multiplier of 2.0.
  - 4.1.2 Chairs of Policy Committees – the Committee model of governance envisages that the 3 main policy committees (P&R, Communities and Environment) are of equal status and therefore they should have the same multiplier.

Furthermore, given the enhanced role that is envisaged for the vice-chairs of policy committees, the IRP recommendations for chairs of the 3 main policy committees should be reduced. It is recommended that the multiplier for the chairs of the 3 main policy committees should be set at 1.25.

- 4.1.3 Vice-chairs of Policy Committees – the Committee model of governance envisages that the vice-chairs of the policy committees will have a significant role in terms of agenda setting and managing the business of their committee. It is recommended that the multiplier for the vice-chairs of the policy committees should be increased from 0.5 in the IRP report to a multiplier of 1.0.
- 4.2 In addition, it is recommended that the Mayor should receive a separate allowance. This is not part of the IRP's role and is at the discretion of the City Council. In recognition of the significant number of duties that are carried out annually by the Mayor, it is recommended that the Mayor should receive a multiplier of 1.0.
- 4.3 The recommendations are considered to be an appropriate set of allowances to reflect the roles carried out by Councillors. However, it is also recommended that the allowances are reviewed within 12 months as part of a wider review of the operation of the Committee model of governance.

## **5. Implications**

### **5.1 Financial and Budgetary Implications**

The recommendations in the IRP report total £213,280, whereas the Group Leaders' recommendations total £218,655. The discrepancy between the two figures is principally due to the allocation of an allowance to the Mayor. The existing budgetary provision is £216,030. If the Group Leaders' recommendations are accepted and implemented the effect on the budget over a twelve month period would be an increase of £2,625. This increase would have to be found within the 2017/18 budget on a one off basis, and then included in the base budget for subsequent years.

### **5.2 Legal and Governance Implications**

The Council has decided to move to the Committee model of governance with effect from the meeting of Annual Council. As a result, it has been necessary to review the scheme of Members' Allowances as a number of new roles have been created.

The Council is obliged to have regard to the recommendations of the IRP and adopt a Members' Allowance Scheme. Once adopted, a Scheme of Members Allowances will be incorporated into the Council's Constitution.

Undertaking a review of Members' Allowances within 12 months is supported by the IRP.

### **5.3 Risk Implications**

The Council has complied with its statutory obligation to have regard to the recommendations of the IRP. The Members' Allowances recommended in this report take into consideration the need to attract a diverse range of potential candidates as well as any negative publicity which may arise from the slight increases in the overall cost of the scheme.

### **5.4 Corporate/Policy Implications**

None.

5.5 Equality Implications  
None.

5.6 Human Resources Implications  
None.

5.7 Health and Safety Implications  
None.

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**Background Papers:** None