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2.1 The Independent Remuneration Panel comprises the following Members:

Formerly Vice-Principal and Pro Vice-Chancellor –
University of Birmingham (Chairman)

Public representative

University of Birmingham

Partner – Wragge Lawrence Graham & Co LLP

Community and voluntary sector.

2.2 Administrative support was provided by Simon Mallinson, Head of Legal and Democratic Services and Suzanne O'Leary, Democratic Governance and Scrutiny Manager, both of the Commercial and Change Directorate. We are grateful to them for their guidance and support throughout this process.

3.1. The Independent Remuneration Panel (the Panel) is established under the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) to provide advice and recommendations to the County Council on its Members' Allowances Scheme and amounts to be paid under it.

3.2. The County Council is required to have regard to the Panel's recommendations before making any amendments to its scheme and must make public those recommendations and conclusions, together with the approved Scheme. It is important to bear in mind the separation of roles – the Panel makes recommendations from an independent perspective but it is for County Councillors in full Council to make the decisions on the allowances scheme.

3.3. Members of the Panel are appointed by the County Council and are independent members of the community. The Panel's membership is Professor Michael Clarke (Chairman) (local government and academia), Leslie Gunde (member of the public), Professor Paul Jackson (academia), Andrew Manning-Cox (business) and Richard Quallington (voluntary and community sector).

3.4. The Panel has made a number of reports to Council, most recently in July 2012. The last

4.1. The Panel's terms of reference are:

To review the level and extent of allowance payments currently made to County Councillors having particular regard to:

The role of the County Councillor and the importance of effective democratically accountable local government and community leadership

The scale and complexity of the Council's operations and changes taking place in the various roles Councillors are expected to fulfil and the particular responsibilities attached to the various roles

The time commitment required from Councillors to enable both the Council and individual Councillors to be effective in their various roles

The importance of encouraging people from all backgrounds and circumstances to serve in local government without suffering financial loss as a consequence of their membership of the Council.

4.2. The Panel also:

Considers the level and extent of travel and subsistence allowances

Reviews the payment of allowances and expenses payable in relation to attendance at seminars and conferences

Makes observations about the financial support required for Councillors to fulfil their role effectively.

Comparators and Indices

6.1. In originally coming to conclusions about the appropriate level of basic allowance we took into account:

The average wage in the local economy

Affordability

6.7. The Panel is very aware of significant factors, globally, nationally and locally, which have had a direct impact on the budget and the delivery of services of the Council.

6.8. We understand the political need to maintain or reduce the cost envelope for members' allowances, and members' desire to lead by example and to keep the Basic Allowance below £10,000. Our role is to suggest a fair scheme for allowances having regard to financial and other factors, rather than deliver any particular savings target - which is a political decision for Council to take.

6.9. In proposing the level of allowances we have always been conscious of the need to reflect the Council's funding position as well as the level of allowances in relation to its peer organisations. For this reason we have traditionally proposed a level of allowances at around the middle quartile of those paid by our nearest neighbours and comparator upper-tier authorities. Again, this 'positioning' of allowances is a factor we can give further thought to ahead of the later report.

Attracting new members

6.10. We have considered whether allowances influence decisions to seek to become a Councillor but we are not persuaded at present that there is a direct correlation between allowances and availability/quality of candidates. The fact and level of allowances are likely to be one of many factors. It is interesting to note that the last elections brought in a younger profile, irrespective of the frozen allowances.

Changing Role of Members

6.11. The Localism Act 2011 has impacted directly on members. The localism agenda had been developed by the Council to encourage more local people, groups and businesses to take more responsibility for delivering more local services. Aligned to this, members now have their own individual budgets through the Worcestershire Councillors' Divisional Fund to support initiatives and projects to promote well-being within their local communities. It appears that the evolving role of the Councillor to facilitate locally-based solutions for community-based issues means that the expectation of the role of the local Councillor is changing, albeit that this may be in addition to the core county role of Councillor.

6.12. Members told us that although the Council workforce is shrinking, we are persuaded

ICT

7.1. The Panel has considered the level of financial and other support each Member should receive in relation to ICT. The current allowance allows for 'start-up', consumables, hardware, support. There are two elements of this - £505 pa paid for consumables including paper, ink, internet connection etc., and an allowance up to £1,000 over the 4-year life of Council which can be drawn down to fund ICT hardware (laptops, smartphones etc.) either purchased privately or provided by the Council.

7.2. ICT is clearly essential for members - enabling remote working allowing more time in constituencies, accessing information and for Councillors to be more responsive to their community. Group Leaders told us the flexibility of the separate IT allowance was very important and helpful and enabled the Council to reduce spend if Councillors did not need the IT equipment to be provided. However, the scheme itself lacks some clarity on this point and could benefit from updating.

7.3. Evidence from the Strategic Commissioner – Service Transformation set out the pros and cons of changing the allowance from financial to direct provision of equipment. This issue can be considered in our further report and it would be fair to say that, subject to further representations, the Panel is minded to recommend direct provision only in its 2016 Report because this assists cyber security, delivery of economies of scale savings, improved access to the Council's systems, and the prompt and cost-effective resolution of maintenance and repair issues. In the meantime, the Panel recommends that the scheme is updated to reflect the position from 2013 that members' ICT hardware needs may be met either by draw down of the allowance for the purchase of hardware or by the direct provision of that hardware by the Council. Provision for consumables requirements also needs to be reaffirmed.

Special Responsibility Allowances (SRAs)

7.4. The changing role of Councillors is also affecting those with special responsibilities. With executive arrangements and increased delegated decision-making, Cabinet Members with Responsibility are doing more and taking more responsibility than ever before. Further Committees have also been established by the Council, but there are likely to be dihhheirh5hheirhare res (ib)5(6(

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