



**WOKINGHAM
BOROUGH COUNCIL**

**REPORT OF THE INDEPENDENT
REMUNERATION PANEL APPOINTED TO
REVIEW THE ALLOWANCES PAID TO
COUNCILLORS OF WOKINGHAM BOROUGH
COUNCIL FOR 2017/18**

**FOR SUBMISSION TO THE COUNCIL ON
23 NOVEMBER 2017**

Introduction

1. The Local Authorities (Members' Allowances) (England) Regulations 2003 provide for the payment of Allowances to Members of the Council in connection with their work as Councillors. Before the Council can make or amend a scheme of allowances, it should consider the recommendations made in relation to it by an Independent Remuneration Panel (IRP).
2. The Council appointed its first Independent Remuneration Panel in 2003. In each of the following Municipal Years, the Panel has made recommendations on the levels of Basic and Special Responsibility Allowances for consideration by the Council. An independent review of Members' Allowances has been carried out in 2017. Details of the Panel's remit are described in paragraph 4 below.

The Independent Remuneration Panel

3. The Members of the Independent Remuneration Panel are:

Tom Berman (Chairman) has been a resident of Wargrave for the past 40 years. He is married with two grown-up children and has been involved with various local voluntary groups over the years, of which Wargrave Surgery Patient Participation Group, Wokingham Area PPG Forum and Hennerton Backwater Association are the current main activities.

Nick Oxborough (Vice Chairman) has lived in Wokingham Borough since 1967. He attended Primary and Comprehensive schools in Wokingham and then a local college where he studied photography. He has worked in the Royal Berkshire Fire and Rescue Service in an operational role for 34 years and now specialises as a Fire Safety Inspector. During his career in the service he has had opportunity to manage and be responsible for the delivery of the service to the community of Wokingham Borough, as well as working with members of Royal Berkshire Fire Authority. He is a Member of the Institute of Fire Engineers and has also achieved other management and technical qualifications associated with his roles in the Service.

David George has been living in Wokingham Borough since 1982, firstly in Woodley and then since 1999 in Arborfield. He retired from Air Traffic Control in December 2016 aged 55 after nearly 36 years' service. In addition to his role in Air Traffic Control he was a Union representative in the Prospect Union, which represents ATC staff. He held the position of National Treasurer for the Controllers section looking after a budget of approximately £70,000 for several years.

Arabella Yandle and Neil Carr, Democratic and Electoral Services Specialists, and Anne Hunter, Democratic and Electoral Services Lead Specialist, provided guidance and administrative support to the Panel.

Background and National Context

4. The Local Government (Local Authority Members in England) Regulations, which came into force in 2003, stated that Independent Remuneration Panels established by local authorities should make recommendations in respect of the following issues:

Basic Allowance (BA) – each local authority must make provision for a basic, flat rate payable to all Members.

Special Responsibility Allowance (SRA) – each local authority may make provision for the payment of Special Responsibility Allowances to those Councillors who have significant additional responsibilities. The Panel has to recommend the responsibilities that should be remunerated and the levels of each allowance.

Childcare and Dependants' Carers' Allowance – local authorities may make provision for the payment of an allowance to those Members who incur expenditure for the care of children or dependant relatives whilst undertaking particular duties.

Travel and Subsistence Allowance – local authorities may make provision for the payment of a travelling and subsistence allowance to its Members for undertaking a list of eligible duties as defined in the current scheme.

Co-optees' Allowance – local authorities may make provision for the payment of an allowance to co-optees for attending meetings, conferences and seminars.

5. The Regulations also provide for Panels to make recommendations in respect of the following issues:
 - The cessation of payments to Members who have been suspended or partially suspended from their duties, and the repayment of allowances;
 - The backdating of allowances to the beginning of the financial year in which they are set, and provision to recommend annual adjustments by means of an index; and
 - Whether some or all Members should be eligible to join the Local Government Pension Scheme.
6. Non-Executive Director (NED) payments are made by Council-owned companies to Members who act in non-Executive roles. They are similar to SRAs but have a different legislative basis and are not included in the Council's Members Allowances Scheme. It is not within the remit of the Independent Remuneration Panel to review the level of payments to NEDs on the Council-owned companies unless a specific request for a review is made by one or more of the companies.

Terms of Reference for the 2017/18 Review

7. In 2017, the Panel agreed that, as a newly convened panel, it should carry out a 'light touch' review with the intention of leading on to a fuller review in 2018/19. A survey on key questions was under-taken and Members were given the opportunity to approach the Panel directly to voice their opinions.
8. In regard to the remuneration paid to Members appointed to serve as Non-Executive Directors of companies wholly owned by the Council, a number of Members felt that this should be within the remit of the Panel. The level of payments to Member Non-Executive Directors does not form part of the statutory role of an Independent Remuneration Panel as set out in the Local Authorities (Members' Allowances) (England) Regulations 2003. However, the Local

Authorities (Company Order) 1995 makes it clear that the Council has a duty (under the Order) to ensure that its companies do not make payments 'greater' than that allowable under the Council's rules.

9. The Independent Remuneration Panel noted that there appeared to be some confusion over the linkage between SRAs and NED payments and the Panel's role in determining the latter. In order to clarify the position, the Panel received legal advice on the payments in relation to the Panel's Terms of Reference. The legal advice confirmed that consideration of NED payments was outside the remit of the Panel with the exception of specific requests received by the Panel from Council-owned companies to review the level of payments. Consequently, any recommendation by the Panel relating to the number of SRAs payable to Members specifically excludes NED payments.

Work Programme for the 2017 Review

10. The Panel met on the following occasions:

- 4 April 2017
- 24 April 2017
- 30 May 2017
- 27 June 2017
- 11 July 2017
- 2 August 2017
- 30 August 2017
- 23 October 2017

11. The Panel made reference to the following information to provide background, context and assistance in reaching its conclusions:

- Copies of the current Members' Allowances Scheme agreed by the Council in November 2016 and previous versions.
- Copies of the Local Authorities (Members' Allowances) (England) Regulations 2003;
- The summary of the South East Employers (SEEMP) Members' Allowances Survey 2015/16.

12. The Panel met 13 Members including the Leader of the Council, Members of the Opposition, a number of present and former Deputy Executive Members and the Chief Executive. The Panel sent out a survey to all Members, attached at Appendix A to this report. 27 out of 54 surveys were returned. All comments were treated confidentially. The Panel has had to assume that the responses thus received represented a fair cross-section of Members' opinions. Reference to the information from the combined sources are referred to as 'responding Members' in the report. Any percentages are calculated out of 27. Where information was obtained from meetings, this is referred to as 'Members who met the Panel...'

13. Some Members made suggestions, which fell outside the scope of the current Members Allowances Scheme legislation and the remit of the Panel. Therefore, those suggestions have not been addressed in this report.

Remuneration

14. Many Members who met the Panel (8 of 13) said that they had originally committed themselves to serve on the Council as volunteers and out of a sense of civic duty; and a number commented that they had been surprised to find there was any remuneration attached to the role.
15. Empirical evidence would suggest that, in any group of citizens banding together to promote some community effort, a minority of volunteers choose to do the majority of the work. The evidence presented to the Panel by interviewed Members indicates that the same applies to Members in Council, and the Panel therefore concluded that the more onerous roles, which attract SRAs payments, do not need to provide very significantly increased remuneration.
16. In considering its proposals concerning Members' remuneration, this Panel has tested each recommendation against three core principles:
 - a) Is it affordable relative to Wokingham Borough Council budget constraints?
 - b) Is it reasonably similar to the practice in other unitary authorities in the region?
 - c) Would Borough residents consider it to be fair?

Basic Allowances

17. The Panel continued to use the premise that 50% of a Member's time is pro bono as the role is that of a volunteer. This is based on the premise that the other 50% was originally set at the Local Government Association's daily rate for the national male median white-collar wage. Whilst an allowance is appropriate, it is not a salary.
18. The Panel was of the opinion that the Basic Allowance should still comprise three parts as standard. These are:
 - An allowance to recognise the responsibility and time involved in the role of a Member.
 - Compensation for out of pocket incidental expenses related to their primary role as a Member, not separately reimbursed under the scheme.
 - An allowance towards the cost of IT, communication and home office.
19. More than two thirds of responding Members (22 of 27) said that the current allowances scheme fairly meets the expenses incurred.
20. During its review of allowances in 2016/17 the previous Panel recommended that Members Basic Allowances be raised by the same percentage increase that Officers received and suggested that this pattern should continue in the current year. As Officer pay had been increased by 1% in the 2017/18 financial year the current Panel recommends that there should be a 1% increase in the time contributed element of the Member Basic Allowance. The Panel noted this would represent an increase of £66 per Member taking the time contributed element of the Basic Allowance from £6,618 to £6,684. This would be an increase in budget from £357,372 to £360,936.
21. The Panel acknowledged representations made to it by some Members who met the Panel (3 of 13) regarding car parking expenses at Shute End. The Panel considered the impact of this at some length but concluded that car parking fees

were an out of pocket expense. As this amount had not been changed for some time, the Panel recommends that the £500 for "out-of-pocket expenses" should be increased to £600 per annum to contribute to increased costs. This would result in a further increase of £5,400 on the budget figures set out in Paragraph 20.

22. The Panel continues to recommend that Members not providing proper home office facilities, including those which allow constituents to communicate with them by e-mail, should not be allowed to claim the £500 component of the Basic Allowance. It recommends that the Council continues with a self-certification process to reinforce this.
23. In conclusion, the Panel recommends that the Basic Allowance be increased to be set at £7,784 per annum, backdated to 1 April 2017 and comprising the following components:
 - £6,684 for time contributed; and
 - £600 for out of pocket expenses; and
 - £500 for IT, communication and home office.

Special Responsibility Allowances

24. The Panel acknowledged representations made to it by a number of Members who met the Panel (10 of 13) regarding SRA payments and the relative amount of work that each role involved and how it was performed. As the Panel was carrying out a 'light touch' review this year, any comments were recorded for inclusion in a deeper review to be carried out in 2018/19, as part of which the intention would be to examine the balance of work undertaken by Members.
25. During the Panel's review, a number of members (8 out of 13) expressed concerns at the overturning of the recommendation of the previous Panel that SRAs/NED payments be limited to one per member. In the May 2017 "Snapshot Survey", 19 out of 27 of the responding Members answered YES to the simple question: "In your opinion, should the number of SRAs be restricted to one per person, being the one with the highest value". In the light of this, and after careful consideration including the points set out in paragraphs 14 and 15 above, the recommendation of the current Panel is that, with effect from 1 April 2018, the number of SRA payments should be limited to one per Member, that being the one with the highest value. The Panel felt that this recommendation was reasonable as it reflected the views of two thirds of responding Members. It would also bring the Council into line with the other Berkshire Unitaries and the majority of similar authorities in the South East. Finally, it would provide an example of restraint at a time when many of the Borough's residents were facing difficult financial challenges. It thus accords particularly with two of this IRP's core principles: "Is it reasonably similar to the practice in other unitary authorities in the region?" and "Would Borough residents consider it to be fair?" As set out in paragraph 9, this restriction should not apply to NED payments.
26. During the Panel's review, some Members indicated that a payment cap would provide an alternative method to limiting payments. The Panel is unaware of any councils in the South East that currently use that model. Further work would need to be done as part of the next review as to whether this would be permissible under law.

27. On the issue of transparency surrounding the payments to Non-Executive Directors and those received by Members from other organisations that they were appointed to by Council. Motion 386 proposing the publication of details of payments received by Members from other organisations had been passed at Council on 26 September 2016, but the onus was on the Member to provide the information. The Panel supports this decision and reiterates, in the light of transparency, that Members be reminded to provide this information. We are advised that it is entirely within the IRP's purview to issue such a reminder.
28. The Panel also felt that the current information on Members' payments on the Council website was not easy to access and was incomplete. The Panel recommends that this be reviewed in the spirit of transparency to make the information more prominent and immediately visible.

Travel and Subsistence Allowances

29. The level of Travel and Subsistence allowances was not raised as a significant issue in the representations made to the Panel and, therefore, the Panel is not recommending any changes to the current levels. The Panel made clear that Members should feel able to claim for expenses they were entitled to.

Childcare and Dependants Carers Allowance

30. The Panel felt that the level of childcare, whilst set at the National Minimum/Living Wage, did not reflect the cost of childcare in the local area and should be increased to £10ph up to a maximum of 35 hours per month. Again, the Panel wanted Members to feel confident about claiming for expenses they were entitled to.

MEMBERS' ALLOWANCES SCHEME 2017/18

RECOMMENDATIONS OF THE INDEPENDENT REMUNERATION PANEL

The Panel recommends to the Council that:

- (1) The time contributed component of the Basic Allowance be increased by 1% to reflect the increase in Officer pay, backdated to 1 April 2017;*
- (2) There be no change made to the multiples of the Special Responsibility Allowances paid to those roles as set out in the current Members' Allowances Scheme;*
- (3) With effect from 1 April 2018, Special Responsibility Allowances should be limited to one per Member (not including Non-Executive Director payments) that being the one with the highest value;*
- (4) In line with the motion passed by Council on 26 September 2016, Members be reminded to provide information for publication on the website regarding payments received from any outside bodies to which they were appointed by Wokingham Borough Council;*
- (5) The publication of Members' payments on the website be reviewed with a view to make the information more prominent and immediately visible;*
- (6) The £500 component of the Basic Allowance for out of pocket expenses should be increased to £600, to contribute to the cost of parking at Shute End;*
- (7) The £500 component of the Basic Allowance for the provision of IT should continue to be claimed only by those Members who provide facilities which allow constituents and Officers to communicate with them by e-mail and the self-certification process be continued;*
- (8) The rate payable for the Childcare and Dependants Carers' Allowance be increased to £10ph for up to 35 hours per month;*

Appendix A



**WOKINGHAM
BOROUGH COUNCIL**

From Councillor:

MEMBERS ALLOWANCES SNAPSHOT SURVEY – MAY 2017

Dear Councillors

We have agreed on a light touch approach to the Independent Remuneration Review this year. We are concentrating on the SRA aspect of the allowances and would appreciate as near to a 100% response as is possible by 12 May. Your responses will be kept strictly confidential.

1 Do you consider the time you spend on Council work to be:

a) excessive

b) about right

c) minimal

Please explain further:

2 Do you feel the current allowances scheme fairly meets the expenses you incur in performing your duties and responsibilities as a councillor?

YES

NO

Please explain further.

3 In your opinion, should the number of SRAs be restricted to one per person, being the one with the highest value?

YES

NO

4 I am employed/not employed/self-employed/retired – *please delete as appropriate*

Please return the completed questionnaire by **12 May 2017** to:

Arabella Yandle
Democratic Services Officer

Email: Arabella.yandle@wokingham.gov.uk

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