

**The attached report was adopted at a meeting of the Council on 6 September 2001.
The following is a summary of the scheme.**

The payment of a Basic Allowance of **£5,000** to all Members of the Council

That a weighting system be applied to determine individual levels of Special Responsibility Allowance, (SRA's) based on a Responsibility Allowance of **£4,000**. This is paid in addition to the Basic Allowance.

Post Holder	Amount of Responsibility Allowance £
** Leader of the Council	12,000
** Deputy Leader of the Council	8,000
Cabinet Member	8,000
Chairman of Overview and Scrutiny	6,000
Chairmen of Scrutiny Panels	2,000
Chairman of Development Control Committee	4,000
Chairman of the Appeals Committee	2,000
Chairman of the Standards Committee	That no Special Responsibility Allowance be paid to this post
Chairman of the Appointments Committee	That no Special Responsibility Allowance be paid to this post
Leader of the Opposition	6,000
Childcare and Dependents Carers Allowance	That a Childcare and Dependent Carers Allowance be paid to Members in respect of any approved duty at a rate of £4.00 (linked to the National Minimum Wage)

REPORT OF THE INDEPENDENT REMUNERATION PANEL TO CONSIDER MEMBERS ALLOWANCES

**Wokingham District Council
August 2001**

Introduction

1. The Local Government Act 2000, requires councils to review their Members' Allowances Scheme and to appoint an independent panel to consider and make recommendations on its future scheme.
2. The meeting of Council on the 18 June agreed that a panel of three independent people should be established to carry out a review of the Council's allowances scheme in accordance with the Act.

Legislative Background

3. The Local Authorities (Members' Allowances) (England) Regulations 2001 made under the Local Government Act 2000 state "*a district, county or London borough council shall have regard to the recommendations which have been made in relation to them by an independent remuneration panel.*" The new regulations allow for the payment of a basic allowance, special responsibility allowances and have introduced the concept of payment of a Childcare and Dependent's Carers Allowance. The latter payment is discretionary and it is a matter for each authority to decide whether to incorporate such payment in its scheme. The regulations also provide for the payment of Travelling and Subsistence Allowances and Conference and Meetings Allowances although these do not form part of the current review.

4. The Independent Panel

The following members were appointed to the Panel:-

TOM MORRISON

Tom Morrison is a resident of Woodley, and was until 18 months ago the Area Commander for the Reading with Wokingham Police Area. He has been a resident of the area for 30 years, and is now working as a civil servant.

REVD. COLIN JAMES

Rev. Colin James is a resident of Wokingham. He is assistant curate at All Saints Church, Wokingham. Prior to his ordination as a minister of the Church, he was a senior officer in the Education Department at Berkshire County Council with responsibility for Further Education.

CHRIS ELDRED

Chris Eldred is a resident of Caversham. He is a Director of Gibbs Ltd, an Engineering Consultancy based in Wokingham District.

Terms of Reference

5. The terms of reference of the Panel were
 - a) to make recommendations to Council about the level of basic allowances;
 - b) to determine the positions that should attract a special responsibility allowance and the level of those allowances.

So that the Panel could be seen to be truly independent, no allowances have been paid to Panel members.

The Panels Work

6. We met on six occasions between 4 June and 9 August 2001. Following the first meeting, a questionnaire was circulated to all Members of the Council seeking views on their work as a Councillor and their level of 'compensation' for that work. There was a good level of response to the questionnaire, (66 %).
7. Individual Members were also given the opportunity to meet the Panel to discuss the issue. The following Members were interviewed:-

Mr. MJ Bryant, (Chairman of the Opposition Group)
Frank Browne, (Leader of the Opposition Group)
Mrs. DF Carpenter
Mrs. KM Gilder
Mr. John P Green
Mr. CE Lawley, (Deputy Leader of the Council)
Mr. DC Morgan
Mr. BJS Patman
Fiona Rolls
Mr. AW Spratling, (Leader of the Council)
8. Administrative support was provided to the Panel by the Policy and Members' Services Unit.
9. We also considered a range of reports of independent panels from other authorities who had previously carried out reviews and the various recommendations that the panels had made. These have been sampled from a range of local authorities both large and small and included authorities within Wokingham's group of comparable unitary authorities.

10. Underlying Principles

The following underlying principles have guided the work of panel:-

- Public Perception – the scheme should be both clear and reasonable to the public.
- Affordability- the scheme should be mindful of available resources within the Council.

- Responsibility – the scheme should be based on levels of responsibility associated with the various roles. (These roles are considered further later in this document).
- Inclusive – the scheme should ensure as far as practicable that as wide a range of people as possible stand for election and that levels of allowances should not act as a disincentive to public service.
- Public Service Ethos – the scheme should reflect the balance between service to the community at large and adequate recompense for actual expenses incurred.

11. **New Political Structures**

We noted that as required by the Local Government Act 2000, the Council will be implementing new political management structures and that the Council would be adopting the Leader and Cabinet option from September 2001. We noted that the change in political structures would result in the majority of decisions being made on behalf of the Council by the Cabinet or Portfolio-holders. There will be an Overview & Scrutiny Committee to monitor the work of the executive, with a further six Scrutiny Panels undertaking policy development. Planning applications will continue to be determined by the Development Control Committee and Appeals Panels will be constituted as and when required for the hearing of various types of appeals. The Council is also obliged to establish a Standards Committee with responsibility for probity issues for both the District and Town & Parish Councils and an Appointments Committee to consider appointments above 2nd tier level.

12. We were fully aware of the pertinence of the move to new decision making arrangements in relation to the question of the level of Members Allowances but recognised that, in advance of the implementation of the new arrangements, it was difficult to forecast with any reasonable degree of accuracy what the effects of the change of structures might be. As such we commented on the importance of further reviews of the scheme in the light of experience of the new structures.

13. We noted that meetings were likely to take place based on the following schedule:-

- Cabinet - every 4 weeks
- Council - every 6 weeks
- Overview & Scrutiny - every 4 weeks
- Development Control Committee - every 3 weeks
- Standards Committee - 2 to 3 times a municipal year
- Appeals Committee - to meet as & when required
- Appointments Committee - to meet as & when required

14. **Costs of the Current Scheme**

We noted that the budget for 2001/2002 included £252,280 for Member's Basic Allowances and £78,680 for Special Responsibility allowances. The Council has not made any specific budgetary provision for 2001/2002 to allow for an increase in the level of Members Allowances. We recognised that any proposal to increase the level of Members Allowances would have to be justified and balanced against the other demands on the Council's budget.

15. **Basic Allowance**

We noted that the same level of Basic Allowance must be paid to all Members and that the Basic Allowance was intended to reflect actual expenses incurred by Members in their role such as telephone, information technology, postage and stationery. It also provides a nominal contribution towards the responsibility and effort of being an elected Member.

16. To determine the level of the basic allowance, we considered a number of different factors;
- The level of the current Basic Allowance
 - Comparable data from other authorities
 - The current budget
 - The time commitment of Members
 - The principle of public service
 - Incidental expenses including telephone, information technology, postage and stationery
 - Questionnaire responses on the level of the Basic Allowance
17. The current Basic Allowance is £4,558 per annum, and we accepted that we should base the review on the premise that that sum represented a reasonable starting point for the review. We noted the results of the Members Survey which indicated that 41%, (21/54) of Members disagreed or strongly disagreed that the current Members allowances scheme adequately covered expenses incurred by individuals in their role as a Councillor. An assumption was made that Members who did not return the questionnaire were generally content with the current level of Basic Allowance.
18. We considered the level of Basic Allowances in a number of other authorities, noting the wide variations between the level of Basic Allowances in urban areas, (particularly some of the London Boroughs) and less populated rural authorities.
19. From a number of interviewees, we determined that the hours spent on Council work had increased significantly since the Council had become a unitary authority and Members believed that this would continue to increase in the future. A number of Members commented that whilst public expectations of the role of the Councillor were increasingly demanding, the level of public awareness and understanding of the role was limited. Members were increasingly expected to be available at all times of the day and to have a high level of knowledge of all the services provided by the Council. Against this background, we considered the concepts of public service and personal choice.
20. We considered that some elements of the work of Members was voluntary and therefore should not be compensated for. For instance it would not be appropriate to be compensated for work of a political nature or work with Parish/Town Councils. We also took account of the principle of personal choice. The role of Member was one which was undertaken voluntarily for a variety of reasons. Feedback from the Panel's discussions with Members was consistent that individuals did not decide to run for office on the basis of the financial remuneration. However, we did set against this the aspiration that the individuals should not be disadvantaged by service as a Member of the Council.

21. As a panel we paid particular attention seeking to establish an adequate measure of the commitment required to properly carry out the non-executive Member's role. We noted that a number of other panels reports had assessed the number of hours spent in the role of a non-executive Member and then used a multiplier of the average hourly rate of pay of the area concerned to determine an initial level for the Basic Allowance. This approach provided a clear methodology for the level of a Basic Allowance, but nevertheless presented a number of disadvantages. We considered that such an approach often led to a level of Basic Allowance that was simply not realistic or affordable and which then had to be adjusted to the level that the particular authority could afford. We decided that to employ such a methodology to the review in Wokingham would be in conflict with the underlying principle that the scheme should be both affordable and would also be contrary to the principle of public service. By so doing, the impression would be created that the role of non-executive Member was job for which a salary should be paid.
22. We also took the view that it would not be possible to construct an hourly rate mechanism that adequately took account of the variations in hours spent by individual non-executive Members and the quality of time spent. Variations are likely to be apparent between the time spent by individual Members which are linked to the level of involvement in Council affairs that each individual Member considers appropriate and based on their own circumstances.

23. **General**

We noted the comments of a number of Members during the discussion process regarding the taxation of Members Allowances. Members expressed the opinion that this represented a significant dilution of the value of allowances. The issue of taxation is not one which fell within the scope of this review, but Members may consider it appropriate to make representations to Central Government, or organisations such as the Local Government Association/ Improvement & Development Agency regarding the issue.

24. **Level of Allowance**

In coming to our recommendation we considered all the elements covered above and tried to balance these against each other in coming to our recommendations.

Taking all relevant factors into account, our recommendation to the Council is that a Basic Allowance of £ 5,000 should be paid to all Members.

Special Responsibility Allowance

25. In considering the levels of the various Special Responsibility Allowance, (SRA) we noted that special responsibility allowances would be paid in addition to the basic allowance, but that a Member should not be entitled to claim more than one special responsibility allowance.
26. We took the view that the positions which should be considered for a SRA, were as follows;

- Leader of the Council
- Deputy Leader of the Council
- Cabinet Member
- Chairman of Committee, including Overview & Scrutiny, Appeals and Development Control
- Chairman of Scrutiny Panels
- Leader of the Opposition

Each of these is addressed in further detail below.

27. We decided that it would be helpful to establish a datum point for the consideration of levels of responsibility, (a *Responsibility Allowance*) which would form a starting point for the calculation of the relative levels of responsibility to be applied to each position. This would offer a degree of flexibility which may be required in reviewing the scheme in the light of experience.

Our recommendation to the Council is that the level of Responsibility Allowance be set at £4,000.

28. We recognised the difficulty in anticipating the amount of work, which each post will generate under the new political management arrangements. We decided that an appropriate way forward would be to consider the expected level of responsibility and effort attached to each post and agreed to use a form of weighting for each post in considering the appropriate level of SRA. This weighting was then used to derive a level of SRA as a multiple of the Responsibility Allowance, according to the level of responsibility and expected workload attached to each post. In estimating the likely level of responsibility, the Panel based its estimate on the responsibility descriptions for various positions that had been reported to the Council at its meeting on 9 July. The weighting schedule can be found below;

Responsibility Weighting	Responsibility Multiplier
1	0.5 x Responsibility Allowance
2	1 x Responsibility Allowance
3	1.5 x Responsibility Allowance
4	2 x Responsibility Allowance
5	2.5 x Responsibility Allowance
6	3 x Responsibility Allowance

Leader of the Council

29. We noted that the role of Leader of the Council currently carries a significant responsibility and workload over and above that of his duties as an ordinary Member of the Council. We concluded that whilst it was difficult to quantify how the role would develop under the new arrangements the expectation was that the post would involve high levels of effort and responsibility. We accepted that whilst the Leader would have limited direct portfolio responsibilities in comparison to other Cabinet Members he/she would have an important role as Chairman of the Cabinet. The role of Leader will require the devotion of a considerable amount of time in order to be informed about the Council's policies and operation in all areas of its services.

We agreed that the post of Leader of the Council should be given a weighting of 6.

We recommend that a SRA of £12,000. (3 times the Responsibility Allowance) should be paid to the Leader of the Council. (The Leader would not receive a separate SRA for being a Cabinet Member).

30. Deputy Leader of the Council

We noted that in addition to deputising for the Leader of the Council in his absence, the Deputy Leader of the Council would have responsibility for a number of financial areas as outlined in the constitution. As the Deputy Leader would only occasionally be expected to fulfil the additional responsibilities of Leader, we considered the post merited a SRA equivalent to other Cabinet Members.

We agreed that the post of Deputy Leader of the Council would be given a weighting of 4.

We recommend that a SRA of £ 8,000 (2 times the Responsibility Allowance) should be paid to the Deputy Leader of the Council. (The Deputy Leader would not receive a separate SRA for being a Cabinet Member).

Cabinet Members

31. We noted that under the Council's new structure the Cabinet will consist of eight Members in addition to the Leader and Deputy Leader. Each of these will have particular responsibility for a portfolio of services as follows;

- **Finance**
- **Customer Service**
- **Youth, Leisure & Cultural Services**
- **Partnership & Community Planning**
- **Transport, Planning & The Environment**
- **Community Care**
- **Community Safety and Social Inclusion**
- **Education & Lifelong Learning**

32. The Cabinet is intended to meet formally every four weeks with authority to make decisions on behalf of the Council in a number of areas. Individual portfolio holders in each of the service areas will have delegated authority to make decisions within the limits of the Councils constitution and accountability for those decisions will be enhanced. This represents a major change from the previous Committee based system where decisions were made under the principle of collective responsibility. Considerable time and effort will be required to be invested by Cabinet Members in

keeping themselves informed of their portfolio area and in exercising their delegated responsibilities.

33. We recognise that the various portfolios may well be different in terms of the responsibility levels and time commitment. However, this cannot be quantified at the present time and will only become clearer in the light of experience. Therefore at this stage we wish to put down a marker that in future years it may be necessary to consider the concept of differential payments relative to each portfolio.

We agreed that the post of Cabinet Member should be given a weighting of 4.

We recommend that an SRA of £ 8,000 (2 times the Responsibility Allowance) should be paid to Members of the Cabinet.

34. **Chairman of Overview & Scrutiny Committee**

We noted that the role of Overview & Scrutiny would be central to the management and accountability of the Council. The post of Chairman of Overview & Scrutiny Committee is expected to involve significant influence and responsibility involving project planning and co-ordination of the work of the Scrutiny Panels together with liaison with the Leader of the Council concerning items likely to be included on the four monthly forward plan. We considered that the Chairman of the Overview & Scrutiny Committee should continue to receive a SRA.

We agreed that the post of Chairman of Overview & Scrutiny Committee should be given weighting of 3.

We recommend that an SRA of £ 6,000 (1.5 times the Responsibility Allowance) should be paid to the Chairman of the Overview & Scrutiny Committee.

35. **Chairmen of Scrutiny Panels**

We noted that five Scrutiny Panels based on the Key themes of the Council's Business Plan, together with an ad-hoc Panel to discuss one-off projects were to be set up. The Panel acknowledged that the role of Chairman of Scrutiny Panels would involve responsibility for direction and co-ordination of that Panel's work and in drafting the Panel's report on the conclusion of its business.

We agreed that the post of Chairman of a Scrutiny Panel should given a weighting of 1.

We recommend that an SRA of £ 2,000 (0.5 times the Responsibility Allowance) should be paid to Chairman of Scrutiny Panels.

36. **Chairman of Development Control Committee**

We noted that the Development Control Committee would continue to meet under the Council's new political structure with the same frequency as at present. We considered that the Chairman of the Development Control Committee should continue to receive a SRA. We also agreed that although the work and

responsibilities of the Development Control Chairman were unlikely to increase under the new structures, the current level of allowance received was low and did not adequately reflect the level of public interest and involvement in Development Control matters.

We agreed that the post of Chairman of the Development Control Committee should be given a weighting of 2.

We recommend that an SRA of £4,000 (1 times the Responsibility Allowance) should be paid to the Chairman of the Development Control Committee.

Chairman of the Appeals Committee

We noted that the expected work load of the Chairman would be relatively light over and above ensuring the correct application of procedure to consider the determination of Appeals. We considered that the Chairman of the Appeals Committee should continue to receive an SRA.

We agreed that the post of Chairman of the Appeals Committee should be given a weighting of 1.

We recommend that a SRA of £ 2,000 (0.5 times the Responsibility Allowance) should be paid to the Chairman of the Appeals Committee.

38. **Chairman of the Standards Committee**

We understand that the Council is being recommended to the effect that an independent member should chair the Standards Committee. In the circumstances we do not believe it would be appropriate to identify the role of Chairman of the Standards Committee as a position attracting a SRA.

We recommend accordingly.

39. **Chairman of the Appointments Committee**

We are aware the Council is required to deal with the appointment of the Head of Paid Service, Directors and Heads of Service through a Member appointment process. This will necessitate the establishment of an Appointments Committee at such times as those posts are required to be filled. The time commitment and responsibility for chairing this committee is likely to be minimal and therefore we do not consider the role should attract a SRA.

We recommend accordingly.

40. **Leader of the Opposition**

We recognised that the role of Leader of the Opposition was in many ways a political one. Nevertheless, it was a pivotal role in securing the cohesive working of the Authority, particularly in relation to the Outward-facing role.

We agreed that the post of the Leader of the Opposition be given a weighting of 3.

We recommend that a SRA of £ 6,000 (1.5 times the Responsibility Allowance) should be paid to the Leader of the Opposition.

41. **Childcare and Dependants Carers Allowance**

We noted that the Local Government Act 2000 had introduced a provision, which enables local authorities to include a Childcare & Dependent Carers Allowance, (CDCA) within its allowances scheme. The allowance is discretionary and feedback from the Panel's discussion with Members indicated that such an allowance would be a positive step towards a more demographically proportionate Member profile. It would also be a step towards the goal that standing for election should not financially disadvantage the public. Based on the current Membership of the Council demand for this allowance would not be financially onerous.

42. In developing our proposals, we have used the definition of a dependent used in s.57A of the Employment Rights 1996, that is to say;

- A spouse
- A child
- A parent
- A person who lives in the same household but is not an employee, tenant, lodger or boarder.

We recommend the payment of a Childcare & Dependant Carers Allowance;

- **To Members in respect of any approved duty and should be paid at a rate of £4.00 per hour (indexed to the minimum rate);**
- **The CDCA can be claimed only by the person with direct caring responsibilities;**
- **Claims must be limited to a maximum of 8 hours per week;**
- **The carer engaged must not be a member of the claimant's family i.e. Spouse of Partner, Other Children of the councillor or councillor's spouse or any member of the councillor's family who live at the same address as the councillor.**

43. **Review of the Scheme.**

In making these recommendations we consider that a review of the various allowances should be carried out once when the Council's new political structure has been in place for a period of six to nine months and the level of allowances tested against actual experience of the new structures. We also note that legislation requires a further review to be carried out on annual basis.

Chris Eldred
Colin James
Tom Morrison.