

WOKINGHAM DISTRICT COUNCIL

**REPORT OF THE INDEPENDENT
REMUNERATION PANEL ON
MEMBERS' ALLOWANCES**

2003-2004

Introduction

1. The following report sets out the recommendations of the Independent Remuneration Panel established to review Wokingham District Council's current Members' Allowances scheme in accordance with revised regulations published in 2003.
2. The Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) regulations 2003 require local authorities to review their allowances schemes and to establish Independent Remuneration Panels to consider and make recommendations on new schemes. The separate Local Government (Local Authority Members in England) Regulations came into force in 2003, introducing a number of changes which are summarised below.
3. The 2003 Regulations state that the Panel must make recommendations in respect of the following issues:
 - **Basic allowance** – each local authority must make provision for a basic, flat rate allowance 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 responsibilities. The Panel has to recommend the responsibilities that should be remunerated and the levels of each allowance;
 - **Childcare and dependents' carers' allowance** – local authorities may make provision for the payment of an allowance to those Councillors who incur expenditure for the care of children or dependent relatives whilst undertaking particular duties.

These provisions broadly replicate those contained in the following regulations which have been revoked:

- The Local Authorities (Members' Allowances) Regulations 1991 as amended;
 - The Local Authorities (Members' Allowances) (England) Regulations 2001
4. The 2003 regulations make the following changes applicable to the Council's scheme:
 - Travel and subsistence allowances have been brought within the overall scheme, so that they are subject to the recommendations of the local panel rather than to the limits imposed by the Secretary of State;
 - **Co-optees' allowance** – each local authority may make provision for the payment of an allowance to co-optees for attending meetings, conferences and seminars;

- Allows authorities to cease payment to members who have been suspended or partially suspended from their duties, and to make provision for the repayment of allowances;
- Allows authorities to backdate allowances to the beginning of the financial year in which they are paid, and to make annual adjustments by means of an index, subject to the recommendations of the panel;
- Makes provision for the panel to make binding decisions on which councillors may be eligible to join the Local Government Pension Scheme.

The Independent Remuneration Panel

5. The Panel comprised the following Members:

Chris Eldred

Chris Eldred is a resident of Caversham. He is a director of JacobsGIBB Ltd, an Engineering Company based in the Wokingham District.

Robin Cops

Robin Cops is a resident of Wokingham District. Following a 35 year career in the international private sector with companies such as Air Products PLC, he became Chairman of the Wokingham Learning Partnership in 2002.

Michael Forrer

Revd. Michael Forrer is a resident of Charvil and is an Associate Vicar of the local Parish Church. Following a career in the Royal Artillery, he was ordained as a priest in 1960, later becoming a Worker Priest working in the private sector with such companies as IBM and Cable & Wireless.

Kevin Jacob, Principal Democratic Services Officer, and Richard May, Senior Democratic Services Officer, provided guidance and administrative support to the panel.

Work Programme and remit

6. The Panel met on the following occasions:

9 December 2003
 16 January 2004
 11 February 2004
 26 February 2004

In addition, the Panel maintained regular contact between each other and with Democratic Services.

7. The Panel received 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 June 2003, including a questionnaire which was distributed to all Members as part of the review in 2001;
 - Copies of the Local Authorities (Members' Allowances) (England) Regulations 2003;
 - Budgetary provision for Members' Allowances for 2003-2004 and 2004-2005;
 - Information relating to the Council's political management structure;
 - Information relating to the portfolios held by Members of the Executive;
 - Improvement and Development Agency comparative information on levels of Members' Allowances by region, including comparison between different types of authority i.e. Unitary, district, county, metropolitan, London Borough;
 - The Independent Panel reports for neighbouring authorities South Oxfordshire District Council, Bracknell Forest Borough Council and West Berkshire Council;
8. The Panel interviewed Frank Browne, Leader of the Council, and Coling Lawley, Leader of the Liberal Democrat Group. In addition, a letter was distributed to all Members to establish whether they considered the current level of basic and SRA to be acceptable, and whether there were any particular issues that they wished to be considered by the panel.

Terms of Reference for the review

9. The Team noted that the previous review had taken place with the Council's new political structure, based on an Executive comprising Members of the incumbent administration, at a formative stage. Consequently the current review should seek to establish whether Members' expectations of workload and responsibility under the new arrangements had been met, and from this whether the current levels of basic and special responsibility allowance were appropriate.
10. Due to delays associated with reconvening the panel, it became apparent that it would not be feasible for the Council to agree significant changes to the current scheme for incorporation within the 2004-2005 budget.
11. The Panel gained the impression from the interviews with the Leaders of the political groups that current levels of basic and special responsibility allowance were not contentious issues amongst the majority of their Members. Moreover, the response to the letter gauging Members' views had elicited an extremely low response (4 responses from 53 Members), indirectly suggesting an acceptable level of satisfaction for the current arrangements.
12. As a result of this feedback, the Panel formed a view early in the process that it would not seek to undertake a fundamental review of the

current scheme at the present time. In accordance with the recent regulations (see paragraphs 1-3 above), however, the Panel would:

- Produce an interim report making recommendations on the new provisions relating to travel and subsistence and pensionability, and consider what changes to the scheme might be appropriate at this stage;
- Ensure any changes recommended at this stage could be met from within existing budgets;
- Consider whether it was appropriate to recommend that a fundamental review of Members' Allowances be undertaken during 2004-2005, commencing in Autumn 2004.

Basic Allowance

13. The Panel noted the requirement of the regulations that the same basic allowance be paid to all Members of the Council. The allowance was intended to recognise the time commitment of Members and the incidental costs they incurred.
14. In considering the level of basic allowance the panel took into account a number of factors:
 - The level of the current Basic Allowance;
 - Budgetary provision 2003/2004 and 2004/2005;
 - Comparable data from other local authorities;
 - The time commitment of Members;
 - The principle that an element of Members' service should be voluntary and not subject to recompense;
 - Information provided by Group Leaders and individual respondents.
15. The Panel noted that the current Basic Allowance of £5,000 per annum had remained unchanged since 2001, taking into account the view of the previous (June 2002) Panel that a Basic Allowance at this level adequately compensated Members for the costs associated with service as a Councillor.
16. The Panel was advised that the 2004-2005 budget for Basic Allowance was £283,670. There was scope, therefore, to make a small increase in the amount of Basic Allowance. In light of the fact that the allowance had not changed since 2001, the Panel recommended that the basic allowance be increased by 3% to £5,150.
17. In concluding that the basic allowance around the £5,000 mark was acceptable, the Panel noted the views of the Group Leaders that allowances were not a major issue, although there were some Members who felt that the level of the basic and the level and application of the Special Responsibility Allowances should be reviewed. The Group Leaders had emphasised the importance of setting neither an allowance that was not so low as to deter potential candidates, nor

one that was perceived as unacceptably high. The Panel shared these views, considering that an allowance of £5,150 adequately compensated Members for their incidental expenses such as IT costs, telephone calls, postage and stationery.

18. The Panel considered that an allowance of £5,150 adhered to the public service ethos and the principle that an element of Members' service should be voluntary and not subject to compensation. Comparison with the Basic Allowance paid by Unitary Authorities Bracknell Forest Borough Council (£7,500) and West Berkshire Council (£5,000) and single tier authority South Oxfordshire DC (£3,000) showed that the recommended basic allowance for Wokingham to be in the middle of the range.
19. The Panel wished to register their concern that the 2003 regulations referred throughout to an 'allowance' and not to a salary, but that the basic and special responsibility allowances were subject to tax in the same way as council employees' wages. This did not seem consistent with the definition of an 'allowance' which sought to remunerate Members for the expenses associated with public service rather than provide a salary.

Taking all relevant factors into account, the Panel recommended to the Council that the Basic Allowance should be increased to £5,150 to be paid to all Members.

Special Responsibility Allowance (SRA)

20. The Panel decided, for the reasons identified in paragraph 10-12 above, that it would not be appropriate to recommend alterations to the level of Special Responsibility Allowance; these should be considered in detail as part of a comprehensive review to take place at a later date. Consequently the Panel recommended that the level of SRA remain at £4,000.
21. The Panel considered the current SRAs and whether it should recommend any alterations within the existing budgetary framework. The following SRAs were paid under the present scheme:
 - Leader of the Council – £12,000 (3 times SRA)
 - Deputy Leader of the Council, Second Deputy Leader of the Council and Executive Members - £8,000 (2 times SRA);
 - Champions to the Executive - £4,000 (1 times SRA);
 - Chairman of Overview and Scrutiny Committee - £4,000 (1 times SRA);
 - Chairmen of Select Committees - £2,000 (0.5 times SRA);
 - Chairman of Development Control Committee - £4,000 (1 times SRA)

- Chairman of Licensing and Appeals Committee - £1,000 (0.25 times SRA);
 - Chairman of Personnel Board – £1,000 (0.25 times SRA);
 - Chairman of Highways Board - £1,000 (0.25 times SRA);
 - Leader of the Opposition - £6,000 (1.5 times SRA);
 - Chairman of Standards Committee – No SRA.
22. The Panel had regard to the views of the Group Leaders that, in most of the above cases, current levels of SRA were sound and accurately reflected the differing levels of responsibility associated with each position.
23. Evidence from the Group Leaders, as well as from Members responding to the letter, identified concerns with the SRAs currently paid for the following positions:
- **Champions to the Executive** – The Panel noted that the position of Champion to the Executive had been created by the Leader of the Council to provide support through specific policy advice across the entire range of Council services. There remained some doubt as to the particular nature and extent of this responsibility, and the Panel concluded that this role should be investigated thoroughly as part of a future review of SRA;
 - **Chairman of the Development Control Committee** – The Panel noted that the Development Control met every 3 weeks throughout the year, and that, in addition to the scheduled meetings, special meetings had been held on 3 occasions to deal with applications of particular significance and to reduce a large backlog of applications. Meetings of the Development Control Committee often lasted for 4 hours and attracted large audiences to hear many major applications being determined. Consequently the Chairman had a highly visible role with significant responsibility to ensure the smooth running of the Committee, and to oversee sound decisions being made fairly and equitably. There was some doubt, therefore, whether the current level of remuneration for the Chairman was appropriate;
 - **Chairman of the Licensing and Appeals Committee** – The Panel had regard to the likely effect of new legislation in expanding the Council's licensing function; it would be necessary, therefore, to review the SRA currently paid to the Chairman of the Licensing and Appeals Committee once this new legislation had become operational;
 - **Chairman of the Standards Committee** – The Panel was advised that the workload and responsibility associated with this position might increase following the introduction of government guidelines. The guidelines set out the procedure for complaints against district and parish councillors under the Code of Conduct being considered by Standards Committees. This was likely to have implications for the workload and responsibility of the Chairman of the Committee,

and it might be necessary to consider the payment of an SRA in the future.

The Panel noted these concerns and, whilst not recommending changes at this stage, felt that they should be carefully considered as part of the forthcoming full-scale review.

24. The Panel noted that some unitary authorities paid considerably higher Special Responsibility Allowances, particularly to the Leader. It was felt, however, that these councils interpreted their Leader's role as a full-time salaried position, which might be appropriate in a large urban authority but was not considered to be so for Wokingham District Council. In recommending that the Leader's SRA remain at £12,000, the Panel had regard to the affordability of the scheme, the view of the Leader that this was an acceptable SRA, and the principle that elected Members were volunteers who should not be treated as salaried employees.

Taking all the relevant factors into account, the Panel recommended to the Council that the following SRAs continue to be paid at the same level, pending a full scale review during the 2004/2005 Municipal Year:

- ***Leader of the Council – £12,000 (3 times SRA)***
- ***Deputy Leader of the Council, Second Deputy Leader of the Council and Executive Members - £8,000 (2 times SRA);***
- ***Champions to the Executive - £4,000 (1 times SRA);***
- ***Chairman of Overview and Scrutiny Committee - £4,000 (1 times SRA);***
- ***Chairmen of Select Committees - £2,000 (0.5 times SRA);***
- ***Chairman of Development Control Committee - £4,000 (1 times SRA)***
- ***Chairman of Licensing and Appeals Committee - £1,000 (0.25 times SRA);***
- ***Chairman of Personnel Board – £1,000 (0.25 times SRA);***
- ***Chairman of Highways Board - £1,000 (0.25 times SRA);***
- ***Leader of the Opposition - £6,000 (1.5 times SRA);***
- ***Chairman of Standards Committee – No SRA.***

Co-opted Members

25. The 2003 Regulations introduced the possibility for local authorities to provide the co-opted Members of its committees with an allowance for attendance at conferences and meetings. Of the Council's committees, only the Standards Committee had co-opted Members (Independent and Parish Council Members).
26. The Panel took the view that, given its relatively light current workload and the principle that co-optees' services should be offered voluntarily, it was not appropriate to pay a co-optees' attendance allowance at this

stage. However, noting the possible increased workload of the Standards Committee described in paragraph 23 above, this situation might require future review.

The Panel recommended to the Council that no co-optees' allowances be paid at the present time, pending further review in the light of the enhanced role of the Standards Committee.

Childcare and Dependents' Carers' Allowances

27. The Panel considered it important to continue to make this allowance available so as not to discourage present and future councillors who incurred expenses for the care of children or other dependents whilst carrying out particular duties from participation in local democracy and recommended that the rate should remain as the minimum wage, plus one pound.

The Panel recommended to the Council that a Childcare and dependents' carers' allowance be paid:

- ***To Members in respect of any approved duty at a rate of £4.85 per hour plus £1, total £5.85 (indexed to the minimum wage for over 21-years-old);***

Subject to the following:

- ***The allowance to be claimed only by the person with direct caring responsibilities;***
- ***The allowance to be limited to a maximum 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.***

Travel and Subsistence Allowances

28. The Panel noted that the new Regulations required a recommendation in respect of a scheme for the payment of travel and subsistence allowances.
29. In making its recommendation, the Panel had regard to the views of the Group Leaders and Members who had responded to the letter seeking views, the schedule of current rates set by the Office of the Deputy Prime Minister (ODPM) and to current rates paid to Officers.
30. The Panel noted the views of the Group Leaders that the majority of their Members were satisfied with the current level of travel and subsistence allowances. Consequently, it was recommended that

travel and subsistence should continue to be paid based on the existing levels set by the ODPM, pending future review.

The Panel recommended:

- ***That the Council pays the following travel and subsistence allowance rates for the eligible duties set out in the schedule attached to the current scheme:***

MILEAGE

	<i>Per mile</i>
<i>Car cylinder capacity not exceeding 999cc</i>	<i>34.6p</i>
<i>Car cylinder capacity >999cc but not exceeding 1199cc</i>	<i>39.5p</i>
<i>Car cylinder capacity >1199cc</i>	<i>48.5p</i>
<i>Pedal cycles</i>	<i>5.2p</i>

RATES OF SUBSISTENCE

Breakfast allowance (more than 4 hours away from normal place of residence before 11am) *£4.92*

Lunch allowance (more than 4 hours away from normal place of residence, including the lunchtime between 12 noon and 2pm) *£6.77*

Tea allowance (More than 4 hours away from normal place of residence including the period 3pm-6pm) *£2.67*

Evening meal allowance (More than 4 hours away from normal place of residence ending after 7pm) *£8.38*

Conference overnight subsistence *£79.82*

LGA Conference or overnight absence in London *£91.04*

- ***That claims made under the Council's travel and subsistence scheme be accompanied by receipts and/or other relevant evidence of the costs;***
- ***That any claim for payment of allowances under the Scheme shall be made within 2 months of the date of the duty to which the allowance relates.***

Pensions

31. The new Regulations introduced the potential for Members' allowances to be pensionable through the Local Government Pension Scheme. The Panel was required to make recommendations as to whether Members should be entitled to the pension and, if so, which Members should be so entitled, and whether the Basic or Special Responsibility Allowance, or both, should be pensionable.

32. The Panel considered that allowing Members to join the Local Government Pension Scheme would be against the principle that service as a local councillor should be undertaken as a community volunteer and not as a salaried employee. In addition, the cost implications for the Council in terms of administration and employer contributions were considered to jeopardise the scheme's affordability. For these reasons the Panel recommended that no Members be eligible for inclusion in the Local Government Pension Scheme.

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Withholding and repayment of allowances

33. The Regulations stated that allowances schemes may provide for the withholding of allowances in the event of a Member being suspended or partially suspended from their duties as a Member having contravened the Local Code of Conduct.
34. The Panel agreed that it would be sensible, and difficult to justify otherwise, that in the event of a member being suspended or partially suspended from his or her duties, allowances should not be payable.

The Panel recommended:

- ***That allowances be withheld from any Member for the duration of any suspension;***
- ***That, in the event of a Member being partially suspended, the allowance(s) applicable to the area of activities from which the Member was suspended be withheld.***

Forgoing allowances

35. The Panel considered it important that Members should continue to be given the opportunity to forgo all or part of any allowance due to him/her,

The Panel recommended that the Members' Allowances Scheme should continue to include reference to a mechanism whereby a member may elect to forgo any part of their entitlement to allowances under the Scheme.

Indexation

36. The Panel was advised that, under the new regulations, specific provision could be made for Remuneration Panels to recommend whether adjustments to the level of allowances should be made

according to an index and, if so, which index and the length of its application (up to a maximum of four years).

37. Following discussion of this matter, the Panel took the view that, due to the likelihood of future changes to the Council's political arrangements, it was not appropriate to recommend an annual index. Instead, the scheme should be reviewed on an annual basis, commencing in Autumn 2004.

Backdating allowances

38. The Regulations had made it possible for an allowance to be backdated if, for example, a Members' role had changed during the course of a Municipal Year. Given that allowances were likely to be reviewed again in approximately 6 months, and given the budgetary constraints within which the Council was operating, the Panel did not consider it expedient to recommend that any allowances be backdated at this stage.