

WOKINGHAM BOROUGH COUNCIL

**REPORT OF THE INDEPENDENT
REMUNERATION PANEL ON MEMBERS'
ALLOWANCES LEVELS FOR 2008-2009**

**For submission to the Council on
30 October 2008**

Introduction

1. In accordance with regulations laid down by government the Council appointed an Independent Remuneration Panel in 2003 to review levels of allowance paid to Members. In each of the following Municipal Years, the Panel has made recommendations on the levels of Basic and Special Responsibility Allowance for consideration by the Council. Details of the Panel's remit are described below.

The Independent Remuneration Panel

2. The Panel comprised the following Members:

Robin Cops

Robin Cops has been a resident of Wokingham Borough for the last 24 years. Following a 35 year career with an international chemical engineering company he now acts part time as a management consultant. He is also a Governor at St.Crispin's School and Bracknell and Wokingham College and a Magistrate on the E.Berks Bench.

Michael Forrer

Revd. Michael Forrer is a resident of Charvil and is the 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.

Geoff Wilde

Geoff Wilde has been a resident of Wokingham Borough for the last 24 years. He worked for IBM for 33 years until his retirement in 2002. He is a Community Governor at St.Crispin's School and a volunteer with Wokingham CAB.

Ella Hutchings, Principal Democratic Services Officers, provided guidance and administrative support to the Panel.

Background and national context

3. The Local Government (Local Authority Members in England) Regulations which came into force into 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 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;
- **Travel and subsistence allowance** – local authorities may make provision for the payment of a travelling and subsistence allowance to its Councillors 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.
4. The Regulations also made provision 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;
 - Whether some or all Councillors should be eligible to join the Local Government Pension Scheme.

Terms of reference for the 2008-2009 review

5. The Panel's 2007-2008 Members' Allowances Scheme recommendations were agreed by the Council on 28 June 2007, apart from their recommendations regarding the payment of a Special Responsibility Allowance to Champions.
6. The Panel delayed their review for the current Municipal Year so that they could see what changes the new Leader of the Council would make and reflect them in its recommendations. All recommendations made will apply to the full Municipal Year, regardless of the fact that they are being presented to Council for consideration at a later date than normal.
7. The Panel had conducted a detailed review for 2006-2007 and used this report to revisit issues that had arisen since. However some changes will need to be given time to run such as those to the Standards Committee and the new role of Deputy Executive Members and so intend to review these further at a later date.
8. The Panel was asked to consider the following issues raised by Members and Officers during the course of the year:
- The absolute Basic Allowance;
 - The Benchmarking of allowances against other local Councils;
 - Standards Committee changes;
 - Scrutiny function changes;
 - Car Insurance costs;
 - SRA payments for the new role of Deputy Executive Members;
 - Travel claims for travel to events when representing the Council in a specific role such as being a Member of the Executive.

9. In respect of the further provisions identified in paragraphs 3 and 4 above, the Council had previously adopted the Panel's recommendations as follows:
- 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 areas of activity from which the Member was suspended be withheld;
 - That the 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.

After consideration the Panel decided there were no reasons to change the above recommendations.

Work programme

10. The Panel met on the following occasions:

- 7 May 2008;
- 6 June 2008;
- 11 June 2008;
- 24 June 2008;
- 1 July 2008;
- 17 July 2008;
- 5 August 2008;
- 13 August 2008;
- 20 August 2008;
- 24 September 2008;
- 26 September 2008;
- 6 October 2008.

In addition, Members of the Panel maintained regular telephone, e-mail and postal contact between each other and with Officers in the Democratic Services Section.

11. The Panel received, and had 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 June 2007;
 - Copies of the Local Authorities (Members' Allowances) (England) Regulations 2003;
 - Benchmarking information on allowance levels paid by other local authorities;
 - Budgetary provision for Members' Allowances – projected 2007-2008 outturn and 2008-2009 base budget;
 - Slides, notes and information relating to a workshop at Birmingham University attended by Robin Cops and Ella Hutchings on 'Members' Allowances: Post 2003 Regulations – Approaches, Patterns and Issues';
 - Relevant extracts from the 'Strong and Prosperous Communities' white paper;

- Relevant extracts from 'Representing the future', the report of the Councillors Commission, December 2007;
 - An update paper on 'Local Government and Public Involvement in Health Act 2007' published December 2007;
 - The, 'Members remuneration – models, issues, incentives and barriers', report produced for the Councillors Commission in December 2007 by Dr Declan Hall and Sir Rodney Brooke of the School of Public Policy, University of Birmingham.
12. A letter was sent to all Members on behalf of the Panel seeking verbal and written representations. The following Members were interviewed:
- Malcolm Bryant, Champion to the Executive for Youth and Leisure (to May 2008), Deputy Executive Member for Community Development (from May 2008);
 - David Lee, Leader of the Council;
 - Prue Bray, Leader of the Opposition;
 - Angus Ross, Champion to the Executive for Business Liaison (to May 2008), Deputy Executive Member for Local and Regional Planning (from May 2008);
 - Annette Drake, Mayor (to May 2008);
 - Liz Siggery, Chairman of the Scrutiny Committee (from May 2008).
13. The Panel members also met with Susan Law to introduce themselves, find out about her priorities as the new Chief Executive of Wokingham Borough Council and to discuss any queries/concerns etc she might have about Members' Allowances.

Basic and Special Responsibility (SRA) Allowances

14. The Panel considered the level of Basic Allowances, currently £6,750 per Member, paid to all Councillors.
15. Since there had been no increase in the provision of centrally provided IT, the Panel decided that the £250 they had included in previous years Basic Allowance should continue to be provided (see Paragraph 26).
16. The Panel considered the comments of Members regarding increasing the Basic Allowance, and as requested looked at benchmarking the allowance against other Local Authorities.
17. The Panel were provided with the details of the Basic Allowance and other payments provided to Members of other Local Authorities in the area or of a similar size and whilst they recognised that some Authorities did pay more, there were also some Authorities that paid less. The Panel felt that in comparison to other Authorities locally and nationally, Wokingham was paying a fair amount, in line with other Unitary Authorities.
18. It was felt that the Basic Allowance should be increased at least in line with the budget inflation assumptions.

19. Survey of Councillor's Time:

The Panel also considered again the request that had been made a number of times for an 'hours worked' survey. The Panel felt that the Members' Allowance Scheme was not a pay per hour salary and that there was a strong element of voluntary service in the role. Therefore it would be hard to relate the findings of such a survey to what would be a "commercial" payment. However, the Panel did accept that such a survey might be useful in judging the relative workload of Members and so requested that Officers carry out such a survey before the Panel next meet to discuss the next Municipal Year's Members' Allowances. The findings of the survey would be considered by the Panel.

20. Chairman of the Audit Committee:

The Panel looked at the role of the Chairman of the Audit Committee who historically has not received an SRA payment. The Panel felt that the work carried out by the Chairman was of similar responsibility to that of the Chairman of the Scrutiny Committee (as the function is at the present time), the Chairman of the Health Overview and Scrutiny Committee and the Chairman of the Licensing and Appeals Committee. Therefore the Panel recommends that the Chairman of the Audit Committee receive a payment of 0.5 x SRA.

21. Members of the Standards Committee:

- i. The Panel heard representations regarding the payment of an SRA to Members of the Standards Committee. This was because the Standards Board for England would be referring all local cases in future to the Committee for determination, which could result in a significant increase in workload for the Committee. The Committee was made up of two Borough Councillors and three independent members. The Chairman of the Committee currently receives 0.25 x SRA;
- ii. The Panel understood that the level of extra work for the Committee could not be predicted at this stage. In addition there appeared to be no significant differences from being an independent member on the Standards Committee to many other forms of unpaid voluntary services. Therefore the Panel decided that there was no basis for making an SRA payment to all Members of the Standards Committee at the current time.

22. Members of the Planning Committee:

The Panel were informed by Members and Officers that there had been a number of changes over the last few years to the way the Planning Committee was run, including changes to the Delegated Powers. The Panel were mindful of the changes but felt that the situation needed to be monitored further in order to ascertain whether the workload of the Members had fallen and so whether the SRA currently paid was still appropriate. The Panel would look at this issue again at the beginning of 2009 to assess the practical impact of the changes on the Committee.

23. Scrutiny Committee:

The Panel were informed by Members and Officers that there were a number of important changes about to take place regarding Scrutiny, including the way the Committee was run and the work it undertook. The Panel felt the changes may have an impact on SRA payments in the future, but as this was at such an early stage were not able to make any recommendations at this time. The Panel would monitor the situation and re-consider the issue at a later date once the changes had been given a chance to settle down.

24. Deputy Executive Members:

- i. With the role of Champions to the Executive no longer in existence, the Panel were asked to consider an SRA payment for the new role of Deputy Executive Members. The Panel met with a number of Members and Officers regarding the role. They acknowledged that effort had been given to clarify the role of Deputy Executive Members, including having sight of the draft job descriptions for the Deputies;
- ii. When deciding whether a role should be allocated an SRA, the Panel were looking for evidence of significant extra responsibility over and above that of a Borough Councillor. As the role of the Deputy Executive Member was still evolving at the time of writing this report, it was unclear to the Panel exactly how much Special Responsibility they would be allowed to take, if any, in the future. Therefore the Panel felt it was too early in the process for them to recommend an SRA;
- iii. The Panel felt that in order to pay an SRA they would need to better understand the specific responsibilities and accountabilities of the role together with measurable targets. The Panel noted that the role did not exist in many other Authorities and where it could be ascertained that an equivalent role did exist, some paid an SRA whilst others did not. If the Panel were provided with a job description showing that the role did have significant responsibility and targets or had changed, then it could reconvene and review the matter at that time. Otherwise the Panel would review the matter again when it next meets to look at the 2009/2010 Members' Allowances in February 2009.

25. Following the detailed review conducted by the Panel in 2006, the following SRAs were still considered appropriate for the roles:

- Leader of the Council – 4 x SRA;
- Deputy Leader of the Council – 2 SRA;
- Members of the Executive – 2 x SRA;
- Chairman of the Scrutiny Committee – 0.5 x SRA;
- Chairman of Health Overview and Scrutiny Committee – 0.5 x SRA;
- Chairman of Planning Committee – 1 x SRA;
- Members of the Planning Committee – 0.25 x SRA;
- Chairman of the Licensing and Appeals Committee – 0.5 x SRA;
- Chairman of the Standards Committee – 0.25 x SRA;
- Chairman of the Personnel Board – 0.25 x SRA;
- Leader of the Opposition – 1.5 x SRA.

Additionally the following SRA should be added to the list:

- Chairman of the Audit Committee – 0.5 x SRA.

26. Having heard representations on the level of increase, the Panel agreed that a 2.5% increase should be applied to Members' Allowances for the current Municipal Year. Given the increasing responsibilities facing all Members, it felt that the level of the SRA was adequate and considered it appropriate to add all of the increase to the Basic Allowance. The Panel therefore recommends a Basic Allowance for the 2008/09 Municipal Year of £7,000, including the allowance for IT provision, and an SRA level of £4,000.

The Panel recommended to the Council that:

(1) The Basic Allowance be increased to £7,000 per Member;

(2) The Special Responsibility Allowance remain at the current level (£4,000);

(3) There be no changes to the Special Responsibility Allowances made to Members, as agreed by Council on 29 June 2006 (as detailed in paragraph 25 above);

(4) The Chairman of the Audit Committee be paid 0.5 x the Special Responsibility Allowance;

(5) No Special Responsibility Allowance should be paid to the Deputy Executive Members at this time;

(6) Special Responsibility Allowance changes to Members of the Standards Committee, Members of the Planning Committee and the Chairman and Members of the Scrutiny Committee be looked at in the next review.

Pensionability and Indexation

27. The Panel considered again the issue of pensionability of allowances, but saw no reason to change its previous recommendation.
28. The Panel still felt that it was better to meet annually to allow discussion and review on changes during the year, including inflation, rather than index link allowances without a review.

Taking all the relevant factors into account, the Panel continued to recommend to the Council that no Members be made eligible to join the Local Government Pension Scheme and that the allowances should not be index-linked.

Travel and subsistence allowance

29. The Panel was asked by Officers and Members to clarify for what duties/activities travel allowances could be claimed for in addition to those listed under Section 2.2.5.4 of the Council's Constitution, particularly when a Member attended a meeting or other event which was not at the request of a Borough Council Officer. The Panel felt that if a Councillor could provide

documentary evidence they had been invited to attend a meeting or other event because of their specific role within the Council, then they could claim travel costs. If they were attending something simply as a Borough Councillor then this was considered Ward work and so travel costs could not be claimed.

30. The Panel were asked to clarify whether Members could claim travel expenses for attendance at statutory meetings if they were not actual Members of the Committee or Panel meeting they were attending. The Panel felt that this came under the area of Ward work which was covered by the Basic Allowance and so travel costs could not be claimed.
31. The Panel considered the mileage rates paid to Members and felt that a fair system would be to match the mileage rates paid to Council staff and to have the mileage rates change in line with any changes made to staff rates. The Panel felt this would provide a clear and transparent system that would not need to be addressed by the Panel each year, unless particular representations were made to them at that time. This would change the rates to the following:

	Per Mile
Car User – all engine sizes – first 10,000 miles	48.5p
Car User – all engine sizes – after 10,000 miles	13.6p
Motorcycle User – all engine sizes	22.5p
Bicycle User	35p

32. The Panel consider that all car costs are included in the calculation of mileage rates and that there is no case for any additional payments related to car insurance costs.

The Panel recommended to the Council that:

- (1) A Member could claim travel expenses for attendance at an event or meeting etc if they had received a written invitation to attend because of their specific role (e.g. as Executive Member for Community Development and could provide documentary evidence). If a Member were simply attending as a Borough Councillor then they would not qualify for payment;***
- (2) A Member could not claim travel expenses for attendance at Statutory meetings where they were not an actual Member of the Committee or Panel in question;***
- (3) The mileage rates for cars and motorcycles be changed to the rates listed at point 29 above, in line with those paid to staff, with effect from the date of the Council meeting. They would then align to any changes to the rates paid to staff, at the same time those changes were made;***
- (4) That no additional payments to cover car insurance costs be made.***

RECOMMENDATIONS OF THE INDEPENDENT REMUNERATION PANEL
--

- (1) That the Basic Allowance be increased to £7,000 per Member;
- (2) That the Special Responsibility Allowance amount remains at the rate of £4,000;
- (3) That Special Responsibility Allowances, relating to all current roles, remain as agreed by the Council on 29 June 2006;
- (4) That the Chairman of the Audit Committee be paid 0.5 x the Special Responsibility Allowance;
- (5) That no Special Responsibility Allowance be paid to the Deputy Executive Members at this time;
- (6) That Special Responsibility Allowance changes to Members of the Standards Committee, Members of the Planning Committee and the Chairman and Members of the Scrutiny Committee be looked at in the next review;
- (7) That no Members be made eligible to join the Local Government Pension Scheme;
- (8) That the allowances should not be index-linked;
- (9) A Member could claim travel expenses for attendance at an event or meeting etc if they had received a written invitation to attend because of their specific role (e.g. as Executive Member for Community Development and could provide documentary evidence). If a Member were simply attending as a Borough Councillor then they would not qualify for payment;
- (10) That a Member could not claim travel expenses for attendance at statutory meetings where they were not an actual Member of the Committee or Panel in question;
- (11) That the mileage rates be changed to the rates listed below, in line with those paid to staff. They would then align to any changes to the rates paid to staff;

(12)		Per Mile
	Car User – all engine sizes – first 10,000 miles	48.5p
	Car User – all engine sizes – after 10,000 miles	13.6p
	Motorcycle User – all engine sizes	22.5p
	Bicycle User	35p

That no additional payments to cover car insurance costs be made;

(13) That the Resolutions of the Council on 29 April 2004, set out in paragraph 7 of that report, be unchanged. These are:

- **That no Members be eligible for inclusion in the Local Government Pension Scheme;**
- **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 areas of activity from which the Member was suspended be withheld;**
- **That the 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;**
- **That, due to the likelihood of further changes in the Council's political structure, no annual index be introduced.**