

WOKINGHAM DISTRICT COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON MEMBERS' ALLOWANCES LEVELS FOR 2005-2006

**For submission to the Council on
30 June 2005**

Introduction

1. The Independent Remuneration Panel appointed by the Council undertook a review of Members' Allowances following the introduction of revised regulations in 2003. Due to delays incurred in reconvening the Panel during 2003-2004, it was agreed that an interim review would be undertaken, pending a more detailed review during 2004-2005. The Panel's report and recommendations were agreed by the Council on 29 April 2004. The following report sets out the recommendations of the Independent Panel arising from the further review undertaken during the current municipal year.

The Independent Remuneration Panel

2. The Panel comprised the following Members:

Chris Eldred

Chris Eldred is a resident of Caversham. He is a director of Jacobs_GIBB 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 such companies as Air Products PLC, he is now retired and currently chairs the Wokingham Learning Partnership.

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.

Kevin Jacob and Richard May, Principal Democratic Services Officers, provided guidance and administrative support to the Panel.

Terms of Reference

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.
5. The interim review undertaken by the Panel during 2003-2004 had recommended a small increase in the Basic Allowance, and no changes to the number and level of SRAs paid. The interim review had highlighted, however, a number of areas of concern regarding current SRAs paid for the following positions:
- **Champions to the Executive** – Further investigation was required as to the precise nature of the role of Champions to the Executive, and in particular to the level of responsibility associated with the post;
 - **Chairman and Members of the Development Control Committee** – Noting the frequent meetings of the committee to determine several major applications for new development, the Panel wished to investigate whether the current level of remuneration for the Chairman was appropriate;
 - **Chairman and Members of the Licensing and Appeals Committee** – The Panel wished to consider whether the payment of SRA to Members of this Committee was appropriate in light of the additional workload and responsibility arising from the implications of the Licensing Act 2003 which transferred the Liquor Licensing function from magistrates to local authorities;
 - **Chairman of the Standards Committee** – The Panel wished to consider whether it would be appropriate to pay a co-optees' allowance to the independent Chairman of the Standards Committee in light of the anticipated increase in workload brought about by the introduction of

regulations for allegations of misconduct by councillors to be determined at local level.

6. The Panel therefore sought to undertake an in-depth review of the number and level of SRA paid, make recommendations accordingly, and to review the level of the Basic Allowance in light of these recommendations.
7. 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 a childcare and dependents' carers' allowance be paid at a rate of the minimum wage, plus one pound, subject to the limitations set out in the current scheme;
 - That the Council pays a travel allowance of 48.5 pence per mile for the eligible duties set out in the schedule attached to the current scheme;
 - 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;
 - That no allowances be backdated.

The Panel did not consider these recommendations to be contentious, consequently it took a view that they would not be revisited as part of the 2004-2005 review.

Work programme

8. The Panel met on the following occasions:

14 October 2004
8 November 2004
29 November 2004
10 January 2005
5 April 2005
11 May 2005

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

9. 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 April 2004;
- Copies of the Local Authorities (Members' Allowances) (England) Regulations 2003;
- Budgetary provision for Members' Allowances – projected 2004-2005 outturn and 2005-2006 base budget;
- Information on the Council's political structure following changes agreed by Council on 1 July 2004.

10. The Panel interviewed the following Members:

- Frank Browne, Leader of the Council;
- Coling Lawley, Leader of the Liberal Democrat Group;
- Pauline Helliard-Symons, Executive Member for Social Care Services and Housing;
- John Green, Champion to the Executive for Income Generation and Invest to Save;
- Marion Robertson, Chairman of the Licensing and Appeals Committee;
- Annette Drake, Vice-Chairman of the Development Control Committee.
- Rob Stanton, Executive Member for Special projects
- Doug Patterson, Chief Executive of WDC

11. The Panel was aware of its ability to recommend appropriate levels of Basic and Special Responsibility Allowance without being constrained by the budget available. However, the Panel felt that it was important to make recommendations that were realistic given the budgetary pressures facing the Council.

12. The Panel also had regard to the advice of Dr. Declan Hall of the University of Birmingham, an academic specialising in the field of Members' Allowances.

SPECIAL RESPONSIBILITY ALLOWANCE (SRA)

13. The Panel noted the following SRAs paid under the current scheme:

- Leader of the Council - £12,000 (3 times SRA);
- Executive Members - £8,000 (2 times SRA);
- Champions to the Executive - £4,000 (1 times SRA);
- Chairman of the Overview and Scrutiny Committee - £4,000 (1 times SRA);
- Chairmen of Select Committees - £2,000 (0.5 times SRA);
- Chairman of the Development Control Committee - £4,000 (1 times SRA);
- Chairman of the Licensing and Appeals Committee - £1,000 (0.25 times SRA);
- Chairman of the Personnel Board - £1,000 (0.25 times SRA)
- Chairman of the Highways Board - £1,000 (0.25 times SRA)
- Leader of the Opposition – 1.5 times SRA (£6,000);

- Independent Chairman of the Standards Committee – no allowance.
14. In line with the principle that existing BA and SRA levels should not be substantially altered, the Panel took the view that the level of Special Responsibility Allowance should remain at £4,000.

Leader of the Council

15. The Panel recommended that the SRA for the Leader remain at £12,000 (3 times SRA). In reaching this conclusion, the Panel noted that the Leader of the Council continued to have significant additional responsibilities over and above the generally accepted duties of a Councillor. Whilst other local authorities paid an SRA to their Leaders the near equivalent to a full-time salary, the Panel did not think this should apply to Wokingham District Council, and noted the Leader's own view that the present allowance of 3 times SRA was acceptable at the present time.
16. In considering the level of the Leader's SRA, the Panel noted the view of Dr. Declan Hall (see paragraph 12 above) that the differential between the SRAs paid to the Leader of the Council (3 times SRA) and Executive Members (2 times SRA) was too narrow. The Panel took the view that, whilst it was not appropriate to make further recommendations as part of the current review, Dr. Hall's advice should be borne in mind when considering the SRA paid to the Leader during future reviews.

Taking all the relevant factors into account, the Panel recommended to the Council that the Leader of the Council receive an allowance of 3 times SRA (£12,000)

Executive Members

17. The Panel noted the proposals which had been drawn up for decision-making powers to be delegated to individual Executive Members. At present, however, Executive decisions continued to be taken collectively.
18. The Panel considered in some detail whether the current level of 2 times SRA was appropriate given the Executive's collective decision-making responsibility and whether this reduced the extent to which individual Members were directly accountable for their actions. In doing so the Panel had regard to the views put forward by the Group Leaders and Executive Member for Social Care Services and Housing.
19. The Panel concluded that the present level of 2 times SRA remained appropriate, and recommended accordingly. In reaching this conclusion, the Panel noted the views put forward that Members of the Executive devoted considerable amounts of time in carrying out their roles and undertook high quality work for the benefit of the residents of the district. Executive Members were challenged within their service areas and were held to account robustly by the Leader. There was no evidence that the

significance and accountability of the role of Executive Member had diminished in any way since the last review.

Taking all the relevant factors into account, the Panel recommended to the Council that Executive Members receive an allowance of 2 times SRA (£8,000)

Champions to the Executive

20. The Panel had sought clarification of the nature of the role of Champions to the Executive and the level of responsibility associated with it. To this end the Panel sought evidence from the Leader of the Council and the Champion to the Executive for Income Generation and Invest to Save. The Panel noted that Champions were special advisers appointed by the Leader to undertake specific tasks and projects in particular areas of the Council's activities. Recent examples including an examination of the Council's base budgets to identify savings, and a project to investigate ways of increasing income at country parks within the district.
21. The Panel noted the evidence presented and acknowledged the useful work undertaken by Champions to the Executive in a number of key areas. However, the Panel felt that this evidence did not clearly demonstrate accountability and significant additional responsibility associated with the Champions' role to justify an SRA..
22. To help better understand this role, the Chief Executive and Executive Member for Special Projects presented a job description for Champions to the Panel on 11 May 2005,. The Panel noted that each Champion was appointed, and held to account on an annual basis, by the Leader of the Council. The champions would be given specific tasks and objectives to complete, and would be subject to monthly meetings with the Leader to provide an update on their progress.
23. The Panel also noted that some Champions performed a highly visible public role and as such could be considered flag carriers for the authority. All the champions, whether their focus was to the community or internal, would be undertaking work in identified high priority areas which affected, directly or indirectly, the well-being of Wokingham residents and its Council.
24. The Panel considered that Champions possessed a responsibility for their recommendations which were subsequently implemented by the Council, and felt that the work required to undertake the role effectively was over and above the normal duties of a Councillor.
25. Having discussed the matter extensively, the Panel concluded that clarification of the role in the Job Description of the specific accountability and responsibility associated with the role, justified an SRA

Taking all the relevant factors into account, the Panel recommended to the Council that Champions to the Executive receive a Special Responsibility Allowance of 0.5 times SRA (£2,000.)

Chairman of the Scrutiny Committee

26. The Panel noted the changes to the Council's political structure agreed on 1 July 2004, which had involved the abolition of the Overview and Scrutiny Committee and its replacement by a Scrutiny Committee and two Select Committees. The Scrutiny Committee's remit had been reduced to calling-in decisions of the Executive and to monitor the Council's progress towards achieving government performance targets.
27. In light of its reduced remit, the Panel considered it appropriate to reduce the level of allowance paid to the Chairman. The Panel noted the view expressed that the Scrutiny Committee continued to play an important role in holding the Executive to account. However, on balance, given that the Committee had only met on one occasion since its establishment, the Panel recommended that the allowance for the Chairman be set at 0.25 times SRA (£1,000).

Taking all the relevant factors into account, the Panel recommended to the Council that the Chairman of the Scrutiny Committee receive an allowance of 0.25 times SRA (£1,000)

Chairmen of Select Committees

28. The Panel noted the establishment of two Select Committees, Health and Cross-Party Issues. The Panel noted that the Chairmen of these Committees currently received an SRA of £2,000 per year but considered that the Chairman of the Health Select Committee should receive a higher SRA due to that Committee's Statutory obligation to scrutinise local health services. Consequently this role was considered to involve greater accountability, and the Panel made a recommendation accordingly.

Taking all the relevant factors into account, the Panel recommended to the Council that the Chairman of the Health Select Committee receive an allowance of 0.5 times SRA (£2,000), and the Chairman of the Cross-Party Issues Select Committee an allowance of 0.25 times SRA (£1,000)

Chairman of the Development Control Committee

29. The Panel noted that the Development Control Committee met every 3 weeks throughout the year and that, in addition to the scheduled meetings, additional meetings were arranged to reduce large backlogs 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. In addition, the Chairman was required to oversee Committee site visits and to attend informal meetings with officers, developers and affected residents. In light of this evidence, the present level of SRA paid to the Chairman was considered appropriate, and the Panel made a recommendation accordingly.

Taking all the relevant factors into account, the Panel recommended to the Council that the Chairman of the Development Control Committee receive an allowance of 1 times SRA (£4,000)

Members of the Development Control Committee

30. The Panel considered that a number of the issues highlighted in paragraph (23) above were also relevant to the ordinary Members of the Development Control Committee. In particular, these Members took part in frequent meetings dealing with important and complex development issues in which it was imperative to make high quality decisions based on sound planning reasons. Decisions made contrary to these principles could lead to sizeable costs being awarded against the Council when appeals against the refusal of planning permission were successful, hence it could be argued that all members of the Committee were directly accountable to the electorate for the decisions they made. Consequently the Panel considered it appropriate to recommend that each Member of the Development Control Committee receive an allowance of 0.25 times SRA (£1,000).

Taking all the relevant factors into account, the Panel recommended to the Council that Members of the Development Control Committee receive an allowance of 0.25 times SRA (£1,000 per year)

Chairman of the Licensing and Appeals Committee

31. The Panel noted the requirements of the Licensing Act 2003 in respect of the transfer of the Liquor Licensing function to local authorities. The new regulations, shortly to become operational, were likely to involve a considerable increase in workload and responsibility for the Chairman of the Committee, whose responsibility to ensure the hearings' process operated effectively was likened to the role of the Chairman of the Development Control Committee. The Panel considered that this quasi-judicial function merited a comparable SRA, consequently it was recommended that the Chairman receive an allowance of 1 times SRA (£4,000).

Taking all the relevant factors into account, the Panel recommended to the Council that the Chairman of the Licensing and Appeals Committee receive an allowance of 1 times SRA (£4,000)

Members of the Licensing and Appeals Committee

32. The Panel noted the proposed arrangements for licensing hearings which were likely to involve a large number of daytime hearings in the first year of the new regulations. All 15 Members of the Licensing and Appeals Committee would be involved in sitting on 3-member panels, and a number of Members would be expected to Chair such hearings. The time commitment, as well as the responsibility to exercise the Council's expanded licensing function effectively, led the Panel to conclude that it was appropriate to recommend the payment of an allowance of 0.25 times SRA to each ordinary member of the Committee.

Taking all the relevant factors into account, the Panel recommended to the Council that Members of the Licensing and Appeals Committee receive an allowance of 0.25 times SRA (£1,000)

Chairman of the Highways Board

33. The Panel noted that the Highways Board had no formal decision-making powers, but that the role remained highly visible and challenging through the consideration of contentious highway proposals which could generate significant public interest. Consequently the Panel recommended that the present level of SRA paid to the Chairman remained appropriate.

Taking all the relevant factors into account, the Panel recommended to the Council that the Chairman of the Highways Board receive an allowance of 0.25 times SRA (£1,000).

Chairman of the Personnel Board

34. The Panel noted that the Personnel Board met infrequently, but that it played an important role in overseeing major internal restructuring and the appointment of senior managers. Consequently the Panel recommended that the present level of SRA paid to the Chairman remained appropriate.

Taking all the relevant factors into account, the Panel recommended to the Council that the Chairman of the Personnel Board receive an allowance of 0.25 times SRA (£1,000).

Leader of the Opposition

35. The Panel did not consider that the role of the Leader of Opposition had changed significantly since the last review and therefore recommended that an allowance of 1.5 times SRA (£6,000) remained appropriate.

Taking all the relevant factors into account, the Panel recommended to the Council that the Leader of the Opposition receive an allowance of 1.5 times SRA (£6,000).

Chairman of the Standards Committee

36. The Panel noted the introduction of recent regulations for allegations of misconduct against district, town and parish councillors to be heard by local Standards Committees rather than the Standards Board for England. No cases had yet been determined locally, but it was anticipated that cases would be referred to the Standards Committee in due course. The Panel felt it appropriate that this expansion in the remit of the Standards Committee merited a Co-optees' Allowance of £1,000 per year being made available to the Independent Chairman of the Committee, noting that the present Chairman of the Committee had indicated he did not wish to receive this allowance.

Taking all the relevant factors into account, the Panel recommended to the Council that the Chairman of the Standards Committee be entitled to a Co-Optees' Allowance of £1,000 per year.

BASIC ALLOWANCE

37. The Panel considered the level of Basic Allowances, currently £5,150 per Member, paid to all Councillors. In considering the level of basic allowance, the Panel noted the view that some Members did not consider themselves to be primarily volunteers, given the time and commitment they put into their roles and the expertise many brought with them from professional backgrounds. Nevertheless, the Panel had in mind the advice set out in the *Guidance on Consolidated Regulations for Local Authority Allowances* which stated that some element of the work of members should continue to be voluntary.

38. The Panel sympathised with the view that the relatively low levels of remuneration could adversely affect Members' full-time career opportunities with respect to promotions and pensions, and that there was a perception that the current levels may be a disincentive to potential younger councillors. It was considered, however, that it was neither appropriate nor realistic to pay elected Members an allowance equivalent to a full-time salary, given the public service ethos and the current budgetary constraints.

39. The Panel noted that, aside from a marginal increase of £150 per Member per year agreed in April 2004, the basic Allowance had remained constant for 3 years. Due to inflationary increases during this period and the need to move further to protect Members against incurring unreasonable financial loss in carrying out their roles, it was considered appropriate to recommend an increase in the Basic Allowance to £6,000 per Member.

40. The Panel heard evidence of proposed enhancements in the provision of IT services to Members, and hoped that serious consideration would be given to making specific budgetary provision in this area to complement the current and recommended levels of allowances paid.

41. In addition, the Panel noted with concern that, with the exception of Political Group Assistants and the Chairman of the Council's Secretary, Members received no dedicated administrative support. This added to the clerical and financial burden experienced by councillors to carrying out their roles, and the Panel hoped that consideration could be given to the provision of administrative support.

RECOMMENDATIONS OF THE INDEPENDENT REMUNERATION PANEL

(1) That Special Responsibility Allowances be paid as follows:

- **Leader of the Council - £12,000**
- **Executive Members - £8,000**
- **Champions to the Executive - £2,000**
- **Chairman of the Scrutiny Committee - £1,000**
- **Chairman of the Health Select Committee - £2,000**
- **Chairman of the Cross-Party Issues Select Committee - £1,000**
- **Chairman of the Development Control Committee - £4,000**
- **Members of the Development Control Committee (11) - £1,000**
- **Chairman of the Licensing and Appeals Committee - £4,000**
- **Members of the Licensing and Appeals Committee - £1,000**
- **Chairman of the Highways Board - £1,000**
- **Chairman of the Personnel Board - £1,000**
- **Leader of the Opposition - £6,000**

(2) That the Chairman of the Standards Committee be entitled to a Co-optees' Allowance of £1,000 per year;

(3) That the Basic Allowance be increased to £6,000 per Member;

(4) That the Resolutions of the Council on 29 April 2004, set out in paragraph 7 of the report, be unchanged in respect of:

- **Childcare and Dependents' Carers' Allowance;**
- **Travel and Subsistence Allowance;**
- **Members' pensionability;**
- **Foregoing allowances;**
- **Suspension or partial suspension;**
- **Indexation**
- **Backdating of allowances**

(5) That the above increases take effect from 1 January 2005.