

WOKINGHAM BOROUGH COUNCIL

**REPORT OF THE INDEPENDENT
REMUNERATION PANEL ON MEMBERS'
ALLOWANCES LEVELS FOR 2011/12**

**For submission to the Council on
19 May 2011**

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 27 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 East Berks Bench.

Geoff Wilde

Geoff Wilde has been a resident of Wokingham Borough for the last 27 years. He worked for IBM for 33 years until his retirement in 2002. He is the Chair of Governors at St.Crispin's School, a volunteer with Wokingham CAB, and has recently become an Independent Member of the Council's Standards Committee.

David Nash

David Nash has been a resident of Wokingham Borough for the last 28 years. Before forming his own company he worked for IBM for 24 years and has over 40 years experience of the IT industry. Since 1994 he has been working as an independent consultant delivering research and training projects. He has been an active member of his local residents' association for the last 17 years.

Ella Hutchings, Principal Democratic Services Officer, 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 additional 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 provide for Panels to make recommendations in respect of the following issues:
 - The cessation of payments to members who have been suspended or partially suspended from their duties, and the repayment of allowances;
 - The backdating of allowances to the beginning of the financial year in which they are set, and provision to recommend annual adjustments by means of an index;
 - Whether some or all Councillors should be eligible to join the Local Government Pension Scheme.

Terms of reference for the 2011-12 review

5. In 2009 the Panel undertook a comprehensive review of the Members' Allowance scheme. As a result, the Panel made recommendations for significant changes to the Basic Allowance, the Special Responsibility Allowance, and other changes to the Members' Allowances scheme, all of which were agreed by the Council on 15 July 2009.
6. In 2010 the Panel agreed that it would take a 'light touch' approach; only reviewing the overall level of allowances and specific issues that had been brought to their attention. The Panel noted that the 2010 Panel Report had not been agreed by Council on 20 May 2010. The Council had noted the report, which meant that none of the recommendations had been implemented.
7. This year the Panel agreed again that it would only look at issues that were brought to its attention and consider if the allowances levels needed to be adjusted. The Panel was mindful of the changes taking place at both the local and national level, such as WBC's Transformation Programme, the introduction of the Localism Bill and the policy and funding changes emerging from central Government, as well as the current economic climate. Whilst much of this was at too early a stage to be assessed against the current Members' Allowances Scheme, the Panel did bear it in mind during discussions and is aware that it may mean that further reviews need to be carried out once the implications become clearer.

Work programme for 2011 Review

8. The Panel met on the following occasions:
 - 27 January 2011;
 - 3 March 2011;
 - 9 March 2011;
 - 17 March 2011;
 - 24 March 2011;
 - 30 March 2011.

9. The Panel made reference to the following information to provide background, context and assistance in reaching its conclusions:
 - Copies of the current Members' Allowances Scheme agreed by the Council in May 2010, and previous versions;
 - 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 outturn 2010/11 and 2011/12 base budget.

10. All Members were invited to present their views at individual meetings with the Panel. Eight members were interviewed, including the Leaders of the two political groups, and two Members submitted written comments. Opinions on specific points were also heard from the Chief Executive, the Principal Solicitor and Democratic Services Officers.

11. Some Members had made suggestions which fell outside the scope of current Members Allowances Scheme legislation. Therefore these have not been addressed in the report.

Basic and Special Responsibility Allowances

12. It was noted that the budget for Members' Allowances for 2011/12 had not been increased from the previous year.

13. Two years ago the Panel re-calculated and benchmarked the Basic Allowance. Since then average LGA rates on which it is based have not substantially moved and Wokingham Borough Council employees' salaries have been frozen.

14. Most representations to the Panel suggested that the Basic Allowance should be frozen.

15. The Council has started charging Officers and Members for car parking at Council Offices which had previously been free. In addition to this, it has adjusted the levels of essential car user allowances for Officers and

lowered the mileage levels paid, all of which could be considered to be a pay cut for those affected.

16. In the current economic climate the Panel recommends that the Basic Allowance stays at the current level of £7,360 per annum (including allowances for IT, home office and out of pocket expenses not separately reimbursed).
17. In 2009, when the Basic Allowance was re-calculated, the Special Responsibility Allowance was benchmarked against comparable authorities.
18. The Panel did not see the need to adjust the split between Basic Allowance and the Special Responsibility Allowance as has been suggested by some representations.
19. The Panel therefore recommends that the Special Responsibility Allowance remains at the current level of £5,000 per annum.
20. The Panel noted that under the current scheme there were a total of 28 Special Responsibility Allowances available to Members. The Panel was of the view that the number of Special Responsibility Allowances available should not exceed 50% of the number of Members. It felt the current level was right.
21. The Panel had a number of requests to consider the Special Responsibility Allowances this year, as follows:
 - (a) Personnel Board: The Panel heard from some Members about the increased role that the Personnel Board had and would continue to have over the coming years due to the changes being implemented through the Council's Transformation Programme. The Panel considered the matter and looked again at the Terms of Reference for the Personnel Board. However, it felt that whilst there was likely to be a temporary increase in the workload of this Board, there was no significant change in the level of responsibility. Therefore it does not recommend any changes to the Special Responsibility Allowance in this case;
 - (b) Scrutiny: The Panel heard from some Members that there had been an increase in both workload and responsibility for the Scrutiny function of the Council. As a result it was asked to consider changing the level of Special Responsibility Allowance for the Chairmen and to consider allocating one to the Members involved. The Panel looked into the issue and compared the roles against other Committees such as the Planning Committee. The Special Responsibility Allowances currently allocated to the Scrutiny function were judged right and the Panel does not recommend any changes.

- (c) Differentiating the levels of Special Responsibility Allowances paid to Executive Members: The Panel heard from Members about the potential differences in both workload and levels of responsibilities in the various Executive portfolios. After consideration the Panel felt there was no convincing case at this time to set different levels within the Executive Membership. The Panel felt that the role of dividing the portfolios in terms of comparable workload and responsibility was a management function for the Leader
- (d) Member Non-Executive Directors of Local Authority Traded Companies: The Panel heard from a number of Members about the creation of the Local Authority Traded Companies and how two Members would be appointed to sit on the Board of each of these as they were set-up. Some Members felt that the role should be given remuneration for the responsibility that it would carry. They asked that the Panel consider whether the Members Allowances Scheme was the right place for this remuneration to be paid from. The Panel heard from a number of sources to understand the background and issues. It considered that these are independent companies and the companies should be responsible for remuneration of any Directors appointed, including those who are Councillors. It did not feel it was appropriate for the Council to pay for these roles.

22. As the Panel's 2010 Report had only been noted, the Panel again considered the amount added to the Basic Allowance to cover the cost of providing IT and communications equipment, consumables and home office running costs of £500. Whilst the Panel did not want to alter this amount, it was told that currently some Members still do not respond to E-mails.
23. The Panel therefore recommends that Members not providing proper home office facilities including, those which allow constituents to communicate with them by E-mail, should not be allowed to claim the £500 component of the Basic Allowance. It recommends a self-certification process be implemented to reinforce this.

The Panel recommends to the Council that:

(1) There should be no change to the level of the Basic Allowance, and Special Responsibility Allowance.

(2) There should be no changes made to the Special Responsibility Allowances paid to those roles as set out in the current Members' Allowances Scheme.

(3) The £500 component of the Basic Allowance for the provision of IT, communication and home office should only be claimed by those Members who provide facilities which allow constituents and Officers to communicate with them by E-mail and a self-certification process be implemented.

Travel and Subsistence Allowances

24. In 2010 an issue was raised by a Member, that the Travel Allowances Rates gave Members an entitlement '*to travel first class when using public transport and can claim back the cost of first class rail fare.*' The Panel noted that during 2010 there had only been one claim for first class rail fare, and agreed that the entitlement to claim first class rail fares should be removed.
25. As the 2010 Independent Remuneration report was noted and not agreed in May 2010, the entitlement to use and claim back the cost of first class travel remained.
26. This year the issue was raised again and the Panel felt strongly that the recommendation should still stand. Therefore the Panel makes the same recommendation as last year i.e. that the entitlement to claim first class rail fares should be removed.
27. It was noted, as agreed in 2008, that mileage rates have been aligned to rates paid to staff and adjusted as staff rates are.
28. It was also noted that Officers and Members were now charged for car parking at the Council Offices and that the mileage rates that could be claimed had been reduced. This was in addition to the rising costs of fuel. Whilst the Panel is mindful of the issues this causes, it maintains its decision to match Members mileage rates to that of staff.

The Panel recommends to the Council that:

(4) The Travel Allowance Rates should be amended to replace the entitlement to travel first class when using public transport with the entitlement to claim standard fares only.

Childcare and Dependants Carers Allowance

29. The Panel heard from one Member who queried whether the amount of Childcare and Dependent Carers Allowance that could be claimed might mean that some people felt they were unable to stand as a Councillor. The Panel agreed that the Allowance should be made more flexible, allowing for the fluctuations in Council work that happened over the course of a month. As a result it recommends that the amount of hours that can be claimed, be changed from a maximum of 8 hours a week to a maximum of 35 hours a month.
30. The Panel felt that as the level of this Allowance had been increased in 2009, it is currently set at a fair rate and should remain unchanged.

The Panel recommends to the Council that:

(5) The maximum number of hours that can be claimed under the Allowance for Childcare and Dependant Carers be changed to 35 hours a month.

**MEMBERS' ALLOWANCES SCHEME 2011
RECOMMENDATIONS OF THE INDEPENDENT RENUMERATION PANEL**

The Panel recommends to the Council that:

(1) There should be no change to the level of the Basic Allowance, and Special Responsibility Allowance.

(2) There should be no changes made to the Special Responsibility Allowances paid to those roles as set out in the current Members' Allowances Scheme.

(3) The £500 component of the Basic Allowance for the provision of IT, communication and home office should only be claimed by those Members who provide facilities which allow constituents and Officers to communicate with them by E-mail and that a self-certification process be implemented.

(4) The Travel Allowance Rates should be amended to replace the entitlement to travel first class when using public transport with the entitlement to claim standard fares only.

(5) The maximum number of hours that can be claimed under the Allowance for Childcare and Dependant Carers be changed to 35 hours a month.