



**WOKINGHAM  
BOROUGH COUNCIL**

**REPORT OF THE INDEPENDENT  
REMUNERATION PANEL APPOINTED TO  
REVIEW THE ALLOWANCES PAID TO  
COUNCILLORS OF WOKINGHAM BOROUGH  
COUNCIL FOR 2020/21**

**FOR SUBMISSION TO THE COUNCIL ON  
21 JANUARY 2021**

## Introduction

1. The Local Authorities (Members' Allowances) (England) Regulations 2003 provide for the payment of Allowances to Members of the Council in connection with their work as Councillors. Before the Council can make or amend a scheme of allowances, it should consider the recommendations made in relation to it by an Independent Remuneration Panel (IRP).
2. The Council appointed its first Independent Remuneration Panel in 2003. In each of the following Municipal Years, the Panel has made recommendations on the levels of Basic and Special Responsibility Allowances for consideration by the Council. Council resolved that future reviews of Members' Allowances would be carried out on a biennial basis at their meeting on 21 March 2019. An independent review of Members' Allowances has been carried out in 2020 and early 2021. Details of the Panel's remit are described in paragraph 4 below.

## The Independent Remuneration Panel

3. The Members of the Independent Remuneration Panel are:

**Diana Anderson** is married and has lived in Crowthorne (Wokingham Without) for 37 years and has strong connections with Wokingham. Both her children now live there; her daughter attended The Holt School and her granddaughter has just started Year 2 at Walter Infant School. Before retiring Diana was Campus Administrator for 25 years at Imperial College's postgraduate campus at Silwood Park, Ascot, looking after both staff and students. She has been Clerk to the Local Advisors (Governors) at St Crispin's School for nearly six years and for the last 15 years has been an independent member - and now Chair - of Wokingham's School Admission Appeals Panels.

**David Harwood** has been living in the Wokingham Borough for seventeen years having moved to Twyford in 2004. He is married with a teenage daughter. He has been working as a company secretary for the past 11 years and previously worked in financial control in the retail and financial services sector.

**Bob Nancarrow** has lived in Remenham since 1991. At that time and until retirement he was and is still living in the village within the Wokingham Borough. He worked for the University of West London as Principal Lecturer in Management Accounting before retirement. There, he also volunteered for and undertook the role of Treasurer of the local branch of NATFHE, the Lecturers Union for several years. In 1994/5, and 1995/6 he was Berkshire Branch President of the Chartered Institute of Management Accountants. He is qualified as a Chartered Secretary and as a Chartered Management Accountant. He attended King Edward VI School, Bath. He has a BA in Business Studies from the University of Hertfordshire and a teaching Certificate from the University of Roehampton, London. He has also worked for and trained with Lucas Aerospace, Deloitte, Grant Thornton, Interpublic Inc. and Allied Domecq PLC.

**Ian Newlove** has lived in Crowthorne (Wokingham Without) since 1973. He is married with two grown up daughters who also live in Crowthorne. He is an independent Member and Chairs Education Appeals Panels for Wokingham,

Reading and Bracknell since around 2001. Prior to retiring he worked for a major food retailer based in Bracknell for 28 years. His role within the company at various times involved heading the Internal Audit function and also other Financial roles including systems and procedures. He was also a member of a Patient Participation Group in Crowthorne.

**Angela Slade** has lived in Wokingham since 1980. After graduation from the University of St Andrews, her career, mostly in the field of Procurement was with Unilever, 3M and Smithkline Beecham (now Glaxo Smithkline). This final position involved responsibility for a portfolio valued at £13 million. Fortunately made redundant before her 40th Birthday, she was able to set up her own business and has remained self-employed for the last 25 years. Angela has 5 years as a contributing guest on BBC Radio Oxford's live phone-in on the Sunday Gardening programme. She now advises on an ad hoc basis on BBC Radio Berkshire when the resident gardener, Colin Evans, is unavailable.

Callum Wernham, Democratic and Electoral Services Specialist provided guidance and administrative support to the Panel.

#### **Background and National Context**

4. The Local Authorities (Members' Allowances) (England) Regulations, which came into force in 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 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 additional responsibilities. The Panel has to recommend the responsibilities that should be remunerated and the levels of each allowance.

**Childcare and Dependants Carers' Allowance** – local authorities may make provision for the payment of an allowance to those Members who incur expenditure for the care of children or dependant 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 Members 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.

5. 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.
6. Non-Executive Director (NED) payments are made by Council-owned companies to Members who act in non-Executive roles. They are similar to SRAs but have a different legislative basis and are not included in the Council's Members Allowances Scheme. It is not within the remit of the Independent Remuneration Panel to review the level of payments to NEDs on the Council-owned companies unless a specific request for a review is made by one or more of the companies.

### **Terms of Reference for the 2020/21 Review**

7. As a newly appointed Panel, the Panel agreed that it should carry out a 'light touch' review. The review was carried out following examination of previous IRP reports and recommendations, survey responses received from Members regarding the Members' Allowances scheme, key points raised during discussions with a range of Members including all Group Leaders (conducted virtually using Microsoft Teams), and data from the South East Employers Members' Allowances data.

### **Work Programme for the 2020/21 Review**

8. The Panel met on the following occasions (some of these meetings were discussions with Members):

- 18 February 2020
- 12 March 2020
- 4 August 2020
- 14 August 2020
- 21 September 2020
- 23 September 2020
- 29 September 2020
- 30 September 2020
- 4 November 2020
- 9 November 2020
- 10 November 2020
- 18 November 2020
- 7 December 2020
- 18 December 2020

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 November 2018 and previous versions.
- Copies of the Local Authorities (Members' Allowances) (England) Regulations 2003;

- The summary of the South East Employers (SEEMP) Members' Allowances Survey 2019/20.

10. The Panel met Members including the Leader of the Council, the Leaders of the Opposition Groups, Members of the Opposition and a number of present and former Executive Members. A number of Chairman of Committee's, both current and former, also met with the Panel. The Panel also met with the Chief Executive.

All Members were invited to meet the Panel. In all, the Panel met a representative cross section across all groups: 11 Conservative, 7 Liberal Democrat, 2 Labour and 2 Independent.

The Panel sent out a survey to all Members, attached at Appendix A to this report. 35 out of 53 surveys were returned and all comments were treated confidentially. The Panel were pleased that the number of responses to the survey far exceeded the 26 received for the previous review. The Panel wished to thank Members for coming forward and providing comment and evidence from which the Panel would reach its recommendations. There was a slight reduction in the number of Members who came forward for discussions with the Panel, however the Panel was satisfied that a representative cross-section of the Membership had come forward.

Reference to the information from the combined sources are referred to as 'responding Members' in the report. Any percentages are calculated out of 35. Where information was obtained from meetings, this is referred to as 'Members who met the Panel...'.

11. Some Members made suggestions which fell outside the scope of the current Members' Allowances Scheme legislation and the remit of the Panel. Therefore, those suggestions have not been addressed in this report.

### **Remuneration**

12. In considering its proposals concerning Members' remuneration, the Panel has tested each recommendation against three core principles:

- a) Is it affordable relative to Wokingham Borough Council budget constraints?
- b) Is it reasonably similar to the practice in other unitary authorities in the region?
- c) Would Borough residents consider it to be fair?

### **Basic Allowance**

13. As per previous Independent Remuneration Panel's, the Panel would like to reiterate the premise (which previous Independent Remuneration Panels have used) that 50% of Members' time is pro bono as the role is that of a volunteer. This is based on the premise that the other 50% was originally set at the Local Government Association's daily rate of the national male median white-collar wage. Whilst an allowance is appropriate, it is not a salary.

14. 51% (18 out of 35) of responding Members felt that the allowances scheme “fairly compensated you for the time spent and the expenses incurred”. Of the remaining 49% (17 out of 35) who responded negatively to that comment, most were generally commenting not that they were out of pocket but that WBC remuneration was well below the market rate. A variety of comments referred to specific SRAs and their associated remuneration levels, which will be addressed later within this report.
15. The previous Panel recommended to Council in 2017 a 1% increase to the time contributed element of the Member Basic Allowance, which was in line with the Officer Pay increase for that year. Subsequently, Officer Pay was increased by 2% for the 2018/19 municipal year and as such the previous Panel recommended a 2% increase to the time contributed element of the Member Basic Allowance. This recommendation was not agreed by Council, and therefore the current Basic Allowance level sits at the level as agreed in 2017.
16. This year, the Panel had considered a small increase to the Basic Allowance, between the value of 0.5% and 1%, and noted that this would represent an increase of between £33.42 and £66.84 per Member, taking the time contributed element of the Basic Allowance from £6,684 to between £6,717.42 and £6,750.84. This would be an increase in budget from £360,936 to between £362,740.68 and £364,545.36. Following recent announcements from the Chancellor of the Exchequer relating to a public sector pay freeze, which includes professions such as teachers, prison officers and civil servants, the Panel took pause with the idea of an increase to the Basic Allowance for Members for both the 2020/21 and 2021/22 financial years. During these times of uncertainty, the Panel believes it appropriate to not increase the Basic Allowance at present, where over 50% of responding Members believe that they are currently fairly compensated for the time spent and expenses occurred in the role. The Panel does however believe that it is more suitable to allow modest regular inflationary increases to the Basic Allowance rather than a much larger single increase to “catch up” with increases after a long period of abstention. As such, the Panel intends to devise a formula for small inflationary increases to elements of the Members’ Allowances Scheme during their next biennial review. Any devised formula would be evidence based, using benchmarking data from other Local Authorities.
17. The Panel reviewed the out of pocket expenses segment of the Members’ Basic Allowance scheme, taking in to account the £100 increase that was recommended and approved by Council in 2017. For the reasons set out above, the Panel does not recommend any change to this value at this time.
18. The Panel recommends that the £500 component of the Basic Allowance for the provision of IT should only be claimed by those Members who provide facilities which allow constituents and Officers to communicate with them by e-mail, in addition to having adequate equipment and connections to allow for effective participation in virtual meetings, and the self-certification process related to this component of the basic allowance be continued.

19. It is the Panel's view that remuneration should not be a barrier to attracting a diverse range of Members from a variety of backgrounds. Instead, the Panel wishes the Members' Allowances scheme to be an element of a wider drive to attract a range of Members from across the entire spectrum of protected characteristics under the Equality Act 2010. Therefore, this may be an area where further investigation and research is conducted in a future review of the Members' Allowances scheme.
20. In conclusion, the Panel recommends that the Basic Allowance remain at the existing levels for the 2020/21 and 2021/22 financial years, comprising the following components:
  - £6,684 for time contributed; and
  - £600 for out of pocket expenses ; and
  - £500 for IT, communication and home office.

### **Special Responsibility Allowances (SRAs)**

21. The Council previously agreed that the SRA = £5,000, and individual posts attracting an SRA be assessed as a factor of £5,000.
22. Being a newly formed Panel, the Panel agreed to take an information gathering approach to SRAs during this review. The Panel met with a variety of Committee Chairmen, both current and former, and gathered a good deal of both statistical information and opinions regarding various roles which attract SRAs. After receiving comments from a cross-section of Members, areas which the Panel may decide to investigate further in a future biennial include a potential increase to the Opposition Leader's SRA, and the reintroduction of a specific SRA for Deputy Leader of the Council, which would attract a higher SRA than that of an Executive Member. Other roles which attract an SRA will also be reviewed more thoroughly during a future biennial review. For the time being, for reasons previously stated within this report, the Panel thought it pertinent to keep SRAs at their existing levels.

### **Travel and Subsistence Allowance**

23. The vast majority of Members did not raise this area of the Members' Allowances scheme as a concern, or as something that was holding them back from carrying out their duties. As such, the Panel recommends no changes to the existing Travel and Subsistence allowances for the time being.
24. The Panel has made a note of the Council's Green Climate Emergency agenda, and wishes for the Members' Allowances scheme to be able to aid and assist this going forward. As such, the Panel may decide to investigate recommending implementation of schemes relating to sustainable travel and electric vehicles in a future review.
25. The Panel wishes to make it known that a claimable rate of £0.35p per mile bicycle allowance was available for Members to claim when travelling to and from an approved duty. A variety of Members were not aware of this element of the existing Members' Allowances Scheme.

### **Children and Dependant Carers Allowance**

26. The Panel wants to ensure that Members from a variety of backgrounds are not disadvantaged from being able to carry out their roles as Councillors. The Children and Dependant Carers Allowance was one such area where the Panel felt that the Members' Allowances Scheme could be adjusted to fairly reimburse Members who have additional caring responsibilities, which occur during times when Council meetings are held.
27. The Panel felt that the current scheme did not fairly reimburse Members who had caring responsibilities which required specialist support. Specialist support would include, but not be limited to caring for: health needs, disabilities, mental health issues, and multiple young children. Lifting an adolescent or adult would also be considered a specialist caring responsibility.
28. Arranging appropriate care for the above listed caring responsibilities incurs costs in excess of the current flat rate of up to £10 per hour. As such the Panel recommends the following amendments to the Children and Dependant Carers Allowance:

From April 2021, the Dependent & Carers allowance is to be two tiered.

**Tier 1** – Standard childcare (e.g. babysitting) up to £10 per hour, to increase with the national living wage as and when this overtakes this amount;

**Tier 2** – Specialist caring (e.g. medically trained staff care including mental health, care for a number of young children for which a babysitter would not be appropriate, care which includes lifting or moving an adolescent or adult etc.) up to £20 per hour, to rise by the same monetary increase as granted to Tier 1 of the Dependent and Carers allowance. Tier 2 would require an invoice, of any description, to be provided.

Combined claims from either tier are to be limited a maximum of thirty five hours per month, and the carer employed must not be a member of the Councillor's family that lives at the same address. Claims over and above the 35 hour per month limit can be claimed in exceptional circumstances with the agreement of the Lead Specialist for Democratic and Electoral Services, upon receipt of suitable evidence.

The Allowance can only be claimed by Members with direct caring responsibilities.

29. The Panel would like to reiterate from previous years' recommendations that Members should feel confident about claiming for expenses that they are entitled to.

### **Mayor and Deputy Mayor**

30. The Panel met with holders of the Mayoral and Deputy Mayoral office (for purposes of anonymity, details as to whether they were former, present or both

shall not be disclosed). The general view was that the current level of Mayoral Allowance was sufficient to allow the incumbent to carry out their assigned duties. At present, the Panel recommends no change to the Mayoral and Deputy Mayoral Allowances.

### **Publication of IRP Press Release**

31. Being a newly formed Panel, the Panel had various assumptions and expectations regarding Members' Allowances prior to being appointed to the Panel. These preconceptions have changed over the course of their inaugural review of Members' Allowances. The Panel believe that it would be useful to share their experiences with the public, from an independent viewpoint, in a format which was more palatable to residents than a formal Council report.
  
32. The Panel asks that the Council allows the IRP to publish a "press release" type newspaper article in the 2021/22 municipal year, when a review of Members' Allowances is not being carried out. This article would be published in local news and via WBC media sources, with administrative support from Democratic Services Officers. This article will be in the form of a 'questions and answers' piece from the IRP, outlining their assumptions about allowances when they applied from the role, how that has changed. Other elements of this piece may include factual points such as: "did you know that your Ward Member's time is remunerated on a 50% voluntary basis". The purpose of this piece is to provide information to the public, in a more personal story focussed nature from independent Panel members, about the work of the Borough's Councillors and the associated remuneration that they receive.

## MEMBERS ALLOWANCES SCHEME 2020/21

### RECOMMENDATIONS OF THE INDEPENDANT REMUNERATION PANEL

*The Panel recommends to the Council that:*

- (1) No changes are made to the basic allowance for the financial years consisting of 2020/21 and 2021/22;**
  - (2) The £500 component of the Basic Allowance for the provision of IT should only be claimed by those Members who provide facilities which allow constituents and Officers to communicate with them by e-mail, in addition to having adequate equipment and connections to allow for effective participation in virtual meetings, and the self-certification process related to this component of the basic allowance be continued;**
  - (3) No changes are made to any of the existing rates for Special Responsibility Allowances;**
  - (4) No changes are made to the Travel and Subsistence Allowances;**
  - (5) No changes are made to the Mayoral and Deputy Mayoral Allowances;**
  - (6) The Dependent and Carers allowance be restructured to the following, from April 2021:**
    - i) A maximum claimable rate of £10 per hour be instated, to rise with the national living wage rate as and when this overtakes the stated figure. This rate is claimable by Members with direct caring responsibilities, and should primarily be used for non-specialist childcare (e.g. babysitting);**
    - ii) A maximum claimable rate of £20 per hour be instated, to rise by the same monetary increase as granted to part i of the Dependent and Carers allowance. This rate is claimable by Members with direct caring responsibilities, and should be used for specialist care (e.g. medically trained staff care including mental health, care for a number of young children for which a babysitter would not be appropriate, care which includes lifting or moving an adolescent or adult). An invoice, of any description, is required to claim for this rate.**
- Both of the above are claimable up to a combined maximum of 35 hours total per month, and the carer must not be a member of the Councillor's family that lives at the same address. In exceptional circumstances, claims above the 35 hour monthly limit can be**

***agreed with the Lead Specialist for Democratic and Electoral Services, subject to provision of suitable evidence.***

- (7) *During the next municipal year, when a review of Members' Allowances is not required, the IRP are given permission to publish a press release in local news and via WBC media sources, with administrative support from Democratic Services Officers. The content of this piece will focus on the views of Panel members, both before and after appointment to the Panel, on Members' Allowances and the work of a Councillor.***

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