
Recommendations of the West Berkshire Council Independent Remuneration Panel 2020

Committee considering report:	Council 03 December 2020
Portfolio Member:	Councillor Lynne Doherty
Date Portfolio Member agreed report:	18 November 2020
Report Author:	Sarah Clarke
Forward Plan Ref:	C3977

1 Purpose of the Report

- 1.1 To set out the recommendations of the West Berkshire Council Independent Remuneration Panel following their meetings on the 23 and 24 September 2020.

2 Recommendations

- 2.1 Members are asked to consider and, if appropriate, agree the recommendations of the Independent Remuneration Panel as set out in paragraph 4.19.
- 2.2 That authority be delegated to the Service Director: Strategy and Governance to amend Part 14 of the Constitution (Members' Allowances Scheme) and the associated procedures and guidance in line with any changes agreed by full Council.
- 2.3 That the Council, once it has agreed the basic allowance for its Members, circulates the report of the Independent Remuneration Panel for West Berkshire Parish and Town Councils to all of its town and parish councils for information.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	If Members are minded to approve the recommendations the potential maximum cost of Members Allowances for 2021/22 would be £528k (including estimated index linked increases as set out in the report), although the likely cost is estimated to be £510k, as there are currently some committee Chairmen who have more than one role and not all members have taken the full indexation increase on their current allowances. The base budget for Members' allowances for 2021/22 is £493k. A

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	pressure bid of £17k has therefore been submitted to Budget Board to allow for the likely cost in 2021/22 and the £18k difference between the likely cost and the potential maximum cost has been highlighted as a risk item. The final budget for Members' allowances for 2021/22 will be approved by full Council in March 2021.			
Human Resource:	None			
Legal:	<p>The Panel was set up in accordance with The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations"), as amended.</p> <p>The terms of reference of the IRP were in accordance with the requirements of the 2003 Regulations, together with "Guidance on Consolidated Regulations for Local Authority Allowances" issued jointly by the former Office of the Deputy Prime Minister and the Inland Revenue (July 2003)</p>			
Risk Management:	Any increases to Members Allowances are likely to be the subject of scrutiny by both resident and Council employees.			
Property:	None			
Policy:	The West Berkshire Council Members' Allowances Scheme (Part 14 of the Constitution) and any associated guidance will need to be amended as a result of any changes agreed by Council.			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				

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<p>A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?</p>	X			<p>The scheme of allowances should be seen as neither an incentive nor a barrier to service as a councillor in West Berkshire.</p> <p>It is hoped that the changes made to the Dependants' Carers' Allowance and the inclusion of the Parental Leave Policy in the scheme may assist in supporting greater diversity of councillor representation.</p>
<p>B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?</p>		X		
<p>Environmental Impact:</p>		X		<p>The recommendations will not have any environmental impacts</p>
<p>Health Impact:</p>		X		<p>The report will not have any health impacts</p>
<p>ICT Impact:</p>		X		<p>There will be no IT impacts</p>
<p>Digital Services Impact:</p>		X		<p>There will be no digital services impact</p>
<p>Council Strategy Priorities:</p>		X		<p>None</p>
<p>Core Business:</p>		X		<p>None</p>
<p>Data Impact:</p>		X		<p>None</p>
<p>Consultation and Engagement:</p>	<p>District Members and Parish Councils were consulted by the IRP</p>			

4 Executive Summary

Introduction / Background

- 4.1 All Councils are required to convene an Independent Remuneration Panel (IRP) and seek its advice before they make any changes or amendments to their Members' Allowances Scheme. The Council must 'pay regard' to their Panel's recommendations before setting a new or amended Scheme. When the IRP last met in November 2017 they recommended that the Panel reconvene in May 2020 so that the impact of the Boundary Review, which came into effect after the May 2019 elections, on allowances could be assessed. The onset of the Covid pandemic meant that this review was delayed until September 2020.
- 4.2 The membership and Terms of Reference of the 2020 West Berkshire IRP were agreed under delegated authority by the Service Director: Strategy and Governance on 12 August 2020, in consultation with the Group Leaders. The Panel comprised:
- Michelle Smith – Chief Executive, Education Business Partnership and resident
 - David Danielli- Resident of West Berkshire
 - Mr Mark Palmer – Development Director, South East Employers (Chair).
- 4.3 Their terms of reference were in accordance with the requirements of the 2003 Regulations, together with "Guidance on Consolidated Regulations for Local Authority Allowances" issued jointly by the former Office of the Deputy Prime Minister and the Inland Revenue (July 2003). They were asked to consider:
- (a) the amount of basic allowance to be payable to all councillors;
 - (b) whether allowances should be payable for and if appropriate the level of:
 - (i) special responsibility allowances;
 - (ii) travelling and subsistence allowance;
 - (iii) dependants' carers' allowance;
 - (iv) parental leave and.
 - (v) co-optees' allowance.
 - (c) whether payment of allowances may be backdated if the scheme is amended at any time to affect an allowance payable for the year in which the amendment is made.
 - (d) whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years before its application is reviewed.
- 4.4 In addition, they were invited to review the Chairman and Vice Chairman allowances. Whilst the 2003 Regulations do not require councils to include such allowances in any formal review, the Council has agreed that it would be appropriate in terms of openness and transparency to ask the Panel to review these allowances as part of the general review of the scheme of councillors' allowances.
- 4.5 The Panel met on the 23 and 24 September 2020. As part of this review, a questionnaire was issued to all councillors to support and inform the review. Responses were received from 17 councillors (40% of Councillors). The Panel also interviewed eleven current councillors using a structured questioning process. In

addition the Panel considered benchmarking data for neighbouring and other comparable authorities.

- 4.6 A copy of their findings and recommendations is attached at Appendix A to this report. The Council is required to publish the recommendations of the Panel under the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 4.7 The Parish Remuneration Panel was also convened by West Berkshire Council as the 'Responsible Authority' in accordance with the 2003 Regulations. The findings and recommendations are set out in Appendix B to this report.
- 4.8 The Panel was asked to consider and make recommendations to Parish Councils regarding:
- (a) Basic Allowance
 - (b) Chair's Allowance
 - (c) Travel and Subsistence Allowance
 - (d) Indexation
- 4.9 All Parish and Town Councils were invited to provide views through a questionnaire and the opportunity to speak to the Panel in respect of the Parish Basic Allowance, the Chair's Allowance, Travel and Subsistence and Indexation. Twenty-three Parish and Town Councils responded to the questionnaire albeit that none opted to meet with the Panel. The recommendations of the IRP are attached in Appendix 4 to this report.
- 4.10 The recommendations set out in the Parish Remuneration Report are based on the basic allowance awarded to West Berkshire Councillors. Once the level of this allowance has been agreed the report can be circulated to all parish and town councils. It is then up to each Parish or Town Council what if any of the 2 allowances they award and the level of the allowances up to the maximum recommended.

Recommendations

- 4.11 After considering the Council's current scheme, the benchmarking data, the outcome of the members' survey and the oral representations made to them the Panel recommended that the current basic allowance should be increased from £7,909 per annum to £8,154 per annum (or a 3% increase). The rationale for this increase is set out in paragraphs 4.4 to 4.14 of Appendix A.
- 4.12 The Panel noted that the majority of Local Authorities used a time based formula for setting a Basic Allowance. In setting the basic allowance the Panel considered three variables in their calculation: the time required to execute the role effectively; the public service discount; and the rate for remuneration. The Panel ascertained, from the information provided to them by Members, that the average number of hours necessary per week to undertake the role of a councillor (with no special responsibilities) was 16 hours per week. This was a slight increase on the 14 to 16 hours per week identified in November 2017 when the previous Panel had met.
- 4.13 The Panel considered the percentage of these hours for which 'Councillors ought to be remunerated' and the element which should be conceptualised as the voluntary contribution by Members (often referred to as the Public Service Discount or PSD).

The concluded that a PSD of 45% should be applied. The Panel had adjusted this figure (previously 50%) after taking into consideration the levels of responsibility, the varied nature of the role, the need for learning and development, the effect of the Boundary Review and the increasing accessibility and expectations of the public.

4.14 The final part of the equation required the Panel to identify an hourly rate for calculating allowances. To establish this they utilised relevant statistics about the local labour market published by the Office for National Statistics and selected the average (median), full-time gross wage per hour for West Berkshire which currently equated to £17.82. This was increase on the hourly rate of £17.29 in November 2017.

4.15 This data was fed into the equation set out below:

Required time – PSD x Remuneration Rate = Basic Allowance

(16hrs per week x 52 weeks) – 45% x £17.82 = £8, 514 per annum

4.16 There would also be a commensurate increase in the Special Responsibility Allowances as they are based on multipliers of the Basic Allowance. The SRAs were based on the tier system set out in paragraph 4.28 of the report.

4.17 The Panel's reasoning for setting the allowances at these levels are articulated in paragraphs 3.4 to 3.7 of their report. They have proposed allowances that in their opinion provide reasonable financial compensation for councillors for expenses they incurred and the time they committed in relation to their role. They also reflected on the overall need to ensure that the scheme of allowances was neither an incentive nor a barrier to service as a councillor in West Berkshire.

4.18 The Panel noted that, in order to attract candidates from more diverse backgrounds, the Basic Allowance should be set at a level to mitigate some of the factors that may dissuade some people from standing for election. They also stated that the Council should seek to highlight its Dependants' Carers' Allowance and the Parental Leave Policy to prospective and new councillors both before and following an election.

4.19 The Panel therefore made the following recommendations in relation to allowances:

- a. that the Basic Allowance payable to all members of West Berkshire Council be £8,154 per annum;
- b. that no Councillor shall be entitled to receive at any time more than one Special Responsibility Allowance (SRA) and that this One SRA Only Rule be adopted into the Scheme of Allowances;
- c. that the Council work towards a maximum number of SRAs payable at any one time not exceeding 50% of Council Members (22 Members);
- d. that the Leader of the Council continue to receive a Special Responsibility Allowance of 250% of the basic allowance i.e. £20,385;
- e. that the Deputy Leader receive a Special Responsibility Allowance of 60% of the Leader's Allowance i.e. £12,231;

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- f. that the Executive Members receive a Special Responsibility Allowance of 50% of the Leader i.e. £10,193;
- g. that the Leader of the Opposition should continue to receive an allowance of 40% of the Leader i.e. £8,154;
- h. that the role of Chairman of Council continues to be recognised at Tier Five and therefore receives an allowance of £6,116 (30% of the Leader's Allowance);
- i. that the Chairmen of the Planning Committees and the Chairman of the Overview and Scrutiny Management Commission receive a Special Responsibility Allowance of 25% of the Leader's Allowance i.e. £5,096;
- j. that the Chairman of the Licensing Committee, the Chairman of the Governance and Ethics Committee and the Chairman of the Personnel Committee receive a Special Responsibility Allowance of 15% of the Leader's Allowance i.e. £3,058;
- k. that the Opposition Groups Spokespersons receive a Special Responsibility Allowance of 30% of the Leader of the Opposition's Allowance i.e. £2,446;
- l. that the Leaders of Minority Groups should continue to receive a Special Responsibility Allowance of 10% of the Leader's Allowance i.e. £2,039 and that the criteria for receiving the allowance should be two or more Group Members;
- m. that the Vice Chairman of the Council receive a Special Responsibility Allowance of 20% of the Chairman of the Council's Allowance i.e. £1,223;
- n. that co-optees/Independent Persons continue to receive an allowance of £1,080;
- o. that travelling and subsistence allowance should be payable to councillors and co-opted/Independent Persons in connection with any approved duties as follows:
 - i.Cars: 45p per mile
 - ii.Motor Cycles: 24p per mile
 - iii.Bicycles 20p per mile
 - iv.Breakfast £5,00
 - v.Lunch £7.00
 - vi.Tea £3,00
 - vii.Evening Meal £12
- p. that the 5 pence per mile payment for every passenger a Councillor carries in their vehicle should be withdrawn;
- q. that the Dependants' Carers' Allowance (DCA) should be based on two rates. Rate one for general care be linked to the Real Living Wage as recommended by the Living Wage Foundation (currently £9.30 per hour) with no monthly maximum claim. Rate two should be for specialist care based at cost upon production of receipts and requiring medical evidence that this type of care is required, with no monthly maximum claim when undertaking Approved Duties.

- r. that the current eligibility conditions for receipt of the DCA is payable when undertaking the list of Approved Councillor duties.
- s. that the West Berkshire Council Parental Leave Policy is adopted within the Members Allowance Scheme;
- t. The Council should also actively promote the Dependants' Carers' Allowance and the Parental Leave Policy to prospective and new councillors both before and following an election in order to support greater diversity of councillor representation;
- u. that the Council support an active 'Be A Councillor' programme to encourage and support a greater diversity of future councillor representation;
- v. that the basic allowance, each of the SRAs, the Co-Optees' /Independent Persons Allowance and the Dependants' Carers' Allowance be increased annually in line with the percentage increase in staff salaries from May 2021 for a period of up to four years. After this period the Scheme shall be reviewed again by an independent remuneration panel;
- w. that the political groups should not renounce any indexation of allowances on a group basis and any renunciation should be at the discretion of individual Councillors in accordance with the procedure for renunciation as outlined in the current scheme;
- x. that the new scheme of allowances to be agreed by the Council be implemented with effect from the beginning of the 2021-22 financial year (01 April 2021), at which time the current scheme of allowances will be revoked;
- y. that no changes are made to the Approved Duties as outlined in the Members' Allowance Scheme.

Proposals

- It is recommended that the Council considers, and if appropriate agrees the recommendations as set out in paragraph 4.19 of this report.
- The report makes no reference to the number of allowances to be paid to Opposition Spokesman but on the basis that it does recommend that no more than 22 SRAs are paid it is recommended that this is limited to a maximum of four, subject to any proportionality considerations. This in addition to the Leader of the Main Opposition Group who already receives an SRA.
- The Panel be asked to meet again by September 2024.

5 Other options considered

- 5.1 Not to accept the recommendation of the Independent Remuneration Panel or to accept them in part.

6 Conclusion

- 6.1 The Panel, in arriving at its recommendations, took into account the views, written and oral, of Members; the scope and level of allowances paid in similar councils in Berkshire; and the current and future financial challenges. The changes proposed are not significant it is therefore recommended that the Council accept the recommendations of the IRP.

7 Appendices

- 7.1 Appendix A – IRP Report
7.2 Appendix B – The Parish Remuneration Panel

Background Papers:

None

Subject to Call-In:

Yes: No:

The item is due to be referred to Council for final approval

Wards affected: All

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