
Recommendations of the West Berkshire Council Independent Remuneration Panel 2024

Committee considering report:	Council
Date of Committee:	26 September 2024
Portfolio Member:	Councillor Jeff Brooks
Date Portfolio Member agreed report:	5 September 2024
Report Author:	Stephen Chard
Forward Plan Ref:	C4595

1 Purpose of the Report

To set out the recommendations of the West Berkshire Council Independent Remuneration Panel (IRP) following their meetings on the 4 and 5 June 2024.

2 Recommendations

- 2.1 Members are asked to consider and, if appropriate, agree the recommendations of the IRP as set out in paragraph 5.9 of this report.
- 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 cost of Members Allowances for 2024/25 would be £595k (including estimated index linked increases as set out in the report). If implemented from 1 April 2024.

Recommendations of the West Berkshire Council Independent Remuneration Panel 2024

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 residents 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:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?	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>The basic allowance should encourage people from a wide range of backgrounds and with a wide range of skills to serve as local councillors. Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage as a result of doing so.</p>

Recommendations of the West Berkshire Council Independent Remuneration Panel 2024

<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		None
<p>Health Impact:</p>		x		None
<p>ICT Impact:</p>		x		None
<p>Digital Services Impact:</p>		x		None
<p>Council Strategy Priorities:</p>		x		None
<p>Core Business:</p>		x		None
<p>Data Impact:</p>		x		None
<p>Consultation and Engagement:</p>	District Members and Parish Councils were consulted by the IRP.			

4 Executive Summary

- 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.
- 4.2 The membership and Terms of Reference of the 2024 West Berkshire IRP were agreed under delegated authority by the Service Director: Strategy and Governance in consultation with the Group Leaders. The Panel comprised:
- Kate Barrow – Chief Executive, Education Business Partnership and resident
 - John Davies - resident of West Berkshire
 - Mark Palmer – Development and Governance 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). Those requirements are to make recommendations to the Council as to:
- (a) the amount of basic allowance to be payable to all councillors;
 - (b) the level of allowances and whether allowances should be payable for:
 - (i) special responsibility allowances;
 - (ii) travelling and subsistence allowance;
 - (iii) dependants' carers' allowance;
 - (iv) parental leave; and
 - (v) Independent Person's 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 4 and 5 June 2024. They interviewed ten current councillors using a structured questioning process. A questionnaire was also issued to all councillors to support and inform the review. Responses were received from 17 Councillors (40% of Councillors). In addition, the Panel considered benchmarking data for neighbouring and other comparable authorities.

Recommendations of the West Berkshire Council Independent Remuneration Panel 2024

- 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. 14 Parish and Town Councils responded to the questionnaire, but no Parish or Town Council met the Panel as part of the review. No Parish or Town Council advised the Panel that they pay the Parish Basic Allowance or Chair's Allowance.
- 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 two allowances they award and the level of the allowances up to the maximum recommended.

5 Recommendations

- 5.1 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 £8,289 per annum to £8,768 per annum. The rationale for this increase is set out in paragraphs 4.4 to 4.14 of Appendix A.
- 5.2 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) continues to be 16 hours per week.
- 5.3 The Panel considered the percentage of these hours for which 'Councillors ought to be remunerated' and the element which should be established as the voluntary contribution by Members (often referred to as the Public Service Discount or PSD). They concluded that a PSD of 45% should be applied after taking into consideration the levels of responsibility, the varied nature of the role, the need for learning and development, and the increasing accessibility and expectations of the public.

5.4 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 by place of residence for West Berkshire which currently equated to £19.16.

5.5 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 £19.16 = £8,768 per annum

5.6 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.

5.7 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.

5.8 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.

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

- that the Basic Allowance payable to all Members of West Berkshire Council be £8,768 per annum;
- 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;
- that the Council work towards a maximum number of SRAs payable at any one time not exceeding 50% of Council Members (22 Members);
- that the Leader of the Council continue to receive a Special Responsibility Allowance of 250% of the basic allowance i.e. £21,920;
- that the Deputy Leader receive a Special Responsibility Allowance of 60% of the Leader's Allowance i.e. £13,152;
- that the Executive Members receive a Special Responsibility Allowance of 50% of the Leader i.e. £10,960;
- that the Leader of the Opposition should continue to receive an allowance of 40% of the Leader i.e. £8,768;

Recommendations of the West Berkshire Council Independent Remuneration Panel 2024

- that the role of Chairman of Council continues to be recognised at Tier Five and therefore receives an allowance of £6,576 (30% of the Leader's Allowance);
- that the Chairmen of the Planning Committees and the Chairman of the Scrutiny Commission receive a Special Responsibility Allowance of 25% of the Leader's Allowance i.e. £5,480;
- that the Chairman of the Licensing Committee, the Chairman of the Governance Committee, the Chairman of the Personnel Committee, and the Chairman of the Health Scrutiny Committee receive a Special Responsibility Allowance of 15% of the Leader's Allowance i.e. £3,288;
- that the Opposition Groups Spokespersons receive a Special Responsibility Allowance of 30% of the Leader of the Opposition's Allowance i.e. £2,630;
- that the Leaders of Minority Groups should continue to receive a Special Responsibility Allowance of 10% of the Leader's Allowance i.e. £2,192 and that the criteria for receiving the allowance should be two or more Group Members;
- that the Vice Chairman of the Council receive a Special Responsibility Allowance of 20% of the Chairman of the Council's Allowance i.e. £1,315;
- that Independent Persons continue to receive an allowance of £1,132;
- that travelling and subsistence allowance should be payable to councillors and Independent Persons in connection with any approved duties as follows:

Motor Mileage Allowance:

Cars:	45p per mile
Motor Cycles:	24p per mile

Cycle Allowance: 20p per mile

Day Subsistence Allowance:

Breakfast	£5.00
Lunch	£7.00
Tea	£3.00
Evening Meal	£12.00

- 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 £12 per hour) with no monthly maximum claim. This rate is reviewed by the Living Wage Foundation every November. 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 councillor duties.
- that the Council should also actively promote this allowance to prospective and new councillors both before and following an election and on an annual basis. This may assist in supporting greater diversity of councillor representation.

- that the West Berkshire Council Parental Leave Policy continues to be adopted within the Members Allowance Scheme;
- that the Council support an active 'Be A Councillor' programme to encourage and support a greater diversity of future councillor representation.
- that the basic allowance, each of the SRAs, the Independent Persons Allowance and the Dependants' Carers' Allowance be increased annually in line with the percentage increase in staff salaries from April 2024 for a period of up to four years. After this period the Scheme shall be reviewed again by an independent remuneration panel;
- that the political groups should not renunciate any indexation of allowances on a group basis and renunciation should be at the discretion of individual Councillors. The procedure for renunciation is outlined in the current scheme;
- that the new scheme of allowances to be agreed by the Council be implemented with effect from the beginning of the 2024-25 financial year, at which time the current scheme of allowances will be revoked;
- that no changes are made to the Approved Duties as outlined in the Members' Allowance Scheme.

Proposals

- 5.10 It is recommended that the Council considers, and if appropriate agrees the recommendations as set out in paragraph 5.9 of this report.
- 5.11 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.
- 5.12 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.

6 Other options considered

Not to accept the recommendations of the IRP or to accept them in part only.

7 Conclusion

- 7.1 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 and it is therefore recommended that the Council accept the recommendations of the IRP.

8 Appendices

- 8.1 Appendix A – The report of the IRP appointed to review the allowances paid to Councillors of West Berkshire Council
- 8.2 Appendix B – The report of the IRP for West Berkshire's Parish and Town Councils

Subject to Call-In:

Yes: No:

- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Scrutiny Commission or associated Committees, Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

Wards affected: All

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