

Independent Members Remuneration Panel

**Final report submitted to
Watford Borough Council**

October 2021

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Introduction

The role of the Independent Members Review Panel [IMRP], under the Local Authorities [Members Allowances] [England] Regulations 2003, is to make recommendations to the Council as to the responsibilities or duties in respect of which allowances should be available and the amount of such allowances. In doing so, the IMRP is able to look at various elements of the Members' Allowance Scheme and, as Watford has an elected Mayor, the allowances and remuneration of this position is also part of the review.

We received submissions from the Liberal Democrat and Labour Groups plus the Mayor Peter Taylor and Donna Nolan, the Managing Director. We also had access to current comparative data from several other Councils to draw comparison with Mayoral remuneration, Councillor Expenses and Allowances and this provides an insight into remuneration and allowances in other Councils throughout the UK. Whilst it was acknowledged that this information does not give any definitive answers it was useful in enabling the panel to compare levels of allowances and Mayoral remuneration and made an important contribution towards our final decisions.

All three panel members were involved in the 2017 and 2013 reports and one of the panel members also sat on the previous panel. The panel has a good mix of previous experience and continuity to make effective decisions. The 2017 report was a major review and implemented significant changes, so much of the work of this year's panel is to review the effectiveness of changes made in 2018, ensure that these are still appropriate and look to see if any amendments need to be made. The main remit of the panel is to review all the information available to it and to consider that in the wider context of both the business of the council and economic decisions facing it in the coming years. As recommended by previous panels our brief was to undertake a four-year review, although there are some concerns as we come out of "lockdown" concerning working practices and how this may have a long-term effect on roles and how they operate. Should there be significant changes to working practices or the domestic economic climate some further review may be required to our recommendations before the end of the four-year term. These recommendations are made in good faith and without prejudice.

The IMRP would like to thank all those who took the time to submit personal or written submissions. The Panel would also like to particularly commend Sandra Hancock, Democratic Services Manager for all the background information and support she has provided.

Finally, I would like to thank the rest of the panel for their excellent contributions throughout the process.

Lee Walsingham

Chairman, Independent Members' Remuneration Panel

Remit & Panel Members

Remit

The Independent Remuneration Panel is appointed under the Local Authorities [Members Allowances] England Regulations 2003, to make recommendations to the Borough Council as to the responsibilities or duties in respect of which allowances should be available and the amount of these allowances. The Independent Members Remuneration Panel [IMRP] has been in existence since 2000 and whilst initially it met annually to consider the operation of the members' remuneration scheme and to make any recommendations on any proposed changes if appropriate, the previous and this review are for a four-year term. The Panel is available should the Council wish to consult it in the interim.

The Panel

Lee Walsingham [Chair]
Hazel Bentall
Gill Crowson

All members of the panel are independent of the Borough Council. The number on panel this year was three, in previous years it has consisted of four members. All members previously sat on the two previous panel with one member having also sat on earlier panels. It would be our recommendation that, if possible, the next panel should again consist of four members to give a diversity of background and to allow for possible absence.

Areas to be reviewed

The panel have been asked to undertake a four-year review of the following:

- a) Elected Mayor's remuneration
- b) Travel allowance for the Elected Mayor
- c) To review and recommend level of allowance paid to the Chairman of the Council & the Vice Chairman
- d) Level of basic allowance
- e) Special responsibility allowances
- f) Travelling and subsistence allowance
- g) Co-optees' allowances
- h) Care of Children and dependants
- i) Consider existing arrangements for the provision of communications allowance

Information and Submissions

Information Available

The following documents were made available to the panel before the meeting:

1. The Local Authorities (Members' Allowances) (England) Regulations 2003
2. Terms of Reference 2021
3. Independent Panel's report 20 July 2000
4. Independent Panel's Final report November 2017
5. Extract of minutes from Council on 30 January 2018
6. Members' Allowances Scheme (updated August 2020)
7. Council Committees 2021/22
8. Comparison – Mayoral authorities
9. Comparison – Hertfordshire authorities
10. Comparison – other authorities

The panel has met three times:

4 & 5 October 2021– to identify any further information required, review requirements, to receive written & and in most cases personal submissions from Donna Nolan, Mayor Peter Taylor, the Liberal Democrat Group- Cllr Pattinson & the Labour Group- Cllr Nigel Bell

12 October 2021 - further analysis of submissions and finalising of panel recommendations, plus finalisation of report for submission [Zoom meeting]

Submissions

A written & personal submission was made to the panel by Donna Nolan, Managing Director

A written submission was made on behalf of the Liberal Democrat Group (LD) by Cllr Pattison.

A subsequent personal submission was given by Peter Taylor elected Mayor of Watford in which he additionally addressed comments made in Cllr Pattison's written submission.

A written & personal submission was given by Cllr Nigel Bell [Lab.]

Donna Nolan- Managing Director

Her main conclusion from our discussions was that, following the significant changes introduced in the last review and the relevant data, it was apparent that a lighter touch investigation was likely to be required on this occasion. Therefore, she had no specific recommendations to make to the Panel.

[See Appendix 1]

The Liberal Democrat Group's

The written submission expressed the view *that basic allowances and those for special responsibilities* should continue at current levels. They considered that this represents a fair balance between the need for restraint and providing certainty for councillors on the level of allowances they will receive for carrying out their duties. The previous decision to link any increase of allowances and SRAs to local government annual pay levels had worked well to ensure allowances were still competitive. It was noted that workload had increased and the increasing use of social media and email has led to an environment where an immediate response was the expected norm.

The Group was of the view that the past and current level of allowances has made a difference in attracting a more representative range of councillors. The panel reiterated that one of their aims was to ensure that allowances should be seen attractive to potential applicants and should allow as wide a range of applicants as possible to be attracted and enable them to fulfil the role of councillor without being financially disadvantaged.

It was also considered that the Mayoral remuneration required no special attention as increases are now being linked to local government pay increase which was implemented at the last review.

[See Appendix 2]

Elected Mayor Peter Taylor

In his verbal presentation to the panel, Mayor Peter Taylor stated that the previous Panel's recommendation had addressed issues with both The Mayor's remuneration and issues with Councillors allowances and SRA's by linking increases to local government pay settlements.

Caseloads for himself and fellow councillors were significantly increased from previous years. A review of portfolio holders' responsibilities had been undertaken and this had led to a levelling of responsibilities.

It was agreed with the Mayor that it would probably be appropriate to do a more in-depth review of Portfolio holders' responsibilities at the next review to ensure there was an even spread of responsibilities.

In respect of the Mayor's Expense allowance, very little travelling had been done in the previous year due to lockdown, although travel was returning to normal. Following discussion, it was thought that the current allowance would benefit from a slight increase and actual expenses incurred should be monitored by his executive assistant on an annual basis to ensure the allowance was in line with expenditure.

Labour Group Leader Cllr Nigel Bell stated that whilst workload had increased for all councillors, he felt the remuneration scheme should stay unchanged, believing that changes made in the last review had addressed any issues and had contributed to making the role more attractive to potential new councillors.

When questioned on whether he felt that Special Responsibility Allowances were equitable across all roles receiving them he thought that the recent review and redistribution of roles meant that the workload of those receiving SRA's was fairly evenly distributed.

He felt that the basic allowance was reasonable, as was Portfolio Holders' Special Responsibility Allowances. When questioned he did feel that there was a case for the Dependent Carers Allowance to more closely reflect the cost of carers. He considered that the Chairman's & Vice Chairman's allowances should possibly be reviewed as the Chairman's role was certainly significantly busier than the Vice Chairman's role. He did say that the Vice Chairman's role was important as it provided some experience before progressing to the Chairman's role the next year.

[See appendix 3]

The panel found the submissions of great benefit in ascertaining the overall views of each party, and in getting a more thorough understanding of the roles and current responsibilities under review. Overall it was felt that the actions agreed from the last review by linking most payments to Local Government pay settlements had to date enabled allowances to remain competitive within the public sector. All agreed that this was important in helping to attract new councillors from as broad a background as possible.

The panel felt that the personal submissions were of particular value as they enabled questions to be asked and immediate answers obtained to deal with any points which needed clarification.

Considerations and Conclusions

The panel deliberated on all submissions given, plus the wide-ranging information provided by Sandra Hancock and the return to a more normal working environment following lockdown, the current economic climate and potential prospects for the general & local economy over the next four years.

Quadrennial Review

It was felt that this should remain as a four-yearly review. Although the panel had some slight concerns about this considering the impact the current pandemic may have on the future economy, the difficulty of predicting the new “normal” and how it may change operational requirements over the next four years.

The panel suggests that if there were any significant changes to the way the Council needs to operate due to further issues relating to Covid or economic pressures there may be the need to undertake an interim review.

Mayoral Remuneration

On reviewing the duties of the role and hearing the submissions made, the Panel agreed that the role needs to maintain a competitive remuneration to attract future candidates of the right calibre and gravitas, and this is particularly relevant with the Mayoral election in 2022.

Comparisons show that the remuneration is still competitive against similar roles, and this has been assisted by the remuneration benefiting from annual increases linked to the Local Government pay reviews.

It is the panel's recommendation that the Mayor's remuneration should remain at its current level and continue to be linked to local government settlements.

Travel Allowance for the elected Mayor

Following discussion it was agreed that allowances should be reflective of expenditure. We understand a monthly allowance based on predicted expenses is paid to the Mayor, but this must be backed up by receipts. This is monitored by the Mayor's executive assistant.

It is the panel's recommendation that the Mayor's travel allowance should be increased to £700 to reflect the increase in travel costs. Amount currently being received £650

As receipts for this allowance are submitted, it is recommended that these should be reviewed annually to ensure expenditure has not significantly changed in relation to the allowance being paid.

Levels of basic allowance

The basic allowance of £7,555, following the last review, is subject to annual review linked to the level of local government pay awards. The amount paid is still considered to be competitive with similar roles, and does not appear to have any detrimental effect on attracting new councillors. Although there are other factors influencing willingness to stand for elected office.

It was the Panel's opinion that current arrangements should remain with basic allowance increasing in line with local government pay awards.

Special responsibility allowance

The Panel adopted the principle that every Special Responsibility Allowance should reflect the actual responsibility of the role, and not the number of hours or any other factor.

Following the information provided to the panel no case was made for any increase in these allowances. The recent review & realignment of duties & responsibilities would appear to have resulted in a more even spread of work for those receiving SRAs.

It was the Panel's opinion that whilst not recommending an immediate increase in SRA, it should continue to be linked to local government pay settlements. The panel considers it appropriate to undertake a more detailed analysis of relative responsibilities of those receiving SRAs at the next review.

Chairman & Vice Chairman

Current allowances are £4000 and £2000 respectively. It was considered that, following careful questioning during the verbal submissions, the Chairman's position had significantly more responsibilities and workload than the Vice Chairman. The Vice position was an important position to help prepare for the move to Chairman the following year but probably did not justify a payment of 50% of that of the Chair.

It was the Panel's suggestion that:

- ***Chairman – allowance should be increased to £4,500***
- ***Vice Chairman – allowance should be decreased to £1500***

Travelling & subsistence allowance

It is the Panel's recommendation that these payments should remain unchanged.

These reflect actual costs incurred and should remain linked to council staff allowances and the panel could see no reason for these to be changed.

Communications Allowance

It was felt that as there had not been any significant increase in cost for mobile & internet provision over recent years that the existing £12 communication allowance should remain unchanged,

Co-optees' Allowance

It was noted that rates for this had not changed since 2007. Current rates were £200 per year and £300 per year for the Chair. It was felt that at the time of the next review these should be reviewed, to ensure that payments were competitive and enabled suitably experienced panel members to be attracted, this would require some increase.

It would be our recommendation that, if possible, the next panel should again consist of four members.

Care of Children and Dependants

It was felt that following the submissions made that the introduction of this allowance had been beneficial to broaden the appeal of the councillor's role and help broaden the appeal of the role.

Whilst this was a rarely used allowance it was important for it to be available so that those with caring responsibilities could stand for office and, if elected, would not be out of pocket. Such candidates could widen the experience and knowledge of the Council.

The Panel considered that basing payments on the *national minimum wage* was not reflective of the actual costs of care and this should be reviewed to reflect those costs more closely.

It is the panel's recommendation that that some research should be undertaken to identify the actual cost of care and a rate that reflects costs should be applied. This should be receipted.

As previously this should not be allowable for family members/ members of the household, unless at discretion of the Monitoring Officer.

Following discussions, it was felt that the introduction would not have a significant impact on budget spend but would ensure increased inclusivity and potentially allow councillors to attend certain events by being able to take advantage of the allowances.

SUMMARY OF PANEL'S RECOMMENDATIONS

- **ELECTED MAYOR'S REMUNERATION** - should remain currently unchanged with increases linked to local government pay awards
- **TRAVEL ALLOWANCE FOR THE ELECTED MAYOR** - increase to £700, but a record of actual receipted expenditure should be maintained on an annual basis to ensure actual payments are reflective of expenditure.
- **LEVEL OF BASIC ALLOWANCES** - should remain currently unchanged with increases linked to local government pay awards
- **SPECIAL RESPONSIBILITY ALLOWANCES** - should remain currently unchanged with increases linked to local government pay awards with suggestion of detailed analysis of duties & responsibilities of those receiving SRA's at time of next review.
- **CHAIRMAN & VICE CHAIRMAN - Chairman** – increase allowance to £4,500
Vice Chairman – decrease allowance to £1500
- **TRAVELLING AND SUBSISTENCE ALLOWANCES** - These should remain unchanged.
- **CO-OPTEE'S ALLOWANCES** – Should be reviewed and increased in time for the next review period. The Panel did not consider it appropriate to suggest a revised rate.
- **CARE OF CHILDREN AND DEPENDANTS** – should be increased following a review of actual costs.

Appendix 1

Submission to the IMRP

Donna Nolan, Managing Director, Watford Borough Council

Although I have been involved previously with Independent Members' Remuneration Panel reviews, this is my first engagement with the important work being undertaken by the Panel at Watford.

As you will be aware, I took over as the Managing Director of Watford Borough Council in February 2020 shortly before the Government announced its first coronavirus pandemic lockdown. Over the ensuing months, the efforts of Watford's elected members to support their local communities through difficult and extraordinary times whilst remaining fully engaged in the council's uninterrupted schedule of formal committee and scrutiny work has been commendable.

Our Elected Mayor and his Cabinet worked closely with the council's senior officers to provide effective leadership and management of the Covid-19 emergency, ensuring swift decision making and a focus on community support. On the ground too, councillors provided exemplary community leadership, working collaboratively and with charities and volunteers to identify and support local needs, reiterate and explain government health messages and champion vaccine take-up by residents.

Reviewing the Panel's previous reviews, it is apparent that significant work has been undertaken – particularly in the last review – to ensure that payments to Watford's councillors are fair, commensurate with similar and neighbouring authorities, and keep track with wage inflation. In particular, I note the Panel's recommendations to:

- link members' allowances to the local government pay settlement to protect them from inflationary devaluation
- introduce an allowance for councillors to cover the care of children and dependants
- make changes to the Elected Mayor's salary to ensure that it is equitable and provides adequate compensation for the lack of pension provision.

In preparation for the current quadrennial review, I have spoken to Watford's Mayor, together with the leaders of the authority's three political groups (Liberal Democrats, Labour and Independent Democrats) in order to gauge wider opinion. I have also considered the comparative research undertaken to inform the Panel in its deliberations.

On the basis of this – and on the back of the significant changes introduced following the previous review in 2017 – it is apparent that a more light touch investigation is likely to be required on this occasion. As such, I do not have any specific recommendations to make to the Panel about areas of investigation they might consider.

I look forward to meeting with the Panel next week to assist them with their review.

Donna Nolan, Managing Director

Appendix 2

Liberal Democrat group submission to Independent Remuneration panel, September 2021

The Liberal Democrat group are very grateful for this opportunity to make our submission to the Independent Remuneration panel. At the last panel in 2017/18 we were pleased to support and approve the panel's proposals.

In 2017/18 we presented a case relating to the role of remuneration plays in ensuring diversity in representation and excellent performance by councillors to ensure that we provide strong representation for Watford's communities and a healthy local democracy.

Since 2017/18 we have seen the continuing demand of community and council workload on councillors' time. There is a continued need for daytime meetings (particularly for portfolio holders) and an ever-increasing demand of councillor's time to ensure they are very active on social media. The increase in use of social media by residents has significantly increased the ability for residents to raise concerns and ask questions of councillors 24 hours a day, 7 days a week. There is an expectation of an almost immediate response to issues raised using social media. From experience and discussion with my peers in the Liberal Democrat group it is clear that Councillors can expect to devote upwards of 20 hours a week to council duties (this increases again for those holding a portfolio), often considerably more so, that it can almost become a full-time job. In addition, councillors do have to be constantly on call if people want to raise council-related issues with them. Calls do not just happen during working hours they consistently expand into the evenings and at weekends.

Experience suggests that parties have difficulty attracting a diverse group of people to stand for election. There is a danger that the body of councillors is dominated by people whose financial circumstances mean they don't need to work or can work part time. Having people with current experience in employment, experiencing the issues that most residents of Watford are experiencing ensures an ability to understand the issues facing residents of Watford. We feel as a group that it is increasingly important to continue to ensure that councillors are as representative as possible of the wider community of Watford.

Watford has a younger demographic than the national average, with a higher proportion of residents of working age. Yet it is difficult to attract those who work and/or have family responsibilities to stand for election. It is hard to avoid council business intruding on to working life, whether this means leaving early to attend meetings, replying to text messages or receiving telephone calls on council-related business, taking leave to attend daytime meetings. In addition, being a councillor often involves loss of earnings in ways such as: choosing to not apply for promotion or overtime opportunities, not applying for better-paid jobs if it might affect council duties, reducing working hours to part-time and taking unpaid leave. For those with childcare responsibilities, attending council meetings can create additional financial and logistical pressures.

I have been given several examples by my colleagues of them purposely reducing working hours so they can devote time to council business. Taking pay cuts to enable to work to fit round their council responsibilities. Watford remains an expensive borough in which to live. Councillors need to be able to sustain financial stability whilst balancing work, Council commitments and family life. Councillors have also spoken about the increasing costs associated with travel within the borough to carry out their roles.

Currently, the present level of allowances does offer meaningful remuneration above direct expenses and in many cases has made the difference between people feeling able to put themselves forward for election. It enables them to offset some of the lost earnings mentioned above, thus giving them the time necessary to perform the role of councillor to a high standard.

Therefore, we would ask that the panel to consider to maintain the approach they took in 2017/18 and recommend a continuation of the current allowances' regime, including both basic allowances and those for special responsibilities.

In principle, we would also suggest that councillors' allowances should continue to increase in line with the annual settlement for local government employees. As outlined above, councillors will often be dependent on allowances as part of their income and it is appropriate that these should rise at the same rate as the salaries of council staff.

Group leader's allowance

At present group leaders receive £105 per group member in recognition of the leadership, pastoral and organisational responsibilities that they incur with this role. We agree that this is appropriate as this role is crucial to maintaining the performance of the group and takes on the important role of managing complaints and disciplinary issues all require a level of skill and experience reflective of the allowance.

Chairman's and Vice Chairman's allowance

The chairman's allowance was increased to £4000 in 2017/18 and has remained at this level since then. As this is not considered remuneration but is an award in recognition of the formal duties of the council chairman as set out in the scheme, we suggest that the allowance be increased slightly to reflect increases in food and clothing. We suggest the same should apply to that of the Vice Chairman.

Mayor's salary

The Liberal Democrat group agree that the Mayor's salary should be maintained and linked to local government pay settlements and increased accordingly. The mayor's role is intended to be full-time and incompatible with other significant employment. Often this requires much more than a full-time role and the current Mayor's duties extend fully into most evenings and weekends. A successful mayoral candidate may have to give up a career with no guarantee of being able to resume it after a four-year term. If they are not re-elected they will be out of a job with no redundancy payment. This is a significant risk for anyone to take. Therefore, to allow the widest practical range of candidates to come forward, the current level of salary should be maintained, with the mayor receiving the same level of increase (if any) that local government employees are awarded.

Mayor's pension

The law remains that councillors are prevented from receiving a local government pension. This means that the mayor (who for such purposes is counted as a councillor) does not receive a pension contribution. We understand that the remedy for this is for any pension provision for the mayor to be included within the mayoral salary.

We agree that the current arrangement whereby the mayor receives a contribution for pension payments added to the salary, equivalent to the employer's pension contributions made in the local government pension scheme is maintained.

Appendix 3

Submission from Councillor Nigel Bell, Leader of the Labour Group

The Labour Group support keeping the basic allowance for backbench Councillors linked to whatever the Local government employers negotiate with the Trade Union representatives in line with local Government Officers.

As a Group we strongly believe in an allowance that helps working people of all ages and communities feel able to put themselves forward as Councillors, and to be able to give their time and not unduly suffer financially because of the hours involved.

This obviously means we support any measures to recompense and help those Councillors who have child caring responsibilities and other caring responsibilities.

Councillors feel that casework and time taken on their council work can take up to 20/25 hours a week but it can vary.

We would support the panel reviewing the remuneration levels and workload of the Cabinet portfolio-holders.

Councillor Nigel Bell
Leader of the Labour Group
25 September 2021