

## PART A

**Report to:** Council

**Date of meeting:** 29<sup>th</sup> January 2014

**Report of:** Democratic Services Manager

**Title:** Watford Council's Scheme of Remuneration – 2014/15

### 1.0 SUMMARY

1.1 At its meeting on 5<sup>th</sup> November 2012 the previous IMRP recommended that a review be undertaken in 2014 to set Members' allowances for the next four years. The review was to include a comprehensive review of the level of basic and special responsibility allowances; recommendations on the level of Mayor's salary and allowances ahead of the 2014 mayoral elections and to consider the current arrangements for the reimbursement of expenses incurred by Members when carrying out Council activities.

This recommendation was agreed by Council at its meeting in January 2013.

1.2 The 2013 Panel met three times:

2 October 2013 – to receive the initial Croner Reward Presentation and to establish terms of reference.

29 October 2013 - to hear councillors' submissions

6 November 2013 – to receive the final Croner Reward analysis, a submission from the Managing Director and panel deliberations.

1.3 The report of the review is attached as Appendix 2.

### 2.0 RECOMMENDATIONS

2.1 To consider and respond to the specific recommendations of the Remuneration Panel as set out in Appendix 2 to the report and detailed in paragraph 5.0.

2.2 To agree a Scheme for 2014-2018 subject to the Council being able to request an interim review before the end of the four year period should the economic climate change significantly.

2.3 That each Panel member be paid £800 and that the Chair be paid £1200 as a one off payment to cover the four year period 2013 - 2017.

**Contact Officer:** Pat Thornton, Democratic Services Manager,  
Extension: 8372, email: [pat.thornton@watford.gov.uk](mailto:pat.thornton@watford.gov.uk)

**Report approved by:**

### 3.0 DETAILED PROPOSAL

#### 3.1 Background

3.1 The Remuneration Panel has been in existence since 2000 and has met annually to consider the operation of the Members' Remuneration Scheme. Members are appointed for a term of four years on a "rolling" basis to ensure that a consistent level of experience is maintained.

3.2 Members' Allowances at Watford have been frozen since 2003. The 2012 Panel recommended that a review be undertaken in 2013 ahead of the Mayoral elections in 2014 to set the allowances for the next four years. The recommendation was agreed by Council at its meeting on 30<sup>th</sup> January 2013.

3.3 All four members of the panel are independent of the Borough Council. Hazel Bentall and Barry Mathiasson were appointed in 2010 and 2012 respectively. Lee Walshingham and Gill Crowson were both appointed in 2013. Lee Walshingham was appointed Chair of the 2013 Panel.

3.4 A copy of the current Members' Allowances Scheme is attached as Appendix 1

### 4.0 Information considered by the Panel

#### 4.1 Submissions

The Panel received written and personal submissions from the Liberal Democrat, Labour and Green Groups, the Mayor and Managing Director. A report was also commissioned from Croner Reward to analyse Mayoral Salaries, councillor expenses and allowances and to provide an insight into salaries and allowances in other Councils throughout the UK,

#### 4.2 Members' Self assessments

As with previous years, the Panel was provided with the 2012/2013 Watford Borough Council Members end of year self assessments which had been completed by almost all Councillors. The Panel commented that this gave them a good insight into the roles covered, levels of activity and commitment during the past year.

### 4.3 Role Profiles

Following consultation with all councillors, Role Profiles had been produced for the following roles:

- Elected Mayor
- Chairman
- Portfolio Holder
- Majority Group Leader
- Scrutiny Committee Chair
- Non Scrutiny Committee Chair
- Ward councillor

The role profiles were made available to the Panel to give them a further insight into what each of the specific roles entailed. Officers intend to discuss with the Member Development Group whether it would be helpful to publish the role profiles on the Council's website

### 5.0 **Panel's recommendations**

A copy of the panel's final report is attached as appendix 2.

#### 5.1 Elected mayor's salary

##### 5.1.1 **It is the panel's recommendation that the Mayor's salary should remain currently unchanged.**

5.1.2 The Panel comments, however, that If the economic climate continued to improve, the Council may decide that an examination of the Mayoral salary should be included if it is called upon to undertake an interim review of Councillor allowances before the end of the four year period.

#### 5.2 Travel allowance for the elected mayor

##### 5.2.1 **It is the panel's recommendation that the Mayor's travel allowance should remain currently unchanged.**

5.2.2 This was set by the panel in 2011 at £1000 subject to annual review and has since been reduced to £500 to reflect the Mayor's annual spend. The Panel recommends that the amount continues to be subject to annual review.

#### 5.3 Level of basic allowances

##### 5.3.1 **It was the Panel's opinion that in the current climate the basic allowance should again be frozen.**

5.3.2 The Panel was of the opinion that the current level is still at a sufficiently attractive level to retain or attract councillors.

If, however, the economic climate continues to improve, the Panel recommends that there should be an interim review before the end of the four year period to ensure that the allowance has maintained its comparative position with other councils.

#### 5.4 Special responsibility allowances

5.4.1 **It is the Panel's recommendation that the bands of payment should remain unchanged subject to its recommendation relating to the Vice-Chair of Overview and Scrutiny Committee and the Chair of the Audit Committee.**

5.4.2 The Panel comments on the fact that the Vice Chair of Overview & Scrutiny is currently on Band 2a [£7930] but is rarely required to chair meetings, whilst the Chair of Audit, who regularly chair meetings, is on Band 2 [£2884].

5.4.3 In response to questions about these roles, the Panel was advised of the significance of the Audit Committee in terms of the Council's governance arrangements and the requirement for the accounts to be signed off by the Chair.

By convention, the Vice Chair of the Overview & Scrutiny Committee has to chair meetings where a call-in of an Executive decision is being discussed. All other meetings are chaired by the Chair of Overview & Scrutiny Committee who has over arching responsibility for scrutiny but is also remunerated at Band 2(a). There has only been one call-in each year for the past three years.

5.4.4 **The Panel therefore recommends that the Vice-Chair of Overview and Scrutiny Committee be remunerated at Band 2 and the Chair of the Audit Committee be remunerated at Band 2(a)**

#### 5.5 Travelling and subsistence allowances

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

5.5.2 Under the terms of the current scheme, councillors other than the Mayor can only claim for mileage outside of the Borough and be reimbursed for actual expenses incurred, for example, when attending a training course. They are required to produce receipts and are only reimbursed the actual amount spent up to the limits prescribed in the Scheme.

## 5.6 Co-optees' allowances

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

## 5.7 Care of children and dependants

5.7.1 **The Panel recommended no change to the current position, i.e. no allowance for this category.**

5.7.2 The Panel considered that, on balance, having a competitive basic allowance was a more important factor in ensuring the right balance of councillors from across the community.

## 5.8 Provision of IT equipment, broadband and payment of telephone charges

5.8.1 **The panel felt that this was an area where a more formal policy should be established and it was suggested that in time this should be reviewed by Democratic Services.**

5.8.1 Councillor IT has been a difficult issue for several years and has become more complex with advances in technology and the variety of access methods available. For example, some councillors receive a telephone allowance and some a broadband allowance; some have their own equipment whilst others have equipment provided by the council; some have a council email from home whilst others have their Council emails forwarded to a private email address. The arrangements need simplification and the Panel considered that this was an area where a more formal policy should be established

## 5.9 Pensions

5.9.1 **This is still subject to a separate review by Government so the panel was not able to consider this item.**

5.9.2 Currently councillors can be allowed access to the Local Government Pension Scheme where recommended by the Independent Remuneration Panel and accepted by the Council.

5.9.3 Watford Borough Council's current Remuneration Scheme allows for the remuneration of the Elected Mayor to be pensionable and also states that if the Mayor opts for a private scheme the Council should contribute an amount to the equivalent to what it would have paid had the Mayor opted for membership of the LGPS.

5.9.4 The Remuneration Scheme also states, however, that allowances for councillors should not be supplemented by additional contributions to a pension scheme, including the Local Government Pension Scheme.

5.9.5 A consultation was run by the Department of Communities and Local

Government from April to July last year on access by councillors and other elected local office holders to the Local Government Pension Scheme 2014 and the contribution rates. The results have yet to be published.

## 6.0 **IMPLICATIONS**

### 6.1 **Financial**

6.1.1 The Director of Finance comments that the recommendations are unlikely to increase the budget for Mayoral and Member expenses over the review period.

6.1.2 The Panel has carried out a review to recommend allowances for the next four years which, unless specifically requested to do so by the Council, means that they will not be required to meet again until late 2017 to recommend the scheme for 2018/19.

### 6.2 **Legal Issues** (Monitoring Officer)

6.2.1 The Regulations state that “a scheme may make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority and where the only change made to the scheme in any year is that effected by such annual adjustment in accordance with such index that the scheme shall be deemed not to have been amended.” It goes on to say that the index must not be relied upon for longer than a period of four years.

6.2.2 The Head of Democracy and Governance comments that, whilst the Council is legally obliged to seek the views of an Independent Remuneration Panel, it is free to determine what levels of allowances it should remunerate its members.

6.2.3 All councillors have been given a dispensation by the Monitoring Officer to consider and vote on this item under the Councils code of conduct for councillors.

### 6.3 **Staffing**

None

### 6.4 **Potential Risks**

<b>Potential Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall score</b>
Any Increase in Members' Remuneration would impact on next year's budget	1	3	3
Not achieving an appropriate level of	1	2	2

remuneration could discourage participation in the democratic process and not attract a diverse range of high calibre candidates.			
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### Appendices

1. Current Scheme of Members' Remuneration
2. Independent Members' Remuneration Panel Report 2013

### Background Papers:

1. Report of Remuneration Panel – 2013
2. Watford Borough Council's Scheme of Remuneration.
3. IMRP Report - 2012
4. Council report and minutes – 30 January 2013
5. DCLG "Taxpayer funded pensions for councillors and other elected office holders" Consultation document

File Reference: none