

A Review of Members' Allowances for the Royal Borough of Windsor & Maidenhead The Twelfth Report by the Independent Remuneration Panel

**Air Vice-Marshal Andrew Vallance (Chairman)
Chris Stevens
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Introduction: The Regulatory Context

1. This report is a synopsis of the deliberations and recommendations made by the statutory Independent Remuneration Panel (the Panel) appointed by the Royal Borough of Windsor & Maidenhead (RBWM) to advise the Council on its Members' Allowances scheme.
2. The Panel was convened under *The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)*. These regulations, arising out of the relevant provisions in the *Local Government Act 2000*, require all local authorities to maintain an Independent Remuneration Panel (also known as an IRP) to review and provide advice on the council's Members' Allowances Scheme. This is in the context whereby full Council retains powers of determination regarding Members' allowances, both levels and scope of remuneration, and other allowances/reimbursements.
3. The Panel was convened to undertake a review of the indexation element of the scheme, following a resolution of full Council in February 2022. The Panel also took the opportunity to review the Special Responsibility Allowances for Chairmen of Development Management Committees, given changes in the committee structure since the last review.

Terms of Reference

4. The Panel was given the following terms of reference, namely to make recommendations on:
 - i) Whether the allowances should continue to be adjusted in line with the average pay increases negotiated through the National Joint Committee for Local Government Employees or with reference to any other index, or none
 - ii) Whether the Special Responsibility Allowance for the Chairmen of Development Management Committees should be amended to reflect the current committee structure

The Panel

5. The Royal Borough of Windsor & Maidenhead reconvened its Panel with the following Members appointed to carry out the review, namely:
 - Air Vice-Marshal Andrew Vallance CB OBE MPhil FRAeS
Served in the RAF for 38 years, and from December 2004 to February 2017 was Secretary of the UK's Defence Press and Broadcasting Advisory Committee (now known as the Defence and Security Media Advisory Committee). Between 2009 and 2019 he was also Chairman of the Services' Sound and Vision Corporation, and is currently Chairman of the Ascot Arts Society, President of 459 (Windsor) RAF Air Cadets and is

actively involved in his local church of St Michael and All Angels, Sunninghill, in addition to several local charitable bodies.

- Chris Stevens
Was born in Sunningdale, schooled at Windsor Grammar and has lived in Windsor for the past 41 years. He worked at The Sun for 30 years where he was Assistant Editor, and is now Senior Sub-Editor at the Daily Mail. Married with two daughters, he is a keen supporter of the Alexander Devine Children's Hospice Service.
- Karnail Pannu
Chairperson of Windsor and Maidenhead Community Forum, President of the local Sikh temple and a governor of Newlands Girls' School. He has served as member of Housing Solutions, the Royal Borough's Standards Board as independent member for 18 years, a governor of East Berks College and Berkshire College of Agriculture for 8 years each. He taught for 37 years in Buckinghamshire.

6. The Panel was supported by Karen Shepherd, Head of Governance at the Royal Borough of Windsor and Maidenhead.

Process and Methodology

7. The Panel met at the Town Hall, Maidenhead, on 4 May 2022 to consider background information including indexation arrangements in Member Allowance Schemes used by a range of other local authorities across the Southeast. The Panel also considered the issue of the SRA for Chairmen of the Development Management Committees.
8. Following the meeting, a survey was issued by email to all Members to seek their views on indexation, including a variety of potential options; 17 (of 41) Councillors provided written feedback: Cllrs Baskerville, Bhangra, Bond, Brar, Cannon, Coppinger, Davey, Del Campo, Hilton, Hill, Hunt, G. Jones, L. Jones, Rayner, Shelim, Stimson and Targowski.
9. Following consideration of the written responses, the Panel decided to interview four Members who represented the range of views expressed during the survey, to seek further understanding. The Panel convened again at the Town Hall, Maidenhead on 29 June 2022 to meet in person with Councillors Cannon, Del Campo, Hilton and L. Jones.
10. Following the Member interviews, the Panel considered all the evidence and finalised their recommendations.
11. The Panel meetings were held in private session to enable the Panel to meet with Members and Officers and consider the evidence in confidence.

INDEXATION

Benchmarking

12. The Panel has reviewed and evaluated the evidence and representations within a comparative context. In particular, the Panel has considered indexation arrangements in a number of comparator councils. The latest data set available to the Panel was the South East Employers 2021 annual survey of Member Allowance Schemes, which includes data for all types of authorities across the south east, including the five other Berkshire unitary authorities.
13. The Panel noted that there were a number of approaches taken to indexation. Of the 69 local authorities that responded to the latest SEE survey (including RBWM), 47 confirmed their scheme included a formula for updating allowances on an annual basis. 18 local authorities confirmed that their scheme did not include a formula for indexation. Of those with an indexation formula, 40 schemes linked indexation to staff pay awards (whether increases were agreed nationally or locally). Two schemes used RPI or CPI as a benchmark. Two schemes used a flat rate of indexation agreed for a specific time period.
14. In making its recommendations, the Panel has not been driven by the allowance schemes for the comparator authorities, but it was deemed important to understand how the issues under review have been addressed elsewhere, i.e., what is the most common and good practice.

Context

15. The Panel noted that since the last full review of the Members Allowances Scheme by the Panel in 2020, both the Basic Allowance and all Special Responsibility Allowances (SRA) had increased marginally following indexation. As per the scheme, this was in line with the average pay increase given to Royal Borough employees of 2% in 2021/22 and a further 2% in 2022/23.
16. The Panel noted that at the conclusion of the last full review in late 2020, Members had agreed to insert the following wording into the Scheme in relation to indexation:
 - *Brought back to full Council each year for decision on whether to go ahead dependent on situation.*

However, following discussions between the Monitoring Officer and Section 151 officer in early February 2021 it was determined that this could not occur without the Panel first being convened to consider the issue and make recommendations to full Council. The budget proposed to Members for consideration therefore included automatic indexation of Member Allowances, subject to approval of a pay award for officers. The ability for

individual Members to renounce the indexation under the provisions of the scheme remained.

17. During the debate on the 2021/22 budget at Full Council in February 2021, a number of Members expressed concern about the indexation of Member Allowances. Subsequently, 23 Councillors informed the Head of Governance, as required by the scheme, that they wished to forgo the 2% increase in their allowances (Basic and SRA as appropriate) for the 2021/22 financial year.
18. During the debate the following year on the 2022/23 budget at Cabinet in early February 2022, some Members again expressed concern about the indexation of Member Allowances, particularly when council officers were being required to identify savings to ensure a balanced budget could be set, and at a time of significant cost of living increases for residents.
19. A recommendation was therefore included in the budget report presented to full Council in late February 2022, which was approved by a majority of Members:

That full Council approves a request to the Independent Remuneration Panel to review the indexation element of the Members' Allowances Scheme and to report back to full Council.

20. The Panel was therefore convened to consider the issues using the methodology detailed in paragraphs 7-11 above. The written representations made to the Panel in survey responses from Members varied widely, from the view that there should be no indexation of allowances at all, through to support for maintenance of the status quo.
21. Members who wished for indexation to continue (approximately one third of respondents) emphasised the need to ensure individuals from all walks of life were able to consider standing as a candidate, without concern about the impact on their financial situation. It was acknowledged that Members were not employees, and the Basic Allowance did not replace remuneration for paid work (nor was it intended to) but indexation would allow for the financial support provided to remain in line with local economic conditions. The Panel noted that many members of staff were also residents of the borough and therefore a pay award to those individuals reflected, to some extent, local economic conditions.
22. Members who supported the removal of indexation entirely from the scheme (approximately one third of respondents) explained that they felt it was not appropriate for Members to receive an increase in allowance payments at a time when residents were experiencing a cost-of-living crisis. It was also suggested that individuals standing for election were not necessarily aware that the scheme included an indexation element. Removing indexation would provide clarity in advance of an election as to what the level of allowance would be for the duration of the term of office.

Panel Considerations

23. In all their deliberations, the Panel were very mindful of the current financial context including the wide-ranging and long-term impacts of Covid, and the current cost-of-living crisis including high levels of inflation.
24. The Panel took into account that the prime purpose of Members' allowances schemes was not to 'attract' candidates for Council; rather to allow individuals to undertake the role and responsibilities of a councillor by compensating them for costs incurred (particularly in relation to ward work) taking into account such factors as the nature of the council, local economic conditions and good practice.
25. It was acknowledged that Member allowances were never intended to be paid at full 'market rates', otherwise they would have to be at a level so high as not to be publicly acceptable. If elected Members were standing for and remaining on the Council due to financial appeal it would run contrary to the public service ethos. As expressed by a number of interviewees, the desire to serve local communities and residents is the prime motive for being a Councillor. Thus, in its deliberations, the Panel has sought to recommend a scheme that seeks to minimise financial barriers to public service so as to enable a wide range of people to become a Councillor without incurring undue personal financial cost.
26. The Member survey included a number of potential models of indexation for comment, all of which were considered in detail by the Panel:
 - *No indexation at all during the four-year period between full reviews.*
 - *Annual indexation linked to CPI*
 - *Annual indexation at a specified, fixed rate for the four-year period, not linked in any way to officer pay awards*
 - *Indexation at a specified, fixed rate, not linked in any way to officer pay awards, applied only once during the four-year period (e.g. half way through the term of office)*
 - *Annual indexation at a level x% below that of any officer pay award*
 - *Annual indexation in line with average officer pay awards (i.e. the status quo)*

Members were also invited to suggest any other models for consideration; none were put forward.

27. The Panel acknowledged removing indexation entirely from the scheme was marginally the most administratively efficient option. It would also be easier in terms of council budget setting as Members' Allowances increases would not be a variable for consideration. It had been suggested by some Members that this option would also provide clarity on allowance levels to individuals considering standing for election. However, the Panel

noted that the next full review of the scheme was due in 2024, part way through the next administration, and therefore with any option, candidates would have clarity on the level of allowance for the first 18 months of the term of office only.

28. The Panel decided that, as illustrated by the current increasing levels of inflation, indexation linked to CPI would not provide clarity and would make it significantly more difficult for the council to plan for future budgets. This option was therefore not considered for recommendation.
29. Both the CPI option and the options for fixed indexation (either annually or at set periods during the four-year review period) could lead to Members receiving higher increases than any staff pay award. A number of Members had stated that this would not be appropriate, and the Panel agreed, particularly given staff pay awards were set directly by councillors, taking into account the various local economic factors at the time.
30. The option of indexation at a level x% below that of any officer pay award was not considered appropriate by the Panel as, if an increase for officers (many of whom were residents) was supported to reflect the economic situation, the Panel felt an equivalent increase should be considered for Members.
31. The Panel considered the view expressed by some Members that removal of the indexation element could disadvantage those on a low income and therefore they would be discouraged from standing for election. In terms of the rising costs of petrol and diesel, it was noted that mileage costs (at the standard HMRC rates) for attending council meetings could be claimed separately by Members, but that travel costs for ward work were covered by the Basic Allowance that was subject to indexation.
32. The Panel also took into account that the current scheme allowed individual councillors to renounce all or part of their allowances (both Basic and SRA) and that over half had chosen to do so in the last financial year.

Conclusion

33. Having considered all the representations provided, the Panel concluded that no argument had been made that overrode the logic of linking the indexation of allowances to average officer pay awards. This model was also more efficient to administer than all the other indexation options considered (aside of no indexation at all). If individual Members had concerns about the appropriateness of an allowance increase given their personal circumstances, the scheme already provided the ability to renounce all or part of their allowances.
34. The Panel also noted that as private individuals Members could choose to donate all or part of their allowance to charity. Following a request from Members, a 'Give as You Earn' (GAYE) scheme (a tax-efficient way of

making regular donations to charity) had been set up in August 2021 and had subsequently been advertised to Members.

35. The Panel acknowledged that there was an important balance to strike, but that democracy came at a cost. There had been no clear consensus among the 17 councillors who had responded to the Member survey on the issue. The Panel felt it was not appropriate to recommend a significant change to the scheme given Members who individually felt indexation was inappropriate had the ability to renounce this or any part of their allowance.
36. In relation to the advice by the Monitoring Officer detailed in paragraph 16, the Panel considered that a review every year would reduce clarity for individuals considering standing for election, was unlikely to provide a consistent response, and would result in a more unmanageable and inefficient scheme. For completeness, the reference to such a review should therefore be recommended for removal from the scheme.
37. The Panel noted that in the previous financial year, councillors deciding to renounce the indexation element had done so at various times during the financial year, which had imposed an unacceptable administrative burden on officers managing the scheme. The Panel were therefore of the view that the scheme should strongly encourage Members to notify the Head of Governance of their request to renounce all or part of their allowances, or participate in the GAYE scheme, within a short timeframe following approval of the council budget so that any adjustments could be made at the start of the financial year. If the recommendations were approved at full Council on 19 July 2022, the Panel strongly encouraged Members to notify the Head of Governance by 19 August 2022 for the current financial year. The Panel also recommended to officers that increased advertising of both options to Members be made at the appropriate time each year to ensure all Members were reminded of the relevant deadline.

Recommendations:

38. **RECOMMENDATION 1:** The following wording be removed from paragraph 17 (first bullet point) of the Members' Allowances Scheme:

Brought back to full Council each year for decision on whether to go ahead dependent on situation.

39. **RECOMMENDATION 2:** The following amendments (*in italics*) be made to Paragraph 15 (Renunciation) of the Members' Allowances Scheme:

Councillors may by notice in writing given to the Head of Governance elect to forgo any part of their entitlement to an allowance under this scheme. *To minimise the administrative burden of managing the scheme:*

- ***All Members are requested to provide such notification, or to***

confirm they do not wish to renounce any part of their allowances, by 1 April each year. Following local elections, newly elected Members are requested to provide a similar notification within 1 calendar month of election.

- ***All Members are requested to confirm to Payroll their wish to participate in the GAYE scheme by 1 April each year. Following local elections, newly elected Members are requested to provide a similar notification within 1 calendar month of election.***

SRA FOR THE CHAIRMAN OF THE BOROUGH-WIDE DEVELOPMENT MANAGEMENT COMMITTEE

Context

40. The current scheme includes the following SRAs:

- Chairman of the Area Development Management Panels (maximum of 2): £6,355
- Chairman of the Borough-wide Development Management Panel: £6,355

Panel Considerations

41. During the last full review of the Scheme in 2020, the Panel received a significant amount of feedback from Members in relation to the SRA for the Chairmen of the Borough-wide DM Panel, the majority of which suggested an SRA was inappropriate as the Panel had held no meetings since May 2019.
42. The Panel was appraised of the interim arrangements in place at the time, in light of the COVID-19 situation, which meant that just one Development Management Committee was then meeting. The Panel commented at the time that if the structure of 2 Area DM Panels and 1 Borough-wide DM Panel was simply reinstated at a later date, the Panel would be minded to review the allowances for this area of the scheme
43. In May 2021 the legislation allowing councils to hold decision making meetings in a virtual capacity ended. Meetings such as Development Management Committees returned to being held in person and have done so ever since. In June 2021 full Council considered a review of the Development Management Committee structure and decided on a two committee structure (Maidenhead DM Committee and Windsor & Eton DM Committee) but requested the Head of Planning to review the situation within a year.
44. A further report was therefore considered by full Council on 26 April 2022 that included a recommendation from officers to establish a single Royal

Borough Development Management Committee. The recommendation was rejected by Members and a structure of two DM Committees therefore remains.

Conclusion

45. The Panel agreed that, given the changes to Committee structure in June 2021, reconfirmed in April 2022, the SRA for the Chairman of the Borough-wide DM Panel is no longer required and should be removed from the scheme with immediate effect.

Recommendation

46. **RECOMMENDATION 3: The Panel recommends that the SRA for the Chairman of the Borough-wide DM Panel be removed from the scheme.**

IMPLEMENTATION

47. **RECOMMENDATION 4: The Panel recommends the amendments detailed above be implemented with immediate effect.**

Appendix 2

Background information considered by the Panel

1. [The Local Authorities \(Members' Allowances\) \(England\) Regulations 2003](#)
2. New Council Constitutions: Guidance on Regulation for Local Authority Allowances
3. IRP [Terms of reference](#)(contained in Part 6 of the RBWM Constitution)
4. [Current Members' Allowances scheme](#) (Part 9A of RBWM Constitution)
5. [Previous IRP reports](#)
6. Comparative data on indexation from the South East Employers 2021 Members Allowances survey.