

# **REPORT BY THE INDEPENDENT REMUNERATION PANEL ON WEST OXFORDSHIRE DISTRICT COUNCIL MEMBERS' ALLOWANCES FOR THE YEAR 2012/2013**

## **INTRODUCTION**

1. The WODC Independent Remuneration Panel (IRP) was convened under *The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)* to make recommendations to the Council on a new scheme of Members' Allowances. These regulations, which arise out of the relevant provisions in the *Local Government Act 2000*, require all local authorities to set up and maintain an advisory Independent Members' Remuneration Panel to review and provide advice on Members' allowances. All Councils are required to convene their Remuneration Panel and seek its advice before they make any changes or amendments to their allowances scheme and they must 'have regard' to the IRP's recommendations before setting a new or amended Members' Allowances Scheme. Since the IRP's inauguration members on the Panel have changed; all the current members being in appointment for two years or more. In 2001 WODC commissioned Dr Declan Hall to consider the WODC Member's Allowances Scheme and it is this report and subsequent IRP reports that form the framework for the present allowances scheme that has not altered dramatically since then. A number of previous IRP reports and other information are available at [www.westoxon.gov.uk/allowances](http://www.westoxon.gov.uk/allowances)
2. The IRP draws upon various forms of evidence to determine what recommendations it should make to the Council with regards to any amendments to the current scheme. The IRP reviewed the background and contextual information on WODC and allowances schemes from other authorities. Additionally, the IRP invited all Councillors to make written observations or to meet with the Panel. The IRP wishes to thank those who attended meetings with the Panel and/or made written submissions. The views expressed from these inputs are key to the IRP having a greater understanding of the matters that are associated with the allowances scheme that are concerning Council Members. As one would expect from such an exercise there were differing views with regards to the allowances scheme and the levels set.
3. Yet again the IRP is grateful for the assistance that the Head of Legal and Democratic Services, Keith Butler, and Simon Wright have provided in enabling the undertaking of this review.

## **REVIEW CONSIDERATIONS**

4. **General.** The IRP having taken due account of the views made to it agreed that it should review the Special Responsibility Allowances (SRAs) for Leaders of Political Groups and Vice Chairs as well as those matters signposted in its report for 2011/2012 as follows:
  - Take due account that the Basic Allowance had not been increased for two years
  - Ratify the SRA for the Deputy Leader
  - Review SRA for responsibilities on outside bodies
  - Consider the SRA Limits (Cabinet Members and claiming multiple SRAs)
5. **Basic Allowance.** The Basic Allowance has been at its present figure of £4,350 since 2009/2010 when it was raised from £4,200. The IRP considered firstly if the allowance should be linked to RPI, CPI or pay awards for staff. Significant consideration was made

on this point and it was noted that previous Panels had deliberated on the matter. The IRP reminded itself that the principle behind the Basic Allowance is that it is not and cannot be a salary. The IRP's view is that fixing increases in the Basic Allowances to increases or decreases in inflation does not take into account the fundamentals behind the allowance; that it is the Basic Allowance and is intended to recognise the time commitment of all Councillors, including calls on their time with officers and constituents and attendance at meetings. It is also intended to cover incidental costs such as the use of their homes and personal telephones. Also, the IRP noted the conclusions in previous successive IRP reports that such linking of the Basic Allowance had not been recommended. The IRP could not find any rationale that would warrant a recommendation to change this position and consequently has discounted this notion.

6. The IRP looked for evidence that the level of the Basic Allowance was a barrier to the recruitment or retention of Councillors but could not locate any. However, the IRP was of the view that the allowance should be set at a level that, in comparator terms, maintains the position of the Council's Basic Allowance in comparison with other authorities. Currently, the Council's Basic Allowance is set slightly below the average of comparators studied. The IRP also felt that consideration of the impact of changes in general salaries and inflation needed to be taken into account. Moreover, that since the Basic Allowance was first set the element for incidental expenses (£180 per year) had not been considered in isolation as it is part of the overall Basic Allowance and that this component would have increased incrementally as the level of the Basic Allowance changed. Since the last increase in the Basic Allowance, inflation has continued and the IRP considered that to have another year with a nil increase in the Basic Allowance could have an unacceptable risk of eroding the value of the allowance. The IRP continued to be conscious of the economic climate, but reminded itself that it does not and should not concern itself with any political considerations when making its recommendations to the Council.
7. In all the circumstances, the IRP considered that to hold the level of the Basic Allowance at the current level of £4350 for a further year would be inappropriate, and that the allowance should be increased by 1.5% to (with rounding) £4415 pa.
8. Special Responsibility Allowances (SRA)
  - a. SRA's linkage to Basic Allowance. Within the Council's allowances scheme the levels of the SRA are expressed as a multiple of the Basic Allowance. Consequently, if this practice continues then all the SRA's in the scheme would be changed in-line with the Basic Allowance (this year recommended for an increase of approximately 1.5%). The IRP considered this policy, and concluded that this practice creates an expectation that SRA's should always increase at the same time as the Basic Allowance. The IRP further opined that this linkage creates an "inflationary ladder" rather than the SRA's being set strictly against the weight of the role and independent of other increases within the scheme.
  - b. In light of the above, the IRP is not recommending an increase in any of the current SRA's by virtue of the recommended increase in the Basic Allowance.
  - c. Deputy Leader's SRA. The IRP sought justification for this allowance and noted that notwithstanding the requirement by statute for this position no defined role has been produced. Therefore, the evidence gained was anecdotal. The IRP was satisfied that to fulfil this position additional responsibilities are placed upon the

incumbent to be proactive in order for him/her to step into the Leader's position at short notice for either long or short periods. However, the IRP could find no evidence to suggest that a change to the current amount of this SRA was appropriate, and nor was any such request made. It is recommended that this SRA remains in place in the Council's scheme.

- d. Outside Bodies. The IRP debated this matter at length as currently no SRA is set in respect of sitting on "Outside Bodies" where appointments are made by the Council, and change to this could be seen as a precedent for the future. The IRP considered varying views on this subject and was presented with a substantial amount of evidence. The IRP noted in particular that the responsibilities and time commitment for Cottsway Housing are considerably greater than those for other outside bodies. The IRP was also aware that all Councillors may be expected to participate in the work of outside bodies, and that the level of SRA for Cabinet Members partly reflects the likelihood of serving on more outside bodies than most Councillors, including ones which are directly related to the portfolio of the Cabinet Member.
- e. The Cottsway Housing situation is unusual in that other members on that Board receive remuneration from Cottsway (£3600 pa with effect from 1 April 2011), including the two council nominated Board members who are not Councillors. It is not permitted for the West Oxfordshire Councillor to be remunerated by Cottsway as this would debar him/her from continuing in membership of the Council. However, the IRP sought clarification as to whether an SRA could be awarded by the Council for this duty and it has been confirmed as being within the regulations. The IRP was satisfied that the responsibilities for this commitment were way above those associated with those of the majority of other Outside Bodies to which members of the Council are appointed. So much so that, exceptionally, an SRA should be set for this role. However, in line with the well-established principles, a proportion of the role should be regarded as voluntary.
- f. In line with the above, and taking the voluntary element into account, the IRP recommends that the allowance should be set at 60% of the amount paid by Cottsway (which would equate to £2160 in 2011/2012).
- g. The Council's Allowances Scheme allows for retrospective payment of any amended allowances to the beginning of the financial year that an amendment is made. Last year the IRP did not have sufficient evidence to make a recommendation on this matter. However, if it had then it would have come to the same conclusion as above and the recommendation (if accepted) would have been effective from 1 April 2011. Accordingly, the IRP recommends that the Council considers amending the 2011/2012 scheme and, if amended, backdating this SRA to 1 April 2011.
- h. SRA Multiples. The current situation is that the Council's scheme provides that (i) no Cabinet member shall receive more than one SRA; and (ii) no non-Cabinet member shall receive SRAs whose total value exceeds that of an "ordinary" member of the Cabinet.
- i. The IRP considered this position but was not swayed that there was any justification in changing the current policy, and nor were any representations received which suggested otherwise. Consequently the IRP recommends that this policy remains unchanged.

- j. SRA for Leaders of Political Groups. The IRP's attention was drawn to the basis for this allowance and the IRP was invited to re-examine it. The Allowances Regulations make it quite clear that it is permissible to pay an SRA to the Leader of a Political Group, and that the Council "*must make provision for the payment of an SRA to at least one member of a minority group*". The concept behind this requirement is that it is important to have "opposition" groups, who through their Leaders bring an alternative view to the debate. Also, that the leaders of such groupings are required to invest time and effort to keep fully in touch with activities across the Council.
- k. Currently the Council's Allowances Scheme has set an SRA for the Leaders of the Opposition Groups and no allowance is set for the Leader of the Majority Group (Leader of the Council). The amount of the allowance depends on the number of members in each Opposition Political Group.
- l. The situation for the Leader of the Council is different. Contained within the defined "Leaders Role" it is listed that among his typical activities he will lead the majority group. The IRP has previously taken the view that the SRA for the Leader of the Council includes provision for the role of leadership of the majority group. Therefore, no separate SRA has been set and if it was then a separate recommendation would be required to relax the rule of that a Cabinet Member may not receive more than one SRA. The IRP considered the impact of an increased majority group on the Leader of the Council and whether sufficient provision had been made in the current allowance, taking into account the other responsibilities and duties of the Leader. The IRP formed a view that although there is an increased number of Councillors in the majority group there was insufficient evidence to warrant a variation from the findings of previous Panels. Therefore, the IRP is not recommending a change to the Leader's SRA on these grounds.
- m. More significantly though, the IRP considered that this SRA should be set without any linkage to the number of members in each Political Group. The IRP took the view that, having taken due account of the basis for the statutory requirement for this SRA, to link the allowance to the number of members per Political Group is flawed and should be discontinued as such linkage could result in payment being made to a number of Opposition Group Leaders. Further, that the allowance should only be awarded to the Leader of the largest opposition group. In considering the role of the Leader of the largest opposition group, and its significance in terms of both responsibilities and time commitment, the IRP was also conscious that the allowance currently provided in West Oxfordshire is considerably less than the average within District Councils in the South East. In all the circumstances, the IRP recommends that (i) an SRA of £4350 is payable to the Leader of the largest opposition group; and (ii) the existing provision for the leaders of additional opposition groups, and the link to the number of councillors in a political group, be discontinued. The IRP recognises that there would be an issue if there were ever two opposition groups of the same size, and possibly if the council ceased to be under overall political control. However, the IRP remains of the view that the responsibilities and time commitment for the individual filling this role are significant and that the recommended SRA of £4350 is appropriate. Whatever the Council's decision on this aspect, the situation will, of course, be kept under review.

- n. Vice Chairs. When the “new allowances regime” was first introduced in 2001, the scheme included SRA for Vice Chairmen, as follows: £450 pa (Standards, Licensing (then) General Purposes and Development Control); £725 pa (Human Resources); £1150 (Area Planning Sub-Committees); £1,425 (O&S Committees); £1,800 (Council),
- o. These applied for 2001/2002 but were discontinued in 2002/2003, with the IRP stating in its February 2002 report: *“We gave considerable thought to the question of SRAs for the various Vice Chairmen identified in the current scheme. A number of interviewees emphasised the supporting role of the Vice Chairman and the need for them to be able to “step into the breach” when required and to be “up to speed” with the work of the relevant Committee or Sub-Committee. However, we felt that this latter point applied to all Members of a Committee or Sub-Committee, and did not consider the responsibilities of Vice Chairmen’s duties to be significant enough to warrant receipt of an SRA. However, please also note the relevance of the recommendation in paragraph 82 below.”*
- p. The IRP was asked to consider this position again as some Councillors felt that there should be a modest SRA available to those who act as Vice Chairmen, in recognition of the additional duties and responsibilities involved. The IRP noted that there are no defined duties or responsibilities for Vice Chairs unlike the position for Chairs. Furthermore, that the responsibilities handed down to them are very much down to each Chair. On this basis the IRP considered that there were insufficient grounds to recommend a change in the current scheme, whereby no SRAs are set for Vice Chairs.
- q. Co-optees, Carers, Pensions (and Standards Committee Chairman). The IRP did not receive any evidence to suggest that any changes should be made to co-optees’ or carer allowances. The IRP is content that members should continue to be eligible to join the Local Government Pension Scheme.
- r. The IRP is aware that changes to the standards regime are still far from clear and recommend that no change be made to the allowance payable to the Standards Committee Chairman. It is, however, possible that the allowance will be payable only for a part of 2012/13, depending on when the Localism Bill is enacted and brought into force, and what the eventual changes are.
- s. Renunciation, and the Repayment and Withholding of Allowances. The IRP draws the following observations:
- i. That under the WODC scheme “members may, by notice in writing given to the Strategic Director, elect to forego, assign or transfer all or part of his/her allowance under this scheme”. This may be of assistance when specific responsibilities covered by an SRA are delegated to other members for either short or long periods.
  - ii. Currently where a member is suspended from their duties payment of the Basic Allowance and SRA payable to them is withheld. This clause will need further consideration once the Localism Bill has been enacted and is in force.

- t. Travel and Subsistence The IRP supports the Council's change to mileage allowances which was effective from 1 April 2011, and under which the Council decided to reduce the available mileage allowance to that of the current Inland Revenue "non-profit making rate" and recommends that it continues. The IRP supports the continuation of the approach that subsistence rates for members should be the same as those approved for Council Staff.

## RECOMMENDATIONS

9. Recommendations. The IRP recommends that the Council:
- Increases the Basic Allowance from £4350 to £4415
  - Makes no changes to existing SRAs
  - Sets an SRA for a Councillor appointed to the Board of Cottsway Housing, at the level of 60% of the rate paid by Cottsway to other Board Members
  - Considers whether the 2011/12 scheme should be amended to include this SRA and, if so decided, whether the allowance should be backdated to 1 April 2011
  - Makes no change to the provision in the scheme relating to SRA limits for Cabinet and non-cabinet members
  - Discontinues the current SRA for Leaders of Opposition Political Groups and provides an SRA of £4350 pa for the of Leader of the largest Opposition Political Group
  - Maintains the current policy of not setting SRAs for Vice Chairs
  - Makes no changes to the co-optees or care allowances and retains the right for members to be eligible to join the Local Government Pension Scheme
  - Continues to set the rate for Travel Allowances at the current Inland Revenue "non-profit making rate" and to maintain subsistence rates for members in line with those applicable for Council Staff.

The [schedule overleaf](#) shows both the current and recommend Allowances.

D T Bacon  
Panel Chair

November 2011

## CURRENT AND RECOMMENDED ALLOWANCES

POSITION	CURRENT	PROPOSED	TOTAL (inc BASIC)
Basic Allowance (all members)	£4,350	£4,415	£4,415
Leader of Council	£19,575	£19,575	£23,990
Deputy Leader	£13,050	£13,050	£17,465
Cabinet Member	£10,875	£10,875	£15,290
Chairman of Council	£4,350	£4,350	£8,765
Chairmen of O&S Committees	£4,350	£4,350	£8,765
Chairmen of Area Planning Sub-Committees	£5,450	£5,450	£9,865
Chairman of HR Committee	£1,100	£1,100	£5,515
Chairman of Development Control Committee	£1,100	£1,100	£5,515
Chairman of Licensing Committee	£1,100	£1,100	£5,515
Chairman of Audit & GP Committee	£1,100	£1,100	£5,515
Chairman of Misc. Licensing Committee	£500	£500	£4,915
Opposition Group Leader (largest opposition group)	£1,100 *	£4,350	£8,765
Opposition Group Leader (any other opposition group)	£1,100 *	£0	£4,415
Councillor appointed to the Board of Cottsway Housing	£0	£2,160 **	£6,575

\* currently any Leader of a Political Group is entitled to this amount where there are 2-5 Members are in the Group, with a further £1,100 for each additional 5 or part of 5. In 2011/12 the only opposition group is the Liberal Democrats, with four members, meaning that the allowance payable was £1,100.

\*\* the actual recommended amount is 60% of that paid by Cottsway to other Board Members, which was £3,600 pa with effect from April 2011