

**Report of the Independent Remuneration Panel
to South Oxfordshire District Council
on 15 December 2011**

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Introduction

1. The council's constitution states that councillors are entitled to receive allowances as set out in the council's Councillors' Allowances Scheme.
2. The council approved its councillors' allowances scheme in December 2007. The panel made nine core recommendations as to the basic allowance that councillors should receive, together with the additional allowances to be paid to Cabinet and other members for assuming special responsibilities. The Council will recall however that for reasons best known to itself, not one of the recommendations was adopted.
3. The scheme provided for an annual percentage increase each April up to the RPI in September of the previous year. Council have not agreed to any increases since April 2008.
4. A scheme can provide for an annual increase for no more than four years before the scheme has to be reviewed by the Independent Remuneration Panel.
5. This report sets out the recommendations of the panel following its review of the members' allowances scheme. In reading this report, reference should be made to the previous report of the panel to Council on 13 December 2007. The panel have set out the bulk of their recommendations in the councillors' allowances scheme attached to this explanatory report.
- 6. We recommend that the scheme agreed by Council come into effect on 1 April 2012.**

Legal framework

7. In accordance with Local Authorities (Members' Allowances) (England) Regulations 2003, local authorities across the country have a duty to consider the findings of an independent remuneration panel before determining any scheme for the payment of allowances to councillors of the authority.
8. The regulations place a statutory obligation on the council to establish and maintain an independent remuneration panel to look at members' allowances and report its views to the council. Council has a statutory duty to have regard to the panel's recommendations before making or amending any members' allowances scheme.
9. In addition to the regulations, the Secretary of State has issued guidance to councils on members' allowances. This guidance deals with the types of allowance which can be paid, the setting up, appointment and work of independent remuneration panels and the making and publication of schemes.
10. The panel comprises four residents in the district, none of whom is associated with the council or closely associated with any councillor or officer of the council. Panel members were selected for their experience in public service and in setting remuneration. Three of the four have served on the panel since 2003 and Dr Tiffin joined the panel in 2007. Council agreed to their continuing appointment on 17 November 2011.

Methodology

11. During November this year, the panel met three times.

12. The panel had access to the following information:

- The Local Authorities (Members' Allowances) (England) Regulations 2003
- Guidance on Members' Allowances for Local Authorities in England
- Details of the members' allowances local government daily rate
- Details of the Inland Revenue travel and subsistence rates
- Levels of allowances paid by other authorities as published on the South East Employers' website and the IdEA website
- The political and decision-making structure of the council
- The census of local authority councillors 2010
- Previous reports of the panel and the current councillors' allowances scheme.

13. All councillors were advised of the pending review and were invited to submit their comments through a survey of their time and resources spent on council business over a two-month period. The panel considered the summary of the responses received.

14. The panel met with the Leader of the Council and a representative of the opposition groups to discuss their draft recommendations

15. The panel also took into account the advice from the council's democratic services officer.

16. The panel wishes to place on record its thanks to the Leader of the Council and those councillors who submitted comments.

Calculation of allowances

17. The panel reconsidered its methodology used for calculating the allowances as set out in their report to Council on 13 December 2007. The panel agreed that the basic principles previously agreed still applied. The Panel considered that there was no evidence either from the survey or from the national census of councillors to show a change to the commitment in hours per week for each role.

18. The panel considered that in general the duties undertaken by councillors had not altered substantially except that:

- The responsibilities of the Leader had increased as a result of the change to a 'strong leader' system of governance.
- The formal appointment of the Deputy Leader who would take on the role of Leader in the Leader's absence should be recognised.
- The responsibilities of the Chairman of the Planning Committee had not increased substantially, but the panel concluded that chairing the committee was an important role and was more onerous than chairing other committees in view of the number of members of the public who attended and the amount of detail involved. The chairman was also a "public face" for decisions of the committee. There was therefore scope to increase the allowance for this role.

- The allowances paid to the Chairman and Vice-Chairman of Council should be brought within this scheme.

Basic allowance

19. The basic allowance is a flat rate allowance payable to all councillors to recognise their time and commitment to the council. It covers all meetings of the authority, meetings with officers, meetings with electors/residents, political group meetings, and travel to and from those meetings. It also covers incidental costs of a councillor using their home, their IT and communications costs, and some travel.
20. The panel considered that there had been no significant change in councillors' level of commitment to carry out their role.
21. The methodology used in 2007 gives a basic allowance of:
22. Half of (52 weeks x 22 hours/week x £6.08/ hour) = £3,477
23. If the RPI increase had been applied each year, the basic allowance agreed by Council in December 2007 (£2,900) would now be £3,316 from 1 April 2012.
24. (RPI in September has been 5%, -1.4%, 4.6% and 5.6% in each of the last four years)
- 25. We consider £3,400 to be the absolute minimum remuneration payable to fairly recompense councillors for their time and commitment.**
26. Nevertheless we recognise that in these times of financial constraint and cuts to public services, recommending an increase to £3,400 would not be seen as appropriate. Councillors, however, deserve an adequate allowance and the basic allowance should be increased.
- 27. We recommend that the basic allowance is increased to £3,200 as a compromise between the minimum we would like to see and the current very low allowance.**

Special responsibility allowances

28. Special responsibility allowances can be made to those councillors who have significant responsibilities above their basic allowance responsibilities.
29. The Chairman of Council has both a public, ceremonial role and a role in managing the smooth running of Council meetings. In view of the responsibility, the panel considered that this was at a similar level to a Cabinet member. The Vice-Chairman of Council fulfilled an identical role but had a lesser commitment. The proposed allowances are set as equivalent to a Cabinet member's allowance and 2/3 of a Cabinet member's allowance.
30. As at present the role of Leader of the Council has not changed substantially since the change to a 'strong leader' model of decision-making, the special responsibility allowance should be unchanged.

31. The allowance for Deputy Leader of the Council should be set at that of a Cabinet member plus 10% of that of the Leader of Council, given that the Deputy Leader can expect to assume the role of Leader for approximately 4-5 weeks of the year when the Leader is absent.
32. The allowance for the Chairman of Planning Committee should be increased to reflect the increased role of the Chairman as the public face of the planning committee and the increasing demands of running the meetings.
33. Other allowances should remain unchanged. The allowance for vice-chairman of Licensing Acts committee should remain given the responsibility in chairing hearings.
34. The panel discussed setting an annual allowance for co-opted members but decided that an allowance per meeting was more appropriate, given that the numbers of meetings varied considerably.
- 35. We recommend allowances are paid as set out in the attached scheme.**

Childcare and dependent carers' allowances

36. Childcare and dependent carer's allowances are payable to councillors who incur expenditure on the care of their children or dependent relatives whilst the councillor is undertaking approved duties such as attending meetings.
37. The panel noted that very few councillors currently claim for the childcare or dependent carer's allowance. However, the panel recognise that it is important to offer these allowances to councillors so they are not discouraged from carrying out council work by their personal responsibilities. The levels are set having regard to current costs of regular childcare and adult care but should be kept under review
- 38. We recommend allowances are paid as set out in the attached scheme.**

Travelling and subsistence allowances

39. Travel and subsistence allowances are intended to reimburse councillors for expenditure incurred when undertaking approved duties.
40. The panel invited comments on this part of the scheme. The majority of councillors who responded to the survey considered the travel and subsistence allowances to be adequate and fair. Councillors, particularly in rural wards with several parish councils, have commented that they would like to be able to claim mileage for attending parish council meetings to give their reports on the district council's work.
41. The panel considered that the council should continue to use the HM Revenue and Customs rates for travel and subsistence allowances as these rates were widely recognised as being reasonable and fair recompense for business expenses.
42. The panel reviewed the list of approved duties that set out what councillors could and could not claim for and have set out a revised scheme, including payment for attending parish council meetings.

43. Councillors should not claim travelling or subsistence allowance for ward duties. The basic allowance covers such work. Councillors must not claim travelling or subsistence allowance for party political work.
44. The panel noted that all claims had to be supported by receipts and the journeys were verified by democratic services before authorisation.
- 45. We recommend allowances are paid for approved duties as set out in the attached scheme.**

Annual adjustments and amendments

46. We recommend that the basic and special responsibility allowances are amended annually, from April 2013, by reference to the percentage used by central government to uprate the state pension (currently September's CPI). This provision should last for three years, i.e. from 1 April 2013 until 31 March 2016.
- 47. We recommend that the scheme takes effect from 1 April 2012 and that it is not backdated.**
48. We recognise that a full review of the councillors' allowances scheme will be required once the Boundary Commission for England has completed its review of the councillor numbers. A review may also be required depending on the impact of changes introduced by new and proposed legislation.
- 49. We recommend that a fundamental review of the councillors' allowances scheme is carried out following the outcome of the Boundary Commission's review of councillor numbers at the council.**