



Report of the Independent Remuneration Panel to South Oxfordshire District Council on 21 May 2015 on amendments to the Councillors' Allowances Scheme to be adopted from 11 May 2015

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Introduction

1. The council's constitution states that councillors are entitled to receive allowances as set out in the councillors' allowances scheme. The council's current scheme came into force on 1 April 2012, following consideration of the Independent Remuneration Panel's recommendations. The scheme is set out in the council's constitution and can be found on the council's website.
2. During 2015 the panel has reviewed whether the scheme should be adjusted to take into account the reduction in the number of district councillors from May 2015 and the effect that has on councillors' workloads. This reduction resulted from the review conducted by the Local Government Boundary Commission for England. The panel was also aware that the allowances had not been increased for several years and took this into account during the review. The panel recommends that Council adopts this revised scheme (as set out in appendix A attached) with effect from 11 May 2015, this being the fourth day after the district council elections when councillors' appointments become effective.

Legal framework

3. In accordance with the Local Government and Housing Act 1989, the Local Government Act 2000, and The Local Authorities (Members' Allowances) (England) Regulations 2003, councils have a duty to consider the findings of an independent remuneration panel before determining any councillors' allowances scheme. The regulations place a statutory obligation on the council to establish and maintain an independent remuneration panel to look at councillors' allowances and report its views to the council. There is a statutory obligation for a panel of at least three members, none of whom is also a member of the council or is a member of a committee or sub-committee of the council, nor disqualified from being an elected member of the council (s.80 of the Local Government Act 1972, and s79 of the Local Government Act 2000).
4. In addition to the regulations, the government has issued guidance to councils on councillors' allowances. This guidance deals with the types of allowances which can be paid and what the allowances cover, the setting up, appointment and work of independent remuneration panels, and the making and publication of allowances schemes.

The council's independent remuneration panel

5. In November 2011, Council appointed independent members to its Independent Remuneration Panel until May 2016. The current panel consists of four members:
 - Jean Gannon
 - Amanda Smithdale
 - Dr Ian Tiffin
 - Michael van Brugen

Methodology

6. During 2015, the panel met to review the councillors' allowances scheme. To assist in its deliberations the panel had regard to the following information:

- the Local Government and Housing Act 1989
 - the Local Government Act 2000
 - the Local Authorities (Members' Allowances) (England) Regulations 2003
 - Guidance on Members' Allowances for Local Authorities in England
 - the Local Government Boundary Commission final report on councillor numbers at South Oxfordshire District Council
 - details of the council's executive arrangements agreed by Council in December 2010
 - details of councillors' allowances paid by other district councils in south east England
 - details of inflation rates and the staff pay increase
 - details of HM Revenue and Customs' travel and subsistence rates
7. All councillors were advised of the pending review and were invited to submit their comments in writing. Three councillors responded. The panel also interviewed the leader of the council. This enabled the panel to gather information on councillors' roles on council business, views on the current scheme, comparisons with other authorities, the cost of the scheme to the council, and comments on what activities and roles warrant a special responsibility allowance. The panel also took into account advice from the chief executive and democratic services.
8. The aim of the councillors' allowances scheme is to recognise the different roles and responsibilities to be undertaken by councillors within the council's decision making structure. The allowances scheme should aim to fairly and equitably compensate councillors for the time and effort they need, or can be expected, to devote to their work as elected members of the council. Whilst the panel recognises that some element of a councillor's time should be voluntary, this must be balanced against the need to ensure councillors do not suffer financial loss, that local people are encouraged to come forward as elected members, and that their service to the community is retained. However, allowances should not be too large. The panel has to consider the impact of its recommendations on the public purse and the need to maintain public confidence in the governance of the council.
9. The current allowances scheme was introduced in April 2012. The panel recognise that the councillors' allowances scheme is now in urgent need of review, with the last increase to the basic allowance and the special responsibility allowances being in 2007. Since then the council has resolved to keep the allowances at the levels set in 2007.
10. As part of its review, the panel met with the Vale of White Horse District Council's Independent Remuneration Panel to compare the two councils' schemes and to review methodologies. The Vale's panel shared data from its 2014 councillors' allowances review. South Oxfordshire's panel welcomed this and wishes to place on record its appreciation to the Vale's panel.
11. The panel has also compared the workload and allowances of councillors at South Oxfordshire with those of district councils across south east England, particularly with other district councils in Oxfordshire, and concluded that some of South Oxfordshire's allowances are too low. In addition, following the review by the Local Government Boundary Commission for England, the number of councillors elected to the council in May 2015 has reduced from 48 to 36. This will result in additional work for the 36 councillors in 2015/16 and beyond. The panel therefore

recommends an increase in some allowances to bring them more into line with neighbouring councils and to recognise the work that will need to be undertaken with fewer councillors.

Basic allowance

12. The basic allowance is a flat rate allowance payable to each councillor 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 time to and from those meetings. It also covers incidental costs of a councillor using their home or working away from council premises, for example telephone, computer use, paper, and printing costs.
13. During 2015 the panel reviewed the basic allowance, which had not been increased since 2007. However, the driving factor behind the review was the reduction in the number of district councillors in May 2015 from 48 to 36. This will bring an increase in workload for councillors following the May 2015 elections, with fewer councillors to undertake the work. This may require councillors to spend more time attending meetings, and will mean more time spent on ward work, parish work and representational duties.
14. The panel considers that the expected increase in workload justifies an increase in the basic allowance to £3,500 per annum (currently £2,900 per annum) and that this should take effect from the May 2015 elections. The council's basic allowance will remain below the average for district councils in south east England and Oxfordshire but this is consistent with previous Council decisions to keep South Oxfordshire's allowances relatively low. This increase to the basic allowance also takes into account an annual cost of living increase of two per cent for 2015/16.

RECOMMENDATION

The panel recommends that the councillors' basic allowance is increased to £3,500 per annum from 11 May 2015 when councillors take up office after the elections.

Special responsibility allowances

15. The councillors' allowances scheme can include the payment of special responsibility allowances to councillors who have significant responsibilities above basic allowance responsibilities. The panel considered in detail which roles should receive a special responsibility allowance, basing its recommendations on the level of responsibility, and comparisons between different roles. As the council's committee structure has remained unchanged, the panel is making few recommendations for changes at this time. However, the panel believes that some special responsibility allowances require adjustment; these are highlighted below.
16. The current scheme states that where a councillor is entitled to more than one special responsibility allowance, only the higher or highest allowance shall be paid. The panel has retained this in the recommended scheme.

17. The panel believes that the existing special responsibility allowances should be subject to a cost of living increase and recommends a two per cent rise, in line with staff pay. This has been applied to all special responsibility allowances.
18. The special responsibility allowance for the leader of the council is currently £10,000 per annum. The panel compared this with other district councils in the south east and with other Oxfordshire district councils in particular and considers the current allowance to be too low. The panel considers that this allowance should be increased significantly due to the high level of responsibility with this role. The panel recommends an increase of 40 per cent, plus an additional two per cent cost of living rise, meaning the new allowance should be £14,280 per annum.
19. The Cabinet is currently made up of ten members: the leader of the council plus nine other Cabinet members, the maximum allowed under the legislation. The leader delegates authority to Cabinet members to make Cabinet decisions. Cabinet members also have a responsibility to monitor the operation of service areas allocated to them. Cabinet members therefore are awarded a special responsibility allowance and the panel believes this should continue.
20. The panel noted that at the time the Council set its 2014/15 budget there were six Cabinet members including the leader. Cabinet was increased to seven members in May 2014, and later increased to ten members following the election of a new leader in October 2014. This spread Cabinet's workload but also resulted in the 2014/15 budget being overspent. The 2015/16 budget has been increased to accommodate the special responsibility allowances of up to ten Cabinet members, including the leader.
21. The panel reviewed the special responsibility allowances for other Cabinet members (as appointed by the leader) and considers that there should be two levels of special responsibility allowance for other Cabinet members, dependent on the Cabinet's size. If the leader appoints a smaller Cabinet with up to six members (including the leader), each Cabinet member will have more work to do and therefore should be paid a greater allowance than that paid currently. However, with seven or more Cabinet members (including the leader) the Cabinet members' special responsibility allowance should remain the same as the current allowance, albeit with a two per cent cost of living increase. The panel recommends:

Cabinet membership	Other Cabinet members' special responsibility allowance per annum
3 to 6 members (including the leader)	£7,140 each (equating to £7,000 plus a two per cent cost of living rise)
7 to 10 members (including the leader)	£5,508 each (equating to the 2014/15 allowance of £5,400 plus a two per cent cost of living rise)

These allowances are not payable to the leader, who receives a separate, higher special responsibility allowance (see paragraph 18 above).

22. The panel reviewed the special responsibility allowance for the Planning Committee chairman and believed that this should be raised due to the increase in workload over the past year and the likelihood that this workload will continue. Therefore the panel recommends an increase in this allowance to £5,508, including the two per cent cost of living rise.

23. The panel notes that other district councils in Oxfordshire pay a special responsibility allowance to opposition group leaders to recognise their additional responsibility. South Oxfordshire has not done this previously. The panel sees merit in recognising the role of opposition group leaders and recommends that they should receive a special responsibility allowance of £500 per member of their group, not including the leader themselves. Therefore if an opposition group has five members, the leader of that group should receive £500 for each of the other four group members ($£500 \times 4 = £2,000$); whereas if an opposition group has two members, the group leader should receive just £500 for the other member of that group. This method of paying an allowance for each additional group member overcomes the inequality of alternatively paying the same amount for every opposition group leader, no matter what the size of their group.
24. The panel received a representation from a councillor on the inequality between the special responsibility allowances paid to the chairmen of the Licensing Acts Committee and the General Licensing Committee. Currently the Licensing Acts Committee Chairman receives a special responsibility allowance of £2,000 per annum and the General Licensing Committee Chairman £500 per annum. These special responsibility allowances are paid as wherever possible the committee chairmen attend and chair each licensing panel hearing.
25. These allowances were first set when the majority of the licensing workload rested with the Licensing Acts Committee as under the Licensing Act 2003 the council received many applications from public house and private club owners to change their alcohol licensing hours. However, today the large majority of the licensing workload relates to taxi and private hire vehicle and driver licensing, which is the responsibility of the General Licensing Committee. The panel believes that the larger allowance should now be paid to the General Licensing Committee Chairman and the smaller allowance to the Licensing Acts Committee Chairman to reflect this change in workload. Both allowances should receive a two per cent cost of living rise.
26. In addition, the panel believes that the role of Vice-Chairman of the Licensing Acts Committee no longer warrants a special responsibility allowance and recommends its removal.

RECOMMENDATION

The panel recommends the special responsibility allowances as set out in appendix A, with effect from 11 May 2015 or from the date when councillors are appointed to positions of special responsibility, whichever is the later.

Travel and subsistence allowances

27. Travel and subsistence allowances are intended to reimburse councillors for expenditure incurred when undertaking the approved duties set out in schedule 1 of the attached scheme (appendix A). The panel considers that the council should continue to use the HM Revenue and Customs' recommended rates for travel allowances as these rates are widely recognised as being reasonable and fair

recompense for business expenses and are the same allowances payable to staff. If the council paid travel allowances above the HM Revenues and Customs' rates, councillors would be liable for tax on their travel expenses.

28. The panel received a representation from a councillor suggesting that where it is impossible or impractical for a councillor to use private or public transport due to a disability, then the councillor may seek a one-off approval from the Head of Legal and Democratic Services to use a taxi or private hire vehicle to travel to attend meetings or events listed as an approved duty. Currently, the scheme requires approval for each occasion. The panel considers that a one-off approval is a reasonable suggestion and recommend it as a change to the current scheme. However, this one-off approval should be for the four-year term of the council; a new approval would be required after re-election.

RECOMMENDATION

The panel recommends that the scheme continues to use the HM Revenue and Customs' rates for travel allowances.

The panel recommends the scheme allows for one-off approval for councillors to use a taxi or private hire vehicle to travel to meetings or approved duties where it is impossible or impractical for a councillor to use private or public transport due to a disability.

Childcare allowance and dependent carer's allowance

29. The childcare allowance and dependent carer's allowance are payable to councillors who incur expenditure on the care of their children or dependent relatives whilst the councillor is undertaking approved duties set out in schedule 1 to the allowances scheme (appendix A). Whilst very few councillors currently claim these allowances, the panel recognises that it is important to offer these allowances to councillors so they are not discouraged from carrying out council work by their personal responsibilities.
30. The panel believes that the current allowances largely meet this objective. However, the childcare allowance should be increased to allow councillors to claim up to £6.50 per hour, which is the current national minimum wage. The dependent carer's allowance of up to £17 per hour should remain unamended. In both cases, evidence of payment must support each claim.

RECOMMENDATION

The panel recommends a childcare allowance of up to £6.50 per hour and a dependent carer's allowance of up to £17 per hour.

Annual adjustments and amendments

31. The allowances payable under the scheme are normally adjusted at the beginning of each financial year. The panel considers that these allowances should increase

in line with staff pay increases. However, the basic allowance and special responsibility allowances recommended above include an annual adjustment for 2015/16.

RECOMMENDATION

The panel recommends that allowances should annually increase in line with staff pay increases.

Conclusion and recommendation

32. The panel recommends that the councillors' allowances scheme, attached as appendix A, updates the scheme adopted from 1 April 2012, and that the revised scheme is effective from 11 May 2015. The updated scheme has minimal budgetary impact and should be affordable within the existing budget for 2015/16.
33. The panel recognises that with such a significant reduction in the number of district councillors from May 2015, there may be a need for further adjustments to the allowances scheme at a later date.

RECOMMENDATION

To update the councillors' allowances scheme effective from 11 May 2015, attached as appendix A, replacing the scheme adopted from 1 April 2012.



Listening Learning Leading

Councillors' allowances scheme from 11 May 2015

1. South Oxfordshire District Council, in exercise of the powers conferred by the Local Authorities (Members Allowances) (England) Regulations 2003, considered the report of its appointed Independent Remuneration Panel **and approved the following scheme on 21 May 2015.**
2. The scheme has effect from 11 May 2015.
3. In this scheme:
 - (a) 'councillor' means an elected councillor of the district council (the Council)
 - (b) 'co-opted member' means a person (other than a councillor) formally co-opted by resolution on to a committee of the Council for more than one meeting.
 - (c) 'calendar year' means a period 1 January to 31 December; 'financial year' means a period 1 April to 31 March; 'municipal year' means a period between Annual Council meetings.

Basic Allowance

4. Each councillor shall be paid a basic allowance of £3,500 for the financial year.

Co-opted members of committees

5. Other than the award of a basic allowance, this scheme applies to co-opted members on the same basis as to councillors.

Special Responsibility Allowances

6. The following special responsibility allowances are paid per annum to those councillors holding positions of:

Position of special responsibility	Allowance per annum
Chairman of Council	£5,508
Vice-Chairman of Council	£3,672
Leader of the Council	£14,280

Other Cabinet members where Cabinet has 3 to 6 members, including the leader	£7,140
Other Cabinet members where Cabinet has 7 to 10 members, including the leader	£5,508
Chairman of Scrutiny Committee	£4,080
Chairman of Planning Committee	£5,508
Chairman of the Audit and Corporate Governance Committee	£2,040
Chairman of the Licensing Acts Committee	£510
Chairman of General Licensing Committee	£2,040
Leader of an Opposition Group	£500 per group member, not including the group leader

7. Where a councillor is entitled to more than one special responsibility allowance, only the higher or highest special responsibility allowance shall be paid.
8. Chairmen and vice chairman of committees not listed here are not paid a special responsibility allowance.
9. If the council abolishes a committee, any relevant special responsibility allowance will cease.
10. If the remit of any committee is substantially altered, the existing special responsibility allowance shall continue to be paid until the Independent Remuneration Panel decides to recommend otherwise.

Travel and subsistence allowance

11. Travel and subsistence allowances shall be paid where a councillor has necessarily incurred costs on travel or subsistence in carrying out any approved duty specified in Schedule 1 to this scheme.
12. The amount of travel and subsistence allowances payable shall be at the maximum levels payable to council staff in line with the HM Revenue and Customs' rates.
13. Mileage claims can be made for travel between home and the meeting place(s) but normally in no other circumstances.
14. When it is impossible or impractical to use public transport or a councillor's normal private transport then, with the prior approval of the Head of Legal and Democratic Services, the actual fare by taxi/private hire vehicle together with reasonable gratuity (up to 10 per cent of the fare) will be paid on submission of a receipt.
15. In cases where prior approval was not sought or given, a claim for mileage by private car can be made. In cases of urgency retrospective approval can be requested of the Head of Legal and Democratic Services.

16. Where it is impossible or impractical for a councillor to use their private transport or use public transport due to a disability, then the councillor may seek approval from the Head of Legal and Democratic Services to use a taxi or private hire vehicle to travel to attend meetings or events specified as an approved duty in Schedule 1 to this scheme. This approval shall be effective until the councillor's re-election when a new approval will be required. The council will pay the actual fare together with reasonable gratuity (up to 10 per cent of the fare) on submission of a receipt.
17. Claims must be made on the correct form, signed, and sent to democratic services.

Carer's Allowance

18. A carer's allowance shall be paid where a councillor has necessarily incurred expenditure for the care of one or more children or a dependent relative while undertaking any of the approved duties specified in Schedule 1 to this scheme. This allowance shall be no more than the costs incurred up to the following hourly limits and include a reasonable time for travel and 15 minutes for hand-over:

Childcare	Up to £6.50 per hour (in line with the national minimum wage)
Dependent Relative Care	Up to £17 per hour

19. Claims are not restricted to care provided by formal carers but every claim must be supported by a receipt or invoice.
20. Any amount exceeding the hourly limit will be paid only in exceptional circumstances.
21. A councillor cannot claim for more than one carer at the same time.

Claims and payments

22. Where councillors attend a meeting at which they are representing more than one council or organisation, they must ensure they claim travel, subsistence and carer's allowances from one council or organisation only.
23. Any claim for payment of travel, subsistence and carer's allowances under this scheme shall be made in writing on the correct claim form within two months of the date of the duty to which the claim relates. Claims must be sent to Democratic Services (email: democratic.services@southandvale.gov.uk).
24. Mileage claims will not be paid unless supported by a VAT receipt for petrol. Other claims will not be paid unless dated receipts confirming the expenditure incurred are provided.
25. Basic allowances and special responsibility allowances will be paid monthly in instalments of one-twelfth of the annual amount payable. Payments will be made by BACS transfer on the same date as officers are paid. Travel and subsistence claims will be paid along with the basic allowances and special responsibility allowances.

Payment of basic allowances and special responsibility allowances

26. Councillors wishing to claim such allowances must supply Payroll with such information as is required to permit payments to be made by BACS transfer and for tax and national insurance to be deducted. Any councillor not supplying these details within three months of election will be deemed to have elected to forego their entitlement to such allowances.
27. Any councillor may elect to forego any part of their entitlement to allowances under this scheme. If a councillor does not want to be paid their basic allowance or special responsibility allowance they must inform the Head of Legal and Democratic Services in writing.
28. If a councillor later wishes to start being paid a basic allowance or special responsibility allowance they must inform the Head of Legal and Democratic Services in writing. They may not claim for more than three months' backdated allowances.
29. A councillor who has elected to forego all or part of his/her basic allowance and/or special responsibility allowance is still entitled to claim travel, subsistence, and carer's allowances.

Part year entitlements and when allowances start

30. Where a councillor becomes or ceases to be a councillor, or accepts or relinquishes any special responsibility for which an allowance is paid, allowances will be paid pro-rata to the number of days during the financial year in which he was a councillor or held the special responsibility.
31. The Chairman and Vice-Chairman of Council shall receive the appropriate special responsibility allowance from the day of his/her election to the specific role, ending on the day of the next annual meeting of the Council.
32. The chairman of a committee shall receive the appropriate special responsibility allowance from the day of his/her election to the specific role, ending on the day of the first meeting of a committee in the municipal year where a new chairman is elected to that specific role.
33. The Leader of the Council shall receive the appropriate special responsibility allowance from the day of his/her election as Leader until the day of the next post-election annual meeting or the date he/she ceases to be Leader.
34. A councillor who is nominated as a Cabinet member shall receive the appropriate special responsibility allowance from the date that the Leader states that their responsibility starts. The allowance shall cease on the date that the Leader states that their responsibility ends, or they resign the post, or cease to be a councillor, whichever is the earlier.
35. In a district council election year, all special responsibility allowances except that paid to the Chairman of Council and the Leader of the Council will cease on the fourth day after the date of the election.

Pensions

36. Councillors are not eligible to join the local government pension scheme.

Publicity

37. As soon as practicable after 1 April each year the Head of Legal and Democratic Services will make arrangements for the publication of the total paid to each councillor and co-opted member in each category of allowance in the preceding financial year.

Review of the scheme

38. Regulation 21(e) of the Local Authorities (Members Allowances) (England) Regulations 2003 states that the adjustments to the level of allowances may be determined according to an index, subject to a maximum of four years before its application is reviewed.

39. For four years after this scheme is adopted, allowances payable under this scheme may be increased on 1 April each year subject to Council decision.

40. Basic allowances and special responsibility allowances may be increased by the same percentage as the annual staff pay increase.

41. Travel and subsistence allowances may be increased to the maximum rates payable to officers of the Council in line with the HM Revenues and Customs' rates.

Schedule 1 – approved duties for the purposes of payment of travel, subsistence, and carer’s allowances

Authorisation

1. The Head of Legal and Democratic Services has the authority to approve or refuse any claim.

Meetings – general provision

2. Attendance at any meeting, the holding of which is authorised by the council or a committee or sub-committee or panel, provided that it is a meeting to which members of at least two political groups have been invited.

Council and committee meetings

3. Attendance:
 - (a) at a meeting of the Council or a committee or sub-committee or panel of which the councillor is a member or acting as a substitute member;
 - (b) at a meeting of a committee or sub-committee or panel where the councillor is attending to represent the views of their ward on a report relating to that ward, or to represent the views of their political group, **but not where** the purpose is merely to observe and not to take part in the meeting;
 - (c) by ward councillors at formal visits of a committee accompanied by an officer to a site or event;

Events organised or promoted by the authority

4. Attendance at:
 - (a) training events, seminars and presentations organised by the council;
 - (b) training events, conferences, seminars and tours not organised by the council but previously approved by the Head of Legal and Democratic Services.

Meetings with officers

5. Attendance at:
 - (a) a meeting of one or more councillors called in pursuance of any function of the Council;
 - (b) a meeting with an officer at the council offices or elsewhere (but not purely in relation to ward matters);
 - (c) a meeting of a councillor in receipt of a special responsibility allowance (or their deputy) with an officer in relation to the functions for which they receive that allowance, including briefing meetings;

- (d) a meeting for the opening of tenders where such attendance is required by the Council's Constitution;
- (e) a meeting of councillors and officers with other principal authorities.

Meetings outside the council

6. Attendance:

- (a) at properly convened meetings of outside organisations, after appointment by the Leader or Council to those organisations and when acting as a representative of the Council;
- (b) at a meeting of any association of authorities of which the Council is a member;
- (c) solely in the capacity of district councillor at parish and town council meetings within the relevant councillor's ward. Where the councillor is also a parish/town or acting as a county councillor, no allowance shall be paid.

Other duties

- 7. Any other duty approved by the Head of Legal and Democratic Services for the purpose of, or in connection with, discharging the functions of the Council or its committees.

Cases where no allowance can be claimed, unless an officer of the council has formally requested the councillor to attend to represent the council:

- 8. travel as a result of working on ward business, local issues, or individual casework;
- 9. attendance at school governing bodies;
- 10. political group meetings including meetings of more than one group;
- 11. events of a primarily social nature, unless this is a duty undertaken by the Chairman or Vice-Chairman of Council in their official capacity;

Cases where no allowance can be claimed:

- 12. any duty where the allowance should properly have been claimed from another body;
- 13. visits to sites before committee meetings other than those organised and attended by a council officer;
- 14. duties of a party political nature;
- 15. attendance at meetings within the councillor's own ward on business relating only to that ward.