



WEST OXFORDSHIRE  
DISTRICT COUNCIL

## WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	<b>Council – Wednesday 26 February 2020</b>
Report Number	<b>Agenda Item No. 8</b>
Subject	<b>Scheme of Members' Allowances for 2020 to 2021</b>
Wards affected	All
Accountable member	Cllr James Mills, Leader of the Council Email: <a href="mailto:james.mills@westoxon.gov.uk">james.mills@westoxon.gov.uk</a>
Accountable officer	Keith Butler Head of Democratic Services Tel: 01993 861521 Email: <a href="mailto:keith.butler@westoxon.gov.uk">keith.butler@westoxon.gov.uk</a>
Summary/Purpose	To consider the report and recommendations of the Independent Remuneration Panel for the allowances to be applicable for the financial year 2020/2021.
Annexes	<a href="#">Annex 1</a> – Report and recommendations from the Independent Remuneration Panel for 2020/2021
Recommendations	<p>(a) That the Council considers the report and recommendations from the Independent Remuneration Panel as set out in <a href="#">Annex 1</a> to this report, and specified in paragraph 2.3 below;</p> <p>(b) That, in the event of Council approving an increase in line with the staff pay award and that award not being in place at the start of the financial year 2020/2021, the increases for Councillors be backdated to 1 April 2020;</p> <p>(c) That, in the event of the staff pay award effective from 1 April 2020 being an amount other than 2.5%, that amount be applied for Councillors, with the Chief Finance Officer being authorised to round the resulting figures to the nearest £10; and</p> <p>(d) That the section 151 officer be authorised to amend the scheme of allowances as formally set out in Part 6 of the Council's Constitution to reflect any changes made as a result of (a) above.</p>
Corporate priorities	N/A
Key Decision	N/A
Exempt	No
Consultees/ Consultation	None

## **1. BACKGROUND**

- 1.1. The report of the Independent Remuneration Panel is attached as [Annex I](#) to this report. It is anticipated that Members of the Panel will be present at the Council meeting, and that its Chair will be able to answer questions on any points of clarification required.

## **2. MAIN POINTS**

- 2.1. As required by the legislation, public notice of the report and its main recommendations has been given, and the report is available for inspection by members of the public both at the Council's Offices and via the Council's website (via [www.westoxon.gov.uk/councillors](http://www.westoxon.gov.uk/councillors)). Copies may be provided on payment of the charge previously agreed by the Council (£1.75 plus VAT).
- 2.2. The scheme has to apply with effect from the beginning of the financial year 2020/2021.
- 2.3. The recommendations from the Panel are that:
  - (i) There should be an increase in the basic allowance for 2020/2021 to match the staff pay award;
  - (ii) Special responsibility allowances should be increased by the same percentage, with rounding as necessary, and as set out in the [schedule of recommendations](#) in the Panel's report (based on an assumed increase of 2.5%);
  - (iii) Subsistence allowances should continue to be payable at the same rate as for Council/Publica staff and may therefore be increased with effect from April or otherwise during the financial year; and
  - (iv) No other changes are recommended to be made to the rates of allowances and expenses for 2020/2021.
- 2.4. The staff pay award has not yet been finalised, but 2.5% from 1 April 2020 has been assumed for the purposes of preparing the Council's budget for 2020/21, both in relation to staff costs and in relation to allowances for councillors. This is reflected in the figures contained in the [Appendix](#) to the Panel's report, on page 6.
- 2.5. Council's attention is drawn to the comment in the Panel report about the likelihood of any increase needing to be backdated to 1 April 2020 because the staff award is unlikely to have been finalised by the start of the financial year. This and the fact that the staff award may not be 2.5% are reflected in recommendations (b) and (c) above.

## **3. FINANCIAL IMPLICATIONS**

- 3.1. Assuming the Panel's recommendations are agreed the total projected cost of Members' allowances in 2020/2021 is £378,771 based on a Cabinet comprising the Leader, Deputy Leader and four others. This figure also assumes that all SRAs will be payable, which may not be the case if any Cabinet Member holds more than one position which attracts an SRA.
- 3.2. In bottom line terms, the Members Allowances of £378,770 plus the projected overhead costs of National Insurance (£10,380) gives a total budget requirement of £389,150. The change will result in budget growth of approximately £6,000 above resources proposed in the draft 2020/21 budget. The shortfall will be managed within the 2020/21 year and formally built-into the 2021/22 budget papers, should Council accept the recommendations in this report.

**4. LEGAL IMPLICATIONS**

4.1. None.

**5. ALTERNATIVES/OPTIONS**

5.1. As stated above, the Council has to take the recommendations of the Independent Panel into account in determining a scheme, but it can make different decisions as it sees fit, subject to any detailed requirements of the Allowances Regulations.

**6. BACKGROUND PAPERS**

6.1. None

## **The Recommendations of West Oxfordshire District Council's Independent Remuneration Panel of Members' Allowances for the Financial Year 2020/21**

### **Introduction**

West Oxfordshire District Council is required under *The Local Authorities (Members Allowances) (England) Regulations 2003 (SI 1021)* to appoint and maintain a Panel to advise on an annual basis the level of allowances payable to District Councillors. This Panel is independent of the Council and representative of the communities within the area that the local authority serves. The Council, before the beginning of each financial year must publish a scheme for the payment of a basic allowance for councillors and shall also make provision for a special responsibility allowance, dependants' carers' allowance, travelling and subsistence, and payments to co-opted members. This scheme of Allowances was designed to ensure that the allowances were set at levels that fairly reflected the responsibilities and workload that members were required to undertake, but without the Council having the responsibility to set them. Before the Council makes or amends the scheme they shall have regard to the recommendations made in relation to it by the Independent Remuneration Panel.

The Panel first commissioned in 2001, is made up of four members, Susan Corrigan, Janet Eustace, Margaret Watts and Michael Ryan (Chair). The Panel is grateful for the assistance given by Keith Butler, Head of Democratic Services in enabling the undertaking of this review.

The Panel met on the 30 October 2019 and then, later than usual because of the disruption of the General Election, on 3 January 2020.

A number of previous Panel reports and other information can be found at [www.westoxon.gov.uk/allowances](http://www.westoxon.gov.uk/allowances)

### **Preface to the Review Findings.**

The Panel first met in October to consider the allowances to be paid to District Councillors for the financial year commencing April 2020. In recent years the Panel, following a significant period of austerity when no increase in allowances was decided by the Council, has followed the lead of Central Government by recommending increasing allowances in line with public sector pay increases; and this year a similar approach was taken.

This year, as in previous years, we invited the views of Councillors prior to our meeting and were grateful for those who responded. In particular to Councillor Luci Ashbourne for her communication on potential loss of earnings / benefits, and to Councillor James Mills, Leader of the Council, for his response and for finding the time to come and speak to us when we met in January.

Councillor Ashbourne expressed a concern that with allowances being regarded as taxable income by HMRC, their payment could effectively be negated if the recipient was in receipt of any kind of tax / universal credit, to the unfair detriment of that Councillor.

The Panel considered this concern at its January meeting. The points made by Councillor Ashbourne were acknowledged, but the Panel concluded that neither it nor the Council has any control over the way in which HMRC treats the various allowances for tax purposes meaning that, regrettably, there was no action it could take.

Councillor Mills asked the Panel to consider the significant work of those councillors who were directly involved in the work of the Oxfordshire Growth Board and its various Sub-Groups and Scrutiny Panel, including reference to Arc Leaders meetings.

### **Review Considerations and Recommendations for 2020/21**

The recommended figures for 2020/21 are based on a staff pay award of 2.5%. It is not known when the staff award will be finalised, and it is recognised (i) that the figures will change if the

award is different from 2.5%; and (ii) that it is likely that the staff award will not be in place for 1 April, meaning in turn that the increased payments for Councillors will require to be backdated when implemented.

### **Basic Allowance**

The Panel recommends that the Basic Allowance should be increased in line with staff awards. If this figure is confirmed as 2.5% this will lift the current payment from £4800 to £4920, with effect from April 2020.

### **Special Responsibility Allowances**

Special Responsibility Allowances (SRA) recognise the additional responsibilities and workload undertaken by the Leader, his Deputy, and members of the Cabinet, the Chairs of various Committees listed in the current scheme, and Opposition Group Leaders.

The Panel acknowledged the work referred to by Councillor Mills, but was mindful that the level of the SRA remuneration set for West Oxfordshire Councillors had historically been set within the top percentiles of SRAs for District Councils within the South East Region and did not feel that an increase over and above the percentage for the Basic Allowance should be recommended.

Accordingly, the Panel recommends the same percentage increase for all SRAs as for the Basic Allowance. For a cabinet member, this payment would rise from £12000 to £12300.

The Panel continues to recommend that the restrictions for Members of the Cabinet to receive only one SRA, and those entitled to receive more than one SRA to be limited to a maximum of £12300 should remain in place.

This recommended percentage increase is carried through the other posts that receive Special Responsibility Allowances, and are listed in the [schedule of recommended allowances](#) at the end of this report.

### **Travel, Subsistence and other Expenses**

The Panel continues to recommend in relation to travel that the mileage rate is that as set by the Inland Revenue's non-profit making rate that continues to be set at 45p/mile. All other allowable travel claims to remain as currently set.

Claims for subsistence should remain as applicable to Local Authority staff.

### **Dependant Carers' Allowance.**

The Panel continues to believe they are in line with similar allowances in other Councils and recommends no change for the coming year.

### **Co-opted Members' Allowances.**

The Panel is of the opinion that there should be no changes to their level of allowance or payments.

### **In Conclusion**

The Panel trusts the Council will find favour with these recommendations when the scheme is considered at its meeting on 26 February 2020.

M. Ryan  
Panel Chair

January 2020

## SUMMARY OF RECOMMENDATIONS AND SCHEDULE OF CURRENT AND RECOMMENDED BASIC AND SPECIAL RESPONSIBILITY ALLOWANCES

### Recommendations

The Panel recommends: (i) the payment of basic and special responsibility allowances as set out in the Table below or, if the staff pay award is different from 2.5%, in accordance with the recalculated figure and rounding; and (ii) that no other changes are made to the Council's Scheme of Allowances, meaning that mileage for approved duties will remain at the Inland Revenue non-profit rate, currently 45p per mile; subsistence will remain at the rate for Staff; and no change in relation to allowances for Dependant Carers and co-optees.

### Table of Basic and Special Responsibility Allowances

POSITION	CURRENT	PROPOSED	TOTAL (inc BASIC)
Basic Allowance (all members)	£4,800	£4,920	
Leader of Council	£21,600	£22,140	£27,060
Deputy Leader	£14,400	£14,760	£19,680
Cabinet Member	£12,000	£12,300	£17,220
Chairman of Council	£4,800	£4,920	£9,840
Chairmen of O&S Committees	£4,800	£4,920	£9,840
Chairmen of Area Planning Sub-Committees	£6,000	£6,150	£11,070
Chairman of Development Control Committee	£1,200	£1,230	£6,150
Chairman of Licensing Committee	£1,200	£1,230	£6,150
Chairman of Audit & GP Committee	£1,200	£1,230	£6,150
Chairman of Misc. Licensing Committee	£600	£615	£5,535
Opposition Group Leader *	£2,400	£2,460	£7,380

\* currently there are two opposition groups, with 10 and nine members respectively. The SRA increases by the basic amount of £1,200 when there are six, 11, 16 etc members in the applicable political group, so both currently receive £2,400 pa.