

**WEST OXFORDSHIRE DISTRICT COUNCIL**  
**COUNCIL: WEDNESDAY, 22 JANUARY 2014**  
**SCHEME OF MEMBERS' ALLOWANCES FOR 2014/2015**  
**REPORT OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES**  
**(Contact: Keith Butler, Tel: (01993) 861521)**

**I. PURPOSE**

To consider the report and recommendations of the Independent Remuneration Panel and agree a scheme of allowances for Members to be effective for the financial year 2014/2015.

**2. RECOMMENDATIONS**

- (a) That the Council considers the report and recommendations from the Independent Remuneration Panel as set out in the [Appendix](#) to this report, and specified in paragraph 3.4 below;
- (b) That the Strategic Director 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;
- (c) That the information relating to the pension scheme set out in [section four](#) of the report be noted; and
- (d) That, in the event of the ability of councillors to access the pension scheme being removed, the Strategic Director be authorised to remove references to the pension scheme from the Council's scheme of allowances.

**3. BACKGROUND**

- 3.1. The report of the Independent Remuneration Panel is attached as an Appendix to this report. It is anticipated that Members of the Panel will be present at the Council meeting, and that its Chairman will be able to answer questions on any points of clarification required.
- 3.2. 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 (at [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).
- 3.3. Public notice of the Panel's recommendations is required to be given. This must describe the main features of the scheme and specify the amounts of allowances, as well as indicating the main features of the report of the Panel. The scheme has to apply with effect from the beginning of the financial year 2014/2015.
- 3.4. The recommendations from the Panel are that:
  - (i) there should be an increase in the basic allowance for 2014/2015 from £4,350 to £4,415 pa; and
  - (ii) no other changes are made to the allowances scheme for 2014/2015.
- 3.5. The Council is obliged to consider the recommendations of the Independent Panel, but it is not bound by those recommendations.

**4. PENSION SCHEME**

- 4.1. On 19 December 2012, a ministerial statement was published by the Parliamentary Under Secretary of State for Communities and Local Government, Mr Brandon Lewis,

which included the comment that “Subject to consultation, we propose that there will be no access for councillors to the local government pension scheme in England from April 2014. In the interests of fairness, those councillors already in the scheme would have their accrued rights up to April 2014 fully protected, but would not be able to accrue any further benefits after that date in the existing scheme”. The full text of the statement was included as Appendix B to the report on allowances which was considered by Council at its meeting on 16 January 2012.

- 4.2. A [consultation paper](#) was subsequently published, with the deadline for responses being 5 July 2013. At the time of preparing this report (i) no further information has been made available, with the DCLG website stating “We are analysing your feedback. Visit this page again soon to download the outcome to this public feedback”; and (ii) I have been unable to obtain information from officials as to when any decisions will be taken or the timing of the legislation which would be necessary to implement the proposal to remove access by councillors to the scheme.
- 4.3. An update will be given at the meeting should any further information be available. The recommendation at 2(d) above is intended to cover the eventuality of the situation not being clear at the time Council considers this report.

## 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.
- 5.2. The one exception to paragraph 5.1 is in relation to the eligibility of members to join the Local Government Pension Scheme (LGPS). In this case the Council may only include “someone who has first been recommended by the independent remuneration panel”. By virtue of recommending no changes, the Panel continues to recommend that all eligible Councillors are able to join the LGPS, in respect both of the basic allowance and any special responsibility allowance(s) which they receive. However, this is of course subject to the contents of [section four](#) of this report, and the possibility of legislation being made which prevents councillors from access to the LGPS in the future.

## 6. FINANCIAL IMPLICATIONS

- 6.1. Assuming the Panel’s recommendations are agreed the total projected cost of Members’ allowances in 2014/2015 are £331,100, based on a Cabinet comprising the Leader, Deputy Leader and four others.
- 6.2. In bottom line terms, the Members Allowances of £331,100, plus the projected overhead costs of National Insurance (£8,300) and pension contributions (£20,400), gives a total budget requirement of £359,800 and this sum is within the 2014/2015 draft budget. Clearly, a saving will result should Councillor access to the LGPS be ended.

## 7. REASONS

The recommendations contained in this report are put forward to meet the statutory duties placed on the Council (a) to approve a scheme of allowances for the next financial year; and (b) in doing so, to have regard to the recommendations of an Independent Remuneration Panel.

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Date: 20 December 2013

Background Papers:  
None.

## **The Recommendations of West Oxfordshire District Council's Independent Remuneration Panel of Members' Allowances for the Financial Year 2014/2015**

### **Introduction**

West Oxfordshire District Council is required by law to appoint and maintain a Panel, which is independent of the Council and representative of the communities within the area that the local authority serves, to advise on the level of allowances payable to District Councillors. The Council is required to make a new scheme annually and take into account the recommendations of the Panel.

The Panel meets on a number of occasions each year to review the allowances scheme, and are assisted in their work by the Head of Legal and Democratic Services, Keith Butler and the Principal Committee Officer, Simon Wright.

The Review covers the Basic Allowance, Special Responsibility Allowances (SRA), Allowances in relation to Co-opted Members, the level of payments to cover travel and subsistence, and the cost of employing carers whilst on Council business. The Panel also makes recommendations in relation to Councillors' eligibility to belong to the Local Government Pension Scheme.

The Panel met on the 12 July and the 25 October in 2013.

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

The Panel noted at its initial meeting in July that with the singular exception of a SRA for the Councillor nominated to serve on the Cottsway Housing Board, the Council at its meeting on 16 January set its recommendations aside for the second consecutive year.

Before revisiting its conclusions from the previous year the Panel felt it would again be advantageous to seek the views of the Council Leader and Council Members in general, either in person or by written submission, to see whether the issues that influenced this decision, the difficult national economic situation and the continued absence of any increases to local government employees' pay, had in anyway changed. Particularly as some sections of Council staff had received a 1% increase effective from April 2013.

At its meeting in October the Panel noted the responses to its invitation to Councillors. Some twenty-five per cent of all Councillors replied to this invitation and were representative of the political groups which make up the Council. Within those replies approximately a half favoured a small increase in the Basic Allowance that mirrored the rise of one per cent made to local government staff. Of the other half some were against any increase and others expressed no opinion.

The Panel was joined at the meeting by Barry Norton, Leader of the Council, who commented on the continuing financial pressure on the Council and indicated that, in that context, he considered it extremely unlikely that the Conservative Group on the Council would support any increase in the Basic or Special Responsibility Allowances in 2014.

### **Review Recommendations for 2014/15**

#### **Basic Allowance**

The Panel, whilst acknowledging the views of many Council Members, noted that there had been no increase in the Basic Allowance now for four years, and this had been set at £4350 since 2009/10. It was also mindful that there had been generally but not universally a one per cent increase in council staff pay effective from April 2013, which is within the financial year covered by last year's Review.

The Independent Review Panel again recommends an increase in the Basic Allowance by £65 to £4415 p.a. In doing so, it acknowledges the possibility/likelihood of the Council not accepting the recommendation, and places on record its acceptance and understanding of the difficulty of the issue for the Council and its right to approve or reject the Panel's recommendations as it saw fit. Whilst fully respecting that, we feel that the Panel is similarly obligated to make the recommendations it considers to be appropriate, irrespective of the likelihood of them being accepted. We would also reiterate the view that the longer the period without an increase the greater the impact on individual councillors and the greater the decrease in the value of the allowance.

### **Special Responsibility Allowance**

The Panel was pleased to note the decision of the Council to allow an SRA for the Council Member on the Cottsway Housing Board.

The Panel continues to be of the opinion that there should be no increases or changes to the Special Responsibility Allowances previously agreed by the Council, and received no views to the contrary.

### **Co-opted Members Allowances, Carers, Travel and Subsistence payments**

The Panel, in the absence of any representations to the contrary, is of the opinion that there should be no changes to their level of allowance or payments.

### **Pensions**

The Panel continues to believe, contrary to Central Government proposals, that as allowances are subject to tax and not treated as an allowance against expenses incurred, it is proper for Councillors to continue to be allowed to take advantage of joining the Local Government Pension Scheme if they so choose. However, it is aware that the Council will have no choice other than to remove pension eligibility from its scheme should the Government introduce legislation to that effect.

### **Other Matters**

The Panel does not recommend any other changes to the Council's scheme (for example in relation to the number and value of SRAs which may be claimed), and received no relevant representations.

### **In Conclusion**

The Basic and Special Responsibility Allowances which will apply in the event of the Panel's recommendations being adopted are set out in the [Appendix](#) overleaf.

The Panel wishes to acknowledge with grateful thanks the help and assistance given to it by Keith Butler and Simon Wright, the time given to attend the meeting by Barry Norton and the candid views he expressed, and the written responses from many Council members.

Michael Ryan  
Panel Chair

14 November 2013

**SCHEDULE OF CURRENT AND RECOMMENDED  
BASIC AND SPECIAL RESPONSIBILITY ALLOWANCES**

<b>POSITION</b>	<b>CURRENT</b>	<b>PROPOSED</b>	<b>TOTAL (inc BASIC)</b>
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 (where 2-5 Members are in the Group, with a further £1,100 for each additional 5 or part of 5.)	£1,100 *	£1,100 *	£5,515
Councillor appointed to the Board of Cottsway Housing	£2,160	£2,160 **	£6,575

\* currently there are three opposition groups, none of which has more than four members. Obviously, the total SRA payable for opposition group leaders will vary according to both the number of members of each group, and the number of constituted political groups

\*\* the actual recommended amount is 60% of that paid by Cottsway to other Board Members, which is currently £3,600 pa and is not expected to change in 2014/15.