

**WEST OXFORDSHIRE DISTRICT COUNCIL**  
**COUNCIL - WEDNESDAY, 20 JANUARY 2016**  
**SCHEME OF MEMBERS' ALLOWANCES FOR 2016/2017**  
**REPORT OF THE HEAD OF DEMOCRATIC SERVICES**

**(Contact: Keith Butler, Tel: (01993) 861521)**

**1. 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 2016/2017.

**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; and
- (b) That the Strategic Director (Resources) 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.

**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 (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).
- 3.3. The scheme has to apply with effect from the beginning of the financial year 2016/2017.
- 3.4. The recommendations from the Panel are that:
  - (i) there should be an increase in the basic allowance for 2016/2017 from £4,350 to £4,500 pa;
  - (ii) special responsibility allowances should be increased by applying the appropriate multiple to the basic allowance, as set out in its report;
  - (iii) subsistence allowances should continue to be payable at the same rate as for staff and may therefore be increased with effect from April or otherwise during the financial year;
  - (iv) for those councillors currently remaining in the Local Government Pension Scheme, both the basic allowance and any special responsibility allowance should be pensionable, until the entitlement to be a member of the scheme ends on 9 May 2016; and
  - (v) no other changes are made to the allowances scheme for 2016/2017.
- 3.5. The recommended increase in the basic allowance is 3.2%, with a little rounding, and is in line with the salary increases which have applied to the majority of the council's staff in the period April 2013 to March 2016.

#### **4. ALTERNATIVES/OPTIONS**

- 4.1. 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.
- 4.2. The one exception to paragraph 4.1 has been in relation to the eligibility of members to remain in the Local Government Pension Scheme (LGPS). In this case the Council could only include “*someone who has first been recommended by the independent remuneration panel*”. The Panel is aware of the cessation of councillor eligibility to be members of the LGPS (as explained more fully in section 5 below) but by virtue of its recommendations, the situation is that those councillors who remain in the scheme will continue to do so until the end of their current term of office, on 9 May 2016, unless they should decide to withdraw at an earlier date. After that date, no members of the Council will remain in the scheme or be eligible to join it.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1. Assuming the Panel’s recommendations are agreed the total projected cost of Members’ allowances in 2016/2017 is £349,200, based on a Cabinet comprising the Leader, Deputy Leader and five others.
- 5.2. In 2014 the Government made Regulations withdrawing the option for Councillors to join LGPS. Under the regulations, the entitlement to remain a member ceases at the end of the term of office of any councillor already in the scheme. In West Oxfordshire there are five Councillors remaining in the scheme, all for the period ending on 9 May 2016. Accordingly, the Council’s pension contributions have reduced from £7,300 in 2015/16 to £1,200 in 2016/17 and will cease altogether in 2017/18.
- 5.3. In bottom line terms, the Members Allowances of £349,200, plus the projected overhead costs of National Insurance (£10,700) and pension contributions (£1,200), gives a total budget requirement of £361,100 and this will require an additional budget of £11,000 to be incorporated within the 2016/2017 draft budget

#### **6. 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.

Keith Butler  
Head of Democratic Services  
(Author: Keith Butler, Tel: (01993) 861521; EMail: [keith.butler@westoxon.gov.uk](mailto:keith.butler@westoxon.gov.uk) )

Date: 21 December 2015

Background Papers:

None.

## **The Recommendations of West Oxfordshire District Council's Independent Remuneration Panel of Members' Allowances for the Financial Year 2016/2017**

### **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 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. 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, and Simon Wright, Principal Committee Officer, in enabling the undertaking of this review.

A number of previous Panel reports and other information can be found by following the links from [www.westoxon.gov.uk/councillors](http://www.westoxon.gov.uk/councillors)

The Panel met on the 9 and 28 October 2015.

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

It was in April 2001 that Dr Declan Hall published his Review of Members Allowances for West Oxfordshire District Council. This Review had been commissioned by the Council just prior to the Regulations referred to above, Dr Hall within his summary of recommendations stated that the Council's allowances were designed to ensure that they were set at levels that reflected on the responsibilities and workload that the members took upon themselves, but also to ensure that Councils were not left with the responsibility to set them. He also noted that at the time of his review the allowances previously set by the Council had remained static over the previous six years.

The Panel finds itself in a strikingly similar position today with no increase in basic allowance for six years despite Panel recommendations during this period, that small increases, particularly in the basic allowance, should be accepted. This, it was felt, was preferable to a period of no increases followed by a larger adjustment to realign the allowances to previous values. These values having been established to take account of the time, commitment, and incidental costs of being a Councillor.

Before coming to any decisions the Panel were mindful that in their report for 2015/16 they had said that they would in particular review the special responsibility allowances paid to certain Council Members and the allowances paid to leaders of opposition groups. To this end and in accordance with normal practice the Panel invited comment from members of the Council on these issues as well as any other such as the basic allowance.

The Panel gratefully acknowledges the significant number of replies that resulted from this request.

In addition an invitation was made to Sir Barry Norton, as Leader of the Council, and three new cabinet members, Robert Courts, Colin Dingwall and James Mills to meet with the Panel. An invitation was similarly made to Duncan Enright and Julian Cooper as Group Leaders of the opposition parties.

There was a greater consensus both from the written replies and those that attended the meeting that the time was right to see an increase in allowances. Of those who expressed this view all believed the basic allowance should be raised. The views on SRAs were more mixed, with some believing these allowances were about right, and there was some support for linking allowances to Local Authority staff grades. This year more than in previous years there were some concerns expressed that the level of the basic allowance could be acting as a deterrent for some people wishing to offer themselves as potential councillors. During the interviews, however, reference was also made to the fact that a number of younger councillors had been elected, and to on-going discussions relating to the start times of meetings.

As in previous years the Panel looked at data supplied by the South East Employers Organisation to compare the levels of allowances set by the various District and Borough Councils within the region. It found that the basic allowance for West Oxfordshire was now falling a little behind the average, but that the special responsibility allowances for the Leader and Cabinet Members remained close to the higher allowances currently paid.

During this period of restraint the Panel noted the frequently expressed reference to increased workload that Councillors are having to accommodate and is mindful of the statement within Dr Hall's summary of recommendations that the councillors require appropriate allowances to support their responsibilities and way of working.

A review of staff grade increases during this period showed there was an increase of 1% that became effective for most grades from the 1 April 2013, and a 2.2% increase covering a two year period from April 2014 until March 2016, but not payable until 1 January 2015.

## **Review Considerations and Recommendations for 2016/17**

### **Basic Allowance**

The Panel believes that now is an appropriate time to see a small increase in the Basic Rate that reflects the increases seen in staff pay. It recognises that staff pay will again be reviewed this coming April but would not wish to anticipate the outcome of any such negotiations, nor does it wish to commit itself to an automatic index link for future years. The Panel therefore recommends that the basic allowance is increased by approximately 3.2% rounded up to a simple figure. This would increase the allowance from £4350 to £4500 with effect from April 2016.

### **Special Responsibility Allowance**

Special responsibility allowances recognise the additional responsibilities and workload undertaken by the Leader, his Deputy, and members of the Cabinet, and the Chairmen of the Council and its Committees. In recent years this allowance was not recommended for increase. This year the Panel does believe that these allowances should also be raised so as to reflect the period with no increase, the loss of pension rights, and the reported added workload referred to earlier. The Panel recommends the same percentage increase as the basic allowance, again rounded to a simple figure, these being expressed as a multiple of the basic allowance. For a cabinet member this allowance is recommended to rise from £10,875 to £11,250, being 2.5 x the basic allowance.

The Panel continues to recommend that the restrictions whereby Members of the Cabinet may receive only one SRA, with other members entitled to receive more than one SRA being limited to a maximum total of £11,250, should remain in place.

The SRA for a Councillor appointed to the Board of Cottsway Housing should continue to be linked to the remuneration of other Cottsway Board members.

This recommended percentage increase is carried through the other posts that receive a special responsibility allowance, as listed in the [schedule of recommended allowances](#) at the end of this report.

## **Local Government Pension Scheme**

The Panel is, of course, aware that the final few members of the Council who are members of the Local Government Pension Scheme, will cease to be eligible at the end of their current term of office, on 9 May 2016.

For the avoidance of any doubt: the Panel has not recommended a change in relation to pension scheme eligibility, so unless the Council was to decide to change the scheme in this regard, those Councillors may remain in the scheme for the period 1 April to 9 May 2016.

## **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 is currently 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 did not receive any representations that the existing level of allowances was in need of an increase, and believes 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 wishes to acknowledge with thanks the time given to attend the Panel Meeting by the Leader of the Council, Sir Barry Norton, councillors Robert Courts, Colin Dingwall, James Mills and Julian Cooper, leader of the Liberal Democrats. The Panel is also grateful for the time taken by individual councillors to send the written responses received during the Review.

M. Ryan  
Panel Chair

December 2015

## 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; 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 Council Staff; no change in relation to allowances for Dependant Carers and co-optees; and that councillors who are currently members of the Local Government Pension Scheme shall be eligible to remain in the Scheme until the end of their term of office.

### Table of Basic and Special Responsibility Allowances

POSITION	CURRENT	PROPOSED	TOTAL (inc BASIC)
Basic Allowance (all members)	£4,350	£4,500	£4500
Leader of Council	£19,575	£20,250	£24,750
Deputy Leader	£13,050	£13,500	£18,000
Cabinet Member	£10,875	£11,250	£15,750
Chairman of Council	£4,350	£4,500	£9,000
Chairmen of O&S Committees	£4,350	£4,500	£9,000
Chairmen of Area Planning Sub-Committees	£5,450	£5,625	£10,125
Chairman of HR Committee	£1,100	£1,125	£5,625
Chairman of Development Control Committee	£1,100	£1,125	£5,625
Chairman of Licensing Committee	£1,100	£1,125	£5,625
Chairman of Audit & GP Committee	£1,100	£1,125	£5,625
Chairman of Misc. Licensing Committee	£500	£516	£5,016
Opposition Group Leader	£1,100 *	£1,125	£5,625
Councillor appointed to the Board of Cottsway Housing	£2,160	£2,160 **	£6,660

\* currently there are two opposition groups, each with four members. The SRA increases when there are six, 11, 16 etc members in the Group concerned.

\*\* the actual recommended amount is 60% of that paid by Cottsway to other Board Members, which is currently £3,600 pa. It is not currently known whether this will change in 2016/17.