

**WEST OXFORDSHIRE DISTRICT COUNCIL**  
**COUNCIL - WEDNESDAY, 18 JANUARY 2017**  
**SCHEME OF MEMBERS' ALLOWANCES FOR 2017/2018**  
**REPORT OF THE HEAD OF DEMOCRATIC SERVICES**  
**(Contact: Keith Butler, Tel: (01993) 861521)**

**I. PURPOSE**

To consider (i) the report and recommendations of the Independent Remuneration Panel; and (ii) issues arising from the audit of allowances, and agree a scheme of allowances for Members to be effective for the financial year 2017/2018.

**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 (i) to reflect any changes made as a result of (a) above; and (ii) to incorporate the changes recommended by the Internal Audit report referred to below and summarised under paragraph 3.7.

**3. BACKGROUND**

**Independent Panel Report and Recommendations**

- 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 2017/2018.
- 3.4. The recommendations from the Panel are that:
  - (i) there should be an increase in the basic allowance for 2017/2018 from £4,500 to £4,600 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; and
  - (iv) no other changes are made to the rates of allowances and expenses for 2017/2018.
- 3.5. The recommended increase in the basic allowance is 2%, with a little rounding, and is in line with the salary increases which applied to the majority of the council's staff in April 2016 and which will apply in April 2017.

## **Internal Audit Report on Members' Allowances**

- 3.6. Members may recall that a summary of the internal audit was reported to the Audit and General Purposes Committee on 29 September 2016.
- 3.7. The audit led to a number of recommendations. Those which necessitate amendments to the Allowances Scheme can be summarised as follows:
- A requirement that any Councillor who makes a claim for the reimbursement of mileage expenses shall provide his/her standard home to Council Offices and, where applicable, home to place of work mileage
  - Text to emphasise the importance of cost-effectiveness, and to (i) provide for the possibility of standard rail fare being reimbursed rather than mileage for long journeys; and (ii) make it clear that only mileage undertaken solely in connection with applicable Council duties may be claimed/will be reimbursed
  - Clarification of the requirement to submit a VAT receipt in connection with a mileage claim
  - Confirmation that a claim for the reimbursement of expenses will not be approved if it does not comply with the requirements of the Scheme, other than with the express approval of the Strategic Director
- 3.8. The second part of recommendation 2(b) above arises from the audit report.

### **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 was previously in relation to the eligibility of members to join/remain in the Local Government Pension Scheme (LGPS). However, this is no longer relevant because no councillors remained in the scheme after 9 May 2016, as a consequence of the government's decision to end access.

### **5. FINANCIAL IMPLICATIONS**

- 5.1. Assuming the Panel's recommendations are agreed the total projected cost of Members' allowances in 2017/2018 is £345,225, based on a Cabinet comprising the Leader, Deputy Leader and four others. This figure also assumes that all SRAs will be payable, which will not be the case if any Cabinet Member holds more than one position which attracts an SRA.
- 5.2. In 2014 the Government made Regulations withdrawing the option for Councillors to join the Local Government Pension Scheme (LGPS). Under the regulations, the entitlement to remain a member ceased at the end of the term of office of any councillor already in the scheme. In West Oxfordshire the final five Councillors remaining in the scheme ceased their LGPS membership on 9 May 2016. Accordingly, the Council's associated pension contributions have reduced from £7,300 in 2015/16 to nothing in 2017/18.
- 5.3. In bottom line terms, the Members Allowances of £345,225, plus the projected overhead costs of National Insurance (£9,700) gives a total budget requirement of £354,925. This sum can be met within existing budget resources and will show a budget reduction of £6,200 because there is one fewer Cabinet Member, and because of the cessation of pension scheme contributions.

## 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

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Date: 21 December 2016

Background Papers:

None.

## **The Recommendations of West Oxfordshire District Council's Independent Remuneration Panel of Members' Allowances for the Financial Year 2017/2018**

### **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 special responsibility allowances, 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. Before the Council makes or amends the scheme they must 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.

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 15 August 2016.

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

The Panel at its initial meeting in August 2016 found itself in the unusual position of noting that its recommendations for modest increases in Allowances for 2016/17 had been accepted by Council at its January meeting.

This, together with there being no changes to Council's structure or political balance, and no issues arising from last year's review that required particular consideration, made the task of carrying out the review relatively straightforward. This view was confirmed by the absence of any requests from Party leaders or Council members for the Panel to take account of any specific issues of concern in relation to the Scheme.

The Council staff pay award for 2016 saw the majority of staff receive a 1% increase, with a further 1% due in April 2017, and the recommendations in this report reflect a similar 2% increase, rounded.

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

#### **Basic Allowance**

The Panel recommends that the Basic Allowance be increased in line with staff awards from £4500 to £4600, being approximately 2% when rounded up to a single figure, with effect from April 2017.

#### **Special Responsibility Allowance**

Special Responsibility Allowances recognise the additional responsibilities and workload undertaken by the Leader, his Deputy, and members of the Cabinet. The Panel recommends the same percentage increase as the Basic Allowance, again rounded to a simple figure. For a cabinet member this allowance would rise from £11250 to £11500.

The Panel continues to recommend that the restrictions for Members of the Cabinet to receive only one SRA, and for other councillors to be entitled to a maximum amount equivalent to a Cabinet allowance of £11500 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 and are as 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 maintained at the Inland Revenue's non-profit making rate, 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 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 in January 2017.

M. Ryan  
Panel Chair

December 2016

## 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; 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)	£4,500	£4,600	
Leader of Council	£20,250	£20,700	£25,300
Deputy Leader	£13,500	£13,800	£18,400
Cabinet Member	£11,250	£11,500	£16,100
Chairman of Council	£4,500	£4,600	£9,200
Chairmen of O&S Committees	£4,500	£4,600	£9,200
Chairmen of Area Planning Sub-Committees	£5,625	£5,750	£10,350
Chairman of HR Committee	£1,125	£1,150	£5,750
Chairman of Development Control Committee	£1,125	£1,150	£5,750
Chairman of Licensing Committee	£1,125	£1,150	£5,750
Chairman of Audit & GP Committee	£1,125	£1,150	£5,750
Chairman of Misc. Licensing Committee	£516	£575	£5,175
Opposition Group Leader	£1,125 *	£1,150	£5,750
Councillor appointed to the Board of Cottsway Housing	£2,250	£2,250 **	£6,850

\* 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 £3,750 pa. It is not currently known whether this will change in 2017/18.