

**REPORT BY
THE OXFORD CITY COUNCIL
INDEPENDENT REMUNERATION
PANEL**

**An Independent Review of Members'
Allowances**

November 2017

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Oxford City Council

Report of the Independent Remuneration Panel

Executive Summary

1. Oxford City Council's Independent Remuneration Panel was asked to consider and recommend to the Council a number of amendments to the Members' Allowances Scheme. The current Members' Allowances Scheme (the "Scheme") was introduced on 1 April 2015 and expires on 31 March 2019.
2. In preparing this report, the Independent Remuneration Panel ("the Panel") has considered the structure of the Scheme, the level of allowances paid and the circumstances in which allowances may be claimed. The Panel adhered to the principles that guided its deliberations when the Scheme was introduced.
3. The Panel considered a range of information prior to formulating their recommendations. This included information provided by the Council on the governance arrangements and the views of some councillors. The Panel also considered the statutory framework for members' allowances, including the relevant statutory instruments and the statutory guidance issued by the Department for Communities and Local Government.
4. The Panel would like to draw attention to the following aspects of their recommendations:
 - The addition of a Special Responsibility Allowance for the non-statutory Deputy Leader;
 - The introduction of a scheme for maternity and adoption leave for Members in receipt of a Special Responsibility Allowance; and
 - That a contingency fund should be made available for the cost of reasonable adjustments for Members who have a disability.

Introduction

5. This report presents the recommendations of the Independent Remuneration Panel to the Council for consideration and approval.
6. The Council is required to make a scheme of allowances for its councillors in accordance with the Local Authorities (Members' Allowances) (England) Regulation 2003. The process for making and reviewing such a scheme is regulated so that the public can have confidence in the independence, openness and accountability of the process involved. The process requires that the Council must establish an independent remuneration panel and,

before making or amending its scheme of allowances, must have regard to the views of the Panel.

The Panel

7. The Independent Remuneration Panel (the Panel) met on 28 November 2017 to consider amendments to the Oxford City Council Members' Allowances Scheme. The Panel comprised representatives appointed by the Head of Law and Governance (in accordance with the delegated authority from Council to do so) from the voluntary, public and business sectors. The members of the Panel were:-
 - Professor Alistair Fitt – Vice-Chancellor, Oxford Brookes University
 - Kathy Shaw – Chief Executive, Oxfordshire Community and Voluntary Action
 - Prisca Bradley – Director, Hedges Law
8. Also present, to support the Panel, were Anita Bradley (Head of Law and Governance), Andrew Brown (Committee and Member Services Manager), Rachel Drinkwater (Democratic Assistant) and Emma Griffiths (Lawyer) each of whom work within the Council's Law and Governance Service.

Terms of reference

9. The Independent Remuneration Panel was appointed to review and make recommendations to Oxford City Council on its Members' Allowances Scheme.
10. The Local Government Act 2000 provides that before any scheme of members' allowances is agreed or amended the Oxford City Council is required to take into account the advice of an Independent Remuneration Panel on the levels and types of allowances to be paid under that scheme.
11. In law an Independent Remuneration Panel must produce a report making recommendations:
 - a) as to the responsibilities or duties in respect of which, special responsibility, travelling and subsistence and co-optees' allowance should be available;
 - b) as to the amount of such allowance and of basic allowance;
 - c) as to whether dependants' carers' allowance should be payable to members of an authority, and as to the amount of such an allowance;
 - d) as to whether payment of allowances may be backdated following an amendment; and
 - e) as to whether adjustments to the level of allowances may be determined according to an index, and if so which and how long that index should apply, subject to a maximum of four years before it is reviewed.
12. An Independent Remuneration Panel was appointed to review the allowances scheme and consider what, if any, adjustments were needed and to recommend an allowances scheme for the financial year 2015/16 and beyond. The Council's current Members' Allowances Scheme was approved in December 2014, runs from 1 April 2015 and expires on 31 March 2019. The Panel met again on 28 November 2017 to consider three proposed amendments to the scheme.
13. The Panel had previously agreed the following set of broad principles within which the review of allowances was undertaken:
 - In line with the statutory guidance¹, the Panel took into account the principle that an element of the role of councillor must be voluntary, but that should not mean that councillors should suffer significant financial loss as a result of undertaking the role;
 - Allowances should not be designed to enrich councillors, but neither should the level of allowances prohibit individuals from considering standing for election;
 - In line with the statutory guidance, the Panel sought to ensure that no more than 50% of councillors should be eligible to claim a Special Responsibility Allowance;

¹ Guidance on members' allowances for local authorities in England ODPM April 2001

- In light of the financial climate within which the Council operates, the overall budget for allowances should not increase significantly as a result of this review.

Evidence Considered and Representations Received

14. Representations on the proposed amendments to the current scheme were sought from all Members. The Panel received written representations from a number of members.
15. In addition to those representations the Panel also received:-
 - The papers that they had to inform their deliberations on the last occasion that they met in November 2014;
 - The last report of the Panel to the City Council in December 2014 and the associated papers;
 - A report on the proposed changes to the Members' Allowances Scheme that was considered by the Council in July 2017, together with the minutes of the Council meeting;
 - The Oxford City Council's current Members' Allowances Scheme;
 - An overview of the Council;
 - Details of the Council's Priorities, Policies and Performance;
 - Details of the Council's governance arrangements;
 - Extracts from the Council's Constitution including details of the role of Councillors, the Executive Board and Portfolio Holders, Committees, the Lord Mayor and Deputy Lord Mayor and Officers including the Statutory Officers; and
 - Information about the Council's committees and the committee structure including information on the membership of the Council's committees;

Our Review of the Members' Allowances Scheme and proposed amendments

16. At its meeting on 20th July 2017 the Council requested that the Panel convene to consider some amendments to the Members' Allowances Scheme. The Panel examined the proposals for the addition of a Special Responsibility Allowance (SRA) for the non-statutory Deputy Leader and the introduction of a scheme to allow an additional SRA to be paid to a second member if a recipient is absent on maternity, paternity, parental or caring responsibility leave. Those changes to the scheme were the subject of a report to the Oxford City Council at its meeting in July 2017. The Panel also considered whether the Members' Allowances Scheme should be amended to allow for the cost of making reasonable adjustments for Councillors who have a disability.

Special Responsibility Allowance (SRA) for the non-statutory Deputy Leader

17. When the Panel last considered the levels of SRAs available and the roles for which they are paid it identified that the payment of an SRA is not a reflection on performance but recognition of the role performed/expected in each case.
18. Factors taken into account included:
 - The level of decision making responsibility associated with each role;
 - Other responsibilities associated with each role;
 - The time requirement of each role; and
 - Any other specialist skills, knowledge or other factors needed to be able to carry out each role effectively.
19. The Panel recognises that the workload of the Council Leader has increased because of the more extensive and complex partnership working involved in the local, regional and national role of Oxford. New Shareholder responsibilities in relation to the Council's companies have also become much more extensive requiring time, skills and leadership in addition to the established role.
20. The Leader of the Council has appointed a non-statutory Deputy Leader who cannot take on any of the statutory powers/responsibilities of the Leader but will be part of the political leadership team, deputising and being involved in business as directed by the Leader. In practical terms most business can be "pooled" within a wider team.
21. In addition to any duties as an executive portfolio holder we understand that the role of the non-statutory Leader is:
 - To provide advice and support to, and work closely alongside, the Leader and statutory Deputy Leader.
 - At the direction of the Leader of the Council (or statutory Deputy Leader) to assume the role of the senior executive member at meetings with the Chief Executive, Corporate Management Team and Senior Officers.
 - At the direction of the Leader of the Council (or statutory Deputy Leader) to take the lead executive role at partnership meetings, conferences and seminars.
 - To assist the Leader of the Council and statutory Deputy Leader in establishing and maintaining effective working relationships with opposition groups, committee chairs and other elected members.
 - To communicate to staff, elected members, partner agencies and service users, the policies of the Council and Council achievements and challenges.
 - To undertake other roles and responsibilities as directed by the Leader of the Council (or statutory Deputy Leader).

The non-statutory Deputy Leader cannot:

- Act as the Leader of the Council if the Leader of the Council is unable to act or if the post of Leader of the Council is vacant.

22. Current SRAs in this area are:

Leader – basic allowance x 3
Deputy Leader – basic allowance x 1
Board Member – basic allowance x 1.5

23. The Panel wish to recommend that an additional SRA should be paid to the non-statutory Deputy Leader of the Council and that all other principles in relation to the payment of SRAs should apply. The Panel considers that the non-statutory Deputy Leader's SRA should be the equivalent of 1 x the Basic Allowance for the performance of the role (£4,954). The Panel also suggests that payments are backdated to 1 January 2018. The Panel will review the payment of this additional SRA when it next examines the Scheme within the next twelve months or so. The Panel considered whether or not the Leader's SRA should be reduced to fund the extra payment but did not consider that it would be appropriate to do so.

Reasonable adjustments for Councillors with a disability

24. The Panel considers that the Monitoring Officer should have the ability within the Scheme to make provision for any reasonable adjustments to be made to meet the needs of councillors who have a permanent or temporary disability. The Panel does not wish to see a definition of the adjustments that could be made but envisage that they might include ICT equipment or software, travel cost concessions, furniture or other reasonable adjustments.

25. The Panel recommends that any such adjustments would be made on application by a councillor with a disability and would be approved at the discretion of the Monitoring Officer. We recommend that there should be a maximum budget for each qualifying councillor in any one year (e.g. £1,000) and that the Monitoring Officer should have the discretion to increase the amount available to each councillor appropriate to their requirements if necessary.

Maternity, paternity, adoption and parental leave scheme

26. The Panel considered the introduction of maternity, parental, paternity and adoption leave for qualifying councillors who are in receipt of an SRA and would like to take a leave of absence from their duties. Any such scheme would only be necessary for SRAs because basic allowances are paid continuously during the term of office with a few exceptions.

27. The Panel recognises that whilst provision could be made in the Members' Allowances Scheme for such matters, it could not be the same as that for employees in one important aspect; the Council cannot guarantee that the councillor taking leave of this sort could return to their former position because this will be a matter of political or committee choice. In practical terms the councillor would have to step down from their role (to allow it to be given to another councillor) and then at the point of return it would be the Leader of the Council or a political group or a committee or maybe a combination of these last two to re-establish the position.
28. It would be at the discretion of the member affected to determine whether they wish to temporarily step down from their role. The member would have to make an application to the Monitoring Officer for the SRA payment during their period of absence and would have to relinquish all duties and responsibilities to their replacement member for the full duration of the cover period. It is the Panel's recommendation that the SRA payments would be paid for up to six months at the rate of half of the full SRA for that role. The Panel recommends that only Members who have been in receipt of an SRA for at least three months before the date their leave of absence commences should qualify for this payment.
29. The Panel also noted that the Leader would not be able to use the scheme without Full Council agreeing on the appointment of a replacement Leader.
30. The Panel recognises that this addition to the Scheme will in practice primarily be for maternity (shared or otherwise) and adoption leave, which are legally payable to employees for up to 52 and 39 weeks respectively (whereas employees can only claim paid paternity leave for a period of 1 or 2 weeks). Members taking maternity or adoption leave may have to apply for a dispensation to meet their statutory requirement of attending a Council meeting within 6 months, depending on whether or not they continue to attend council or committee meetings during this period.
31. Statutory maternity pay would not be paid to a councillor since the criterion for such payments are not met as councillors are not employed by the Council.

Conclusions

32. The Panel considered whether the current financial and economic climate should inform their recommendations. The Panel took the view that this was an important factor, and the public would quite rightly expect it to form part of the Panel's considerations, but that it had to be balanced against other factors, including the need to encourage democratic diversity and participation in local democracy.
33. The Panel is making a series of recommendations on the funding of reasonable adjustments for members who have a disability and Special

Responsibility Allowances to the non-statutory Deputy Leader and a member who is in receipt of an SRA but wishes to take a leave of absence from that role in certain circumstances.

34. In coming to these recommendations the Panel has carefully considered all of the submissions and representations made to it and the additional evidence that was available. In accordance with the Panel's terms of reference, it has looked at the relevant elements of the Council's existing Members' Allowances Scheme. The Panel believes that this review of the existing scheme and the recommendations it has made will give the Council a sound and comprehensive scheme of allowances until it is reviewed for the Year 2019/20 onwards.