

**To:** Council

**Date:** 16 February 2023

**Report of:** Head of Law and Governance

**Title of Report:** Report of the Independent Remuneration Panel and Draft Councillors' Allowances Scheme 2023-27

| <b>Summary and recommendations</b>  |   |
|---|---|
| <b>Purpose of report:</b>   | To present the recommendations of the Council's Independent Remuneration Panel (IRP) and a Draft Councillors' Allowances Scheme 2023-27 |
| <b>Key decision:</b>  | No  |
| <b>Lead Member:</b>   | Councillor Susan Brown, Leader of the Council   |
| <b>Corporate Priority:</b>  | N/A   |
| <b>Legislation:</b>   | Local Authorities (Members' Allowances) (England) Regulations 2003  |
| <b>Recommendation(s): That Council resolves to:</b>   |   |
| <ol style="list-style-type: none"> <li>1. <b>Thank</b> the Independent Remuneration Panel for its work.</li> <li>2. <b>Agree</b> to include in the Councillors' Allowances Scheme 2023-27 the following provisions from the Councillors' Allowances Scheme 2019-23, as recommended by the Independent Remuneration Panel:               <ol style="list-style-type: none"> <li>a) The following Special Responsibility Allowances (SRAs):                   <ol style="list-style-type: none"> <li>i. Leader - 3 x basic allowance</li> <li>ii. Deputy Leader – 1 x basic allowance</li> <li>iii. Non-statutory Deputy Leader - 1 x basic allowance</li> <li>iv. Lord Mayor – 1 x Basic Allowance</li> <li>v. Deputy Lord Mayor – 0.25 x basic allowance</li> <li>vi. Sheriff - 0.25 x Basic Allowance</li> <li>vii. Cabinet Members with particular responsibilities – 1.5 x basic allowance</li> <li>viii. Chair of Scrutiny Committee – 1x basic allowance</li> <li>ix. Chair of Audit &amp; Governance Committee – 0.25 x basic allowance</li> <li>x. Chair of a Planning Committee – 0.5 x basic allowance</li> <li>xi. Leader of an opposition group – 1 x basic allowance with the additional clarification set out in paragraph 11</li> <li>xii. Chair of Scrutiny Standing Panel – 0.25 x basic allowance (Maximum of 2 Standing Panel SRAs available. Panel must meet at least 5 times to qualify. If more Standing Panels are set up then 0.5 x basic allowance to be divided between the Panel</li> </ol> </li> </ol> </li> </ol> |   |

Chairs)

- b) The rule that councillors will receive a maximum of two special responsibility allowances (excluding civic office holders);
  - c) The rule that where a member of the Council is also a member of another council, that councillor may not receive allowances from more than one council in respect of the same duties;
  - d) The rule that a 15% reduction to a special responsibility allowance will be applied for councillors who attend less than two thirds of the scheduled meetings required within a special responsibility
  - e) The ability for councillors to elect to forgo any part of their entitlement to an allowance;
  - f) The rule that where allowances have been paid in advance for a period during which a councillor is no longer a councillor, those allowances should be repaid;
  - g) Allowances for maternity or adoption leave, with the extension to entitlement set out at paragraph 14;
  - h) Allowances for travel to be paid for travel outside the City of Oxford boundary with the prior agreement of the Head of Law and Governance, with the additional reference to promoting green and public transport set out at paragraph 16;
  - i) Reasonable adjustments for councillors with a temporary or permanent disability;
  - j) The rule that all claims for repayment must be made on the forms provided and should be accompanied by receipts/invoices as appropriate before payment can be authorised;
3. **Agree** to increase the basic allowance to £5,471 for 2023/24, in line with the IRP proposal to increase the basic allowance by 4.5% in 2023/24.
  4. **Agree** to the indexation of the basic allowance to the local pay settlement for local government employees from 2024/25 onwards.
  5. **Agree** that the special responsibility allowance for 'Cabinet Member without particular responsibilities' be removed.
  6. **Agree** to include in the Scheme provision for allowances for co-opted members and Independent Persons at the rate of £75 for up to 4 hours and £150 for more than 4 hours but less than 24 hours in respect of any Committee, Sub-Committee or Panel meeting attendance of which they are a member.
  7. **Agree** to increase the maximum amount that any Member can claim for child and other dependants' care in any one financial year to £1,306 for 2023/24.
  8. **Agree** to increase the maximum amount that any Member can claim for child and other dependants' care in any one financial year in line with the rate of increase in the Oxford Living Wage.
  9. **Agree** to include the provision that 'Members' personal circumstances, including health, will be taken into account by the Head of Law & Governance in consultation with the Committee & Member Services Manager before any allowance reduction is applied' in respect of allowance reductions.

10. **Agree** that councillors will forgo part of their future allowance payments in the following circumstances:
- (a) A 15% reduction to the basic allowance will be applied for:
    - i. Members who fail to attend more than four meetings of Full Council in any municipal year except when a serious medical condition is the reason for absence;
    - ii. Members who fail to attend the induction training for newly elected councillors. A newly elected Councillor is any Councillor who was not holding City Council office before the election in question.
  - (b) A 10% reduction to the basic allowance will be applied for:
    - i. Members who fail to attend compulsory planning and development control training (held every two years).
    - ii. Members who fail to attend compulsory code of conduct training (held annually).
    - iii. Members who are appointed to a Licensing Committee who fail to attend the compulsory licensing training (held annually).
11. **Adopt** the Draft Councillors' Allowances Scheme 2023-27 attached at Appendix B.

| <b>Appendices</b> |  |
|-------------------|--|
| Appendix A        | Report of Oxford City Council's Independent Remuneration Panel, January 2023 |
| Appendix B        | Draft Councillors' Allowances Scheme 2023-27                                 |

## **Introduction**

1. The Council's Councillors' Allowances Scheme for 2019-23 was adopted by Council on 28 January 2019 with effect from 01 April 2019. The Scheme expires on 31 March 2023.
2. This report outlines the recommendations of the Oxford City Council Independent Remuneration Panel (IRP) in respect of a replacement councillors' allowances scheme and proposes a Draft Councillors' Allowances Scheme 2023-27.

## **Legislative framework**

3. The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations") require the Council to agree a new Scheme before the expiry of the current Scheme, having regard to the recommendations of an IRP. The Regulations require that such a scheme shall provide for:
  - The payment of a basic allowance of the same amount to all councillors (limited to the duration of a councillors' term of office);

- Councillors electing to forgo their entitlement to any part of their allowances;
  - A time limit during which any claims for travel, carers' and co-optees' allowances must be made;
  - Councillors not receiving allowances from more than one authority in respect of the same duties;
  - The publication of records of the allowances paid, at the end of each year.
4. The Regulations also state that a scheme may provide for:
- The payment of special responsibility allowances (SRAs) to members with special responsibilities (including to at least one councillor who is not a member of the controlling group);
  - The payment of a dependants' carers' allowance;
  - The payment of travelling and subsistence allowance;
  - The payment of co-optees' allowance;
  - Annual adjustment of allowances by reference to an index (for a maximum period of four years);
  - An authority requiring the repayment of allowances paid in advance where a member ceases to be entitled to those allowances

### **Independent Remuneration Panel (IRP)**

5. The Council's IRP comprises representatives from the voluntary, public and business sectors appointed by the Head of Law and Governance (in accordance with the delegation from Council). The members of the IRP are:
- Professor Alistair Fitt, Vice-Chancellor, Oxford Brookes University
  - Laura Price, Chief Executive, Oxfordshire Community and Voluntary Action
  - Lyn Davies, Director of Corporate Services and Company Secretary, OxLEP
6. The IRP met on 09 January 2023 to carry out an independent review of councillors' allowances and make recommendations about a new Oxford City Council Councillors' Allowances Scheme. Recommendation 1 of this report asks Council to thank the IRP for its work.

### **IRP report and recommendations**

7. The report of the IRP is attached as Appendix A and a summary of the evidence considered is provided in paragraphs 16 and 17 of that report. This included written representations made by ten councillors and one political group.
8. The IRP was particularly focused on ensuring that the role of elected representative can be open to people from a wide range of backgrounds and that potential barriers to participation, including financial barriers, should as far as possible be removed or mitigated. The IRP recognised that these considerations must be balanced against the overall affordability of councillors' allowances, which should represent value for money for local residents and reflect the fact that the role of councillor is at least partly a voluntary public service. The IRP

concluded that, when taking into account the current economic climate, the existing level of councillors' basic allowance did not strike an appropriate balance between providing value for money for residents and enabling inclusive representation. As such the IRP recommended that the basic allowance be increased to more closely align with the rates of basic allowances in neighbouring and comparator local authorities (see paragraphs 19-24 of Appendix A).

9. The IRP concluded that the provisions in the Councillors' Allowances Scheme 2019-23 remain largely appropriate and should be retained on the current basis in the new scheme, with a small number of clarifications and changes explained below.
10. The IRP recommends that the local pay deal for Council employees is retained as the index for the annual uplifting of allowances from 2024/25 onwards, following the initial recommended uplift to the basic allowance in 2023/24. As the Regulations stipulate that schemes can rely on an index for the annual uplifting of allowances for no more than four years, it is proposed that the new councillors' allowances scheme will span from 01 April 2023 to 31 March 2027. The IRP was of the view that indexing councillors' allowances to the local pay deal for Council employees struck an appropriate balance between ensuring councillor allowances account for factors such as inflation and the rising cost of living and preventing disproportionate increases that were at odds with staff pay increases. In addition, the IRP agreed that indexing to the local pay deal for Council employees enabled easier planning in terms of Council finances, when compared to other indexes such as the Consumer Price Index (CPI), which was unpredictable and therefore difficult to plan for. It is not yet known what uplifts Council employees will receive in from 01 April 2024 onwards as this will be subject to a future pay negotiation.
11. The IRP recommends that, on the whole, special responsibility allowances (SRAs) are retained for the same roles as in 2019-23, with a small number of clarifications and changes. The IRP was of the view that, due to the fact that it was not currently in use, the provision for the 'Cabinet Members without particular responsibilities' should be removed. In addition, the IRP recommends that the wording associated with the 'Leader of an opposition group' SRA be amended slightly to state that the allocation will be 'divided equally among opposition groups'. This was in response to representations received regarding the possibility of groups having co-leaders; and would not change the overall split of the allocation (as a multiple of the basic allowance) to opposition groups – it would simply allow opposition groups to split their allocation between co-leaders, which the current Scheme does not provide for. The IRP further determined that the levels of SRAs should continue to be set as multiples of the basic allowance.
12. The IRP was of the view that the provision of allowances for co-opted members and Independent Persons would help ensure that these roles were open to people from a wide range of backgrounds. It agreed that any allowance would need to be set taking into account factors such as meeting attendance and involvement in Council business related to the role of co-optee or Independent Person. The IRP suggested that the setting of such an allowance should be a

decision for the Council. For comparison, the co-optee allowances of the other district councils within Oxfordshire are set out below:

| <b>Council</b>                                     | <b>Provision</b>  |
|--|---|
| South Oxfordshire District Council                 | No allowance, but entitled to claim travel, subsistence and other expenses.   |
| Vale of White Horse District Council               | No allowance, but entitled to claim travel, subsistence and other expenses.   |
| West Oxfordshire District Council (2021-22 Scheme) | £75 for up to 4 hours and £150 for more than 4 hours but less than 24 hours in respect of attendance at any meeting of the Committee or Sub-Committee of which they are a co-opted member, or at a conference or training event, where attendance is on behalf of, or authorised by, the Council.<br>Also entitled to claim travel, subsistence and other expenses. |

13. Officers recommend that, given the proposed alignment of Oxford City Council's basic allowance for councillors with that of West Oxfordshire District Council, it would be appropriate to consider setting an allowance for co-opted members and Independent Persons of £75 for up to four hours and £150 for more than four hours but less than 24 hours in respect of any Committee, Sub-Committee or Panel of which they are a member.
14. The IRP considers that current provisions for maternity and adoption leave were comprehensive, though not explicitly required by the Regulations, but that the entitlement should be extended to include paternity and parental leave to ensure inclusivity. The IRP considers that current provisions relating to reasonable adjustments should be retained.
15. The IRP supports the retention of allowances for child and other dependants' care, but recommends that the maximum amount which can be claimed by a Member in any given financial year be increased to £1,306 for 2023/24. This reflects the rate of increase in the Oxford Living Wage, which Members are required to pay carers in order to claim those allowances back. The IRP further recommends that the maximum amount that can be claimed by a Member in any given financial year be increased in line with the rate of increase in the Oxford Living Wage.
16. The IRP recommends that current provision in respect of travel allowances should be retained, with a minor amendment that the Council should reference its own policies on modes of transport in respect of travel allowances to encourage green and public transport usage.
17. In respect of allowance reductions, in light of representations the IRP recommends that the existing provisions should be retained, with the addition of a point to clarify that 'Members' personal circumstances, including health, will be taken into account by the Head of Law & Governance in consultation with the

Committee & Member Services Manager before any allowance reduction is applied'. The Regulations stipulate that the amount of basic allowance shall be the same for every Member, but the Regulations are also clear that councillors can elect to forgo their entitlement to any part of their allowances. To maintain the current practice relating to allowance reductions, recommendation 10 invites the Council to renew its collective resolution that the basic allowance will be reduced in certain circumstances.

18. Recommendation 2 of this report details all of the existing provisions that the IRP recommends the Council retains in its Councillors' Allowances Scheme 2023-27.

### **Draft Councillors' Allowances Scheme 2019-23**

19. The Draft Councillors' Allowances Scheme 2023-27, incorporating the recommendations and points of clarification set out above, is attached as Appendix B. The changes from the previous scheme are highlighted. Recommendation 11 asks Council to adopt the Draft Councillors' Allowances Scheme 2023-27, subject to any amendments agreed by Council.

### **Legal implications**

20. The legal implications, including the need for Council to adopt a new councillors' allowances scheme before 31 March 2023 and the parameters of the Regulations governing councillors' allowances are set out in paragraphs 3 and 4.

### **Financial Implications**

21. Provision has been made within the Council's Draft Medium Term Financial Plan for councillors' allowances to be uplifted in accordance with local pay awards. In agreeing to the IRP recommendation as referred to in recommendation 3 of this report, the Council's base budget would increase by 2% of the current Members' allowances of £400k i.e. £8,000 per annum. This would need to be found from reserves and contingencies.

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**Background Papers:** None

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