

To: **Council**
Date: 26 January 2025
Report of: Director of Law, Governance and Strategy (Monitoring Officer)
Title of Report: Councillors' Allowances – Appointment of Independent Remuneration Panel

Summary and recommendations	
Decision being taken:	To explain the background to the Members' Allowances Scheme and to seek delegated authority for the appointment of an Independent Remuneration Panel to consider a new Members' Allowances Scheme. The Panel will recommend the proposed Scheme to Council later in 2026 for adoption.
Key decision:	No
Cabinet Member:	Councillor Susan Brown, Leader, and Cabinet Member for Partnership Working and Inclusive Economic Growth
Corporate Priority:	All.
Policy Framework:	Council Strategy 2025-2029

Recommendation(s): That Council resolves to:

1. **Delegate authority** to the Director of Law, Governance and Strategy to make appointments to the Council's Independent Remuneration Panel as needed, in consultation with the Leader of the Council, up to when the replacement Members' Allowances Scheme will expire in March 2027.

Information Exempt From Publication	
N/A	

Appendix No.	Appendix Title	Exempt from Publication
N/A	N/A	N/A

Introduction and background

1. The Council approved the Members' Allowances Scheme in March 2023. The scheme expires in March 2027, and a replacement scheme must be adopted by the Council having regard to the advice of an Independent Remuneration Panel ("IRP") on the levels and types of allowances to be paid under that scheme. Whilst this is leaning into timelines for Local Government Reorganisation, we are required to carry out this process in these timelines.

Members Allowance Scheme

2. The Local Government Act 2000 and the Local Authorities (Members' Allowances) Regulations 2003 require that the Council must appoint and maintain an Independent Remuneration Panel (IRP) for members' allowances. The Regulations require the Council to have regard to the advice of the IRP in deciding upon its members' allowances scheme. Any scheme can remain in place without review for up to four years provided the amounts contained in the scheme are indexed in some way. A members' allowances scheme, once introduced, cannot be altered unless the Council has considered the advice of an IRP on the proposed changes.
3. The law permits the following allowances categories to be paid:
 - Basic allowances
 - Special responsibility allowances
 - Co-optees' allowances
 - Travel and subsistence allowances
 - Child care and dependant carers' allowances

4. The Local Authorities (Members' Allowances) Regulations 2003 permit Councils to determine whether adjustments to allowances should be made by reference to an index and, if so, to decide upon the index and the length of its application (up to a maximum of 4 years).

Independent Remuneration Panel

5. An IRP must be appointed to consider the current allowances scheme and to advise the Council on the arrangements and details of a future scheme. The current Members' Allowances Scheme was introduced on the advice of a Panel consisting of Lyn Davies (Consultant, Enterprise Oxfordshire), Professor Alistair Fitt (Vice-Chancellor, Oxford Brookes University) and Laura Price (Chief Executive, Oxfordshire Community and Voluntary Action).

A new IRP needs to be appointed and will have the task of reviewing and suggesting adjustments to the current allowances scheme. Professor Alistair Fitt (Former Vice-Chancellor, Oxford Brookes University) and Helen Laville, (Vice-Chancellor, Oxford Brookes University) have volunteered to be on the IRP, subject to formal appointment. A third member of the IRP is needed, therefore it is not possible to ask Council to agree appointment at this stage and therefore delegation to the Monitoring Officer is sought to ensure this can be done in a timely manner and the IRP convened once recruitment has concluded.

6. The IRP will be assisted by officers and will receive comparative information to inform its deliberations. Sources of information that will be used to inform a new scheme will, for example, include the current scheme, the Council's governance arrangements and structure chart, details of the Council's committees, the frequency of meetings and details of Cabinet portfolios. The IRP would probably

also expect to receive comparative information such as that for South East employers, neighbouring authorities and Chartered Institute of Public Finance and Accountancy (CIPFA) benchmarking authorities; as well as information about previous panels' recommendations and rationale. In addition, the IRP will be able to hold discussions with Caroline Green (Chief Executive), Emma Jackman (Monitoring Officer) and other key officers and seek representations from the Council's political groups/parties.

Alternative Options Considered

7. There is no alternative option, the scheme is required to be reviewed under the legislation prior to the end of the current scheme.

Financial implications

8. At this point there are no financial implications in connection with recommendations. The financial effect of any increase awarded by the Independent Remuneration Panel will be reported back to Council later in the year.
9. The appointment of members to the Independent Remuneration Panel is on a voluntary basis and no payment is made in respect of these duties, nor are any expenses paid.

Legal issues

10. The Council must comply with both the Local Government Act 2000 and the Local Authorities (Members' Allowances) Regulations 2003, which requires all local authorities to appoint and maintain an IRP. Failure to do so would be in breach of the regulations.

Level of risk

11. There are no risks arising from the formation of an IRP, to not do so would mean the Council is not meeting the requirements around member allowances and review of them.

Equalities impact

12. An Equalities Impact Assessment is not necessary for the composition of an IRP, the process itself undertaken by the IRP will consider any relevant equalities issues concerning members allowances and make appropriate recommendations to Council.

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Background Papers: None

