

MEMBERS' ALLOWANCES
Report of the Independent Remuneration Panel
to Oxfordshire County Council, November 2013

SUMMARY AND RECOMMENDATIONS

Summary

1. The Local Government Act 2000 provides that before any new scheme of allowances is agreed, the Council is required to take into account the advice of its duly appointed Independent Remuneration Panel on the levels and types of allowances to be paid under that scheme.
2. For this review, consequent on the changes to the Council's governance arrangements since the May 2013 elections, the Panel were requested to consider:
 - Special Responsibility Allowances (SRAs) - the range of SRAs and potential amendments to certain of them
 - Leader and Deputy Leader – potential merger of the SRAs available to each of these two posts
 - Index – review the currently applicable index for members' allowances which is due to expire at the end of 2014/15
3. This review brings forward a comprehensive review that was due to be held in 2014.
4. Our recommendations are set out in more detail below (Appendix A also summarises these with an indication of the underlying basis for the calculations).

For change:

- A special responsibility allowance (SRA) of £500 be paid to each Locality Chairman
- The level of SRAs for the Chairmen of the Planning & Regulation Committee, Audit & Governance Committee and Pension Fund Committee be increased to £5,050 (currently £2,729)
- An SRA of £2,729 be paid to the Deputy Chairman of the Planning & Regulation Committee
- The level of SRA for the Leader of the Opposition be lowered to £12,565 (currently £14,660)
- The SRA for Shadow Cabinet Members be deleted (currently £2,456 per member)
- A SRA of £3,500 should be paid to the Council's representative of the Thames Valley Police & Crime Panel if they are appointed as the Chairman of the Thames Valley Police & Crime Panel
- The Leader of the Council SRA and Cabinet Member SRA payable to the Leader be amalgamated into one allowance for the Leader of the Council
- The Deputy Leader of the Council SRA and Cabinet Member SRA payable to the Deputy Leader be amalgamated into one allowance for the Deputy Leader of the Council

- If the Leader of the Opposition is also the Chairman of the Performance Scrutiny Committee then only the highest SRA is payable

For no change:

- All other special responsibility allowances set out in the scheme remain at the same level
- The basic allowance remain the same level

Indexation:

- The basic allowance, the SRAs and the Co-optees' Allowance to the Chairman of the Audit Working Group be amended annually by reference to the annual Local Government Pay Award for staff and that this should take effect from the date on which the award for staff similarly takes effect

The Panel's proceedings

5. The Independent Remuneration Panel for Oxfordshire County Council is:-
 - Ms Jenny Armitstead – the Voluntary Sector
 - Mr Ian Barry – the Not-for-Profit Sector (Chairman for this review)
 - Mr Steven King – the Business Sector
 - Mrs Olga Senior – the Public Sector
6. We met as a Panel and had a conference call to consider these matters.
7. Three members of the Panel initially met in May and June 2013 to consider those parts of the revised governance arrangements which were new following the 2013 elections. The current review completes this while also bringing forward the 2014 comprehensive review.
8. Sources of information used in our November review were:
 - Governance arrangements structure chart
 - Role descriptions
 - Terms of Reference of Committees
 - Locality Meetings – terms of reference, agendas and notes of meetings
 - Cabinet and Shadow Cabinet portfolios, and membership of committees appointed in May 2013
 - Comparative information of South East, neighbouring authorities and CIPFA benchmarking authorities
 - Frequency of meetings
 - Information about Panel's previous recommendations and rationale
 - Discussion with Joanna Simons (Chief Executive) and Peter Clark (Monitoring Officer)

Sources of information used in our May & June review were:

- Briefings by officers on the outcome of the election; the new governance arrangements and locality working in Oxfordshire (Rachel Dunn, Sue Whitehead, Claire Phillips)
- Discussions with the 3 main Group Leaders, Cllrs Hudspeth, Brighthouse and Patrick

- Discussion with Cllr Kieron Mallon, the County Councillor who is the Council's representative on the Thames Valley Police & Crime Panel and who is also the Vice-Chairman of that Panel
- Instances when deputy chairmen have had formally to stand in for the chairmen of committees

Review of Allowances

Locality Chairman

9. The Panel first considered this matter in June 2013 and requested further information about the set-up and running of the locality meetings. We note the Council considers that locality meetings will be a key means of driving issues and of sharing the local perspective of members throughout the organisation. They are not formally part of the decision-making structure but the views, priorities and perspectives of Locality Meetings will potentially feed into scrutiny, cabinet advisory groups and Cabinet and so help shape the implementation of policy and service delivery. In particular we noted:
- there are nine localities – Oxford being one locality and two in each of the other four district areas
 - the meetings are not formal decision making bodies
 - the councillors for these localities will meet together quarterly
 - the locality meetings will each elect their Chairman annually and that the chairman can be of any political party due to the representation in those localities
 - councillors can influence services in their areas and feed in views, needs and issues into the decision making process
 - there is an element of scrutiny at a local level and holding officers to account about council services in the locality
 - each councillor has a £10,000 councillor community fund
 - area stewardship fund for highways matters – an amount per councillor
 - the locality chairmen will meet together annually
 - chairmen will work with officers, councillor colleagues and others on forward planning/priorities and driving agendas
10. We note that there is not a similar arrangement in other comparative councils other than area committees, which have a more decision-making role. As well as considering the role of the locality meetings, we have also looked at the role and responsibility of the Locality Chairman. We consider that some remuneration should be made to the chairmen due to the additional workload, responsibility and time commitments for preparing, leading and following up on the meetings of the locality (4 times a year) and the joint meeting of the Locality Chairmen (once a year). As locality meetings are not formal decision making bodies within the Council, we are of the view that the SRA for this role should reflect that distinction. We acknowledge that these locality meetings are still in their early stages and we will be interested to see how these develop for the benefit of the localities. We therefore recommend an SRA of £500 per chairman.

Chairman of the Planning and Regulation Committee

11. In June 2013, we considered that the level of SRA to the Chairman of the Planning and Regulation Committee should be reviewed after receipt of further information and consideration alongside the chairmen of other committees.
12. We note that the Planning & Regulation Committee is scheduled to meet more often than other committees i.e. 8 times a year and that it carries out a quasi-judicial function. We understand the highly contentious and high profile nature of the types of matters that come before the Committee e.g. minerals extraction, waste treatment/energy from waste. We are also aware of the need for the Chairman to know the planning process and framework as well as planning case law and legislation to ensure sound decision-making. All members must abide by the Planning Code of Practice and be aware of potential conflicts of interest.
13. Given the significant responsibilities of the Planning & Regulation Committee Chairman we recommend that the SRA be increased to the same level as that for the Chairman of the Scrutiny Committees i.e. £5,050.

Chairman of the Audit & Governance Committee

14. We recognise in light of the Localism Act and the new governance arrangements, that the role of this committee has expanded and, with it, the responsibilities of its chairman. The committee's role now covers a wide and significant remit, including internal audit responsibilities, work with the Council's External Auditor, and governance matters concerning the ethical standards of members. The committee complements the work of the Performance Scrutiny Committee and we note that the respective chairmen meet to discuss common issues and have standing invitations to the respective committees.
15. We recommend that the SRA for the Chairman of the Audit & Governance Committee should be increased to the same level as payable for the Chairman of Scrutiny Committees to recognise the wider remit of the committee but also to recognise the essential dialogues and action planning with the Chairman of the Performance Scrutiny Committee i.e. £5,050.

Chairman of the Pension Fund Committee

16. We note that the work of the Pension Fund Committee is very specialised and so requires the members of it to be trained and briefed on the key issues regarding the administration of the pension fund, which is currently valued at £1.5 billion.
17. We recommend that due to the specialist nature of the work involved in chairing this meeting and in keeping abreast of pension issues, that the SRA for the Chairman of the Pension Fund Committee should be increased to the same level as payable for the Chairman of Scrutiny Committees i.e. £5,050.

Deputy Chairman of the Planning & Regulation Committee

18. We recognise that the Deputy Chairman of the Planning & Regulation Committee needs to be able to stand in for the Chairman at any time, including (potentially) partway through a meeting and in between meetings due to potential conflicts of interest under the Planning Code of Practice. This means that the Deputy Chairman needs to be up to speed on all the relevant matters in the same way as the Chairman (as set in paragraphs 9-11). Consequently we recommend that an SRA be introduced for the Deputy Chairman of £2,729.

Leader of the Opposition

19. We have looked at the level of the SRA for the Leader of the Opposition, taking account of a benchmark suggestion by the Council that non-executive members should receive no more in SRAs than a Cabinet Member. We met with the Leader of the Opposition as part of the May/June review to discuss her role and remuneration.

20. Taking account of the roles and responsibilities, we still consider that an effective Leader of the Opposition needs to invest significant time and effort in keeping abreast of the work of Cabinet, Scrutiny and the Council as a whole, which has a public benefit. The role is therefore significant, constitutional and integral to the democratic checks and balances within the Council. We are also mindful that the governance arrangements are now of a more consensual and partnership-led nature which also makes demands on the Leader of the Opposition. As such we consider that it merits a SRA comparable to that of a Cabinet Member. However, we do consider that the level of allowance should not exceed that of a Cabinet Member given the latter's decision-making responsibilities. Consequently, we recommend that this SRA be lowered to the same level as that of a Cabinet Member (£12,565).

Shadow Cabinet Members

21. In looking at all the SRAs across the Council, we consider that the payment of an SRA to Shadow Cabinet Members should be reconsidered. The changes to the governance arrangements and the introduction of more consensual, partnership-led dialogue between political groups appears to us to have altered the emphasis of the role. Under the governance arrangements we consider that the Council is achieving challenge, scrutiny and performance management in different ways. We have also looked at other comparative councils and note that most do not remunerate opposition councillors. Therefore we recommend that the SRA to shadow cabinet members should be removed.

Thames Valley Police & Crime Panel

22. As agreed by the Council in December 2012 these allowances were to be reviewed. We first looked at this matter in June 2013 and heard from the councillor carrying out these roles to see if the roles were working out as anticipated at the end of last year.

23. We note that the councillor in question is no longer the Cabinet Member for Police and Policy Co-ordination. However, the role of Police Liaison & Community Safety (including gypsies and travellers) and the link with the Oxfordshire Community Safety Partnership will be the responsibility of the Council's Police & Crime Panel representative rather than part of a Cabinet Member portfolio.
24. We consider that the level of SRAs continues to be appropriate for the roles:
- Council Member of the Thames Valley Police & Crime Panel - £1,515
 - Council Member appointed as Vice-Chairman of the Panel - £3,030
25. However, we also consider it is appropriate that we should recommend a SRA allowance if the Council's representative is appointed Chairman of the Police & Crime Panel. We recommend a SRA of £3,500.

Leader of the Council

26. We acknowledge the important role of the Leader in difficult economic times and with the changing challenges/pressures facing local government in the key areas of education, health, finance and planning. We note that the Leader works closely with the Leaders of the two main 'opposition' groups on the policy and direction of the Council, nurturing a more consensual and partnership-led form of governance, requiring emphasis on inclusion, planning and leadership.
27. At this time, we do not consider that the level of remuneration for the Leader of the Council should be amended. Nevertheless, we appreciate the significant responsibilities fulfilled by the Leader of the Council and would be happy to consider further evidence, in future, of the role in practice within the Council's governance arrangements.
28. However, we do agree with the Council's suggestion, in the interests of transparency and comparability with other authorities, that one SRA should be payable to the Leader of the Council and that the Leader of the Council SRA and the Leader's Cabinet Member SRA be amalgamated into one allowance for the Leader of the Council (£25,131). This is in line with most other Councils' schemes.

Deputy Leader of the Council

29. At this time, we consider that the level of remuneration for the Deputy Leader of the Council should remain at the existing level. However, as with the Leader of the Council, we agree that one SRA would be paid i.e. that the Deputy Leader of the Council SRA and Cabinet Member SRA be amalgamated into one allowance for the Deputy Leader of the Council (£16,754)

Chairman of Performance Scrutiny Committee

30. We note under the governance arrangements that the Performance Scrutiny Committee is chaired by the Leader of the Opposition, which is part of the

inclusive, consensual nature of leadership. As there is evident compatibility between the role of Leader of the Opposition and Chairman of the Performance Scrutiny Committee, we recommend that if the Leader of the Opposition is the chairman of the Performance Scrutiny Committee then only the highest SRA is paid. This will still allow that if the roles are carried out by different councillors then both SRAs would be paid to the respective councillors.

Cabinet Members – additional roles

31. We note that Cabinet Members carry out various other roles within the Council's governance arrangements e.g. the Leader chairs the Remuneration Committee, the Cabinet Member for Environment chairs the Transport Advisory Panel etc. As these roles are directly connected with their Cabinet Member responsibilities we support the Council's principle that no further remuneration is necessary or appropriate.

Third Group Leader

32. The Council asked us to consider whether there should be an allowance payable to the Group Leader of the third largest political party on the Council. We have considered this role in light of the new arrangements. We note that the Leaders of the three largest political groups meet together more often since the elections and consider key matters of policy and service development, rather than internal management issues. We acknowledge that these Group Leaders are working together for the benefit of the people of Oxfordshire in the current political environment of the Council.

33. Nevertheless, we make a distinction between the roles of group leaders generally and the specific roles of Leader of the Council and Leader of the Opposition which have a more integral and constitutional purpose within the Council's framework. Therefore we do not consider that the role the third group leader warrants remuneration within the current governance arrangements at this time. We would also restate our view that the organisation of party politics comes within the voluntary aspect of a councillor's commitments.

Deputy Chairmen of Scrutiny Committees

34. The Council asked us to consider whether there should be an allowance payable to the Deputy Chairmen of the Scrutiny Committees. We have considered the Deputy Chairman's role within the new governance arrangements. We remain of the view that the role of the Deputy Chairman is not evidentially onerous and we note that over the last two years they were only four occasions when the Deputy Chairman had to formally stand in for the Chairman at meetings for the previous five Scrutiny Committees.

Other SRAs

35. We currently do not see a reason to change the SRAs for the other roles and responsibilities set out in the Scheme. Therefore we are not recommending any changes to the SRAs for the roles of:

- a. Chairman of the Council
- b. Vice-Chairman of the Council
- c. Cabinet Members and
- d. Chairmen of the Scrutiny Committees.

Basic Allowance

36. The Council provided no evidence that the basic allowance was in need of amendment. On balance we consider the current level to be appropriate and do not see any compelling reason for change.

Indexation

37. The Regulations¹ 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 four years).

38. We still consider that allowances should be linked to the annual national Local Government Pay Award for officers. We remain of the view that this is the most obvious and relevant index.

Conclusion

39. In making our present recommendations, we have taken into account the Council's new governance arrangements that were implemented following the May 2013 elections. We have also taken into account the consensual and partnership-led approach following the political outcome of the election and the budget pressures and services changes being faced by local government.

40. Clearly, if new posts are created within the governance arrangements or if any significant alterations occur to the responsibilities of existing postholders, then we would want to consider such matters. In that regard we consider the full extent of the responsibilities within the current governance arrangements will only be known perhaps a year after their commencement, in the light of further experience. The present review has been undertaken within a relatively short timescale since the commencement of the arrangements and in lieu of the planned comprehensive review in 2014. Consequently its recommendations are based on evidence thus far and should be seen in that context.

Ian Barry
Chairman
Independent Remuneration Panel for Oxfordshire County Council

November 2013

¹ The Local Authorities (Members' Allowances) (England) Regulations 2003

Independent Remuneration Panel

Summary of Final Recommendations and Basis of Calculation

November 2013

Allowance	Current	<i>Panel's Recommendations</i>	
Basic Allowance (x63)	£8,377	£8,377	No change
Special Responsibility Allowances:			
Leader of the Council	£25,131	£25,131	No change – recognise the role and work of the Leader especially when local government undergoing financial constraints and times of change. Agreed to merge Cabinet + Leader's SRAs into one Basis: 3 times the basic allowance
Deputy Leader of the Council	£16,754	£16,754	No change - agreed to merge Cabinet + Deputy Leader's SRAs into one Basis: 2 times the basic allowance
Cabinet Member (x8)	£12,565	£12,565	No change Basis: 1½ times the basic allowance
Scrutiny Chairman (x3)	£5,050	£5,050	No change
Scrutiny Deputy Chairman (x2)	-	-	No SRA
Chairman of Audit & Governance Committee	£2,729	£5,050	Increase to level of scrutiny chairman (£5,050)
Chairman of Planning & Regulation Committee	£2,729	£5,050	Increase to level of scrutiny chairman (£5,050)
Chairman of Pension Fund Committee	£2,729	£5,050	Increase to level of scrutiny chairman (£5,050)
Deputy Chairman of Planning & Regulation Committee	-	£2,729	New allowance Basis: level of existing council committee chairman i.e. £2,729
Locality Chairman (x9)	-	£500	New allowance - £500 Basis: proportionally

Allowance	Current	Panel's Recommendations	
			allocated in the context that, unlike other SRAs, these are not formal decision-making/constitutional roles
Chairman of Council	£8,377	£8,377	No change Basis: 1 times the basic allowance
Vice-Chairman of the Council	£2,094	£2,094	No change Basis: ¼ times the basic allowance
Leader of Opposition	£14,660	£12,565	Reduce to Cabinet level (£12,565 - 1½ times the basic allowance) No additional SRA for chairing Performance Scrutiny
Other Shadow Cabinet (x9)	£2,456	-	Remove SRAs for all except Leader of Opposition. Note emphasis of new arrangements on consensual approach at group leader level and through Scrutiny and CAGs
Third Party Leader	-	-	Recognise additional workload at Political Group Leaders – but not convinced that this requires remuneration
Police & Crime Panel: Member Vice-Chairman Chairman	£1,515 £3,030	£1,515 £3,030 £3,500	Confirmed previous recommendations and new allowance of £3,500 if OCC chairs Panel
Indexation	Staff pay award	Staff pay award	No change – continue with this Index for next four years (unless reviewed earlier)