

Report of Head of Legal and Democratic Services

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To: COUNCIL

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Local Authorities (Members' Allowances) (England) Regulations 2003 – proposal to appoint a joint Independent Remuneration Panel

Recommendations

subject to the agreement of South Oxfordshire District Council, to:

- (a) dissolve the existing independent remuneration panel with effect from the appointment of a joint independent remuneration panel;
- (b) appoint a joint independent remuneration panel with South Oxfordshire District Council to carry out reviews of the councillors' allowances schemes at both councils and make recommendations on any changes to the schemes to the relevant Council;
- (c) make the appointment of the joint independent remuneration panel effective until May 2020, one year after the 2019 district council elections;
- (d) authorise the head of legal and democratic services to make appointments to the joint independent remuneration panel, and advise councillors in due course of the outcome of the appointments process.

Purpose of Report

1. To invite Council to appoint a joint independent remuneration panel with South Oxfordshire District Council for the purposes of reviewing the councillors' allowances schemes and making recommendations to the councils.

Background

2. The council has a duty to establish and maintain an independent remuneration panel to review councillors' allowances and make recommendations to the council. The council can only approve a councillors' allowances scheme having first considered the report of its independent remuneration panel.
3. The council adopted its current scheme in December 2011 following consideration of the panel's report, with effect from 1 April 2012. Since then, the council has agreed the panel's recommendations to make minor changes to the scheme, mostly to increase the basic allowance in line with the staff salary increase.

The current independent remuneration panel

4. The council appointed five independent persons to its current panel in 2011, with their terms of office running until May 2016, one year after the next district council elections. The panel has met regularly and this year has conducted a major review of the scheme (see separate report on the Council agenda).
5. Since appointing five independent persons to the panel in 2011, one panel member has resigned and another passed away. This leaves the panel with three members, which is the minimum requirement. The panel members' role is voluntary.

Proposal for a joint panel

6. The leaders of South Oxfordshire and Vale of White Horse District Councils have suggested that Council considers a joint independent remuneration panel. Officers see merit in this proposal as it will reduce the time taken to review the two councils' schemes.
7. The panel must consist of a minimum of three independent persons who cannot be members of either council, nor be anyone who is disqualified from being an elected member of the council. Officers recommend that the panel is appointed after an advertisement, and a full application and appointment process.
8. The joint panel should ideally be appointed for a number of years to allow it to build up expertise in the councils' schemes, the regulations, government guidance and other best practice. Officers recommend that the panel is appointed until May 2020, one year after the 2019 district council elections. Council is asked to authorise the head of legal and democratic services to make appointments to the joint panel, ideally of five members. Existing panel members from each council will be invited to apply, while simultaneously an advertisement will be placed on the council's website for new panel members. Councillors will be updated of the outcome of the appointments process.

Financial Implications

9. The appointment of a single joint independent remuneration panel should bring economies of scale with less time required to conduct reviews. The data gathering exercise in any review will be shorter as information can be shared across the two councils. The process of reviewing the two councils' schemes should be simpler and avoid duplication of resources. While it is possible that there may be

differences in the schemes the joint panel recommends to the two councils, the schemes will have many similarities resulting from the regulations and government guidance on councillors' allowances schemes, and that both councils operate a leader and Cabinet style of executive arrangements, and a scrutiny committee. The remainder of the committee structures are similar also.

Legal Implications

10. In accordance with the Local Government and Housing Act 1989, the Local Government Act 2000, and The Local Authorities (Members' Allowances) (England) Regulations 2003, councils have a duty to consider the findings of an independent remuneration panel before determining any councillors' allowances scheme. The regulations place a statutory obligation on the council to establish and maintain an independent remuneration panel to look at councillors' allowances and report its views to the council. There is a statutory obligation for a panel of at least three members, none of whom is also a member of the council or is a member of a committee or sub-committee of the council, nor disqualified from being an elected member of the council (s.80 of the Local Government Act 1972, and s79 and 83(ii) of the Local Government Act 2000).

Risks

11. The panel may consider that both councils should be treated the same and adopt a joint councillors' allowances scheme. However, the presence of a joint panel does not require the councils to have a joint scheme. Both councils are free to adopt different schemes if they wish.

Conclusion

12. The council is recommended to appoint a joint independent remuneration panel with South Oxfordshire District Council. This will avoid duplication of effort to conduct reviews of the councillors' allowances schemes. Council will be free to adopt its own scheme and will not be required to adopt the same scheme as South Oxfordshire District Council.