



**A Review of Members' Allowances for
Vale of White Horse and South Oxfordshire District
Councils**

Report of the Independent Remuneration Panel

18th, 25th & 26th January 2017

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1. Introduction

The Independent Remuneration Panel was convened to undertake a full review of Members' Allowances. The review was undertaken and the Panel convened in accordance with The Local Authorities (Members Allowances) (England) Regulations (SI 1021) (2003 Regulations).

The Panel met on 18th, 25th and 26th January 2017 and membership of the panel was:-

David Whittingham – Chief Executive, Oxford Brookes University and local resident
Ian Snowdon- local resident
Keith Brooks- local resident
Mark Palmer, Development Director, South East Employers (Panel Chairman)

A questionnaire was sent out by Survey Monkey to all Members of both Councils prior to the review and the Panel interviewed 21 District Council Members and 1 Officer. Fourteen of the 36 South Oxfordshire District Council Members completed the questionnaire, a 39% response rate. Fourteen of the 38 Vale of White Horse District Council Members completed the questionnaire, a 37% response rate. A comprehensive analysis of the two questionnaires are attached as **Appendix 1 and 2**.

The Panel would like to thank the Members who completed the questionnaire as well as the Members and the Officers we interviewed during the process. We have taken account of the views expressed to us by those Members and would like to thank them for their assistance in this review.

Additionally the Panel was assisted and supported throughout by Steven Corrigan (Democratic Services Manager) and Nicola Meurer (Democratic Services Officer). We would also like to thank these officers for their help and support.

Other information at our disposal included the current Scheme of Members' Allowances in both Councils and key member role profiles.

We also had the benefit of the Members' Allowance Survey for District and Borough Councils in the South East published by South East Employers in September 2016. The Survey has been used to support benchmarking and for this purpose we have used the Oxford district and city Councils as the benchmark group

Comprehensive details of the allowances in these Councils are attached as **Appendix 3**.

2. Terms of Reference

The Panel terms of reference were as agreed by both Councils **“To carry out reviews of the councillor’ allowances schemes at both councils and make recommendations on any changes to the schemes to the relevant Council”**.

This included a full review, to make recommendations as to the level of the Basic Allowance and of Special Responsibility Allowances for the year 2017/2018 and beyond for a maximum 4 year period. The review also included the Dependants’ Carers’ Allowance and the scheme for travelling and subsistence.

3. The Deliberations of the Panel

A key role of the Panel is to recommend a scheme of allowances which recognises both Members’ responsibilities and workloads. However, the Panel was mindful of the Council’s continued financial constraints when making its recommendations.

To develop a structured approach in determining allowances the Panel has used transparent formula and methodology for calculating the Basic Allowance and the Special Responsibility Allowances.

4. Basic Allowance

The present level of Basic Allowance at both Councils is £4,644. South Oxfordshire District Council Basic Allowance was brought to the same level as that of the Vale of White Horse District Council in May 2015.

The Panel when reviewing previous reports and recommendations could find no structured and coherent formula for calculating the Basic Allowance and was of the view that a structured formula for calculating the Basic Allowance will provide a foundation to allow a future Panel to better determine the allowance and also provide a transparent formula for how the Basic Allowance was arrived at.

In determining a formula, the Panel chose median hourly earnings for the South East of England area as a place of residence. This information is published by the Office for National Statistics each December as part of its National Statistics of Hours and Earnings (NOMIS) and in December 2016 this was **£14.85 per hour**.

The results of the Members’ Allowances questionnaire and subsequent interviews conducted as part of the review identified that 10 hours per week for the Front Line Councillor role for both Councils was appropriate. The Panel therefore chose **10 hours** to support the calculation of the Basic Allowance.

The Panel also looked at the level of the Public Service Discount (PSD). The PSD is the element of a Member’s activity that should be given on a purely voluntary basis. The

questionnaire responses had varying differences ranging from 10% to 50%. The average across the South East region is 35-50%. The Panel was of the view that a level of **40%** should represent the level of recommended “Public Service Discount”. This was also the current level of PSD and the Panel heard no substantive views that warranted a change to this level

Based on these figures the level of Basic Allowance for Members of both Councils can be calculated as 10 hours x 52 weeks x £14.85 per hour - 40% Public Service Discount which gives an annual Basic Allowance of **£4,633**.

The questionnaire responses and subsequent interviews did not lead the Panel to support any significant increase in the level of Basic Allowance. The result of the questionnaire responses was that the majority of Members who responded in both Councils felt that the current level of Basic Allowance was appropriate. The benchmark comparative group of councils across Oxfordshire had very similar Basic Allowances and the current Basic Allowance was comparable with similar district and borough councils across the South East of England, £4,611.

Benchmark Councils- Basic Allowance (September 2016)

Council	Basic Allowances
Oxford City Council	£4,809
South Oxfordshire DC	£4,644
Vale of White Horse DC	£4,644
West Oxfordshire DC	£4,500
Cherwell DC	£4,152
Average	£4,536

RECOMMENDATION: The Basic Allowance for Members of Vale of White Horse and South Oxfordshire District Councils for the year 2017/2018 should be £4,633 subject to any future indexation.

5. Special Responsibility Allowances

This report for ease of reference sets out on page 11 the current allowances and **the level of allowances the IRP recommends for 2017/18. All the SRAs with the exception of the Leader of the Council and Vice Chairmen are calculated as a percentage of the Leaders Allowance.**

In determining which roles merit an SRA (Special Responsibility Allowance) the Panel was cognisant of the 2006 Statutory Guidance (May 2006, paragraphs 70 and 73) that states:

“SRAs may be paid to those members of the council who have significant additional responsibilities over and above the generally accepted duties of a councillor. These special responsibilities must be related to the discharge of the authority’s functions.”

When considering all the current roles that receive an SRA the Panel was of the view that all the roles with the exception of Vice Chairman of Scrutiny and Chairman of Licensing Acts Committee continue to involve a **“significant additional responsibility”** that will lead them to continue to attract an SRA.

Leader of the Council

In arriving at an indicative SRA for the Leaders allowance, the Panel has used a methodology that is specifically mentioned in the 2006 Statutory Guidance, namely the factor approach. This multiplies the Basic Allowance by an accepted factor to arrive at the recommended Leader’s SRA. Benchmarking shows that the average SRA for a South East Council Leader is just over three and a half times the Basic Allowance. The interviews and questionnaire responses demonstrated to the Panel that the Leaders’ across the two councils had a significant workload in accordance with the ‘strong leader model of governance’. The Panel are therefore proposing a factor of 4 times the Basic Allowance for the Leader of the Council. **4 x £4,633 = £18,532.**

RECOMMENDATION: The panel recommends that the SRA for the Leader of the Council should be a multiple of 4x the Basic Allowance, £18,532.

The following SRAs referred to are where the Panel are making recommendations that lead to a change to the amount payable to the existing allowances. The Panel also makes a recommendation to withdraw two allowances.

Deputy Leader

The strong leader model of governance (2007 Local Government Act) requires all Councils that adopt this model to have the role of Deputy Leader as a defined role as part of the councils’ cabinet/executive. However, in respect of member SRAs there is no requirement to differentiate between the SRA paid to a Deputy and the other Cabinet Portfolio Holders. Benchmarking shows that across district councils in the South East

there is only a marginal difference between the average SRA paid to Deputy Leaders and other Portfolio Holders.

The analysis of the questionnaires and interview response feedback did support the view that the role of Deputy Leader had greater responsibilities and a higher level of impact than other Cabinet Members. Currently only the Vale of White Horse DC pays an SRA for the role of Deputy Leader, this currently equates to around 73% of the current Leader's allowance.

Although the Panel recognised the value of the role of Deputy Leader it was of the view that the SRA should be no more than 70% of the Leader's allowance. Even at 70% this was still the highest as a percentage of the Leader's allowance across all South East district/borough councils. The closest figure was 67% in West Oxfordshire District Council with norm around 50-60%.

Based on 70% of the proposed Leaders allowance this will equate to an SRA of £12,973. This is the fifth highest SRA for a Deputy Leader across the South East:

Council	Deputy Leader SRA (£'s)	% of Leaders Allowance
Dartford BC	16,714	50
Basingstoke BC	15,117	66
Winchester CC	14,709	65
West Oxfordshire DC	13,500	67
South Oxfordshire District Council	12,973	70
Vale of White Horse DC	12,973	70

RECOMMENDATION: The Panel recommends that the SRA for Deputy Leader be at 70% of the proposed SRA for Leader, £12,973.

Cabinet Members

The Panel was of the view that like the role of Deputy Leader the Cabinet Member role had a high level of responsibility particularly with the approach to delegated decision making responsibility in both councils.

The importance of the role was reinforced during interviews and within the questionnaire responses. Across the vast majority of South East district and borough councils Portfolio Holders were receiving an SRA of between 40-60% of the leader's allowance. The highest being £12,000 in Wycombe DC and the lowest £2,808 in Eastbourne BC.

RECOMMENDATION: The Panel recommends that the SRA for Cabinet Members be at 50% of the proposed Leaders allowance, £9,266

Chairman and Vice Chairman of the Council

The Panel continues to recognise the importance of the role of Chairman and Vice Chairman of the Council particularly in promoting the role of the Councils and acting as an ambassador for the Councils.

RECOMMENDATION: The Panel recommends that the SRA for the Chairman of the Council be at 25% of the proposed Leader's allowance, £4,633. The Panel recommends that the SRA for Vice Chairman of the Council be at 30% of the Chairman's allowance, £1,390.

Chairman and Vice Chairman of Scrutiny

The current SRA for Chairman of Scrutiny reflects the fact that in both Councils the role of scrutiny is still working towards meeting its full potential. The Panel did hear that the Councils were committed to further developing the overview and scrutiny function during 2017/18. The current SRAs for Chairman of Scrutiny £2,071 (SODC) and £2,420 (VoWH)) are the lowest across the Oxfordshire district and City Councils and are also very low across comparable councils across the South East, in fact within the lower quartile of councils.

However, at this stage the Panel saw no current information both in respect of the interview responses and through the questionnaire analysis to justify a significant increase to the allowance.

In respect of the Vice Chairman, the Panel was of the view that this role was not properly defined or developed enough to justify an SRA.

RECOMMENDATION: The Panel recommends that the SRA for Chairman of Scrutiny be at 15% of the proposed Leader's Allowance, £2,780. The Panel recommends that the SRA for Vice Chairman of Scrutiny be withdrawn. The Panel would like to review the SRA for Chairman of Scrutiny in two years to determine if the overview and scrutiny function has developed within this period; and whether this will justify any increase to the allowance of both Chairman and Vice Chairman of Scrutiny.

Chairman and Vice Chairman of Planning

The interviews and questionnaire analysis supported the Panel view that the role of Chairman and Vice Chairman of Planning were both roles that had a high workload, around 21 meetings per annum and a significant external impact. The Panel was therefore of the view that the Chairman allowance should be increased.

RECOMMENDATION: The Panel recommends that the SRA for Chairman of Planning should be 30% of the proposed Leader's allowance, £5,560 and the SRA for Vice Chairman of Planning should be 50% of the Chairman's allowance, £2,780.

Chairman of Audit and Governance

The Panel was of the view that the Audit and Governance Committee continues to be an active committee with a degree of internal impact. The Panel recommends that the allowance be at 7.5% of the proposed Leader's Allowance.

RECOMMENDATION: The Panel recommends that the SRA for Chairman of Audit and Standards should be 7.5% of the proposed Leader's Allowance, £1,390.

Leader of Main Opposition Group

The role of opposition group leader is an important role to support local democracy and local democratic accountability. The opposition group leader also has to manage and develop the political group so that it can undertake the roles and responsibilities of a main opposition group.

The Panel was of the view that the Leader of the Main Opposition Group should receive a dedicated allowance based on a percentage of the Leader's allowance to be consistent with the calculation of all other SRAs below Leader.

The Panel was also of the view that the Main Opposition Group Leader did have significant responsibilities. However, the size of the group is important in terms of the workload and impact, the larger the group the more significant the role.

The Panel was therefore of the view that the SRA for Main Opposition Group Leader should only be awarded to a group that had **15%** of total Council Members. This will equate to 6 Group Members in Vale of White Horse District Council and 5 Members in South Oxfordshire District Council.

RECOMMENDATION: The Panel recommends that the SRA for Main Opposition Group Leader should be 10% of the proposed Leader's allowance, £1,853. The SRA will only be paid if the Group has at least 15% of total Council Members and will only be paid to the largest opposition group.

Chairman of General Licensing Committee and Chairman of Licensing Acts Committee

The Panel was of the view that the Chairman of General Licensing Committee still undertook a role of *significant responsibility* to justify an SRA. However; the Panel was informed that the number of meetings had reduced. The Panel also heard that the committee composition, members and Chairman for the Licensing Acts Committee was the same as the General Licensing Committee and this negated the need to have a separate SRA.

RECOMMENDATION: The Panel recommends that the SRA for Chairman of the General Licensing Committee be at 10% of the proposed Leaders Allowance, £1,853. The panel was of the view that the SRA for Chairman of the Licensing Acts Committee be withdrawn.

Currently Vale of White Horse District Council has 15 roles that are eligible to receive an SRA across 38 Members (39% of Members) and South Oxfordshire District Council has 16 roles that are eligible to receive an SRA across 36 Members (44% of Members).

Good practice referred to in the Members Allowances Regulations is that no more than 50% of roles should receive an SRA. Both Councils currently comply with the good practice referred to in the Members Allowances Regulations.

RECOMMENDATION: The SRAs for 2017/18 to be in accordance with those listed on page 11 of the report

6. Dependants' Carers' Allowance

Currently both Councils offer a Dependants' Carers' Allowance (DCA) at a rate linked to the Minimum Wage although take up has always been low. The Local Government Act 2000 explicitly clarifies the right of local authorities to pay a DCA, which members can claim to assist them with the costs of care for their dependants while undertaking approved Council duties.

The Panel was of the view that the Dependants' Carers' Allowance was important and should continue to be recommended. The Panel was also of the view that there were different types of care required ranging from basic care e.g. babysitting to very specialist care for adults and children. The actual cost of this care differed significantly therefore the Panel recommend that there should be two distinct classifications of supported care, basic and specialist care.

The allowances should only be paid for activities that fall within the schedule of Member Approved Duties and will include the travel time undertaken to be able discharge the approved duties and an additional fifteen minutes for handover.

RECOMMENDATION: In respect of basic care the Panel recommends that the Dependants' Carers' Allowance should be reimbursed to a maximum of £8.45 per hour upon production of receipts. This rate will be linked to the National Living Wage determined by the Living Wage Foundation and reviewed on an annual basis.

In respect of more specialist care this should be reimbursed at the actual cost upon production of receipts. In the case of reimbursement for specialist care, medical evidence that this type of care is required must also be provided.

7. Travel and Subsistence

The Council currently pays mileage allowances based on the HMRC rates.

RECOMMENDATION: The Panel recommends that the Council continue to adopt the HMRC rates for calculating reimbursement of Members mileage.

Any subsistence payments should be in accordance with those paid to Officers of the Council.

8. Index Linking

The index linking of the Basic Allowance is in most council's now linked to annual staff pay increases.

The Panel is of the view that any future index linking of the Basic Allowance and the Special Responsibility Allowances be at the rate of increase in staff salaries.

RECOMMENDATION: The Panel recommends that any index linkage agreed by the Council should be in line with staff salary increases for a maximum of four years from 2017/2018 to 2021/2022.

9. The One SRA Only Rule

The 2003 Members' Allowances Regulations do not limit the number of SRAs an individual Member can receive. Nevertheless, it is common and established good practice in most council's to have a '*One SRA Only Rule*' set out in their allowances scheme. The Panel was pleased to see that the Councillors' Allowances Scheme in both councils includes the '*One SRA Only Rule*'

10. Implementation of Recommendations

As permitted by the 2003 Members' Allowances Regulations (paragraph 10.6) it is recommended that the new Members' Allowances as set out in this report be implemented from April 2017

**Mark Palmer
Chairman of the Independent Remuneration Panel
February 2017**

	CURRENT ALLOWANCES £		2017/2018 RECOMMENDATIONS £	RATIONALE & METHODOLOGY
	Vale	South		
Basic Allowance	4,644 (38 councillors)	4,644 (36 councillors)	4,633	
Leader of The Council	18,151	18,423	18,532	4 x Basic Allowance
Deputy Leader	13,311	No allowance	12,973	70% of Leader
Cabinet Members	8,470	8,597	9,266	50% of Leader
Chairman of Council	4,840	4,913	4,633	25% of Leader
Vice Chairman of Council	1,210	1,228	1,390	30% of Chairman of Council
Chairman of Scrutiny Committee	2,420	2,071	2,780	15% of Leader
Vice Chairman of Scrutiny Committee	1,210	No allowance	Allowance withdrawn	
Chairman of Planning Committee	4,840	4,913	5,560	30% of Leader
Vice Chairman of Planning Committee	2,420	No allowance	2,780	50% of Chairman of Planning Committee
Chairman of Audit and Governance Committee	1,210	1,228	1,390	7.5% of Leader
Leader of Main Opposition Group	1,210	1,228	1,853 **	10% of Leader
Chairman of General Licensing Committee	No allowance	2,071	1,853	10% of Leader
Chairman of Licensing Acts Committee	No allowance	518	Allowance withdrawn	

**** Allowance payable subject to the Political Group having at least 15% of the total Council Members (Vale of White Horse District Council 6 group members, South Oxfordshire District Council 5 group members)**

Summary of Recommendations:-

- a) **The appropriate levels of Basic Allowance and Special Responsibility Allowances for 2017 / 2018 are as set out on page 9 of the report.**
- b) **The Dependants' Carers' Allowance should be re-prioritised as basic and specialist care**
- c) **The SRA for Leader of the Major Opposition Group will only be payable if the Group has at least 15% of the total Members of the Council.**
- d) **The SRA for Vice Chairman of Scrutiny be withdrawn**
- e) **The SRA for Chairman of the Licensing Acts Committee be withdrawn**
- f) **Index linking for the Allowances should be at the same rate as that applied to staff salaries for the year 2017 / 2018 for a maximum of four years.**

MEMBERS AND OFFICERS OF VALE OF WHITE HORSE DISTRICT COUNCIL & SOUTH OXFORDSHIRE DISTRICT COUNCIL INTERVIEWED BY THE INDEPENDENT REMUNERATION PANEL 18TH, 25TH & 26TH JANUARY 2017 (IN ORDER OF INTERVIEWS)

David Hill	Chief Executive. Vale of White Horse and South Oxfordshire District Councils
Councillor John Cotton	Leader. South Oxfordshire District Council
Councillor Matthew Barber	Leader. Vale of White Horse District Council
Councillor Elizabeth Gillespie	Cabinet Member for Development, Building Control, Housing and Grants. South Oxfordshire District Council
Councillor Eric Batts	Cabinet Member for Legal and Democratic, Community Safety, HR, IT and Technical Services. Vale of White Horse District Council
Councillor Mike Badcock	Council Chairman. Vale of White Horse District Council
Councillor Reg Waite	Council Vice Chairman. Vale of White Horse District Council
Councillor Paul Harrison	Council Chairman. South Oxfordshire District Council
Councillor Richard Pullen	Chairman of Scrutiny Committee and Co-Chairman of Joint Scrutiny. South Oxfordshire District Council
Councillor Debby Hallett	Leader of Opposition. Chairman of Scrutiny Committee and Co-Chairman of Joint Scrutiny. Vale of white Horse District Council
Councillor Toby Newman	Vice Chairman. South Oxfordshire District Council
Councillor Jane Murphy	Deputy Leader. South Oxfordshire District Council

Councillor Roger Cox	Deputy Leader. Vale of White Horse District Council
Councillor Charlotte Dickson	Chairman of General Licensing and Licensing Accts Committees. Vale of White Horse District Council
Councillor David Dodds	Chairman of General Licensing and Licensing Acts Committee. South Oxfordshire District Council
Councillor Felix Bloomfield	Chairman of Planning Committee. South Oxfordshire District Council
Councillor Toby Newman	Vice Chairman of Planning Committee. South Oxfordshire District Council
Councillor Sandy Lovatt	Chairman of Planning Committee. Vale of White Horse District Council
Councillor Janet Shelley	Vice Chairman of Planning Committee. Vale of White Horse District Council.
Councillor Simon Howell (phone interview)	Co-Chairman of Joint Audit and Governance Committee
Councillor Monica Lovatt	Vale of White Horse District Council
Councillor Nigel Champken Woods	South Oxfordshire District Council
Councillor Bob Johnston	Vale of White Horse District Council