

Council Report



Report of Head of Legal and Democratic

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To: COUNCIL

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

Recommendations

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

- (a) 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;
- (b) make the appointment of the Joint Independent Remuneration Panel effective until May 2028, one year after the 2027 district council elections;
- (c) authorise the head of legal and democratic to make appointments to the Joint Independent Remuneration Panel.

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.

Strategic Objectives

2. Working in an open and inclusive way and working in partnership as set out in the Corporate Plan 2020 – 2024.
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Background

3. The council has a duty to establish and maintain an independent remuneration panel to review councillors' allowances and make recommendations to full Council. Council can only approve a councillors' allowances scheme having first considered the report of its panel. The panel's recommendations will include the level of the Basic Allowance received by all councillors, as well as the level of Special Responsibility Allowances and to whom they should be paid. While it is up to the Council to agree its Scheme of Allowances, under the Regulations it must have regard to the advice and recommendations from its panel before making any changes.
4. The council adopted its current scheme following consideration of the panel's report at its meetings on 10 February 2021, with the new scheme taking effect from 1 April 2021, and 6 October 2021 with the revised scheme taking effect from April 2022.

The previous independent remuneration panel

At its meeting on 7 October 2020 Council agreed to appoint a joint independent remuneration panel with South Oxfordshire District Council, until May 2024, to carry out reviews of the councillors' allowances scheme at both councils and make recommendations on any changes to the schemes to the relevant Council. At that meeting Council appointed South East Employers as one of the members of the panel, to act as chair and provide training to other panel members, and authorised the head of legal and democratic to make appointments to the panel. Three panel members were subsequently appointed as panel members. Officers from democratic services provided administrative support.

Proposal for a joint panel

5. Officers see merit in the continuation of a joint panel and propose that Council should re-appoint a joint independent remuneration panel. This will reduce the time taken to review the two councils' schemes. The aim is as far as possible to produce one joint scheme for South and Vale, which would be more efficient. However, the final decision on a scheme is for Council and therefore the schemes could differ. Currently the South and Vale schemes only differ slightly in the award of special responsibility allowances where there is a council specific role.
 6. 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 propose to follow an advertisement, and full application appointment process which would commence in early 2024. An advert will be placed on the council's website, via social media and press releases issued for new panel members as this has been a successful route to recruitment in the past. Councillors will be updated of the outcome of the appointments process. Officers are not proposing that the council re-appoints SEE to progress the review. It is felt that with the correct recruitment process there is sufficient knowledge and experience amongst officers to support the panel to carry out a comprehensive review.
 7. 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 2028, one year after the 2027 district council elections. Council is asked to authorise the head of legal and democratic to make appointments to the joint panel.
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Timetable for the review

8. Subject to Council approval of the recommendations, the appointments process will take place between January and April 2024 with the panel commencing the review process in May 2024.
9. It is anticipated that the panel will invite comments from councillors on the current scheme by way of a questionnaire. It is also anticipated that the panel will undertake some more detailed interviews with individual members, particularly those with special responsibilities, either in person or via virtual means. The panel recommendations will be submitted to the October Council meeting.
10. The proposed terms of reference for the review are set out below:

South Oxfordshire and Vale of White Horse district councils

- The amount of basic allowance that should be payable to its elected members and the expenses that is it deemed to include
 - The responsibilities or duties which should lead to the payment of a special responsibility allowance and as to the amount of such an allowance.
 - The level of the deputy leader's allowance when the role is shared (as currently at South).
 - The level of allowance payable to the leader of the main opposition group – to include the definition of leader of the main opposition group and a mechanism to address what would happen if opposition groups had the same numbers.
 - The duties for which a travelling and subsistence allowance can be paid and as to the amount of this allowance, including the circumstances in which taxis may be used.
 - Whether the councils' allowances schemes should include an allowance in respect of the expenses of arranging for the care of children and dependants and if it does make such a recommendation, the amount of this allowance and the means by which it is determined.
 - Whether the councils' allowances schemes should continue to include a parental leave allowance.
 - Whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended.
 - Whether annual adjustments of allowance levels may be made by reference to an index, and, if so, for how long such a measure should run.
 - Any matters that are brought to the attention of the Panel in their consultation with councillors and briefings from officers.
 - Duration of the scheme.
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South Oxfordshire and Vale of White Horse parish councils

To consider and make recommendations to Parish Councils regarding:

- Basic allowance
- Chair's allowance
- Travel and subsistence allowance
- Indexing

11. Council should note that the council's independent remuneration panel will act as the parish remuneration panel, as provided for in the 2003 Regulations, and will make recommendations as to whom an allowance should be paid and the level of allowances. Parish councils do not have to pay allowances, but if they do, they should have regard to the recommendations of the parish remuneration panel.

Financial Implications

12. The appointment of a single joint independent remuneration panel should bring economies of scale with less time required to conduct reviews. Not employing SEE will provide a modest saving to each council. The process of reviewing the councils' schemes should be simpler and avoid duplication of resources. The data gathering exercise in any review will be shorter as information can be shared across the two councils. While the aim will be to develop one joint scheme for operation across both councils, it is possible that there may be differences in the schemes the joint panel recommends to the two councils or in the scheme that each council decides to adopt. However, the schemes will have many similarities resulting from government regulations and guidance on councillors' allowances schemes, and that both councils operate a leader and Cabinet style of executive arrangements, and scrutiny committees. The remainder of the committee structures are similar also.

Legal Implications

13. 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 panel members, none of whom is also a member of the council or is a member of a committee or subcommittee 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).

Climate and ecological impact implications

14. There are no climate or ecological impact implications to re-appointing this panel.

Equalities implications

15. When carrying out interviews and making appointments to the panel officers will follow established HR recruitment procedures and have regard to the council's equalities duties and in particular to those set out in section 149 of the Equality Act 2010.

Risks

16. Whilst the two councils' schemes currently align there was previous concern expressed that the two councils' schemes were significantly different. There is still room for local differentiation where it can be justified but by carrying out a joint review risk is mitigated.

Other Implications

17. None.

Conclusion

18. The Council is recommended to re-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 and create parity if the councils adopt a single scheme. The Council is also recommended to authorise the head of legal and democratic to make appointments to the panel.

Background Papers

None.
