

Members' Allowances

Report of the Independent Remuneration Panel to Oxfordshire County Council, May 2007

Summary and recommendations

Summary

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.

The Independent Remuneration Panel for Oxfordshire County Council has now carried out a further review of the County Council's scheme and this report sets out the Panel's recommendations.

Recommendations

- (a) that the Basic Allowance payable to all Members be increased by 2.32% once the indexation increase for 1st April 2007 has been applied to the current amount of £7,623.12.
- (b) that, in addition to the Basic Allowance, a Special Responsibility Allowance (SRA) be paid as follows:-

	Allowance	Proposed Allowance	Current Allowance
(i)	Cabinet Members	1½ x Basic Allowance	£11,435.64
(ii)	Leader of the Council	1½ x Basic Allowance (in addition to the allowance as a Cabinet member)	£7,623.12 (in addition to the allowance as a Cabinet member)
(iii)	Deputy Leader of the Council	½ x Basic Allowance (in addition to the allowance as a Cabinet member)	£3,811.58 (in addition to the allowance as a Cabinet member)
(iv)	Chairmen of Scrutiny Committees	no change	£5,717.31
(v)	Deputy Chairmen of Scrutiny Committees	no change	£1,089.01
(vi)	Chairman of the Planning and Regulation Committee	no change	£2,540.72
(vii)	Deputy Chairman of the Planning and Regulation Committee	no change	£1,270.86

(viii)	Chairman of the Audit Committee	no change	£2,540.72
(ix)	Deputy Chairman of the Audit Committee	no change	£1,270.86
(x)	Chairman of the Pension Fund Committee	no change	£2,540.72
(xi)	Deputy Chairman of the Pension Fund Committee	no change	£1,270.86
(xii)	Chairman of Democracy and Organisation Committee	£2,540.72 - the same as the Chairmen of the Planning & Regulation, Audit & Pension Fund Committees	£1,089.01
(xiii)	Deputy Chairman of Democracy and Organisation Committee	£1,270.86 - the same as the Deputy Chairmen of the Planning & Regulation, Audit & Pension Fund Committees	£544.56
(xiv)	Chairman of Standards Committee	no change	£1,089.01
(xv)	Deputy Chairman of Standards Committee	no change	£544.56
(xvi)	Chairman of the Council	1 x Basic Allowance	£7,623.12
(xvii)	Vice-Chairman of the Council	¼ x Basic Allowance	£1,905.73
(xviii)	Leader of the Opposition	1¾ x Basic Allowance	£11,435.64
(xix)	Other Shadow Cabinet Members	no change	£2,286.97

- (c) that the Council does not establish a general co-optees' allowance [no change]
- (d) a co-optees' allowance to be payable to an independent co-opted member of the Standards Committee when that member serves as the Chairman or Deputy Chairman of the Committee. This allowance to be the same as the Special Responsibility Allowance that would be payable to a councillor performing the same role [no change]
- (e) a co-optees' allowance to be payable to an independent co-opted member of the Standards Committee when the co-opted member serves on a panel hearing investigating an allegation of a breach of the Code of Conduct. This allowance to be equivalent to the financial loss half-day or day rate, which would be payable to member of a panel hearing a school admission or exclusion appeal or a complaint under the Council's Complaints Policy [no change]
- (f) a co-optees' allowance to be payable to an independent co-opted member of the Audit Committee when the co-opted member serves as Chairman of the Audit Working Group. This allowance to be £5,000 and annually increase in line with the

indexation applicable to the Basic and Special Responsibility Allowances [currently £5,000 and not index linked]

- (g) that the Council's Basic and Special Responsibility Allowances 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 [same as current index]
- (h) that Dependant's Carer's Allowances be paid on the basis that:-
 - (i) the allowances can only be claimed when an "approved duty" is performed subject to the submission of receipts and to there being no other statutory allowance available;
 - (ii) that the basis of the carers' allowances be the actual cost incurred up to the maximum hourly rates set out below:-
 - Childcare - £6.00 per hour per child [Current allowance: £5.00]
 - Care for dependent relatives - £17.00 per hour [Current allowance: £15.00]
- (i) that the Council adopts, for members, the travel and subsistence scheme that is applicable to officers. This includes the use of the Council's accommodation booking service to book overnight accommodation for Members. When alternative accommodation arrangements are to be used then it should be approved by the relevant officer.
- (j) that claims made under the Council's travel and subsistence scheme be accompanied by receipts and/or any other relevant evidence of the costs incurred and that claims under the scheme be made, in writing, within two months of the relevant duty in respect of which the entitlement to the allowance arises. [no change]
- (k) that the Council's list of Approved Duties for the purposes of travel, subsistence and dependant care allowances continue. [no change]
- (l) If the Council supports the recommended increases but wishes to implement these changes at a future date, then the annual indexation of the allowances should continue each year before the recommended percentage increase is applied to the Basic Allowance and those Special Responsibility Allowances that are proportional to the Basic Allowance e.g. if the increases are postponed until April 2008, then the annual indexation for 2008/09 should take place and then the 2.32% increase should be applied.

Members' Allowances

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Introduction

1. The Local Government Act 2000 and the Local Authorities (Members' Allowances)(England) Regulations 2003 require local authorities to review their Allowances Schemes and to appoint Independent Remuneration Panels to consider and make recommendations on new schemes. The Government's "Guidance on Consolidated Regulations on Local Authority Allowances" outlines the main statutory provisions and gives non-statutory guidance. In brief, the Regulations say that the following issues are to be addressed by the Panel:

- Basic Allowance: each local authority must make provision for a basic, flat rate allowance payable to all members. The allowance must be the same for each councillor; it can be paid either in a lump sum or in instalments.
- Special Responsibility Allowance (SRA): each local authority may make provision for the payment of Special Responsibility Allowances for those councillors who have significant responsibilities. The Panel has to recommend the responsibilities that should be remunerated and the levels of the allowances.
- Co-optees' allowance: each local authority may make provision for the payment of an allowance to co-optees' for attending meetings, conferences and seminars.
- Childcare and dependant carers' allowance: local authorities may make provision for the payment of an allowance to those councillors who incur expenditure for the care of children or dependent relatives whilst undertaking particular duties.
- Travel and subsistence: each local authority may determine the levels of travel and subsistence allowances and the duties to which they should apply.
- Pensions: each local authority may specify which councillors, if any, should be eligible for inclusion in the Local Government Pension Scheme and which allowances (Basic and/or Special Responsibility) should be pensionable. [NB This is not an issue for this review as the decision on this matter was made at a previous review]
- Indexation: each local authority may determine that allowances should be increased in accordance with a specified index and can identify the index and set the number of years (not exceeding four) for which it should apply.
- Backdating: each local authority may determine that, where amendments are made to an allowances scheme, the allowances as amended may be backdated.

The Independent Remuneration Panel

2. The Independent Remuneration Panel for Oxfordshire County Council is:-
 - Mr Keith Cullup – Consultant to Lloyds TSB Group Union and Past President of the Rotary Club of Thame Witchert
 - Mr Patrick Lowe – Chairman of Lowe and Oliver Ltd (electrical contractors)
 - Sir Peter North – Jesus College and former Vice Chancellor, Oxford University (*existing member since 2001*)
 - Mrs Olga Senior – Director of Communications & Corporate Affairs for the South Central Strategic Health Authority
 - Mr Andrew Smith – Project Director of The Gatehouse (a café for homeless people)
3. The Panel elected Sir Peter North to be its Chairman and Mrs Olga Senior to be Vice-Chairman.

Terms of Reference

4. To make recommendations to Oxfordshire County Council on the allowances that should be payable to County Councillors in Oxfordshire, in accordance with the Local Authorities (Members' Allowances)(England) Regulations 2003 and to do so in the following circumstances:
 - annual recommendations on the Council's yearly scheme of allowances where the Council is minded to amend the scheme of allowances otherwise than by reference to a duly adopted index
 - when the Council proposes to revise or modify any aspect of an existing scheme or the Council requests a review
 - where required to do so by virtue of Regulations from the Government

The Panel's Work

5. We met as a Panel between February and May 2007 to carry out a review of the Council's allowances. At the conclusion of the Panel's partial review in 2005, we gave a view that a comprehensive review of allowances should be undertaken in early 2007, which is part way through the current term of office of the Council. This view was agreed by the Council in January 2006. The previous comprehensive review was held during the summer of 2003. The reasons for holding the review at this time:
 - it allows the Council to take stock of the demands of its political management arrangements part way through the current term of office;
 - it allows the Council to publish specific remuneration details to prospective candidates in advance of the 2009 elections.
6. We met on three occasions – 8 February, 18 April and 2 May 2007 – to consider the issues and review the Council's allowances scheme generally.
7. In conducting our review, we had regard to a significant amount of information, which included the following:

- Copies of the Local Authorities (Members' Allowances) (England) Regulations 2003 and of the Government's "Guidance on Consolidated Regulations on Members' Allowances for Local Authorities in England";
 - Oxfordshire allowances: the allowances arrangements for Oxfordshire's District Councils (Cherwell, Oxford City, South Oxfordshire, Vale of White Horse and West Oxfordshire)
 - County Council allowances: details of the allowances of numerous County Councils, especially those comparative authorities adjacent to Oxfordshire and in the South East generally
 - Basic Allowances: details of the Basic Allowance for various County Councils across England
 - An analysis of responses to a questionnaire to Oxfordshire County Councillors on the subject of the Council's allowances scheme
 - An analysis of responses to a questionnaire to Oxfordshire County Council's Co-opted Members on the subject of Co-optees' Allowances
 - Annual Pay rates: information on median annual pay rates in the Oxfordshire area and the Local Government Association's daily rate
 - The County Council's political management structure
 - Information from the Children's Information Service and from the Council's Social & Community Services concerning approximate costs per hour for childcare and the care of dependants.
8. We also interviewed ten members of the Council, seeking in our selection of interviewees to obtain a sample which was representative of the various roles performed by members and representative also of political affiliation and diversity. The Panel considered this to be an important source of information additional to the written submissions. These interviews took the form of a brief presentation/address from the member followed by a question and answer session with the Panel. The following members were interviewed on 18 April:
- Conservative:
 - Cllr Keith Mitchell – Leader of the Council
 - Cllr David Robertson – Deputy Leader of the Council
 - Cllr Roger Belson – Cabinet Member
 - Cllr Steve Hayward – Chairman of a Committee
 - Cllr Judith Heathcoat – Former Chairman of a Scrutiny Committee and newly appointed Cabinet Member
 - Cllr Rodney Rose – Chairman of a Committee & Deputy Chairman of a Scrutiny Committee

- Liberal Democrat
 - Cllr Zoé Patrick – Leader of the Opposition
 - Cllr Mohammed Altaf-Khan – Shadow Cabinet Member & Opposition Spokesman
 - Labour
 - Cllr Neville Harris – Deputy Leader of the Labour Group
 - Green
 - Cllr Deborah Glass Woodin – Deputy Leader of the Green Group
9. We were due to interview Cllr Lesley Legge, the outgoing Chairman of the Council, but due to personal circumstances she was unable to attend on the day. So, Cllr Lesley Legge submitted responses to our questions via email.
10. The Councillor Questionnaire on allowances was circulated to all 74 members of the Council and 39 forms (53%) were returned for our consideration.
11. The Co-opted Member Questionnaire on co-optees' allowances was circulated to all 10 co-opted members who serve on Council Committees and 6 forms (60%) were returned for our consideration.
12. Our recommendations were finalised at our meeting on 2 May, having considered all the evidence submitted to us.

The Adopted Approach and Underlying Principles

13. We agreed at the outset of our review that the nature of the task we had been asked to undertake meant that we should make our recommendations based on a range of evidence and without specific regard to budgetary implications. We considered that it was the purpose of an *independent* panel to make recommendations without regard to such political matters. Our aim, as we saw it within the legislative context, was to arrive at recommendations producing allowances appropriate to the role(s) performed by Oxfordshire's County Councillors and Co-opted Members within the Council's political management arrangements.
14. We were concerned that the allowances recommended should have the following underlying principles:
- That County Councillors and Co-opted Members in Oxfordshire should be remunerated fairly in proportion to the tasks that they perform within the political management arrangements operated under the Local Government Act 2000
 - That the allowances should be such that all sections of the community could realistically consider standing as a councillor without fear of the personal financial consequences; this was considered important for the health of local democracy
 - That an element of a councillor's time should be deemed to be voluntary

Political Structure

15. We noted that the Council had operated a 'Leader and Executive Model' since 5 November 2001 and that the current political management arrangements had been in operation since May 2005. A Conservative administration was in place, operating a Cabinet system of decision-making, a series of scrutiny committees providing challenge and policy focus. We also noted that a change to the decision-making process was implemented in September 2006 with individual Cabinet Members taking decisions for their portfolio responsibilities. A number of more regulatory committees were also in operation to carry out statutory non-executive functions. All 74 members still met together as the Council to agree the budget and policy framework. All members were also involved in the important task of community representation within their own electoral divisions.
16. The Panel's last full review of the Members' Allowance Scheme was in the Summer of 2003. Since then the following partial reviews have been undertaken:
- September 2004 – Opposition "Shadow Executive"
 - November 2004 – Co-optees' Allowances
 - December 2005 – Co-optees Allowance for the Chairman of the Audit Working Group; Minority Groups Spokesmen; and indexation of allowances.
17. We were therefore concerned in the present review to see if the change of Administration had had an effect on the various roles, to gauge the time-commitment involved and to assess the level of remuneration appropriate to the reality of the work done by members.

Review of Allowances

Basic Allowance

18. It is required under the relevant legislation that a Basic Allowance be provided to all members of the Council and that it must be of the same value for each. This allowance is intended to remunerate councillors for their time spent as a councillor, covering all incidental costs incurred by them as ordinary members of the Council, including the use of their homes.
19. In determining an appropriate level of Basic Allowance, we had regard to:
- Oxfordshire County Councillors' own views as to the appropriate level of Basic Allowance (as expressed both in written submissions and in answer to interview questions)
 - The current level of Basic Allowance paid by the County Council and the value of the Council's Basic Allowance relative to that paid by other County Councils, (principally those immediately adjacent to Oxfordshire and in the South East) and by Oxfordshire's District Councils
 - The relationship of the allowance per head of population
 - The need to take into account a "voluntary service" principle

- Information as to median annual pay rates in Oxfordshire and the South East
- The daily rate as adopted by the Local Government Association based on the median non-manual pay rates (as derived from the New Earnings Survey)
- Estimated councillor time commitments identified in the National Survey of Councillors 2006 and by Oxfordshire County Councillors Survey responses

20. The Basic Allowance, in our view, is intended to recognise the many varying calls on councillors' time. It therefore covers the costs associated with general constituency work and the work done by non-Cabinet councillors as members of Scrutiny and other committees. Of course, some members with the time and inclination may be more active in one aspect of Council work than others may be. We considered that this was inevitable and could not in any case be accommodated in a variable Basic Allowance as the law forbids such an approach. In any case, while one councillor may devote a large amount of time to furthering constituents' interests by pursuing scrutiny work, another may do so directly by handling large amounts of casework.

Voluntary element

21. We still hold the view that a proportion of a councillor's time should continue to be voluntary and should not be remunerated. This would reflect the fact that councillors choose to stand for election, and that many do so in furtherance of their own political convictions. Since the Panel's first review in 2001, we have recommended that 40% of a member's time be deemed to be voluntary. The Councillor Questionnaire responses showed that only three county councillors considered that there should not be a voluntary element "discount".

22. In our present review, we considered whether there were grounds for amending this voluntary element "discount". The questionnaire responses from Oxfordshire County Councillors showed that the percentage most suggested was 40%. The suggested percentages ranged from 0 – 50%. We therefore saw no pressing reason to amend our previous value.

23. For the avoidance of doubt therefore, the Panel wishes the Council to recognise that the figure recommended as Basic Allowance (and the figures subsequently recommended as Special Responsibility Allowance) is effectively a figure which has already been discounted by 40%.

Determination of the level of Basic Allowance

24. The Panel was concerned to determine whether the current level of Basic Allowance was still appropriate and also whether the level of allowance was a deciding factor for the recruitment and retention of councillors. Our starting point was to look at the levels of Basic Allowance paid by comparator County Councils adjacent to Oxfordshire and those in the South East. This revealed

that Oxfordshire's Basic Allowance was slightly lower than those adjacent to Oxfordshire (£8,000) and significantly lower than those in the South East (£10,000). We then looked at these authorities in the light of the councillor:population ratio and how this related to Basic Allowance per head of population. This revealed that Oxfordshire had a larger Basic Allowance per head of population ratio than the average for the adjacent authorities and for the South East. We also took note of the comparison with various County Councils across England which showed that there was a variance of £6,700 - £10,300. We then decide to look at the current allowance in relation to the median annual pay rates in Oxfordshire as identified in the Annual Survey of Hours and Earnings (ASHE).

25. In order to do this we had to take account of:

- the 40% discount; and
- that councillors spend on average 18.5 hours a week (approximately half a working week) on councillor duties, as identified in the National Survey of Councillors 2006 which showed the average figure of 18.1 hours per week.

This revealed that the current allowance as an equivalent annual pay was in line with the median annual pay for all employment in Oxfordshire.

26. We noted the fact that Oxfordshire County Councillors themselves were divided, with the same number of councillors stating that the allowances should be increased as those wishing the allowances to stay the same.

27. The views received indicate that the level of allowance, in itself, will not encourage more people to stand for election and that it is possible to hold down a job/career while being a councillor.

28. We have therefore chosen to exercise our judgement directly in determining the Basic Allowance figure having regard to all the evidence and viewpoints placed before us, as well as our judgement as to the extent of the voluntary element to be taken into consideration. The Panel's recommendation therefore represents a modest increase that brings the Council more into line with the average for the adjacent authorities and with the general annual pay rates in Oxfordshire.

29. As the 2007/08 national pay settlement for local government staff has not been agreed and therefore not applied to the current allowances, we recommend that the proposed increase should be applied once the allowances have been uprated in accordance with the agreed pay settlement.

We RECOMMEND that:

- **that the Basic Allowance payable to all Members be increased by 2.32% once the indexation increase for 1st April 2007 has been applied to the current amount of £7,623.12.**

Special Responsibility Allowance (SRA)

30. We then considered which posts should qualify for a Special Responsibility Allowance and the appropriate level at which each allowance should be set.

31. We had regard to:

- The political management arrangements set out in the Council's Constitution, the responsibilities performed within that framework and the role descriptions.
- The range and levels of SRA proposed in the adjacent authorities and in the South East.
- Evidence from Oxfordshire County Councillors (in person and through responses to the questionnaire) as to whether current SRAs are appropriate and as to suggestions for additional SRAs.

32. The first point of concern to us was to determine whether the relationship between the Basic Allowance and the range of SRAs, and between the individual levels of SRA, was still appropriate. Previously, we had adopted a simple ratio approach, calculating SRAs by reference to the Basic Allowance. We wished in the present review to consider whether the roles and responsibilities had changed since that time, meriting a different approach. We noted that the allowances were currently increased annually in accordance with the national pay settlement for local government staff, which was an outcome of the last review in 2003.

33. We considered that where evidence showed that roles and responsibilities had significantly changed, and an increase was justified, then the increase should be calculated using the recommended Basic Allowance figure as the building block. This was considered the most open and intelligible rationale for calculating the increases.

34. We then reassessed the duties currently recognised by SRAs and considered additional duties suggested by some members as meriting SRAs. We re-considered whether an SRA should be payable to minority groups spokesmen on the Scrutiny Co-ordinating Group and Opposition Spokespersons on Council's Committees. This was considered during a partial review in December 2005 and we are still of the view that the burdens of these positions do not merit an SRA.

35. We identified the following positions within the Council's proposed structure as meriting a SRA (in addition to the Basic Allowance):

- i. Cabinet Members
- ii. Leader of the Council (in addition to the allowance as a Cabinet member);
- iii. Deputy Leader of the Council (in addition to the allowance as a Cabinet member);
- iv. Chairmen of Scrutiny Committees
- v. Deputy Chairmen of Scrutiny Committees
- vi. Chairman of the Planning and Regulation Committee
- vii. Deputy Chairman of the Planning and Regulation Committee
- viii. Chairman of the Audit Committee

- ix. Deputy Chairman of the Audit Committee
- x. Chairman of the Pension Fund Committee
- xi. Deputy Chairman of the Pension Fund Committee
- xii. Chairman of Democracy and Organisation Committee
- xiii. Deputy Chairman of the Democracy & Organisation Committee
- xiv. Chairman of the Standards Committee
- xv. Deputy Chairman of the Standards Committee
- xvi. Chairman of the Council
- xvii. Vice-Chairman of the Council
- xviii. Leader of the Opposition
- xix. Other Members of the Shadow Cabinet

Cabinet Members

36. We noted that since the last full review in 2003, the Cabinet now reflected the change to a one-party Administration (as opposed to the joint arrangements of the Administration which preceded the May 2005 elections). However, the workload had not changed. We also noted, however, that under the new decision-making arrangements implemented in September 2006, Cabinet Members could individually take certain decisions within their portfolio as opposed to decisions being taken collectively by the full Cabinet. This has resulted in the Cabinet meeting collectively once a month, rather than twice a month, to take those decisions that cannot be taken by an individual member. We considered that the new system of taking individual decisions meant that Cabinet Members were solely responsible and accountable for their decisions and that this should be acknowledged.
37. Evidence from the responses to the Members' Allowances Questionnaire and from the interviews, indicated that the workload of Cabinet members was heavy and equated to at least 3 days a week. Some said it was effectively a full-time job, others that it was difficult to hold down a full-time job while also serving as a Cabinet member.
38. We noted that when the allowance for Cabinet Members had been set in 2003 this had been on the basis of one and a half times the Basic Allowance. We consider that this basis should be applied in relation to the proposed Basic Allowance. We noted that it can be difficult for those councillors with a full-time career to take on the role of being a Cabinet Member and that the allowances should reflect the real demands of the role. However, based on the evidence put before us we do not believe that, on balance, the role has changed significantly and that these posts should not be treated as a source of paid employment as this would call into question the "voluntary element" of Council service.

We RECOMMEND that a Special Responsibility Allowance of one and a half times the proposed Basic Allowance be paid to all Cabinet Members in addition to their Basic Allowance. [Previous allowance: £11,435.64]

Leader and Deputy Leader of the Council

39. The Leader and Deputy Leader of the Council have a significant additional workload above their duties as ordinary members of the Council and as members of the Cabinet generally. They both carry portfolios in addition to their roles as Chairman and Deputy Chairman of the Cabinet.

40. As previously, we continue in our view that, as the legislation intended, the Leader has a higher public profile, and this is increasing as partnership working within the local area, and the region, is becoming a vital part of local democracy and service provision. We also noted that as a consequence, the Deputy Leader's role is internal looking and internally focused. We still consider that the Leader's role carries more responsibility than the Deputy Leader and we have reflected this in our recommendation. We therefore considered that the Leader should receive an allowance (on top of the Basic and Cabinet member allowances) equivalent to one and a half times of the proposed Basic Allowance. We considered that the Deputy Leader should receive half the recommended Basic Allowance.

We RECOMMEND that a Special Responsibility Allowance of one and a half times the proposed Basic Allowance should be paid to the Leader of the Council (this to be in addition to the Cabinet members' allowance and the Basic Allowance). [Previous allowance: £7,623.12]

We RECOMMEND that a Special Responsibility Allowance of half the proposed Basic Allowance should be paid to the Deputy Leader of the Council (this to be in addition to the Cabinet members' allowance and the Basic Allowance). [Previous allowance: £3,811.58]

Chairmen and Deputy Chairmen of Scrutiny Committees

41. We noted that the Council has five Scrutiny Committees, and a Joint Overview and Scrutiny Committee of local health services, which vary in membership in relation to the number of councillors, co-opted members and representatives of other partners.

42. On the evidence we received, it seemed that the Chairmen of Scrutiny Committees had a significant role, given that the scrutiny function is integral to the operation of the management arrangements under the legislation. We heard that much of the work of scrutiny committees is still being done in Scrutiny Review Panels made up of members of the Committees themselves. In addition, we learned that Scrutiny Committees also operate in 'Select Committee' mode. It was confirmed that the Chairmen still have a formal role in co-ordinating the work of their own committees and in their capacity as members of the Scrutiny Co-ordinating Group of scrutiny committee chairmen and deputy chairmen and minority groups' spokesmen.

43. We noted that the working of the Scrutiny Committees may be reviewed by the Council following publication of Government Guidance in relation to the Scrutiny of external bodies under the Police and Justice Act and the Local Government and Involvement in Public Health Bill. This may result in changes to the roles and responsibilities for the Scrutiny function and a review, therefore, of allowances.

44. Based on the evidence that was presented to us we consider that the roles and responsibilities of the Scrutiny Committees have not changed since the previous review. We recommend, therefore, that the allowances remain at the present level.

We RECOMMEND that no change be made to the Special Responsibility Allowance for each Chairman of a Scrutiny Committee.

We RECOMMEND that no change be made to the Special Responsibility Allowance for each Deputy Chairman of a Scrutiny Committee.

Chairman and Deputy Chairman of the Planning and Regulation Committee

45. Based on the evidence presented, we noted that the role and responsibilities of the Chairman and Deputy Chairman of the Planning & Regulation Committee have not changed since the previous review. The 15 member committee deals with a range of quasi-judicial non-Executive regulatory functions. It meets every six weeks and carries a heavy workload requiring occasional site visits (of, possibly, a day's duration). There are specific requirements for the Chairman and members to be trained in the necessary law and regulations. We therefore recommend that the allowances remain at the present level.

We RECOMMEND that no change be made to the Special Responsibility Allowance for the Chairman of the Planning and Regulation Committee.

We RECOMMEND that no change be made to the Special Responsibility Allowance for the Deputy Chairman of the Planning and Regulation Committee.

Chairman and Deputy Chairman of the Audit Committee

46. We noted that, as with the Planning and Regulation Committee, the roles and responsibilities of the Chairman and Deputy Chairman of the Audit Committee had not changed since the previous review. We recommend, therefore that the allowances remain at the present level.

We RECOMMEND that no change be made to the Special Responsibility Allowance for the Chairman of the Audit Committee.

We RECOMMEND that no change be made to the Special Responsibility Allowance for the Deputy Chairman of the Audit Committee.

Chairman and Deputy Chairman of the Pension Fund Committee

47. The Pension Fund Committee is responsible for the management of Oxfordshire's pension fund, a not inconsiderable responsibility. However, we noted that the Pension Benefits Sub-Committee was no longer a sub-committee of the Pension Fund Committee. Nevertheless, we consider that the role and responsibility of the Pension Fund Committee still equated to that of the Planning & Regulation and Audit

Committees. We therefore recommend that the allowances remain at the present level.

We RECOMMEND that no change be made to the Special Responsibility Allowance for the Chairman of the Pension Fund Committee.

We RECOMMEND that no change be made to the Special Responsibility Allowance for the Deputy Chairman of the Pension Fund Committee.

Chairman and Deputy Chairman of the Democracy & Organisation Committee

48. We noted that the Pension Benefits Sub-Committee was now a sub-committee of this Committee which increased the responsibilities for the Chairman and Deputy Chairman. Due to the evidence presented, we considered that the level of Special Responsibility Allowance for the Chairman and Deputy Chairman should now equate to the levels for the Planning & Regulation, Audit and Pension Fund Committees.

We RECOMMEND that the Chairman of the Democracy and Organisation Committee be paid a Special Responsibility Allowance of £2,540.72. [Previous allowance: £1,089.01]

We RECOMMEND that Deputy Chairman of the Democracy and Organisation Committee be paid a Special Responsibility Allowance of £1,270.86. [Previous allowance: £544.56]

Chairman and Deputy Chairman of the Standards Committee

49. We noted that these positions were currently held by the independent co-opted members on the Standards Committee, in accordance with best practice across the country. The current roles and responsibilities have not changed since the previous review and we, therefore, recommend that the allowances remain at the present level.

We RECOMMEND that no change be made to the Special Responsibility Allowance for the Chairman and Deputy Chairman of the Standards Committee.

Chairman and Vice-Chairman of the Council

50. We continue to acknowledge that the Chairman of the Council fulfils a central role within the Council. As well as Chairing the formal Council meetings, the civic role continues to involve extensive civic/ceremonial duties. This latter element can take up a good degree of time, especially as the number of events has increased over the last few years. Based on the evidence presented we consider that the Chairman's allowance should be increased in line with the Basic Allowance.

51. We also acknowledge that the Vice-Chairman deputise for the Chairman both in terms of chairing meetings of Council and in attending civic engagements and

consider, therefore, that the Vice-Chairman's allowance should be increased to a quarter of the new Basic Allowance.

We RECOMMEND that the Chairman of the Council be paid a Special Responsibility Allowance equivalent to the proposed Basic Allowance.[Previous allowance: £7,623.12]

We RECOMMEND that the Vice-Chairman of the Council be paid a Special Responsibility Allowance of a quarter of the proposed Basic Allowance. [Previous allowance: £1,905.73]

Leader of the Opposition

52. We noted that the position of "Leader of the Opposition" continues to be an integral part of the Council's political management structure. We remain of the view that, in the interests of democracy, the importance of this position should continue to be recognised (as it is in Parliament). While the Scrutiny function performs the formal role of challenging the Cabinet, it is still right that the Leader of the main Opposition Party should provide a robust, comprehensive and well-informed counterpoint to the ruling administration. We saw no reason to alter our view that an effective Leader of the Opposition needs to invest significant time and effort in keeping abreast of the work of the Cabinet, the Scrutiny Committees and the Council as a whole. This view has been re-iterated in interviews with the Leader of the Opposition and the Leader of the Council in that the role is comparable to the Leader's although clearly it carries less responsibility. It is appropriate, therefore, in our view, that the burden of this role should be adequately remunerated.

53. We remain of the view that the role of Leader of the Opposition is wholly distinct from the role of "political group leader". In short, we cannot see any cogent reason for political group leaders to be given a SRA within the new arrangements. The organisation of party politics comes, in our view, within the "voluntary" aspect of a councillor's commitment and should not therefore be remunerated.

We RECOMMEND that the Leader of the Opposition be paid a Special Responsibility Allowance, in addition to the Basic Allowance, of one and three-quarters times the proposed Basic Allowance. [Previous allowance: £11,435.64]

Other Members of the Shadow Cabinet

54. This allowance was originally recommended by the Panel in September 2004, following the recognition of these roles in the Council's Constitution in January 2004. We remain of the view that there is public benefit in the contribution the Shadow Cabinet makes to the business of the authority. We consider that the current level acknowledges this public benefit element, while taking account of the party political element of the role. We recommend, therefore, that that this allowance remains at the present level.

We RECOMMEND that no change be made to the Special Responsibility Allowance for the Members of the Shadow Cabinet.

Dependants' Carers' Allowances

55. The majority of Councillors' responses to the questionnaire on allowances supported the continuation of allowances to cover the costs of childcare and the care of dependants. We heard that only a few Councillors had made use of these allowances since their inception and currently only one councillor was claiming these allowances. Nevertheless, we remain of the view that the provision of childcare and dependant carers' allowances is right and will serve to encourage participation in the Council's activities from both existing and future councillors. We considered that the levels should be set realistically and with an emphasis on encouraging participation in the work of the Council.

56. We looked at the rates agreed by the county's five District Councils. Where an hourly figure was used then these were roughly equivalent to those we recommended in 2003 apart from Oxford City Council's rate of £7.50 per hour. We also received information from the Children's Information Service and the Council's Social & Community Services as to the average rates within Oxfordshire. In relation to childcare, the average rates are £3.49 per hour for a registered childminder and £4.00 per hour for a Day Nursery. For dependant care, the average rate is £16.67 per hour.

57. Taking account of all the evidence presented and the experience of the councillor who currently claims the childcare allowance we considered, on balance, that the childcare allowance should be increased. We recommend that the allowance be increased to £6.00 per hour per child, to take account of the effects of inflationary rises over the last few years.

58. In relation to the dependant care allowance, we are guided by the rate that the authority expects to pay locally and therefore recommend that the allowance be increased to £17.00 per hour.

We RECOMMEND

- (1) that Childcare and Dependant Carers' Allowances be available on the basis that the allowances can only be claimed when an "approved duty" is performed and subject to the submission of receipts and to there being no other statutory allowance available;**
- (2) that Childcare and Dependent Carers' Allowances be provided to repay the actual cost of care incurred up to the maximum hourly rates set out below:-**

Childcare - £6 per hour per child [Previous allowance: £5]

Dependant Care - £17 per hour [Previous allowance: £15]

Co-optees' allowance

59. We received questionnaire responses from a cross-section of the co-opted members who serve on the Council's Committees. The majority were not in support of a co-optees allowance to remunerate them for the time spent on their activities. However, there was unanimous support for travel and subsistence allowances. We continue to endorse the principle that co-opted members should be able to claim travel and subsistence allowances, provided that these cannot be claimed legitimately from another body.

60. We considered each of the co-opted members' roles and reviewed the specific co-optees' allowances that were currently in place. We remain of the view that co-opted members appointed by other organisations, or representing a particular interest group, had their own reasons for serving notwithstanding that their service was of clear benefit to the Council. Also we consider that these co-opted members may already get payment for their service on the committee from the body/organisation that they represent. We therefore consider that there should not be a general co-optees allowance.

61. However, we remain of the view that the co-opted members who serve on the Standards Committee and the Audit Committee should be remunerated for specific roles that they undertake. Therefore we recommend that the co-opted members allowances for the following roles should continue to be paid:

- Independent Chairman and Deputy Chairman of the Standards Committee
- Co-opted members of the Standards Committee when the co-opted member serves on a panel hearing investigating an allegation of a breach of the Code of Conduct
- The Co-opted member of the Audit Committee who serves as the Chairman of the Audit Working Group

62. We consider that the co-optees' allowances in connection with the Standards Committee and its Panel Hearings should remain at the present levels. We also consider that the co-optees' allowance for the Chairman of the Audit Working Group should remain at the present level but should be index linked so it is increased annually in the same way as the Special Responsibility Allowances.

We RECOMMEND that

- **the Council does not establish a general co-opted members' allowance.**
- **a co-optees' allowance to be payable to an independent co-opted member of the Standards Committee when that member serves as the Chairman or Deputy Chairman of the Committee. This allowance to be the same as the Special Responsibility Allowance that would be payable to a councillor performing the same role [no change]**
- **a co-optees' allowance be payable to an independent co-opted member of the Standards Committee when the co-opted member serves on a panel hearing investigating an allegation of a breach of the Code of Conduct.**

This allowance to be equivalent to the financial loss half-day or day rate, which would be payable to member of a panel hearing a school admission or exclusion appeal or a complaint under the Council's Complaints Policy [no change]

- **a co-optees' allowance be payable to an independent co-opted member of the Audit Committee when the co-opted member serves as Chairman of the Audit Working Group. This allowance to be £5,000 and annually increase in line with the indexation applicable to the basic and Special Responsibility Allowances [previously £5,000 and not index linked]**

Indexation

63. The Regulations 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). We therefore looked at information as to the indices that might be appropriate to members' allowance, including the Retail Price Index, the Average Earnings Index and the percentage increase to local government officers' pay. We also received information as to the index (if any) that had been adopted by the family of similar authorities. In the latter case, it appeared that most had opted to link allowances to the percentage increase in local government officers' pay. We remain of the view that this was the most obvious and relevant index.

We RECOMMEND that the Council's Basic and Special Responsibility Allowances and the Co-optees' Allowance to the Chairman of the Audit Working Group be amended annually by reference to the annual pay settlement for local government staff and that this should take effect from the date on which the award for staff similarly takes effect.

Travelling and Subsistence Allowances

64. The majority of councillor responses to the questionnaire did not consider that the travel and subsistence allowances should be amended and there were no significant suggestions for changing the travel and subsistence arrangements. We reviewed the current arrangements, including the conditions and limitations, for claims and payments and the associated list of Approved Duties. We therefore recommend that the levels and arrangements for travel and subsistence allowances remain the same as those which apply to officers, and that the list of Approved Duties also remains unchanged.

65. We noted that there has been a change to the arrangement for overnight accommodation for officers, with greater reliance of managers' discretion and the requirement, where possible, to use a specifically negotiated accommodation booking service. We remain of the view that the arrangements for Members should be the same as for officers and where there is an element of "manager's discretion" then, for members, this should be the relevant manager with responsibility for the payment of members' allowances.

We RECOMMEND:

- that the Council adopts, for members, the travel and subsistence scheme that is applicable to officers. This includes the use of the Council's accommodation booking service to book overnight accommodation for Members. When alternative accommodation arrangements are to be used then it should be approved by the relevant officer.
- that claims made under the Council's travel and subsistence scheme be accompanied by receipts and/or any other relevant evidence of the costs incurred and that claims under the scheme be made, in writing, within two months of the relevant duty in respect of which the entitlement to the allowance arises. [no change]
- that the Council's list of Approved Duties for the purposes of travel, subsistence and dependant care allowances continue. [no change]

Implementation of the Changes

66. It is for the Council to decide what changes should be made and when the changes should take effect. If the Council is content with the recommended increases but wish to implement these changes at a future date then the annual indexation of the allowances should continue each year before the recommended percentage increase is applied to the Basic Allowance and those Special Responsibility Allowances that are proportional to the Basic Allowance e.g. if the increases are postponed until April 2008, then the annual indexation for 2008/09 should take place and then the 2.32% increase should be applied.

National Incapacity Benefit – implications when becoming a councillor

67. During our review it came to our attention that receiving allowances for being a councillor affects the Incapacity Benefit that could be claimed when councillors cease to be a member. The situation is that if the councillor accepts the receipt of a Basic Allowance then this is classed as working income and so the councillor could no longer claim Incapacity Benefit. If the councillor is not re-elected at subsequent elections and so ceases to be a councillor then they can claim Incapacity Benefit but at half the level, as the ex-councillor is deemed to be able to find another job.

68. We are concerned about this arrangement in relation to councillors and the effect it could have on encouraging people with a disability from standing as a candidate or affecting their benefit entitlements in the future if they receive any basic and special responsibility allowances. This seems an unjust situation for councillors when they could cease to be a councillor due to the results of the ballot box and is not the same as normal paid employment. Although, this matter is beyond the remit of this Panel we wish to bring this matter, and our concern, to the attention of the Council and request that the Council raise this matter with the relevant bodies.

Conclusion

69. In making our present recommendations, we have taken into account the Council's political management arrangements as currently operated, and the roles and posts recognised within it. We have not taken account of any political or budgetary

considerations. The allowances we have recommended mean, in general terms, that Oxfordshire County Council's allowances would still be below the average for similar authorities. Nevertheless, we do believe that the allowances we have recommended represent a better standard of remuneration for the roles members currently perform in Oxfordshire. Clearly, if new posts are created within the management arrangements or if any significant alterations occur to the workload of existing postholders, then we would want to meet to consider such matters. We would be happy to do so should the occasion arise.

Sir Peter North
Chairman
Independent Remuneration Panel for Oxfordshire County Council.