

**Divisions affected – All**

**COUNCIL**

**12 DECEMBER 2023**

**INDEPENDENT REMUNERATION PANEL**

**Report of the Director of Law & Governance and Monitoring Officer**

**RECOMMENDATION**

**The Council is RECOMMENDED to adopt the recommendations of the Independent Remuneration Panel:**

1. To increase councillor allowances by 5.7% with effect from 1 April 2023 in line with the percentage rise in overall employee costs for Oxfordshire County Council arising from the 2023-24 local government pay award.
2. In future years, to increase all councillor, independent member and co-optee allowances in line with the percentage rise in overall employee costs for Oxfordshire County Council arising from the local government pay award. This will be limited to the four-year term of each council.

**Background**

3. The Council is required by regulation to have an Independent Remuneration Panel to assess councillors' allowances make recommendations, as appropriate, the Council.
4. The members of the IRP are David Shelmerdine, Martyn Hocking and Katherine Powley. David Shelmerdine is the chair of the panel.
5. The Independent Remuneration Panel (IRP) recommendations on a new allowances scheme were accepted by Council on 2 November 2021 and became effective on 1 April 2022.
6. The recommendations included linking future increases to the Local Government pay award for employees each year. They were silent on when this should begin other than to state that the link to the pay settlement should be for a period of no more than four years.

7. The current councillor allowance scheme started on 1 April 2022 for financial year 2022-23 and runs for four years until financial year 2025-26. At the time the scheme was adopted, there was an expectation that indexation would be based on the percentage pay rise for staff included in the local government pay award each year.
8. Historically the local government annual pay award had been based on a percentage uplift for most employees. The award for 2022-23 agreed between the national employers and unions in November 2022 was for a lump sum of £1,925 for all employees and a national percentage increase was not quoted. The £1,925 uplift resulted in a 5.3% increase in employee costs for Oxfordshire County Council in 2022-23.
9. The Council considered the last report of the IRP on 28 March 2023. In line with the panel's recommendations, it was agreed to increase councillor allowances by 5.3% with effect from 1 April 2022 in line with the percentage rise in overall employee costs for Oxfordshire County Council arising from the 2022-23 local government pay award.
10. The IRP met on 1 December 2023 and a summary of its deliberations and recommendations are included at Annex 1 to this report.

## **2023-24 pay award**

11. The 2023-24 local government pay award agreed by the national employers and unions is for a lump sum of £1,925 for employees paid up to pay point 43 (£49,590), 3.88% for employees below Deputy Chief Officer and 3.5% for employees from Deputy Chief Officer upwards. After taking account of the number of Council employees on different points on the pay scale, the increase in employee costs will be 5.7% for 2023-24.
12. The IRP discounted the percentage increases of 3.88% and 3.5% as outlined above for councillor allowances. They believe that the same approach should be adopted for 2023-24 as in 2022-23. They are therefore proposing that councillor allowances should be increased by 5.7% with effect from 1 April 2023 in line with the percentage rise in employee costs for Oxfordshire County Council arising from the 2023-24 local government pay award.

## **Increases in allowances in future years**

13. The IRP propose that future increases in allowances for councillors, independent members and co-opted members are automatically increased in

line with the annual percentage rise in overall employee costs for Oxfordshire County Council.

14. It is expected, however, that the IRP will meet on at least an annual basis to ensure that they are aware of any political changes at the Council. They may wish to make recommendations to the Council if they believe that changes are required to the councillor allowances scheme.

## **Corporate policies and priorities**

15. One of the priorities in the Council's Strategic Plan is to 'Play our part in a vibrant and participatory local democracy'. Allowances should reflect the time commitment of elected members and compensate them appropriately to ensure that local people are not dissuaded from standing for election.

## **Financial implications**

16. The 2023-24 Revenue Budget included provision for a 2.5% pay award. The costs in excess of that provided for will need to be met from contingency. The Medium Term Financial Strategy for 2024-25 to 2026-27 which will be approved by Council in February 2024 will include estimates for future pay awards. As in 2023-24, any increase above the estimates will need to be met from contingency.

*Comments checked by:*

*Lorna Baxter, Executive Director of Resources and Section 151 Officer*

## **Legal implications**

17. The IRP is appointed under the Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations), to consider a Councillor Allowances Scheme and to make recommendations to the Council on any changes to the scheme it believes are appropriate. The Council cannot make any amendments to the scheme without having first considered any recommendations made by the IRP.

*Comments checked by:*

*Anita Bradley, Director of Law & Governance and Monitoring Officer*

## **Employee implications**

18. No direct implications affecting employees

## **Equality and inclusion implications**

19. Local people, including those from minority and protected groups, should not be discouraged from standing for election or applying for co-opted positions at the Council.

**Anita Bradley**

**Director of Law & Governance and Monitoring Officer**

Background papers: Councillor allowances report presented to Council on 8 December 2020.

Councillor allowances report presented to Council on 2 November 2021.

Councillor allowances report presented to Council on 28 March 2023.

Annex: Independent Remuneration Panel report – December 2023

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December 2023