

## **COUNTY COUNCIL – 12 JANUARY 2010**

### **REPORT OF THE INDEPENDENT REMUNERATION PANEL ON MEMBERS' ALLOWANCES**

**Report by the Monitoring Officer**

#### **Introduction**

1. The Independent Remuneration Panel has considered whether:
  - the role of councillor representative (Oxfordshire Corporate Director) for the South East Fire and Rescue Control Centre Ltd (SEFRCC) should be a special responsibility under the Members' Allowance Scheme. If yes, the level of remuneration that should be applied for that special responsibility and whether it should be backdated.
  - the indexation should be lifted in order to create a 'freezing' of elected members' allowances for 2010/11.

#### **Panel Report**

2. The Panel's recommendations, together with the reasons for the recommendations are set out in Annex 1. The Panel has also suggested the timing for a comprehensive review of all members' allowances.

#### **Financial Implications**

3. The allowance recommended by the Panel will require financial provision of £2,000 per annum, which can be met from within the existing budget due to the reduction in the number of Cabinet member and Shadow Cabinet Member special responsibility allowances being paid during 2009/10.
4. The freezing of elected members' allowances for 2010/11 would create an estimated saving of £5,000.

#### **RECOMMENDATION**

5. **Council is RECOMMENDED that:**
  - (a) an allowance of £2,000 per annum should be payable to the councillor serving as the Oxfordshire Corporate Director on South East Fire and Rescue Control Centre Ltd during 2009/10. This allowance should be backdated to 1 April 2009, but not linked to the existing index. This special responsibility allowance to be reviewed for 2011/12;
  - (b) the indexation currently applied to the basic allowance and special responsibility allowances for councillors be lifted to allow

**the freezing of these allowances for 2010/11. This arrangement to be reviewed for 2011/12;**

- (c) a full review of allowances to be undertaken in 2010. The Council to be invited to express its views to the Panel as to what specifically it wishes to be considered in that review.**

PETER CLARK  
Monitoring Officer

Background papers: Nil

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December 2009

## MEMBERS' ALLOWANCES

### Report of the Independent Remuneration Panel to Oxfordshire County Council, December 2009

#### Introduction

1. The Panel were requested to consider whether:
  - the role of councillor representative (Oxfordshire Corporate Director) for the South East Fire and Rescue Control Centre Ltd (SEFRCC) should be a special responsibility under the Members' Allowance Scheme. If yes, the level of remuneration that should be applied for that special responsibility and whether it should be backdated.
  - the indexation should be lifted in order to create a 'freezing' of elected members' allowances for 2010/11.
2. Our conclusions (set out in more detail below) are:
  - A special responsibility allowance of £2,000 per annum should be payable to the Council's Corporate Director representative for SEFRCC Ltd, backdated to 1 April 2009. This SRA should not be index-linked and should be reviewed for 2011/12.
  - To freeze the Basic and Special Responsibility Allowances for councillors for 2010/11.
  - The next full review of the Members' Allowances Scheme should take place next year for introduction in 2011/12 onwards. The Council's view is sought on what it wishes the Panel to consider as part of its review.

#### The Panel's proceedings

3. The recruitment of new panel members was undertaken during Autumn 2009 to fill vacancies that had arisen due to resignations and the expiry of terms of office.
4. The Independent Remuneration Panel now comprises four members:
  - Ms Jenny Armitstead – the Academic Sector
  - Mr Ian Barry – the Not-for-Profit Sector
  - Mr Keith Cullup – the Business Sector *Panel Member since 2005*
  - Mrs Olga Senior – the Public Sector *Panel Member since 2005*
5. The Panel met on 16 December 2009 - all four members being present.
6. At the meeting we received a presentation from officers on the political management arrangements and a report on the issues we were being asked to address, together with the statutory regulations and Government guidance.

7. Other sources of information used were:
  - Statement from the Assistant Chief Fire Officer & Head of Service Support who also acts as the nominated Fire and Rescue Service (FRS) advisor to the Oxfordshire Corporate Director and normally attends all Company Board meetings of SEFRCC in an advisory role.
  - Comparative data from the other authorities who are part of SEFRCC Ltd.
  - Statement from the Leader of the Council about the freezing of allowances.
8. The Panel also spoke to Councillor Rodney Rose, who is, and has been serving, as the Council's Corporate Director representative on SEFRCC Ltd, since November 2007.

### **The Panel's views**

#### ***Special Responsibility Allowance - Oxfordshire Corporate Director on SEFRCC Ltd***

9. We noted that this role was different from other special responsibilities identified under the Members' Allowances Scheme. The County Council as Fire Authority is a Corporate Director of the regional local authority controlled company. The role entails acting as the nominated person to exercise the voting rights of the Corporate body and attending regular meetings of the board. Ultimately the board is responsible for the creation of an effective regional control centre which has a professional and resilient capability to receive emergency 999 calls and to mobilise and subsequently manage emergency incidents.
10. We ascertained from speaking to Councillor Rose and from the information provided by the Assistant Fire Officer that:
  - The role is supported by officers, chiefly the Assistant Chief Fire Officer & Head of Service Support.
  - The Board currently meets once a month in Fareham (all day including travelling time).
  - Approximately one day's preparation time is needed before each meeting for the Director and Officer to go through the meeting papers.
  - Reading time is required to keep up to date with the issues.
  - For 2010 the Board had decided to meet every other month.
  - Councillor Rose is the Director responsible for Health & Safety issues for the Company – the full impact of this role would be known in the following months, but it was considered that this could be equivalent to a day a month.
  - The active implementation of the regional control centre would be phased and it was currently planned that it would be operational by 2011.
  - It was agreed with the relevant Cabinet Member responsible for the Oxfordshire Fire & Rescue Service that this Director role should not be

undertaken by the relevant Cabinet Member, and Councillor Rose was appointed in November 2007 as he was the relevant Scrutiny Committee Chairman at the time.

- Once the Regional Control Centre is up and running then the work involved and time commitment could well be less or, at the very least, different in nature.
11. We noted that the Company could not remunerate the Corporate Director representatives under the terms of its creation. However, it had been suggested by the South East Fire & Rescue Services Regional Management Board that constituent councils should consider remunerating their Corporate Director representative and it had suggested a figure of £2,000 per annum.
  12. We consider that this role is an additional significant responsibility, especially during the setting up of the Regional Control Centre. We recommend that this role should receive an annual special responsibility allowance of £2,000. This amount is in line with those neighbouring authorities involved in this company who have agreed remuneration arrangements. This amount also relates to the proportional level of remuneration for the Council's Cabinet Members based on time commitment and responsibility (namely, 2 days a month as a proportion of 3 days per week for Cabinet Member role).
  13. This allowance should not be linked to the existing index, but reviewed again for 2011/12 as the work involved would change once the Regional Control Centre was in full operation and the Health & Safety arrangements were in place.
  14. We also consider that this payment should be backdated. Even though this role has existed since November 2007, under the statutory regulations we can only recommend that changes are backdated to the beginning of the current financial year. Therefore, we recommend that this allowance be backdated to 1 April 2009.

### ***Freezing of allowances***

15. The Basic and Special Responsibility Allowances are amended annually, by reference to the annual national Local Government Pay Award for officers.
16. We noted that we were being asked whether this indexation should be lifted in order to create a 'freeze' on members' allowances for councillors for 2010/11. This would include the basic allowance and special responsibility allowances, but not co-optees' allowances which would still be uprated in accordance with the index.
17. We also noted that, under the Regulations, individual members could forego all or part of their allowances entitlement at any time.

18. However, due to the current economic climate, we recommend that the current annual indexation arrangement for basic and special responsibility allowances of all councillors should be lifted for 2010/11 and reviewed again for the 2011/12 financial year.
19. In 2005 the Panel had recommended that a full review be undertaken half-way through the four year term of the Council, i.e. in 2007. This had been approved by the Council and the last full review had subsequently taken place in 2007. In Accordance with the Members' Allowances Regulations, the index applied to allowances needs to be reviewed at least every four years, so a review is due in 2010 for the 2011/12 financial year.
20. We recommend that a full review of allowances be undertaken in 2010 as the indexation will need to be reviewed in any case and we think it would be appropriate to undertake a full review of allowances at that time given the changing nature of the economic climate. At this review it would be possible to look at whether there are merits in reducing, freezing or increasing allowances.
21. The Council is asked to give a view on what it would like to be considered in the next review, so we can ensure these are taken into account during the review.

### **The Panel's Recommendations**

22. We therefore recommend that:

- An allowance of £2,000 per annum should be payable to the councillor serving as the Oxfordshire Corporate Director on SEFRCC Ltd during 2009/10. This allowance should be backdated to 1 April 2009, but not linked to the existing index. This special responsibility allowance to be reviewed for 2011/12.
- The indexation currently applied to the basic allowance and special responsibility allowances for councillors be lifted to allow the freezing of these allowances for 2010/11. This arrangement to be reviewed for 2011/12.
- A full review of allowances to be undertaken in 2010. The Council to be invited to express its views to the Panel as to what specifically it wishes to be considered in that review.

Olga Senior  
Chairman, Independent Remuneration Panel  
December 2009