

MEMBERS' ALLOWANCES
Report of the Independent Remuneration Panel
to Oxfordshire County Council, March 2019

SUMMARY AND RECOMMENDATIONS

Issues for decision

1. The Independent Remuneration Panel met on 30 January 2019 for the first time since its last full review which concluded in November 2014. It considered three issues:
 - a. if a Special Responsibility Allowance (SRA) should be paid to the Chairman of Horton Joint Health Overview & Scrutiny Committee (Horton HOSC) and if so at what level.
 - b. the amounts paid to the Council's representative on the Thames Valley Police & Crime Panel (TVPCP).
 - c. the indexation of allowances.

Principles Adopted

2. The Panel's focus has been on reviewing the *roles* in question, within the Council's governance structure, and not on the persons occupying those roles.
3. The roles were compared to other Member roles for which allowances are paid in order to draw conclusions on the appropriate amount.
4. The Panel also took account of levels of payment made by other local authorities for similar roles.

Recommendations

5. The Panel RECOMMENDS that
 - a) an SRA should be paid to the Chairman of Horton HOSC and that the allowance should be 75% of the SRA for the Chairman of a (permanent) scrutiny committee;
 - b) an SRA should be paid to an Oxfordshire County Council representative who is Chairman of the TVPCP equivalent to the allowance for the Chairman of a (permanent) scrutiny committee;
 - c) the uplift for allowances for 2019/20 should be at the same rate as the annually agreed pay award for staff; and
 - d) the Panel should conduct its next review in the autumn of 2019 and it should meet annually after that or whenever structural changes are made;

- e) the next recruitment process should create a pool of seven panel members.
6. The reasoning behind the recommendations is set out in the subsequent paragraphs of this report.

THE PANEL'S REPORT

Introduction

7. 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 SRAs 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 dependent 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.
 - 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

8. The Independent Remuneration Panel for Oxfordshire County Council is:-
 - Ian Barry
 - Charlotte Green
 - David Shelmerdine
9. The Panel elected David Shelmerdine to be its Chairman.

Terms of Reference

10. 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
11. The County Council wished the Panel to make recommendations on three issues in this review:
 - a. To consider if a Special Responsibility Allowance (SRA) should be paid to the Chairman of Horton Joint Health Overview & Scrutiny Committee (Horton HOSC) and if so the level at which this should be set.
 - b. To review the amounts paid to the Council's representative on the Thames Valley Police & Crime Panel (TVPCP).
 - c. To review the indexation of allowances which has been in effect for the maximum four years allowed.

The Panel's Work

12. We met as a Panel on 30 January 2019 to discuss the three issues. At the meeting, we had regard to a range of information, which included the following:
 - A report on the Horton HOSC; its purpose; frequency, length and location of meetings; likely duration; and a comparison with the workload of the Oxfordshire Joint Health Overview & Scrutiny Committee (Oxon HOSC).
 - A statement from Councillor Arash Fatemian, Chairman of Oxon HOSC and Chairman of Horton HOSC.
 - An overview of the Thames Valley Police and Crime Panel and the roles of its Chairman and Vice-Chairman.

- A statement from Councillor Trevor Egleton, South Bucks District Council and Chairman of TVPCP, on the list of responsibilities of the role.
 - A statement from Councillor Kieron Mallon, Vice-Chairman of the TVPCP on the roles of Chairman and Vice-Chairman.
 - A list of all council representatives on the TVPCP and the allowance structures for their councils.
 - An extract from the IRP report of December 2014 regarding their decision on Indexation.
 - A list of councils in the south-east region with their policies on indexation.
13. At the meeting we decided that we had enough information to make a decision on the Chairman of Horton HOSC and the indexation question.
14. Regarding the TVPCP positions, we asked for the payments (if any) made by councils in Hampshire, Surrey and Sussex to their Police and Crime Panel representatives, Chairman and Vice-Chairman for comparison purposes. The TVPCP is required to meet and collaborate with the PCPs in these areas. We also asked for some comparative information about the size / demography of each police and crime area.

This information was circulated by email following the meeting and agreement was reached without the need for a further meeting on the level of an allowance for the Chairman position on TVPCP. The Panel agreed that there was no urgency in reviewing the payments for TVPCP Vice-Chairman or 'ordinary' member and that these should be considered as part of the next review.

THE REVIEW

Chairman of Horton Joint Health Overview & Scrutiny Committee

15. Horton HOSC was required by the Secretary of State to provide a consultation process on proposed changes to the consultant-led obstetric services at the Horton General Hospital in Banbury.
16. In determining an appropriate level of allowance for the Chairman of the Committee, we had regard to:
- The fact that the Committee's responsibility extends beyond Oxfordshire. Horton hospital provides services to residents of neighbouring counties and the Committee's membership includes representation from Oxfordshire, Northamptonshire and Warwickshire.
 - There is a cross-over of membership between the Oxon HOSC and Horton HOSC which provides a continuity of expertise.
 - The Chairman was elected by the members of the Committee at its first meeting on 28 September 2018.
 - There is no time limit on the Committee but the Chairman estimates that it should complete its work in another year.
 - Allowances are paid monthly and a Panel can recommend that payments are made retrospectively which means that any allowance could be paid

from the month following the first meeting of the Committee to the month of its last meeting only.

- The Independent Remuneration Panel in 2014 decided that a councillor can receive one allowance for each of the remunerated posts held by them.
- The current Chairman estimated that he spent on Horton HOSC at least 75% of the time that he spent as Chairman of the Oxon HOSC.
- We felt that the other evidence provided on the frequency of meetings and the responsibilities of the Chairman reinforced the view that it amounted to at least 75% of the work of an 'ordinary' scrutiny committee.

17. **We RECOMMEND that a Special Responsibility Allowance be allocated for the Chairman of Horton HOSC equivalent to 75% of the standard allowance for the Chairman of a Scrutiny Committee. Payments should be backdated to start with a payment for the month of October 2018. The final payment should be made for the month in which the Committee has its final meeting.**

Allowances for the representative on Thames Valley Police and Crime Panel

18. Councillor Trevor Egleton was elected the first Chairman of the TVPCP and still holds the position. He was a representative of Buckinghamshire County Council for most of that time but is currently a representative of South Bucks District Council. Bucks CC paid an allowance of £10,092 for the role of Chairman but South Bucks does not pay any allowance.

19. Oxfordshire County Council's current allowances are as follows:

a.	Panel member	£1,576
b.	Vice Chairman	£3,152
c.	Chairman	£3,678

20. We had regard to:

- The evidence supplied by the current Chairman and Vice-Chairman regarding the number of public and other meetings, pre-meetings and the extensive travel involved in covering the Thames Valley area as well as meetings with neighbouring PCPs and attendance at national conferences.
- The current Chairman's estimate that, aside from these meetings, the work involved in organising the panel takes up on average one day per week.
- The responsibilities involved in the panel's scrutiny function and the handling of complaints – often of a very sensitive nature.
- The information on allowances paid to the representatives of other councils in the Thames Valley area which showed that the vast majority make no payment for the roles.

21. At our meeting we agreed that we had insufficient information about the roles of Vice-Chairman and 'ordinary' panel member to suggest any change to the allowances for those positions. We noted that the difference in the allowances for Chairman and Vice-Chairman is relatively small and had been set as such previously as no evidence was presented to the Remuneration Panel by the Council to justify any other amounts.

22. We decided that we needed to see the payments made in our neighbouring PCP areas – Hampshire, Surrey and Sussex – as well as demographic information for these areas in order to make useful comparisons with the Thames Valley area.
23. When this information was reviewed, it was noted that the Thames Valley area included a higher population and larger geographical area than the comparator areas and its PCP had meetings more regularly.
24. The payments made for Chairman of PCP by Buckinghamshire was the highest at £10,000 but its allowances in general are higher than Oxfordshire's. On the other hand, the Chairman of Sussex PCP receives no allowance for that role. It was noted that the average of the four comparator payments (including the zero-payment) was not far below the payment for the Chairman of an OCC scrutiny committee.
25. **We RECOMMEND that a Special Responsibility Allowance be allocated for the position of Chairman of TVPCP the same as that for the Chairman of a scrutiny committee.**

Indexation

26. A council can apply an index to their allowances and in such a circumstance, if the only change each year is the application of the index, then the scheme of allowances will be deemed not to have been amended. We have for some years recommended linking members' allowances to the local government pay award for Oxfordshire County Council staff.
27. We had regard to:
 - The lack of any adverse comment on this arrangement which indicates that it is broadly accepted as fair.
 - Most councils in the South-East Region that have indexation in place match the pay awards for staff.
 - The fact that an indexation policy has been adopted does not mean that the Panel cannot meet each year.
 - There is a governance review taking place which could change the roles and responsibilities of councillors and the positions they hold.
28. **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 for 2019/20 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.**

The Future of the Panel

29. Two Panel members, Ian Barry and Charlotte Green, announced their decision to step down from the role at the end of this review. David Shelmerdine confirmed that he was happy to remain on the Panel.

30. The Panel believes the Council should take some positive steps to enhance the transparency of the allowances process – including meeting annually, receiving updates on the work of the Council in between reviews and conducting a fuller recruitment exercise to create a pool of panel members. The three current Panel members would be pleased to assist in that process.
31. **We RECOMMEND that the Independent Remuneration Panel should meet annually in order to improve the continuity and transparency of the process.**
32. **We RECOMMEND that the Panel should conduct a full review in the autumn of 2019 and whenever structural changes are made.**
33. **We RECOMMEND that the next recruitment process should appoint a pool of seven Panel members.**

Conclusion

34. In conclusion, we consider our recommendations to be appropriate to the roles performed in the relevant positions. We would like to see the role of the Panel become more pro-active, rather than merely responding to directed requests.

David Shelmerdine
Chairman
Independent Remuneration Panel