

Divisions: N/A

## **COUNTY COUNCIL – 2 NOVEMBER 2021**

### **SCHEME OF MEMBERS' ALLOWANCES 2022/23**

**Report by the Director of Law & Governance**

#### **RECOMMENDATIONS**

The Council is **RECOMMENDED** to adopt a Scheme of Members' Allowances for the financial year 2022/23, and in so doing to consider the following options, either:

- 1) To adopt the recommendations of the Independent Remuneration Panel made in November 2020 and as set out in Annex 1 to this report; OR
- 2) To adopt any particular recommendations of the Independent Remuneration Panel as the Council may determine; OR
- 3) To agree alternative values for any of the allowances, as the Council may determine; OR
- 4) If the Council does not wish to accept the Panel's recommendations at this time, in whole or in part, or to substitute alternative amounts, to agree a status quo Scheme of Allowances for 2022/23 for any unchanged aspect; AND
- 5) That in any event, the Council adopts an annual index for a four year period (whereby if no other changes occur to a Scheme, then the Members' Allowances may increase in relation to that index for a period of no more than four years), and that this should relate (as in previous years) to the annual pay award for local government staff.

#### **Introduction**

1. Each year, Full Council must adopt a Scheme of Members' Allowances to apply from 1 April of the following year. In particular it must set the amount of a Basic Allowance payable to all members, and may make payments for Special Responsibility and Co-opted Members' Allowances. Accordingly, this report asks members to adopt a Scheme of Allowances to apply from 1 April 2022.
2. Principally, Council's attention is drawn to the recommendations made by the Independent Remuneration Panel in November 2020. Consideration of these was deferred by Council in December 2020. In adopting a Scheme, the Council must have regard to the recommendations. However, it is the Council's choice whether to accept the Panel's recommendations in whole or in part, or not at all, or to determine other amounts. As such, options are set out in this report.
3. The Council may, for example, agree other amounts; or adopt a status quo Scheme which makes no substantive changes. In addition, Council may also choose to adopt an index, as in previous years, whereby the Basic, Special Responsibility Allowances and Co-opted Members' Allowances would rise each

year by reference to an index. Formerly the Council has adopted as an index the pay award for local government employees.

4. Council may also wish to note that whatever Scheme is adopted, each individual member may choose to forgo any allowance to which they are entitled, in whole or in part, on a voluntary basis.
5. The Council must make a Scheme by no later than 31 March 2022.

## **Making a Scheme of Members' Allowances**

### **Option A) The Independent Remuneration Panel**

#### Approach

6. In framing its recommendations, the Independent Remuneration Panel had regard to a range of evidence, comparative information, survey responses from councillors and interviews a cross-section of members of the council. The Panel was mindful of its role of assessing what allowances are appropriate to the roles of elected and co-opted members, having regard to their workload formally and within constituencies and with an understanding of additional responsibilities where these are performed within the Council's governance arrangements.
7. The Panel was also mindful of the political and budgetary implications surrounding the adoption of a Members' Allowances Scheme but recognised that such considerations are for the Council to determine.
8. The Panel also recognised that an individual member can choose whether or not to accept an allowance in full or in part. Rather, the Panel concentrated on providing the Council with an objective, benchmarked view on what allowances it thinks are appropriate to the roles of elected and co-opted members for Oxfordshire County Council.
9. It has also been mindful that a Members Allowances Scheme is intended to present allowances that minimise the potential for any person to be out of pocket as a result of serving their community; recognising of course that some aspect of councillor's service is necessarily voluntary. Therefore, while a Scheme cannot alone influence wider democratic representation, it should at least not be a barrier to it. The Panel has presented its recommendations with these principles in mind.

#### The Panel's recommendations

10. The Panel's full Report is included as Annex 1. It sets out their recommendations in full, with rationale given at each stage. The main changes are:
  1. that the Basic Allowance payable to all councillors increase from £11,014 to £12,000 per annum;

2. that, in addition to the Basic Allowance, a Special Responsibility Allowance (SRA) be paid as follows:-
  - i. Leader of the Council – raise to three times the Basic Allowance: £36,000
  - ii. Deputy Leader of the Council – keep at twice the Basic Allowance: £24,000
  - iii. Cabinet Members – keep at 1.6 times the Basic Allowance: £19,200
  - iv. Leader of the Opposition – increase to 1 times the Basic Allowance: £12,000
  - v. Shadow Cabinet – keep at 0.25 times the Basic Allowance: £3,000
  - vi. Chairs of Scrutiny Committees – keep at 0.6 times the Basic Allowance: £7,200 *[NB Since the Panel met, the Council has amended its scrutiny arrangements, creating three scrutiny committees in place of these: however, the SRA still applies to the three new committee chairs]*
  - vii. Chair of the Planning and Regulation Committee – keep at 0.6 times the Basic Allowance: £7,200
  - viii. Chair of the Audit & Governance Committee – keep at 0.6 times the Basic allowance: £7,200
  - ix. Chair of the Pension Fund Committee – keep at 0.6 times the Basic allowance: £7,200
  - x. Chair of the Remuneration Committee – no allowance
  - xi. Chair of the Council – keep at 0.85 times the Basic Allowance: £10,200
  - xii. Vice-Chair of the Council – keep at 0.25 times the Chair's Allowance: £2,550
  - xiii. Third Party Leader – no allowance but review in 2021/22
  - xiv. Locality Meeting Chair – increase from 0.05 to 0.10 times the Basic Allowance: £1,200
  - xv. Police and Crime Panel Member – no allowance
  - xvi. Police and Crime Panel Chair – keep at 0.6 times the Basic Allowance: £7,200 but invite the Council to review with the Police and Crime Panel members the principle as to whether all authorities should contribute to this cost
  - xvii. Police and Crime Panel Vice-Chair – no allowance
  - xviii. Chair of the Oxfordshire Health Overview and Scrutiny Committee – keep at 0.6 times the Basic Allowance: £7,200
  - xix. Chair of the Horton Health Overview and Scrutiny Committee - keep at 0.45 times the Basic Allowance: £5,400
  - xx. Adoption & Fostering Panels – introduce an allowance for member attendance at each of £100 per Panel with a cap of £1,200 per year
3. a cap be introduced such that no individual member of the Council should be entitled to receive more than two Special Responsibility Allowances at any one time;
4. a Co-optees' Allowance continues to be payable to an independent co-opted member of the Audit & Governance Committee when the co-opted

member serves as Chair of the Audit Working Group, equivalent to Committee/Scrutiny Committee Chair: £7,200;

5. the Council's Basic and Special Responsibility Allowances and the Co-optees' Allowance to the Chair 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; however, if the above increases are agreed, the pay award should not be applied to any increased allowances in 2021/22 but from 2022/23;
  6. that Child and Dependant Carer's Allowances be increased:-
    - a. Child Care: the hourly rate is equivalent to the Oxford Living Wage, capped at £1,200 per year, payable on production of receipts
    - b. Dependent Carer: the hourly rate is twice the Oxford Living Wage capped at £2,400 per year, payable on production of receipts;
  7. the Council retains, for members, the travel and subsistence scheme that is applicable to officers. Overnight accommodation to be booked by officers where possible; when alternative accommodation arrangements are to be used, this should be approved by the relevant officer.
  8. the amounts for Basic Allowance, Special Responsibility Allowances and Co-optees' Allowances be rounded to the nearest pound when first set.
11. Full Council may choose to accept these recommendations in whole or in part, or not at all.

#### **Option B) Alternative amounts**

12. The Council may choose alternative amounts for the Basic, Special Responsibility and Co-opted Member Allowances as it may determine, other than those recommended by the Panel. For information, the current values are shown in the middle column of Annex 2.

#### **Option C) Status quo scheme**

13. If the Council does not wish to make any substantive changes at this time, it may adopt a status quo Scheme based on the currently adopted Scheme. For information, the current values are shown in the middle column of Annex 2.

#### **Option D) Indexation**

14. The Council should also be aware that it has the opportunity, when adopting a Scheme of Allowances, to apply an index to Members' Allowances. In recent years, the Council has chosen to do this with regard to the pay award for local government staff. The effect of doing this is that, if in any given year there is no other change required to be made to a Scheme, the Scheme can remain unchanged except for an annual adjustment by virtue of the agreed index. While Council must still approve the Scheme each year, it need not undertake a fuller review each year in doing so while the index lasts.

15. It is recommended that Council may wish to do this whether the Panel's recommendations are accepted or not, applying such an index to any Scheme adopted.

### **Legal Implications**

16. The Council is required to adopt a Scheme of Allowances ahead of 1 April 2022 to apply from that date. Under the Members' Allowances (Local Authorities)(England) Regulations 2003, the Council must have regard to the recommendations of its Independent Remuneration Panel when making or revising a scheme of allowances. Any decision not to follow the Panel's recommendations must be published. Consequently, Full Council should consider the Panel's recommendations, but it is for Council itself to agree its own scheme.
17. Therefore, Council can:
- (a) Follow the Panel's recommendations in whole or in part
  - (b) Agree a revised scheme of allowances, either in whole or in part, including a 'status quo' arrangement
  - (c) Adopt an index to apply for a maximum period of 4 years

### **Financial Implications**

18. If the Panel's recommendations are accepted in full, there will be additional costs of £98k which will need to be considered in the Budget & Business Planning process for 2022/23. A summary of the financial implications is set out in **Annex 2** to this report. A point to note is that, since the Panel met, the Council has changed its scrutiny arrangements to create three scrutiny committees instead of two. As such, the overall net effect is that if the Council agrees the recommendations for increasing the SRA for scrutiny chairs, this will mean an additional cost of £7,200 (instead of, currently, an additional £6,608.88).

### **Equality & Inclusion Implications**

19. Before making a decision, Section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
  - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
    - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;

- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
  - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
    - tackle prejudice; and
    - promote understanding.
20. Public sector equalities duties have been considered by the IRP as part of their deliberations.
21. It is also important to note that the Panel's report was produced at time before the Council changed its own terminology to refer to the chairs of meetings as Chairs (rather than Chairmen). As such, while this covering report refers to the Council's recently adopted terminology, the Panel's report is appended in its original form, as it existed in November 2020.

**ANITA BRADLEY**

Director of Law & Governance and Monitoring Officer

Contact Officer:

Glenn Watson, Principal Governance Officer, [glenn.watson@oxfordshire.gov.uk](mailto:glenn.watson@oxfordshire.gov.uk)  
07776 997946

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