

Cherwell District Council

Council

25 February 2019

Members Allowances 2019/2020

Report of Director Law and Governance and Monitoring Officer

This report is public

Purpose of report

To determine the levels of the allowances to be paid to Members for the forthcoming 2019/2020 financial year following the submission of the report of the Council's Independent Remuneration Panel (IRP).

1.0 Recommendations

The meeting is recommended to:

- 1.1 Consider the levels of allowances to be included in the 2019/2020 Members' Allowances Scheme, and whether the Panel's recommendations should be adopted or modified in any way
- 1.2 Authorise the Monitoring Officer to prepare an amended Members' Allowances Scheme, in accordance with the decisions of the Council for implementation with effect from 1 April 2019.
- 1.3 Authorise the Monitoring Officer to take all necessary action to revoke the current (2018/2019) Scheme and to publicise the revised Scheme pursuant to The Local Authorities (Members's Allowances)(England) Regulations 2003 (as amended).
- 1.4 Thank the Independent Remuneration Panel for its report and set a fee of £300 for Panel Members for the work carried out on this review for 2018/2019 and propose the same level of fee for any reviews carried out in 2019/2020 capped at a maximum of £1200.

2.0 Introduction

- 2.1 The Council's Independent Remuneration Panel has met to review the current (2018/2019) Members' Allowances Scheme and its report on the recommended levels of the allowance payments for the 2019/2020 financial year is attached as appendix 1.

2.2 The Council is required to have regard to the Panel's recommendations, but is under no obligation to accept them if they are deemed to be inappropriate. It is open to the Council to revise the levels of the recommended allowance payments for the 2019/2020 (either up or down) as is considered appropriate.

3.0 Report Details

Members' Allowances

3.1 Based on the information provided to the Panel as detailed in its report at Appendix 1, it recommends:

(a) that the basic allowance be increased by 2.4% and rounded either up or down, whichever is closest, to ensure 12 equal payments

	2018/2019	Proposed level 2019/2020
Basic Allowance	£4,284.00 p.a.	£4,392.00 p.a.

(b) that the Special Responsibility Allowances be increased by 2.4% rounded either up or down, whichever is closest, to ensure 12 equal payments:

	2018/2019	Proposed level 2019/2020
Leader of the Council	£7,284.00 p.a.	£7,476.00 p.a.
Deputy Leader of the Council	£2,520.00 p.a.	£2,580.00 p.a.
Executive Members Holding a Portfolio	£6,372.00 p.a.	£6,528.00 p.a.
Chairman of the Accounts, Audit and Risk Committee	£4,248.00 p.a.	£3,636.00 p.a.
Chairman of Budget Planning Committee	£3,552.00 p.a.	£3,636.00 p.a.
Chairman of the Overview and Scrutiny Committee	£3,552.00 p.a.	£3,636.00 p.a.
Chairman of the Planning Committee	£4,248.00 p.a.	£4,344.00 p.a.

Chairman of the Appeals Panel	£253 SRA plus £253 per meeting to a capped limit of £1012.00 p.a.	£261 SRA plus £261 per full meeting to a capped limit of £1,044.00 p.a.
Chairman of the Licensing Committee	£253 SRA plus £253 per full meeting to a capped limit of £1012.00 p.a.	£261 SRA plus £261 per full meeting to a capped limit of £1,044.00 p.a.
Chairman of the Personnel Committee	£253 SRA plus £253 per meeting to a capped limit of £1012.00 p.a.	£261 SRA plus £261 per full meeting to a capped limit of £1,044.00 p.a.
Chairman of the Standards Committee	£253 SRA plus £253 per full meeting to a capped limit of £1012.00 p.a.	£261 SRA plus £261 per full meeting to a capped limit of £1,044.00 p.a.
Leader of the Opposition	£2,940.00 p.a.	£3,012.00 p.a.

(c) that the Co-optee and Independent Persons Allowance be increased by 2.4% and rounded either up or down to 12 equal payments:

	2018/2019	Proposed level 2019/2020
Co-optee and Independent Persons Allowance	£732.00 p.a.	£744.00 p.a.

(d) that there be no increase in the rate of Dependent Carers' and Childcare Allowances, but the number of hours claimable should be increased from 20 to 40:

	2018/2019	Proposed level 2019/2020
Childcare	£10 per hour	£10 per hour

Dependent Relative Care	£20 per hour	£20 per hour
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(e) that there be no change to Travelling and Subsistence Allowances;

Bicycles	20p per mile
Motorcycles	24p per mile
Motor Vehicles including electric vehicles	45p per mile

Breakfast Allowance	£6.02 per meal
Lunch Allowance	£8.31 per meal
Evening Meal Allowance	£10.29 per meal

(f) That Democratic Services should continue to book overnight accommodation

(g) That further to the decision of the Shareholder Committee to mirror the elected members appointed as Non-Executive Directors on Graven Hill companies and pay one allowance to those members, that allowance be increased by 2.4% and rounded either up or down whichever is closest, to ensure 12 equal payments.

	Current level 2018/2019	Proposed level 2019/2020
Non-Executive Directors Graven Hill Village Holding Company Limited	£4,248.00 p.a.	One Payment of £4,344.00 p.a.
Non-Executive Directors Graven Hill Village Development Company Limited	£4,248.00 p.a.	for holding both positions

4.0 Conclusion and Reasons for Recommendations

4.1 The following paragraphs set out the rationale for the recommendations of the Panel. Further detail is provided in the Panel's report at Appendix 1.

- 4.2 In 2017/2018 Cherwell District Council (CDC), South Northamptonshire Council (SNC) and Unison entered into a collective agreement to harmonise terms and conditions for CDC and SNC employees. The new pay scale included a 2 year pay deal which consisted of a 2.5% cost of living rise for 2018/19 and 2.4% cost of living rise for 2019/20.
- 4.3 Acknowledging that there had been a cost of living increase for staff in 2018/2019, the Panel was minded to recommend an increase of 2.4% to Members' Basic Allowance, rounded either up or down, whichever is closest, to produce 12 equal payments, as a cost of living increase, in line with the staff increase.
- 4.4 The Panel noted that whilst their recommended increase of 2.00% in Basic Allowance for 2018/2019 was agreed by Council, a number of Members had chosen not to take the increase.
- 4.5 The Panel agreed to recommend that the Co-optee and Independent Persons allowance also be increased by 2.4% rounded either up or down, whichever is closest, to ensure 12 equal monthly payments.
- 4.6 The total cost of a 2.4% increase to the Basic Allowance for elected Members and co-optee and Independent Persons Allowance would be £5220 p.a.¹.
- 4.7 In 2018/2019 the Panel had recommended no increase to Special Responsibility Allowance (SRA) but were minded to recommend that all SRA be increased at the same rate of 2.4% for 2019/2020 as was being recommended for the Basic Allowance. The Panel considered that a cost of living increase was now justified as specific SRA's had previously been adjusted in accordance with workload but had not received a cost of living increase.
- 4.8 In November 2016 it was agreed that allowances would be paid to elected Members who are appointed as Non-Executive Directors (NED) of Graven Hill Companies (Graven Hill Development Company Limited, (DEVCO) and Graven Hill Village Holdings Limited (HOLDCO)) and these would increase in line with members' allowances. As the allowance for Non-Executive Directors of Graven Hill Companies were in line with an equivalent special responsibility allowance, these would also be increased by 2.4%.
- 4.9 In light of the decision of the Shareholder Committee to mirroring the elected member NEDs on Graven Hill companies, a change to the remuneration for Member NEDs who sit on both HOLDCO and DEVCO was approved whereby one allowance for sitting on both boards would be paid. The allowance level agreed was £4,248.00, comparable to the allowance paid to the Planning Committee Chairman, and as set out in the previous paragraph, the Panel recommended this be increased by 2.4% rounded up or down to 12 equal payments in line with the proposed increase to all SRA.
- 4.10 The total cost of a 2.4% increase to the SRA for elected Members (excluding for Members appointed as NED's on Graven Hill companies as these are paid by the companies) would be £944².

¹ This amount assumes the increase is accepted by 48 elected members and the three Independent Persons. There are currently no co-optees.

² This amount assumes the increase is accepted by all those elected members receiving an SRA.

- 4.8 Any travel, subsistence and carers allowances paid to councillor directors of controlled or influenced companies by the Council should be recharged to the relevant company to which they relate.
- 4.8 It is the view of the Independent Remuneration Panel that the proposals represent realistic and fair levels of allowance for 2019/2020 and recommend adoption.

5.0 Consultation

- 5.1 Details set out in appendix 1, the Panel's Report. (5. Work of the Panel)

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To accept the Panel's recommendations

Option 2: To modify the Panel's recommendations. This is within the Council's discretion as the Panel recommendations are not binding. However it is not recommended as the Panel has considered and justified the recommendations that they have made.

7.0 Implications

Financial and Resource Implications

- 7.1 Provision has been included in the draft 2019/2020 budget for Members' Allowances and the full cost of agreeing a 2.4% increase to the basic allowance, Special Responsibility Allowance and Independent Persons and Co-optees allowance can be accommodated
- 7.2 If Members were minded to alter the levels of the allowances over and above those recommended by the Panel, this would be above the provision included in the draft budget.

Comments checked by: Adele Taylor – Interim Executive Director: Finance and Governance Email: adele.taylor@cherwell-dc.gov.uk Telephone: 01295 221634

Legal Implications

- 7.3 It is a legal requirement of the Council to consider the recommendations of the Independent Remuneration Panel before setting the level of allowances.

Comments checked by: Nick Graham – Director: Law and Governance and Monitoring Officer Email: nick.graham@cherwellandsouthnorthants.gov.uk Telephone: 03000030106

Wards Affected

All

Links to Corporate Plan and Policy Framework

Here to Serve

Lead Councillor

None

Document Information

Appendix No	Title
1	Report of the Independent and Parish Remuneration Panel on the Review of Members' Allowances for the 2019/2020 Financial Year
Background Papers	
None	
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