

Cherwell District Council

Council

24 February 2020

Members Allowances 2020/2021

Report of Director Law and Governance

This report is public

Purpose of report

To determine the levels of the allowances to be paid to Members for the forthcoming 2020/2021 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 2020/2021 Members' Allowances Scheme, and whether the Panel's recommendations should be adopted or modified in any way
- 1.2 Authorise the Director Law and Governance to prepare an amended Members' Allowances Scheme, in accordance with the decisions of the Council for implementation with effect from 1 April 2020.
- 1.3 Authorise the Director Law and Governance to take all necessary action to revoke the current (2019/2020) 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 2019/2020 and propose the same level of fee for any reviews carried out in 2020/2021 capped at a maximum of £1200, which will be funded from within the Council's existing budgets.

2.0 Introduction

- 2.1 The Council's Independent Remuneration Panel has met to review the current (2019/2020) Members' Allowances Scheme and its report on the recommended levels of the allowance payments for the 2020/2021 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 2020/2021 (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:
- 3.2 That Basic Allowance be increased in line with the staff cost of living increase rounded either up or down, whichever is closest, to give 12 equal payments. The staff pay negotiations for 2020/2021 have not yet commenced, so when the award is finalised, the increase should be backdated to the beginning of the financial year 2020/2021, 1 April 2020.

(Whilst the Panel's recommendation is for an increase in line with the staff cost of living allowance, to give an indicative idea of cost and change, a 2% increase has been applied to the figures below for information):

	<i>Possible increase of 2% for 2020/2021</i>	<i>Current Level 2019/2020</i>
<i>Basic Allowance</i>	<i>£4,476.00 p.a.</i>	<i>£4,392.00 p.a.</i>

- 3.3 That all Special Responsibility Allowance (SRAs) increased in line with the staff cost of living increase rounded either up or down, whichever is closest, to give 12 equal payments, and payment backdated to the beginning of the financial year 2020/2021, 1 April 2020.

(Whilst the Panel's recommendation is for an increase in line with the staff cost of living allowance, to give an indicative idea of cost and change, a 2% increase has been applied to the figures below for information):

	<i>Possible increase of 2% for 2020/2021</i>	<i>Current level for 2019/2020</i>
<i>Leader of the Council</i>	<i>£7,620.00 p.a.</i>	<i>£7,476.00 p.a.</i>
<i>Deputy Leader of the Council</i>	<i>£2,628.00 p.a.</i>	<i>£2,580.00 p.a.</i>
<i>Executive Members Holding a Portfolio</i>	<i>£6,660.00 p.a.</i>	<i>£6,528.00 p.a.</i>

<i>Chairman of the Accounts, Audit and Risk Committee</i>	£3,708.00 <i>p.a.</i>	£3,636.00 <i>p.a.</i>
<i>Chairman of Budget Planning Committee</i>	£3,708.00 <i>p.a.</i>	£3,636.00 <i>p.a.</i>
<i>Chairman of the Overview and Scrutiny Committee</i>	£3,708.00 <i>p.a.</i>	£3,636.00 <i>p.a.</i>
<i>Chairman of the Planning Committee</i>	£4,428.00 <i>p.a.</i>	£4,344.00 <i>p.a.</i>
<i>Chairman of the Appeals Panel</i>	£264 SRA plus £264 per full meeting to a capped limit of £1,056.00 <i>p.a.</i>	£261 SRA plus £261 per full meeting to a capped limit of £1,044.00 <i>p.a.</i>
<i>Chairman of the Licensing Committee</i>	£264 SRA plus £264 per full meeting to a capped limit of £1,056.00 <i>p.a.</i>	£261 SRA plus £261 per full meeting to a capped limit of £1,044.00 <i>p.a.</i>
<i>Chairman of the Personnel Committee</i>	£264 SRA plus £264 per full meeting to a capped limit of £1,056.00 <i>p.a.</i>	£261 SRA plus £261 per full meeting to a capped limit of £1,044.00 <i>p.a.</i>
<i>Chairman of the Standards Committee</i>	£264 SRA plus £264 per full meeting to a capped limit of £1,056.00 <i>p.a.</i>	£261 SRA plus £261 per full meeting to a capped limit of £1,044.00 <i>p.a.</i>
<i>Leader of the Opposition</i>	£3,072.00 <i>p.a.</i>	£3,012.00 <i>p.a.</i>

- 3.4 That the co-optee and Independent Person allowances be increased in line with the staff cost of living increase rounded either up or down, whichever is closest, to give 12 equal payments, and payment backdated to the beginning of the financial year 2020/2021, 1 April 2020.

	<i>Possible increase of 2% for 2020/2021</i>	<i>Current level for 2019/2020</i>
<i>Co-optee and Independent Persons Allowance</i>	<i>£756.00 p.a.</i>	<i>£744.00 p.a.</i>

3.5 That there be no increase in the rate of Dependent Carers' and Childcare Allowances:

	Proposed level 2020/2021	Current level 2019/2020
Childcare	£10 per hour	£10 per hour
Dependent Relative Care	£20 per hour	£20 per hour

3.6 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

3.7 That Democratic Services should continue to book overnight accommodation

3.8 That Non-Executive Director allowances be increased in line with the staff cost of living increase rounded either up or down, whichever is closest, to give 12 equal payments, and payment backdated to the beginning of the financial year 2020/2021, 1 April 2020, should a settlement not be agreed to that date.

(Whilst the Panel's recommendation is for an increase in line with the staff cost of living allowance, to give an indicative idea of cost and change, a 2% increase has been applied to the figures below for information):

	<i>Possible increase of 2% for 2020/2021</i>	<i>Current Level 2019/2020</i>
<i>Non-Executive Directors Graven Hill Village Holding Company Limited and Graven Hill Village Development Company Limited</i>	<i>£4,428.00 p.a.</i>	<i>£4,344.00 p.a.</i>

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 Acknowledging that there had been a 2.4% cost of living increase for staff in 2019/2020. The Panel had recommended the same level of increase be applied to Members' basic allowance and special responsibility allowances rounded either up or down, whichever was closest, to produce 12 equal payments. This increase had been agreed by Full Council in February 2019.
- 4.4 The Panel noted that whilst their recommended increase of 2.4% in Basic and Special Responsibility Allowance for 2019/2020 was agreed by Council, some Members had chosen not to take the increase.
- 4.5 The Panel noted that the Co-optee and Independent Persons allowance also increased by 2.4% rounded either up or down, whichever is closest, to ensure 12 equal monthly payments.
- 4.6 The Panel acknowledged that the CDC Members' Allowances are relatively low in comparison to other similar councils and elected members therefore represented good value for money. The Panel considered that applying the same cost of living increase to Members' allowances as that awarded to staff, is a consistent and fair approach and agreed to recommend that the same level as the staff cost of living increase be applied to Members' Basic allowance and all SRA's for 2020/2021, to be rounded either up or down, whichever is closest, to create 12 equal payments. Payment of the increase should be backdated to the start of the 2020/2021 financial year, 1 April 2020 should a staff cost of living settlement not be agreed before that time.
- 4.7 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 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 should also be increased at the same level as the staff cost of living increase.
- 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 2020/2021 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 to accept an increase proposed by Council, to commence at the beginning of the new financial year, 1 April 2020. This is within the Council's discretion as the Panel recommendations are not binding.

Option 3: To modify the Panel's recommendations and not accept an increase. 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 2020/2021 budget for Members' Allowances and the full cost of agreeing an increase in line with the staff pay settlement, 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:

Dominic Oakeshott, Interim Assistant Director: Finance,
dominic.oakeshott@cherwell-dc.gov.uk , 01295 227943

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:

Chris Mace, Solicitor, Christopher.mace@cherwell-dc.gov.uk, 01295 221808

8.0 Decision Information

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 2020/2021 Financial Year
Background Papers	
None	
Report Author	Lesley Farrell, Democratic and Elections Officer
Contact Information	01295 221591 lesley.farrell@cherwell-dc.gov.uk