



DISTRICT COUNCIL
NORTH OXFORDSHIRE

Report
of the Independent and Parish
Remuneration Panel
on the Review of Members' Allowances for the
2020/2021 Financial Year

For

Cherwell District Council

December 2019

CHERWELL DISTRICT COUNCIL

REPORT OF THE INDEPENDENT AND PARISH REMUNERATION PANEL

REVIEW OF MEMBERS' ALLOWANCES FOR THE 2020/2021 FINANCIAL YEAR

1.0 Introduction

- 1.1 After considering the recommendations of this Panel, Cherwell District Council introduced a revised Scheme of Members' Allowances from 1 April 2019 whereby an increase of 2.4% rounded either up or down to 12 equal payments was applied to the basic allowance, Special Responsibility Allowance, Independent Persons and co-optee allowances. All other allowances remained the same. This Scheme has remained in force throughout the 2019/20 financial year.
- 1.2 This report has been prepared in accordance with the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended). It outlines the Panel's findings following a review of the District Council's current Allowance Scheme and its recommendations for 2020/2021 in respect of:
- (a) the levels of basic and special responsibility allowances;
 - (b) the travelling, subsistence and dependent carers' allowances; and
 - (c) co-optees and Independent Persons allowance.

2.0 The Independent Remuneration Panel

- 2.1 The current membership of the Panel is:

Ms Jeanette Baker
Mr Andrew Hodges
Mr David Shelmerdine
Mr Christopher White
Mr Ray Everitt

- 2.3 Mr Stefan Robinson and Mrs Charlotte Green had resigned from the panel during the summer of 2019. The Panel thanked them for their contribution to the panel and wished them well for the future.
- 2.4 The Panel met on 3 December 2019 to consider and agree its recommendations for the 2020/2021 financial year.

Mr Ray Everitt sent his apologies.

Mr Christopher White was appointed as Chairman of the Panel.

Mr Christopher White declared an interest in Graven Hill Development Company.

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- 2.5 Natasha Clark (Governance and Elections Manager) and Lesley Farrell (Democratic and Elections Officer) provided the Panel with administrative advice and support.
- 2.6 The Panel's findings are set out in this report, together with recommendations for consideration by Council.

3.0 Terms of Reference of the Panel

- 3.1 The Panel's terms of reference as originally agreed by the Council when it was first constituted (as amended by the 2003 Consolidating Regulations which relate to the determination of local schemes for travelling and subsistence allowances) are outlined in its reports dated 3 July 2001 and 4 July 2003.
- 3.2 The principal matters on which the Panel can make recommendations are:
- (a) the amount of basic allowance to be paid to all Members of the Council;
 - (b) the elected member roles which should qualify, as they involve significant additional responsibilities, for Special Responsibility Allowance payments and the levels of those allowances;
 - (c) the appropriateness, and the amounts to be paid in respect of the childcare and dependent carers' allowances;
 - (d) the levels, and appropriateness, of travelling and subsistence allowances; and
 - (e) the amount of the co-optees and independent persons (Standards) allowances to be paid.

4.0 The Panel's Adopted Approach

- 4.1 Since 2001, the Panel's approach has been that recommendations should be formulated appropriate to the circumstances of the Council, recognising that the roles of Executive and Non-Executive Members are now well-established.
- 4.2 The following underlying principles continue to form the fundamental basis of the Panel's review process:
- (a) the allowances should take account, as far as possible, of the amount of time taken by Members to fulfil their roles.
 - (b) the scheme should ensure, as far as practical, that as wide a range of people as possible should be able to stand for election and that they should not be financially penalised in so doing. This, in turn, should increase the likelihood of an inclusive approach to Council

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services:

- (c) the levels of the allowances should not be treated as salary but rather as a level of 'compensation';
- (d) the original principle of the panel was that an element of Members' time in terms of their work as a Councillor should be treated as voluntary and therefore should not be remunerated – the principles of voluntary service were fully set out in paragraphs 9.4 and 9.5 of our July 2001 report; and it was agreed that this principle should continue.
- (e) the assumption that all Members will participate as fully as possible in Council business and play an active role in their Wards and that the importance of these mutually inclusive roles should be reflected in the level of the basic allowance.
- (f) the reviewed scheme should take account of the payments included in the current scheme and any increases which might be recommended should be balanced against the interests of the Council Tax Payers in the District, although we accept that the Council must consider the political implications of the levels of the allowances open to it to pay.
- (g) the reviewed scheme should continue to be subject to well informed periodic reviews.

5.0 The Work of the Panel

- 5.1 The Panel had previously determined the underlying principles on which the levels of Members allowances should be based, as outlined above.
- 5.2 The Panel's approach required an assessment of the amount of time Councillors commit to their duties and their associated workloads in the context of the identified special responsibilities for Lead Members and Committee Chairmen.
- 5.3 The Panel was aware of the responsibilities and workloads of the members of the Executive and especially those of the Leader.
- 5.4 As part of its review, the Panel considered the following information which informs its conclusions:
 - (a) a copy of the Council's Members' Allowances Scheme for 2019/2020;
 - (b) a comparison of neighbouring authority Members Allowances.
 - (c) comparative data from the Members' Allowances survey undertaken by the South East Employers Organisation which

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outlines the basic, special responsibility and other allowance payments made by Council's in the South East Region.

- (d) a summary of Members responses to the 'Activity Questionnaire'.
- (e) the general economic climate, increase in cost of living and level of national pay awards
- (f) the overall financial position of the Council.
- (g) any recent changes in the roles, responsibilities and workload of specific member posts.
- (h) Any additional comments Members wished to make in respect of the current allowance scheme.
- (i) As negotiations for the annual staff increase had not yet commenced, this information was not available for the panel.

5.5 The Panel continues to place great importance on the information gathered by way of the 'Activity Questionnaire'.

The purpose of the 'Activity Questionnaire' is to determine:

- (a) the amount of time Members estimate they spend on Council business during an average month;
- (b) Members views on the adequacy, or otherwise, of the current levels of Members' Allowances at the Council; and
- (c) Whether Members would like to address the Panel in person.

5.6 The activity questionnaire had been refreshed this year with a slight change in format and could be completed in hard copy or via an online survey. It was circulated to all Members of the Council and a total of 17 completed questionnaires out of 48 councillors were returned, representing 35.42% of its membership.

5.7 The Panel was very grateful to those Members who returned the questionnaire or completed the online survey.

5.8 Two members had asked to speak to the panel but unfortunately, only one was able to attend the date and time of the meeting. The Panel were very grateful to the Member who was able to attend.

5.9 The Panel was once again disappointed by the low return of questionnaires, particularly as the questionnaire had been sent in both hard copy and via an online survey in the hope this would increase the response rate. As this forms a large part of their decision making process, the Panel could only surmise that those who did not return the questionnaire or complete the online survey were happy with the current allowance scheme.

5.10 Notwithstanding the relatively low return rate, the Panel proposes to repeat this

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exercise again next year as it firmly believes that the information requested is vital to its efforts in undertaking proper and meaningful reviews. The Panel hopes that next year will result in a greater number of responses from Councillors.

- 5.11 The Panel noted that those Members who responded to the activity questionnaire continued to show a significant variation in the average number of hours they spent on their roles as Councillors, ranging from 8 to 100 hours per month.
- 5.12 The Panel noted that those Members who responded spent an average of 31 hours per month on council duties. This was less than the average response of 40 hours per month in the survey last year.
- 5.13 Results from questions 1 to 4 of the questionnaires were as follows:

Question 1 – N/A (councillor name)

Question 2 – How long have you been a Councillor?

- Less than 1 year 3
- 1 – 4 years 3
- 5 – 8 years 6
- 8 – 12 years 1
- Over 12 years 4

Question 3 – What is your current role?

- Leader of the Council/Leader of the Opposition/Group Leader 1
- Deputy Leader of the Council/Deputy Leader of Opposition/Deputy Group Leader 2
- Chairman/Vice-Chairman of the Council 0
- Executive Member 3
- Committee Chairman/Vice-Chairman 4
- None of the above 7

Question 4 – What is your employment status?

- Retired or otherwise not employed 4
- Employed full time 10
- Employed part time 2
- Other 1

- 5.14 Other responses to the questionnaire were:
- (a) Five of the respondents receive a Special Responsibility Allowance (SRA) and believed that an average of 39 hours per month related to the post for which the SRA was received.
 - (b) One respondent considered that an SRA should be paid for being Chairman of the Community Partnership Network.
 - (c) All the respondents considered that part of their time was given on a voluntary basis averaging 5 hours a week. As a monthly figure of 20 hours per month, this equates to just under two thirds of the average

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time councillors indicated they spent on council work per month (31 hours)

- (d) Members were asked about the current rate of allowance and if it was thought to be adequate. 7 of the members thought that the allowance should be increased in line with the officer pay award. 3 thought it should be increased by an amount not linked to the officer pay award and 7 considered the allowance to be adequate and frozen at the current level.
- (e) Members were asked if they had any comments on Carers Allowance, Travel Allowance or Subsistence Allowance. The following comments were submitted:
- These allowances are in line with other employers.
 - Carers allowance should be increased for those with parental responsibility. Maternity leave should also be considered but general allowances should be lowered.
 - I do not believe there is any merit in having travel allowance.
 - Allowances need to rise each year in order that being a councillor is not a rich man's hobby. It is only the fact that I have a pension that allows me to give the amount of time I do to the council.

5.15 Whilst having regard to the questionnaire responses, during their deliberations, the Panel was conscious that the responses could not be seen as representative of elected members, due to the small number of questionnaires returned.

6.0 Basic Allowance

6.1 The Panel was requested to review the current level of the Basic Allowance.

6.2 Since the Council moved to its Local Pay Formula, the Panel has used the annual pay settlement for staff as one of their main considerations for recommending adjustments to the levels of the basic and special responsibility allowances paid to members.

6.3 The Panel noted that whilst their recommended increase of 2.4% to the Basic Allowance for 2019/2020 had been agreed by Council, some Members had chosen not to take the increase.

6.4 The negotiations for a cost of living increase for staff for the 2020/2021 financial year had not yet started but the Panel agreed that the same level of pay settlement agreed for staff should be applied to the Members Basic Allowance and rounded either up or down, whichever is closest, to produce 12 equal payments. Payment of the increase should be backdated to the beginning of the 2020/2021 financial year, 1 April 2020, should the payment not be agreed prior to that date.

6.5 The Panel agreed to recommend that the Co-optee and Independent Persons allowance also be increased by the same rate as the staff settlement, rounded

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either up or down, whichever is closest, to ensure 12 equal monthly payments and backdated to the beginning of the 2020/2021 financial year, 1 April 2020, should a settlement not be agreed prior to that date.

7.0 Special Responsibility Allowances

- 7.1 The Panel reviewed the Special Responsibility Allowances (SRA).
- 7.2 In 2019/2020 the Panel had recommended a 2.4% increase to all Special Responsibility Allowance (SRA), the same level that was recommended for the Basic Allowance, which was in line with the staff cost of living increase.
- 7.3 The Panel agreed that the cost of living pay settlement for staff should be applied in 2020/2021 for SRA's and rounded either up or down, whichever is closest, to produce 12 equal payments and backdated to the beginning of the 2020/2021 financial year, 1 April 2020, should a settlement not be agreed prior to that date.
- 7.4 The Panel noted the comment in the Members' Questionnaire regarding the suggestion for an allowance to be paid to the Chairman of the Community Partnership Network. This is an outside body to which Cherwell District Council (CDC) appoints a representative and it is the Partnership's decision as to who it appoints as its Chairman. Whilst the Chairman is currently a CDC Councillor, this could change, and CDC could then be paying an allowance to a non-CDC councillor. The Panel agreed that it was a matter for the Community Partnership Network if it wishes to pay an allowance to its Chairman.
- 7.5 The Panel noted that the Members' Allowance Scheme does not remunerate for outside body appointments, although Members may claim travel and subsistence when attending meetings as an outside body representative as this falls within approved duties.

8.0 Non-Executive Directors on Council Owned Companies

- 8.1 In 2018 it was agreed that Members who were Non-Executive Directors (NED) of both Graven Hill Companies (Graven Hill Development Company Limited, (DEVCO) and Graven Hill Village Holdings Limited (HOLDCO) should receive one allowance comparable to the allowance paid to the Planning Committee Chairman.
- 8.2 The Panel agreed to recommend that the NED allowance should be increased to match that of the Planning Committee Chairman and payment backdated to the beginning of the 2020/2021 financial year, 1 April 2020, should a settlement not be agreed prior to that date.

9.0 Travelling and Subsistence Allowances

- 9.1 The Panel was requested to review the current level of Travelling and Subsistence

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Allowances.

- 9.2 The Panel noted that all travel rates are set at the specified HM Revenues and Customs rates and consequently had no implications for the tax liabilities of Members. Travel rates for motorcycles and motor vehicles are paid regardless of the cc of motor cycle or motor vehicle concerned and remain the same. These rates remain unchanged.
- 9.3 In relation to Subsistence Allowances, the Panel previously agreed that allowances should be paid up to the maximum rates notified by the National Joint Council for Officers index linked to the Retail Prices Index (excluding mortgages).
- 9.4 However, the National Joint Council for Officers ceased to produce nationally agreed subsistence rate for local government staff in 1996. Since that time, subsistence rates have been a subject for local determination and the Council has based its rates on Local Government Association rates.
- 9.5 The Panel considered the travelling and subsistence allowances and agreed, that there should be no increase in travelling or subsistence allowances at this time.

10.0 Dependent Carers' and Childcare Allowance

- 10.1 The panel considered the dependent carers' and childcare allowances and agreed that the rates should remain the same.

11.0 Recommendations to Council

- 11.1 Based on the information provided to the Panel, it recommends to Full Council to agree:
- 11.2 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, and payment backdated to the beginning of the financial year 2020/2021, 1 April 2020, should a settlement not be agreed before 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>Basic Allowance</i>	<i>£4,476.00 p.a.</i>	<i>£4,392.00 p.a.</i>

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- 11.3 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, should a settlement not be agreed before 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 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>	<i>£3,708.00 p.a.</i>	<i>£3,636.00 p.a.</i>
<i>Chairman of the Budget Planning Committee</i>	<i>£3,708.00 p.a.</i>	<i>£3,636.00 p.a.</i>
<i>Chairman of the Overview and Scrutiny Committee</i>	<i>£3,708.00 p.a.</i>	<i>£3,636.00 p.a.</i>
<i>Chairman of the Planning Committee</i>	<i>£4,428.00 p.a.</i>	<i>£4,344.00 p.a.</i>
<i>Chairman of the Appeals Panel</i>	<i>£264 SRA plus £264 per full meeting to a capped limit of £1,056.00 p.a.</i>	<i>£261 SRA plus £261 per full meeting to a capped limit of £1,044.00 p.a.</i>
<i>Chairman of the Licensing Committee</i>	<i>£264 SRA plus £264 per full meeting to a capped limit of £1,056.00 p.a.</i>	<i>£261 SRA plus £261 per full meeting to a capped limit of £1,044.00 p.a.</i>
<i>Chairman of the Personnel Committee</i>	<i>£264 SRA plus £264 per full meeting to a capped limit</i>	<i>£261 SRA plus £261 per full meeting to a capped limit</i>

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	<i>of £1,056.00 p.a.</i>	<i>of £1,044.00 p.a.</i>
<i>Chairman of the Standards Committee</i>	<i>£264 SRA plus £264 per full meeting to a capped limit of £1,056.00 p.a.</i>	<i>£261 SRA plus £261 per full meeting to a capped limit of £1,044.00 p.a.</i>
<i>Leader of the Opposition</i>	<i>£3,072.00 p.a.</i>	<i>£3,012.00 p.a.</i>

(The Leader of the Council receives the Leaders' allowance and an allowance for Executive Member with Portfolio. These SRA's are paid in addition to the Basic Allowance.)

- 11.4 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, 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>Co-optee and Independent Person Allowance</i>	<i>£756.00 p.a.</i>	<i>£744.00 p.a.</i>
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- 11.5 That there be no change to Dependent Carers' and Childcare Allowances:

Childcare	£10 per hour	£10 per hour
Dependent Relative Care	£20 per hour	£20 per hour

- 11.6 That there be no change to Travelling and Subsistence Allowances:

Bicycles	20p per mile
Motorcycles	24p per mile
Motor Vehicles	45p per mile

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Electric or Similar Specialised Vehicles	45p per mile
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Breakfast Allowance	£6.02 per meal
Lunch Allowance	£8.31 per meal
Evening Meal Allowance	£10.29 per meal

11.7 That Democratic Services continue to book overnight accommodation if required.

11.8 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>

12.0 Findings of the Panel

12.1 In arriving at its recommendations, the Panel had particular regard to the following:

- (a) 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.
- (b) 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

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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.

- (c) The Panel acknowledged the amount of work carried out by the Executive and particularly the Leader of the Council, who committed a considerable amount of time to Cherwell District Council.
- (d) The increasing complexity, responsibilities and burden of local government made it imperative for able individuals representing all of society to be able to stand for election as Councillors, but the absence of a national baseline for Member remuneration did not help efforts to attract candidates in the local community with the professional qualities needed for the role.
- (e) As local government becomes increasingly business-like, levels of remuneration need to reflect the time, effort and expertise required of Councillors, otherwise it would continue to prove difficult to attract quality candidates to the role, resulting in negative implications for local democracy.
- (f) The Panel thanked Democratic Services for the information provided to assist in their work.

Mr Christopher White
Chairman
Independent Remuneration Panel
December 2019