

Report of the Independent Remuneration
Panel on the Review of Members' Allowances
for the
2012/2013 Financial Year

For

Cherwell District Council

November 2011

CHERWELL DISTRICT COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL

REVIEW OF MEMBERS' ALLOWANCES FOR THE 2012/2013 FINANCIAL YEAR

1 Summary

- 1.1 Levels of remuneration remain at the current rate based on a 0% 'cost of living' adjustment, which take into account the current economic climate; and
- 1.2 Recommendations were included to reduce the level of the co-optees allowance, reduce the level of SRA for the Personnel, Licensing and Standards Committee Chairman, and introduce an SRA for the Deputy Leader and Appeals Panel Chairman. No changes to the travelling allowances were made (subject to notification of any revised rates by HM Revenue and Customs).

2 Recommendations

- 2.1 The recommendations are as follows:

- (a) the basic allowance payable to all Members be £4,155
- (b) the Special responsibility Allowances be paid as follows:

(i) Executive Members	£6,291
(ii) Leader of the Council (to which should be added the SRA as a Member of the Executive)	£7,209
(iii) Chairman of the Licensing Committee	1,104
(iv) Chairman of the Overview and Scrutiny Committee	£3,702
(v) Chairman of the Resources & Performance Scrutiny Board	£3,702
(vi) Chairman of Planning Committee	£4,200
(vii) Chairman of Standards Committee (Independent Member)	£1,104
(viii) Chairman of Personnel	£1,104
(ix) Chairman of the Accounts, Audit and Risk Committee	£2,250
(x) Leader of the Opposition	£2,898
(xi) Co-optees Allowance	£708
(xii) Deputy Leader of the Council (to which should be added the SRA as a Member of the Executive)	£1,104

- (c) the Carers' Allowance continues to be paid at its current levels and on the basis that:-

- (i) the allowance can only be claimed when an 'approved duty' is performed subject to the submission of receipts and, in the case of the childcare allowance, to that allowance not being paid to a member of the claimant's household; and

- (ii) the basis of the Carers' Allowance be the actual cost incurred up to the maximum hourly rates set out below and to a maximum cap of 20 hours per month:-
- Childcare - £8 per hour
 - Dependent Relative Care - £15 per hour
- (d) subject to the notification of any adjustments later in the year, HM Revenue and Customs specified mileage rates of 24p per mile for motorcycles regardless of the cc and 45p per mile (with no tax implications) regardless of the cc of the motor vehicle be paid up until such time any revisions are notified by HM Revenue and Customs and the revised rates then be implemented
- (e) the supplements relating to the payment of tolls and other parking charges continue to be paid
- (f) subject to the proviso detailed in (d) above, the HM Revenue and Customs specified rate of 20p per mile be paid for travel by bicycles and other 'non-motorised' forms of transport
- (g) the travelling allowance payment for electric or similar specialised vehicles remain at £1.10 per journey regardless of the distance travelled (with no tax implications)
- (h) the specified occasions when Members travel otherwise than by their own vehicle continue to be included in the Allowances Scheme
- (i) the subsistence allowances be paid at the levels index linked in accordance with the agreed formula
- (j) Members be reminded of the importance the Panel attaches to the completion of the activity questionnaire, the outcome of which will continue to be an important part of the information collated to inform the 2012/2013 review
- (k) Five members of Cherwell District Council be invited to address the Panel to feed into the 2013/2014 review.

CHERWELL DISTRICT COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL

REVIEW OF MEMBERS' ALLOWANCES FOR THE 2012/2013 FINANCIAL YEAR

1 Introduction

- 1.1 Cherwell District Council, after considering the recommendations of this Panel introduced a reviewed Scheme of Members' Allowances from April 2011 which has operated over the 2011/2012 municipal year.
- 1.2 This report has been prepared by the Panel in accordance with the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended). The report sets out the Panel's findings following the review of the Council's current (2011/2012) Scheme and sets out recommendations for inclusion in the 2012/2013 Scheme in respect of:
 - the levels of basic and special responsibility allowances;
 - the travelling and subsistence and dependent carers' allowances; and
 - co-optees allowance

2 The Independent Remuneration Panel

- 2.1 The Independent Remuneration Panel was first appointed in 2001. Its membership is currently as follows:

Mr C White (Chairman of Panel) – Director, White Commercial, Chartered Surveyors
Mr A Flux, MBE – Retired Manufacturing Manager and Chairman of Cherwell Community and Voluntary Service
Mr Ray Everitt – Retired Production Manager and former long standing Chairman of Bloxham Parish Council.
Ms Jeanette Baker – Former Managing Director and Former Non Executive Director
Mr David Shelmerdine – Managing Director CEAC
- 2.2 Background information has been gathered and research undertaken and this helped to inform and determine the basis for the review of the current Allowances Scheme.
- 2.3 James Doble (Democratic, Scrutiny and Elections Manager) and Theresa Goss (Democratic and Scrutiny Officer) of Cherwell District Council, provided the Panel with administrative support, obtained relevant background information and carried out additional research, as requested by the Panel, to provide the basis for the recommendations on the levels of the allowances for members of Cherwell District Council.
- 2.4 Mr C White was appointed as Chairman of the Panel. The Panel's findings are set out in the remainder of this report together with recommendations for consideration by the Council.

3 Terms of Reference

- 3.1 The terms of reference as originally agreed by the Council when the Panel was first constituted, as amended by the 2003 Consolidating Regulations which relate to the determination of local schemes for travelling and subsistence allowances, are set out in our

reports dated 3 July 2001 and 4 July 2003.

3.2 The principal matters on which we must make recommendations are:

- the amount of basic allowance to be paid to all Members of the Council
- the Council member posts which should qualify, as they involve significant additional responsibilities, for Special Responsibility Allowance (SRA) payments and the levels of those allowances
- the appropriateness, and the amounts to be paid in respect of the childcare and dependent carers' allowances;
- the levels, and appropriateness, of the travelling and subsistence allowances; and
- the amount of the co-optees allowance to be paid to the independent members and parish council representatives serving on the Council's Standards Committee and the amount of the SRA payable to the independent member who will chair that Committee in future.

4 The Panel's Work

4.1 We received, as requested, a range of background information which included:-

- a copy of the Council's 2011/2012 Members' Allowances Scheme;
- details of the Members' Allowances survey undertaken by the South East Employers Organisation which sets out the basic, special responsibility and other allowance payments made by local authorities in the South East Region;
- a summary of the Member questionnaire responses relating to (i) the amount of time Members estimate they spend on Council business during an average week; (ii) a breakdown of the activity areas involved and (iii) Members' views on the adequacy, or otherwise, of the current levels of allowance payments; and
- a verbal update on new working arrangements between Cherwell District Council and South Northamptonshire Council and noted that they remained two sovereign councils and had two separate members' allowance schemes.

4.2 We continue to place much importance on the information provided in the activity questionnaires. We were extremely disappointed that only 10 questionnaires were returned, representing just 20% of the Council's membership. However, we propose to repeat the questionnaire exercise again next year as we firmly believe that the information requested by means of the questionnaire is vital to our efforts in undertaking proper and meaningful reviews. We can once again only conclude that the majority of Members are, and continue to be, satisfied with the levels of the various allowances payments.

4.3 Ever since the Council moved to its Local Pay Formula, we have used the annual pay settlement for staff as one of the main criteria for adjusting the levels of the basic and Special Responsibility Allowances. We were advised that this years pay settlement had not yet been agreed, however the provision in the Council's budget was 2%, but there was also the possibility that there would again be a pay freeze with an increase of 0%.

4.4 We have considered the potential impact the Localism Bill may have on the Council but feel that it is too early this year to make any recommendations and therefore we will review all allowances next year in light of legislative developments.

4.5 For our information, we requested that following this meeting, information on members' allowances paid at South Northamptonshire Council be forwarded to all members of the panel.

5 The Adopted Approach and Underlying Principles

- 5.1 In our July 2001 report, we set out our adopted approach to determining the levels of the allowances. This provides that recommendations should be formulated appropriate to the circumstances of Cherwell District Council given that the political management structure and the roles of the Executive and non-Executive Members are now well established.
- 5.2 We again agreed that the following underlying principles were still relevant and should continue to form the fundamental basis of our review:-
- the allowances should take account, as far as possible, of the amount of time taken by Members to fulfil their roles.
 - 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 services:
 - the levels of the allowances should not be treated as salary but rather as a level of 'compensation'
 - 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
 - an element of Members' time in terms of their work as a Councillor should continue to be treated as voluntary which should not be remunerated – the principle of voluntary service is fully set out in paragraphs 9.4 and 9.5 of our July 2001 report;
 - the Special Responsibility Allowance payments should be banded to reflect both the time commitment and workload of the identified special responsibilities
 - 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 and
 - the reviewed scheme should continue to be subject to well informed periodic reviews.
- 5.3 The background to the pay negotiations are detailed in paragraph 4.3 above. We feel that a 'cost of living' increase would only be justified if the same were applied to staff, however, due to the current economic climate and although a 'cost of living' increase is yet to be agreed this year, we have agreed not to propose an increase in this years allowances.

6 Basic Allowance

- 6.1 We had regard when considering the basic allowance payment to the approach set out in our July 2004 report, our December 2004 report and to the responses in the activity questionnaire.
- 6.2 We noted that those Members who responded to the questionnaire continued to show a very wide variation in the estimates of the time they spend on their roles as Councillors (the figures ranged from 7 to 26 hours per week). We do see it as inevitable that time commitments will vary for a number of reasons as this reflects, amongst other things, the constituency work Members undertake in their wards, the discharge of portfolio holder responsibilities, and often the time consuming work of some of the Chairmen of Committees'.

- 6.3 We noted that the analysis of the questionnaire responses included suggested increases in the current level of basic allowance although the majority offered no comments or felt that the current level of basic allowance was adequate. Those Members who put forward proposals for an increase were in the minority. With only 20% of Members returning the questionnaire, we can only assume the remainder who did not, are satisfied with the current level.
- 6.4 We did receive comparative information from a significant number of authorities as part of the background papers. We felt that the basic allowance payable to Cherwell Members could be favourably compared to the allowances paid by the Council's neighbouring, comparator and other authorities.
- 6.5 We discussed the importance of member input in this process and agreed to invite five members of Cherwell District Council to attend the meeting our meeting next year, when the review for 2013/2014 is held.

We RECOMMEND that the basic allowance remain at £4,155, for the 2012/2013 financial year, which is the same as 2011/2012.

7 Speciality Responsibility Allowances

(a) Introduction

- 7.1 We have considered and formulated recommendations in our previous reports on the levels of the SRA payments to the Leader of the Council, Members of the Executive, the Chairmen of the two Scrutiny Committees, the Chairmen of the Planning Committee and the Chairmen of the Standards Committee, the Personnel and the Licensing Committees as well as the Leader of the main Opposition Group.
- 7.2 We have also considered information with regard to the frequency of Licensing and Standards Committee meetings and felt that the reduction in the number of meetings should be reflected in the SRA.
- 7.3 It was also noted that some responsibilities of the Personnel Committee had been transferred to the Joint Personnel Committee and more emphasis would be put on this Committee because of the joint working with South Northamptonshire Council. Therefore this should also be reflected in the SRA.
- 7.4 We had regard to the increased responsibilities of the Deputy Leader and also the Chairman of the Appeals Panel and agreed that these needed to be recognised with the introduction of an SRA. The workloads relating to both of these SRA's will be carefully monitored and feedback will be given to the panel during the review of members' allowances for 2013/2014.
- 7.5 We discussed the suggestion of an allowance for the Chairman of the Council, however it was felt that it was not appropriate for an SRA to be introduced as there had been no changes to this role for many years, because of the current economic climate and also because the role can receive an allowance under Local Government Act 1972. However this would be kept under review.

We RECOMMEND that the Special Responsibility Allowances for 2012/2013 be as follows:

- (1) the SRA payment to the Leader of the Council remain at £7,209 for the financial**

year 2012/2013

- (2) the SRA payment to each Executive Member remain at £6,291 for the financial year 2012/2013
- (3) the SRA payment to the Chairman of the Licensing Committee be £1,104 for the financial year 2012/2013
- (4) the SRA payment to the Chairman of the Overview and Scrutiny Committee remain at 3,702 for the financial year 2011/2012
- (5) the SRA payment to the Chairman of the Resources & Performance Scrutiny Board remain at £3,702 for the financial year 2012/2013
- (6) the SRA payment to the Chairman of Planning Committee remain at £4,200 for the financial year 2012/2013
- (7) the SRA payment to the Chairman of Personnel Committee be £1,104 for the financial year 2012/2013
- (8) the SRA payment to the Chairman of the Account, Audit and Risk Committee remain at £2,250 for the financial year 2012/2013
- (9) the Leader of the Opposition Group remain at £2,898 for the financial year 2012/2013
- (10) the SRA payment for the Appeals Panel Chairman be £1,104 for the financial year 2012/2013
- (11) the SRA for the Deputy Leader of the Council be £1,104 for the financial year 2012/2013

8 Co-optees Allowance

We RECOMMEND that

- (1) the SRA payment to the Chairman of the Standards Committee be £1,104 for the financial year 2012/2013
- (2) the co-optees allowance payable to the independent members and parish council representatives serving on the Standards Committee remain at £708 for the financial year 2012/2013 which equates to 17% of the proposed members basic allowance, and is the same percentage reduction applied to the SRA for the Standards Chairman.

9 Dependent Carers' Allowance

We RECOMMEND that

- (1) the dependent relative carers allowance remain at its current level of £15 per hour for the financial year 2012/2013 subject to the previously agreed conditions; and
- (2) the child care allowance remains at its current level of £8 per hour for the financial year 2012/2013 subject to the previously agreed conditions.

10 Travelling and Subsistence Allowances

We RECOMMEND that

- (1) subject to the notification of any adjustments later in the year, the HM Revenue and Customs specified mileage rates of 24p per mile for motor cycles regardless of the cc, and 45p per mile regardless of the cc of the motor vehicle (with no tax implications) continue to be paid up until the time any revisions are notified and the revised rate then be implemented
- (2) the supplements relating to the payment of tolls and other parking charges continue to be paid
- (3) subject to the proviso set out in (1) above, the HM Revenue and Customs specified rate of 20p per mile continue to be paid for travel by bicycle and other 'non-motorised' forms of transport
- (4) the travelling allowance payment for electric or similar specialised vehicles remain at £1.10 per journey regardless of the distance travelled (with no tax implications)

We RECOMMEND that the matters outlined above continue to be included in the Allowances Scheme.

Subsistence Allowances

We agreed that the subsistence allowances should continue to be paid on the basis of the agreed formula. The adjusted recommended rates are as follows, and are the maximum which can be paid, on production of receipts:-

Breakfast Allowance	£6.02
Lunch Allowances	£8.31
Tea Allowance	£3.24
Evening Meal Allowance	£10.29

Overnight Subsistence

Absence overnight	£91.14
Absence overnight in London or at the Annual Conference of the LGA	£103.96

We RECOMMEND that the subsistence allowances for 2012/2013 be paid up to the maximum rates previously notified by the NJC for Officers index linked to the RPI (excluding mortgages) as set out above.

Future Reviews

We RECOMMEND that Members be again reminded of the importance we attach to the completion of the activity questionnaire, the outcome of which will continue to be an important part of the information collated to inform future reviews.

We RECOMMEND that five members of Cherwell District Council be invited to address the Panel to feed into the 2013/2014 review.

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Mr Chris White
Chairman
Independent Remuneration Panel

November 2011