

# Council

## Allowance for Chairman of the Council

16 July 2012

## Report of Head of Law and Governance

### PURPOSE OF REPORT

To consider the recommendations of the Resources and Performance Scrutiny Board in relation to the proposal to pay an allowance to the Chairman of Cherwell District Council.

This report is public
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### Recommendations

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Council is recommended to:

- (1) Agree that an allowance of £2000 be paid to the Chairman of the Council with effect from the municipal year 2012/13.
- (2) To agree the Resources and Performance Scrutiny Board Recommendations detailed below:
  - (1) That an allowance of £2000 be paid to the Chairman of Cherwell District Council for the municipal year 2012/13 with immediate effect
  - (2) That the scheme of reference for the Chairman's allowance (Appendix 1) be adopted
  - (3) That officers be requested to review the Chairman's budget operating period so that it is aligned in terms of with the municipal year as opposed to the financial year.

### Executive Summary

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#### Introduction

- 1.1 At the 16 May 2012 Council meeting, Members considered a report proposing that an allowance be paid to the Chairman of Cherwell District Council.
- 1.2 Council resolved "That consideration of the proposal to pay an allowance to the Chairman of the Council with effect from the municipal year 2012/13 be

deferred to the July meeting of Council and that the Resources and Performance Scrutiny Board be requested to review the proposals and report back to Council.”

- 1.3 The Resources and Performance Scrutiny Board considered the proposals at two meetings and have agreed the recommendations set out above for consideration by Council.

### **Proposals**

- 1.4 At the 12 June 2012 Resources and Performance Scrutiny Board meeting, Members considered information on legislation relating to civic dignitaries allowances, Cherwell District Council’s civic ceremonial budget expenditure, expenses of previous Cherwell District Council Chairmen and allowances paid to Civic Heads in neighbouring and other local authorities. The Democratic and Elections Manager was also present at the meeting to answer Members’ questions about the proposal.
- 1.5 Members considered in detail the difference between the payment of an allowance for the civic and ceremonial role of the Chairman permitted under the Local Government Act 1972 in contrast to the payment of a special responsibility allowance under the Local Authorities (Members’ Allowances) (England) Regulations 2003 for the administrative role.
- 1.6 The Board noted that the issue of a Special Responsibility Allowance was under active consideration by the Independent Remuneration Panel although there were currently no plans for a Special Responsibility Allowance to be recommended. Consequently, the Board focussed their deliberations on the payment of an allowance for the civic and ceremonial element of the role.
- 1.7 At this meeting, the Board agreed, in principle that an allowance should be paid to the Council Chairman as this would help ensure no Member felt precluded from accepting the position of honour due to concerns about potential personal financial cost. Members also agreed that it was extremely important that a Scheme of Reference be developed to ensure transparency to the public about what was and was not covered by the allowance. The Scheme would also provide clarity for the Council Chairman.
- 1.8 At the 10 July 2012 Resources and Performance Scrutiny Board meeting, Members considered additional information including feedback from former Council Chairmen, detailed information from neighbouring authorities detailing their provisions for Chairman’s allowances and civic budgets and a draft Council Chairman Scheme of Reference.
- 1.9 The Council Chairman Scheme of Reference is attached at appendix 1 and recommended for approval by Council.
- 1.10 The Board concluded that an allowance of £2000 per year to be paid to the Chairman in a lump sum upon taking office. The allowance should cover the expenses of office, e.g. clothing; subsistence; sundry donations including collections and raffle tickets; drinks at official events.
- 1.11 The purpose of the Chairman’s budget is to support his/her activities as Chairman (within the available budget as set annually) and full details are

included in the Council Chairman Scheme of Reference.

- 1.12 As part of the review, the Board also considered the budget provision and arrangements for the Chairman's/Civic budget and agreed that officers be requested to review the Chairman's budget so that it is aligned with the municipal year.

### **Conclusion**

- 1.13 The Board confirmed their support for the proposal to pay an allowance of £2000 to the Chairman of Cherwell District Council for the civic element of the role and agreed a Scheme of Reference which will ensure transparency and provide clarity about what is and is not covered by the allowance.
- 1.14 All of the background information and evidence considered during the review is available on request from Democratic and Elections.

### **Key Issues for Consideration/Reasons for Decision and Options**

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The following options have been identified. The approach in the recommendations is believed to be the best way forward

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| <b>Option One</b>   | To agree to pay a Chairman's allowance of £2,000 per annum in line with the provisions set out in the Council Chairman Scheme of Reference. |
| <b>Option Two</b>   | To pay a Chairman's allowance at a different level  |
| <b>Option Three</b> | Not to pay a Chairman's allowance.  |

### **Implications**

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| <b>Financial:</b>       | The allowance can be met from within existing member services budgets.<br><br>Comments checked by Sarah Best, Assistant Accountant 01295 22  |
| <b>Legal:</b>           | Under section 3 (5) of Chapter 70 of Local Government Act 1972 Council gives the power to provide an allowance to the Chairman to cover the cost of expenses incurred in carrying out the cost of their office. Therefore the proposals set out in this report are in line with legislation.<br><br>Comments checked by Kevin Lane, Head of Law and Governance 0300 0030 107 |
| <b>Risk Management:</b> | The proposals in this report help mitigate risk against the council through providing a clear and transparent scheme   |

within which the Chairman's allowance will operate.

Comments checked by James Doble, Democratic and Elections Manager 01295 221587

**Wards Affected**

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All

**Document Information**

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<b>Appendix No</b>	<b>Title</b>
Appendix 1	CDC Chairman of the Council Scheme of Reference
<b>Background Papers</b>	
None	
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