

Report of the Independent Remuneration
Panel on the Review of Members' Allowances
for the
2009/2010 Financial Year

For
Cherwell District Council

January 2009

CHERWELL DISTRICT COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL

REVIEW OF MEMBERS' ALLOWANCES FOR THE 2009/2010 FINANCIAL YEAR

1 Summary

- 1.1 The Council on the recommendations of the Panel introduced a reviewed Scheme of Members' Allowances with effect from 1 April 2008 to operate over the 2008/2009 financial year.
- 1.2 The Panel have recommended that for 2009/2010 adjustments be made to the Chairmen of the Overview and Scrutiny Committee, Resources & Performance Board, Planning Committee and Accounts, Audit & Risk Committee. Due to a reduction in posts eligible to claim special responsibility allowances in 2008/2009, these adjustments would still result in a reduction in the special responsibility allowance for 2009/2010 as compared to the 2008/2009 budget.

Other levels of remuneration remain at the current rate apart from a 3% 'cost of living' adjustment which reflect the outcome of the Council's negotiations with the staff side on the salary increase for 2009/2010.

- 1.3 No recommendations are included to change the level of co-optees allowance, other than the 3% 'cost of living' increase, or the travelling allowances (subject to notification of the revised rates by HM Revenues and Customs). The subsistence allowances are recommended to increase in accordance with the agreed index linking formula.

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 and Service Appeals Panel	£2,250
(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)	£1,296
(viii) Chairman of Personnel and General Committee	£1,296
(ix) Chairman of the Accounts, Audit and Risk Committee	£2,250

(x) Leader of the Opposition	£2,898
(xi) Co-optees Allowance	£831

- (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 Revenues and Customs specified mileage rates of 24p per mile for motorcycles regardless of the cc and 40p 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 Revenues 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; and
- (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 2010/2011 review.

CHERWELL DISTRICT COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL

REVIEW OF MEMBERS' ALLOWANCES FOR THE 2009/2010 FINANCIAL YEAR

1 Introduction

- 1.1 Cherwell District Council, after considering the recommendations of this Panel introduced reviewed Scheme of Members' Allowances from April 2008 which has operated over the 2008/2009 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 (2008/2009) Scheme and sets out recommendations for inclusion in the 2009/2010 Scheme in respect of:
 - the levels of basic and special responsibility allowances;
 - the travelling and subsistence and dependent carers' allowances;
 - co-optees allowance

2 The Independent Remuneration Panel

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

Mr Robert Palmer – retired Local Government Chief Officer
Mr A Flux – retired Manufacturing Manager with Proctor and Gamble, and Chairman of the Banbury Council for Voluntary Service
Mr C White – Director, White Commercial, Chartered Surveyors
- 2.2 Mr J Richardson had been a member of the Panel but retired after the 2008/2009 review.
- 2.3 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.
- 2.4 Mr R Palmer was re-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 2008/2009 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 some 38 local authorities in the South East Region; and
- 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.

4.2 We continue to place much importance on the information provided in the activity questionnaires. We were extremely disappointed that only 18 questionnaires were returned, representing just 36% 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 away from 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. The agreed increase over recent years has been 3%. We were advised that this years pay settlement had just been agreed at 3%, and the provision in the Council's budgets was set at this level.

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 is justified and should continue to be applied to the Council's scheme of 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 5 to 36 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 18 Members returning the questionnaire, we can only assume the remainder who didn't, are happy with the current level.

6.4 We did note the suggestion that the allowance should be set at £4,500 or £5,000, but no reasons were offered as to why this may be appropriate.

6.5 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. We feel that a 3% 'cost of living' increase is justified and in line with that provided for Council staff.

We RECOMMEND that the basic allowance be increased by 3% from £4,035 to £4,155 for the 2009/2010 financial year.

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 Select Committees, the Chairmen of the two area Planning Committees and the Chairmen of the Standards Committee, the Personnel and General committee and the Licensing Committee and Service Appeals Panel as well as the Leader of the main Opposition Group.
- 7.2 We noted that the Select Committees had been disbanded and replaced with the Overview and Scrutiny Committee and Resources and Performance Scrutiny Board, and that the two Area Planning Committees had become one Planning Committee.

(c) The Chairman of Accounts, Audit and Risk Committee

- 7.3 It was brought to our attention that the responsibilities of the Chairman of Accounts, Audit and Risk Committee have increased over the past year. Therefore the Chairman, Councillor Atack, was invited to the meeting so we could hear his comments first hand.
- 7.4 We noted that the Committee was meeting more frequently and was regularly using the reserve meetings. The technicalities and importance of this Committee puts pressure on the Members, particularly the Chairman who drives the agenda and has taken the initiative to attend training course and develop his knowledge, in order to further this important area of council activity.
- 7.5 We heard from Councillor Atack that CIPFA were developing new areas of activity for audit committees and he had to keep up to date with these changes, as well as new regulations brought in by the Government. This also involved frequent meetings with officers of the Council.
- 7.6 We came to the view that, based on the information available to us the SRA payable to the Chairman of the Audit, Accounts and Risk Committee should be adjusted and that an increase from £1,257 to £2,250 (inclusive of the 3% 'cost of living' increase) was fully justified.

(d) Portfolio Holder for Community, Health and Environment

- 7.7 It was brought to our attention that there appears to be an inequality in the distribution of work between portfolio holders, particularly with regard to the Portfolio Holder for Community, Health and Environment, and the Portfolio Holder for Planning and Housing, both large portfolios covering several services. Accordingly we invited the Portfolio Holder for Community, Health and Environment to attend and provide us with evidence of the breadth and complexity of issues covered and the corresponding level of time involved. We noted that in addition to this role the portfolio holder is also Deputy Leader. It is our view that there is a significant level of difference across portfolios with regard to the number of services covered, the salience of the issues involved and the level of member involvement required. However, we do not feel that it is appropriate or helpful at

this time to establish a two tier allowance structure for portfolio holders. We also note that the allocation of portfolio holder responsibilities is within the gift of the leader of the Council and it up to an individual whether to accept the post which they have been offered. Therefore, we do not propose any change with regard to the level of remuneration for Portfolio holders, (other than a 3% cost of living increase) and would recommend that the Leader of the Council keep this issue within his consideration.

(e) The Chairman of Resources and Performance Scrutiny Board

7.8 It was brought to our attention that the responsibilities of the Chairman of the Resources and Performance Scrutiny Board have increased over the past year and that this change also applied to the Overview and Scrutiny Committee. Therefore the Chairman, of the Resources and Performance Scrutiny Board, was invited to the meeting so we could hear his comments first hand.

7.9 Councillor Clarke outlined to us the structure and function of the new Overview and Scrutiny process, the proactive approach that this involved and the increased role of the Chairman in this process. It was also noted that meetings were only a part of the new process with much working taking place in 'real time' and outside of meetings.

We were also aware that the role that was formerly being carried out by the Overview and Scrutiny Co-ordinating Group had been absorbed into the two new committees with most of this work occurring outside of meetings,

We came to the view that based on the information available to us the SRA payable to both the Overview and Scrutiny Committee and Resources and Performance Scrutiny Board Chairmen should be adjusted and that an increase from £3,123 to £3,702 (inclusive of the 3% 'cost of living' increase) was fully justified.

(f) The Chairman of Licensing Committee and Service Appeals Panel

7.10 We have kept the SRA payable to the Chairman of the Licensing Committee and Service Appeals Panel under review since 2004 when the responsibilities for liquor licensing transferred from the Magistracy to the Council.

We believe that despite initial concerns over the volume of work this could create and an initial flurry of applications, this has now settled down and there are now occasional hearing reviews taking place.

Therefore whilst we will keep this issue under consideration we do not propose any change to the level of SRA at this time, other than the 3% 'cost of living' increase.

(g) Introduction of an SRA for 'Champions'

7.11 We noted that the position of 'Champion' had not yet been formalised and as the roles were still under consideration, this should be kept under review and further details reported for the 2010/2011 review.

(h) The Chairman of Planning Committee

7.12 It was brought to our attention that the responsibilities of the Chairman of the Planning Committee have increased over the past year due to the three weekly planning cycle and the reduction from two to one planning committees. Additionally, the role of the Chairman has increased in terms of the planning call-in process.

We are aware that in order to manage this process the Chairman of Planning Committee has regular meetings and briefings with officers and will soon be required to manage public speaking at meetings of Planning Committee. It is our belief that this represents a significant increase in responsibility and volume of work.

We came to the view that based on the information available to us the SRA payable to the Chairman of Planning Committee should be adjusted and that an increase from £3,123 to £4,200 (inclusive of the 3% 'cost of living' increase) was fully justified.

We RECOMMEND that

- (1) the SRA payment to the Executive Leader be increased by 3% from £6,999 to £7,209 for the financial year 2009/2010;**
- (2) the SRA payment to each Executive Member be increased by 3% from £6,108 to £6,291 for the financial year 2009/2010;**
- (3) the SRA payment to the Chairman of the Licensing Committee and Service Appeals Panel be increased by 3% from £2,184 to £2,250 for the financial year 2009/2010;**
- (4) the SRA payment to the Chairman of the Overview and Scrutiny Committee be increased from £3,123 to £3,702 including the 3% 'cost of living' adjustment for the financial year 2009/2010;**
- (5) the SRA payment to the Chairman of the Resources & Performance Scrutiny Board be increased from £3,123 to £3,702 including the 3% 'cost of living' adjustment for the financial year 2009/2010;**
- (6) the SRA payment to the Chairman of Planning Committee be increased from £3,123 to £4,200 including the 3% 'cost of living' adjustment for the financial year 2009/2010;**
- (7) the SRA payment to the Chairman of Personnel and General Committee be increased by 3% from £1,257 to £1,296 for the financial year 2009/2010;**
- (8) the SRA payment to the Chairman of the Account, Audit and Risk Committee be increased from £1,257 to £2,250 including the 3% 'cost of living' adjustment for the financial year 2009/2010; and**
- (9) the Leader of the Opposition Group be increased by 3% from £2,814 to £2,898 for the financial year 2009/2010.**

8 Co-optees Allowance

- 8.1 In considering the Co-optees Allowance we were aware that this figure had been calculated as 20% of the 2004/2005 members basic allowance and subsequently increased by 3% year on year. We were aware that this had the potential to lag behind the basic allowance and therefore we recommend that this should in future be calculated as 20% of the proposed members basic allowance for the year in question. This equates to an allowance of £831 based on this formula, as opposed to an allowance of £816 based on the previous method of calculation inflated by 3%. In 2008/09 this was £792.

We RECOMMEND that

- (1) the SRA payment to the Chairman of Standards Committee (Independent Member) be increased by 3% from £1,257 to £1,296 for the financial year 2009/2010; and
- (2) the co-optees allowance payable to the independent members and parish council representatives serving on the Standards Committee be increased by from £792 to £831 for the financial year 2009/2010 and in future the formula '20% of the proposed members basic allowance for the year in question' be adopted.

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 2009/2010 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 2009/2010 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 Revenues and Customs specified mileage rates of 24p per mile for motor cycles regardless of the cc, and 40p 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 Revenues 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)
- (5) the decision not to introduce a walking allowance, be confirmed.

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:-

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 2009/2010 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.

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Mr Robert Palmer
Chairman
Independent Remuneration Panel

January 2009