



DISTRICT COUNCIL  
NORTH OXFORDSHIRE

Report of the Independent Remuneration  
Panel on the Review of Members' Allowance  
for the 2013/2014 Financial Year

For

Cherwell District Council

January 2013

## CHERWELL DISTRICT COUNCIL

### REPORT OF THE INDEPENDENT REMUNERATION PANEL

#### REVIEW OF MEMBERS' REMUNERATION FOR THE 2013/2014 FINANCIAL YEAR

#### **1 Introduction**

- 1.1 After considering the recommendations of this Panel, Cherwell District Council introduced a revised Scheme of Members' Allowances from 1 April 2012. This Scheme has remained in force throughout the 2012/13 municipal 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 2013/14 in respect of:
- (a) the levels of basic and special responsibility allowances;
  - (b) the travelling, subsistence and dependent carers' allowances; AND
  - (c) co-optees allowance.

#### **2 The Independent Remuneration Panel**

- 2.1 The Independent Remuneration Panel was first appointed in 2001.
- 2.2 The current membership of the Panel is:
- Ms Jeanette Baker  
Mr Ray Everitt  
Mr Jim Flux MBE - retired Manufacturing Manager with Procter and Gamble, and Chairman of the Banbury Council for Voluntary Service  
Mr David Shelmerdine  
Mr Christopher White - Director, White Commercial, Chartered Surveyors
- 2.3 James Doble (Democratic and Elections Manager) and Gavin Lane (Democratic and Elections Officer) provided the Panel with administrative advice and support.
- 2.4 At its meeting on 12 December 2012, Mr Christopher White was reappointed as Chairman of the Panel for the 2012/2013 Municipal Year.
- 2.5 The Panel's findings are set out in this report, together with recommendations for consideration by Council.

### **3 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 Council member posts 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 allowance to be paid to the independent members and parish council representatives serving on the Council's Standards Committee.

### **4 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 services:
  - (c) the levels of the allowances should not be treated as salary but rather as a level of 'compensation';
  - (d) 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;

- (e) 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;
- (f) the Special Responsibility Allowance payments should be banded to reflect both the time commitment and workload of the identified special responsibilities;
- (g) 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
- (h) the reviewed scheme should continue to be subject to well informed periodic reviews.

## **5 The Work of the Panel**

- 5.1 The Panel has 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 conclusions drawn by the Panel are informed by comparative data drawn from the allowances paid by other local authorities and an analysis of the results of an 'Activity Questionnaire' that Members are requested to complete every year.
- 5.4 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.
- 5.5 As part of its review, the Panel considered the following information:
  - (a) a copy of the Council's Allowances Scheme for 2012/13;
  - (b) comparative data from the Members' Allowances survey undertaken by the South East Employers Organisation which outlines the basic, special responsibility and other allowance payments made by Council's in the South East Region; and
  - (c) a summary of Members responses to the 'Activity Questionnaire'.

- 5.6 The Panel continues to place great importance on the information gathered by way of the 'Activity Questionnaire'. As previously, the activity questionnaire was circulated to all Members of the Council and a total of 12 completed questionnaires were returned, representing 24% of its membership. However, last year 17 questionnaires were returned, equating to 34% of the Council body.
- 5.7 The Panel found this decline in the number of responses disappointing because the results of the activity questionnaire remain the main source of information for its deliberations. Clearly, it was challenging for the Panel to accurately assess the attitude of Members to existing allowances in the light of this low response.
- 5.8 However, the Panel proposes to repeat this exercise again next year using a revised and simplified questionnaire as it firmly believes that the information requested by means of the questionnaire remains vital to its efforts in undertaking proper and meaningful reviews. The Panel hopes that a simpler questionnaire will solicit a greater number of responses from Councillors to inform its work.
- 5.9 At its meeting, the Panel received personal representations from Councillor Kieran Mallon. The Panel offered thanks to Councillor Mallon for his contribution.
- 5.10 The Panel noted that those Members which responded to the activity questionnaire continued to show a great variation in the estimates of the time they spend on their roles as Councillors, ranging from 5 to 36 hours per week.
- 5.11 The Panel noted that those Members which responded spent an average of 65.5 hours per month on council duties, which was 1.5 hours more than last year.
- 5.12 Other conclusions arising from the questionnaires were that:
- (a) 33% of respondents explicitly stated that no changes should be made to the level of Members allowances and expenses for 2013/14.
  - (b) 41% of respondents proposed varying increases in the level of Members allowances and expenses for 2013/14.
  - (c) on a scale of 1 (very generous) to 4 (totally inadequate), 42% of respondents rated the basic allowance as a '2'.
  - (d) on the same scale of 1 to 4, 37% of respondents rated the special responsibility allowance as a '2'.
  - (e) on the same scale of 1 to 4, 55% of respondents rated the level of travel and subsistence allowances as a '2'.

## **6 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 had used the annual pay settlement for staff as one of the main criteria for adjusting the levels of the basic and special responsibility allowances paid.
- 6.3 However, at the time of the Panel's meeting on 12 December 2012, the staff pay settlement for the year had yet to be agreed. Negotiations were underway and provision for a notional 2% increase for planning purposes had been made in the Council's budget assumptions although this was not to be taken as an indication that a pay award would follow.
- 6.4 The Panel received comparative data from a significant number of authorities and noted that the basic allowance payable to Council Members were comparable to the allowances paid by neighbouring authorities in the South East region.

## **7 Special Responsibility Allowances**

7.1 The Panel was requested to:

- (a) review the current level of Special Responsibility Allowances; and
- (b) consider the appropriate level of special responsibility allowance to be paid to the Chairman of the Standards Committee following the introduction of a new Committee under the Localism Act 2011.

7.2 The Panel heard that under the Local Government Act 2000, the Council was required to establish a Standards Committee.

7.3 However, under the Localism Act 2011, this Committee ceased to exist and new rules and processes relating to standards came into effect on 1 July 2012.

7.4 The Panel heard that under this new legislation, the Council has established a new Standards Committee. This new Committee would:

- (a) consider general matters relevant to member standards; and
- (b) conduct any hearings which take place where an alleged breach of the code has been the subject of an investigation which concludes that there was a failure to comply.

7.5 The Panel heard that, in the opinion of the Head of Law and Governance, remuneration akin to that given to the Chairman of the Licensing Committee would be appropriate for the Chairman of the new Standard Committee.

7.6 The remuneration given to the Chairman of the Licensing Committee was £1,104.00 per annum.

## **8 Dependent Carers' Allowance**

8.1 The Panel was requested to review the current level of Dependent Carers' Allowance.

8.2 The Panel noted that the Dependent Carers' Allowance was introduced in 2001 and that take-up remained low. However, it noted that the availability of the allowance was recognised as part of the process of enabling all sections of the community the opportunity to stand for election to the Council. The current levels of allowance remain generally comparable with those paid by other Councils.

8.3 The Panel requested that all Members be reminded of the existence of the Dependent Carers' Allowance and their eligibility to claim should it be needed.

## **9 Travelling and Subsistence Allowances**

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

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 Price 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.

9.5 Since that time, subsistence rates have been a subject for local determination and the Council has based its rates on Local Government Association rates.

## **10 Recommendations to Council**

10.1 Based on the information provided to the Panel, it recommends that:

(a) there be no increase in the Basic Allowance:

Basic Allowance	£4,155.00 PA
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(b) there be no increase in Special Responsibility Allowances:

Leader of the Council	£7,209.00 PA
Executive Members Holding a Portfolio	£6,291.00 PA
Chairman of the Overview and Scrutiny Committee	£3,702.00 PA

Chairman of the Resources and Performance Scrutiny Board	£3,702.00 PA
Chairman of the Planning Committee	£4,200.00 PA
Chairman of the Accounts, Audit and Risk Committee	£2,250.00 PA
Chairman of the Personnel Committee	£1,104.00 PA
Chairman of the Licensing Committee	£1,104.00 PA
Chairman of the Appeals Panel	£1,104.00 PA
Leader of the Opposition	£2,898.00 PA
Deputy Leader of the Council	£1,104.00 PA

(c) the Chairman of the Standards Committee should be granted the same allowance as the Chairman of the Licensing Committee (i.e. £1,104.00 per annum) as they were equivalent in terms of responsibility and workload.

(d) there be no increase in the Dependent Carers' Allowance:

Childcare	£8 per hour
Dependent Relative Care	£15 per hour

(e) there be no increase in Travelling and Subsistence Allowances:

Bicycles	20p per mile
Motorcycles	24p per mile
Motor Vehicles	45p per mile
Electric or Similar Specialised Vehicles	£1.10 per journey



Breakfast Allowance	£6.02 per meal
Lunch Allowance	£8.31 per meal
Tea Allowance	£3.24 per meal
Evening Meal Allowance	£10.29 per meal
Absence overnight	£91.14
Absence overnight in London or at the National Association of Local Council's National Conference	£103.96

## 11 Findings of the Panel

11.1 In arriving at its recommendations, the Panel found that:

- (a) an increase in allowances and expenses could not be justified in the current challenging financial climate, particularly as there had not been any change in Council structures since the last review and joint working with South Northamptonshire Council had not significantly increased the workload of Members.
- (b) whilst appreciating that the level of commitment between Members varied, it recognised that the workload and commitment of Councillors was considerable and, in some instances, almost equivalent to a full-time role.
- (c) the increasing complexity, responsibilities and burden of local government made it imperative to recruit able Councillors, but the absence of a national baseline for Members remuneration did not help efforts to attract candidates in the local community with the professional qualities needed for the role.
- (d) as local government became increasing business-like, levels of remuneration needed to reflect the time, effort and expertise required of Councillors, otherwise it will continue to prove difficult to attract quality candidates to the role with negative implications for local democracy.

Mr Christopher White  
Chairman  
Independent Remuneration Panel  
January 2013