



DISTRICT COUNCIL
NORTH OXFORDSHIRE

Report
of the Independent and Parish
Remuneration Panel
on the Review of Members' Allowances for the
2014/2015 Financial Year

For

Cherwell District Council

December 2013

CHERWELL DISTRICT COUNCIL

REPORT OF THE INDEPENDENT AND PARISH REMUNERATION PANEL

REVIEW OF MEMBERS' ALLOWANCES FOR THE 2014/2015 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 2013. This Scheme has remained in force throughout the 2013/14 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 2014/15 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
Mr David Shelmerdine
Mr Christopher White
- 2.3 James Doble (Democratic and Elections Manager) and Lesley Farrell (Assistant Democratic and Elections Officer) provided the Panel with administrative advice and support.
- 2.4 At its meeting on 3 December 2013, Mr. David Shelmerdine was appointed as Chairman of the Panel for the 2013/2014 Municipal Year.

Mr Ray Everitt and Mr Christopher White sent their apologies.

- 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 and independent persons (Standards) allowance to be paid.

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 2013/14;
 - (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'.
- (d) The general economic climate.
- (e) The overall financial position of the Council.
- (f) The level of recent and anticipated pay awards for Council staff and management.
- (g) Any recent changes in the roles, responsibilities and workload of specific member posts.

In particular, the Panel considered that there should be no overall increase in the total budget for Council allowances in 2014/15 compared with 2013/14.

- 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 but a total of only 18 completed questionnaires were returned, representing 36% of its membership, which is a disappointing percentage.
- 5.7 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 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 to inform its work.
- 5.9 At its meeting, the Panel received personal representations from Councillor Kieran Mallon, Councillor Dan Sames, Councillor Alastair Milne Home and Councillor Barry Wood. Councillor Sean Woodcock also agreed to address the panel but unfortunately was unable to attend due to other commitments but was able to supply a written statement. The Panel offered thanks to these Councillors. Their contribution was much appreciated.
- 5.10 The Panel noted that those Members who 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 8 to 50 hours per week.
- 5.11 The Panel noted that those Members who responded spent an average of 78 hours per month on council duties, which was 11 hours more than last year.
- 5.12 Other conclusions arising from the questionnaires were that:
 - (a) 65% of respondents explicitly stated that no changes should be

made to the level of Members allowances and expenses for 2014/15.

- (b) 22% of respondents proposed varying increases in the level of Members allowances and expenses for 2014/15.
- (c) On a scale of 1 (very generous) to 4 (totally inadequate), the majority of respondents (59%) rated the basic allowance as a '2'.
- (d) On the same scale of 1 to 4, the majority of respondents (53%) rated the special responsibility allowance as a '2'.
- (e) On the same scale of 1 to 4, 44% of respondents rated the level of travel and subsistence allowances as a '2' while 35% rated at 1.

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 The Council and Unison entered into a collective agreement which set out the local pay award for 2013/2014 at 1.5%. The Joint Management Team/Middle Managers have a separate agreement and for 2013/2014 the pay award was 1%.
- 6.4 The Panel received comparative data from a significant number of authorities and noted that the basic allowance payable to Council Members was comparable to the allowances paid by neighbouring authorities in the South East region.

7 Special Responsibility Allowances

- 7.1 The Panel was requested to review the current level of Special Responsibility Allowances
- 7.2 The Panel heard that given the similar nature of the work it would appear reasonable that the allowance for the Budget Planning Committee reflect that of the Overview and Scrutiny Committee.
- 7.4 The Panel was requested to review the Allowance of the Deputy Leader of the Council whose responsibilities appeared to outweigh the remuneration.
- 7.5 The Panel were informed that the Appeals Panel had no definite frequency of assembly.

8 Travelling and Subsistence Allowances

- 8.1 The Panel was requested to review the current level of Travelling and Subsistence Allowances.
- 8.2 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.
- 8.3 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).
- 8.4 However, the National Joint Council for Officers ceased to produce nationally agreed subsistence rate for local government staff in 1996.
- 8.5 Since that time, subsistence rates have been a subject for local determination and the Council has based its rates on Local Government Association rates.
- 8.6 The Panel was asked to consider removing the Tea Allowance as it was little used and no longer relevant.
- 8.7 The Panel was asked to review the overnight accommodation allowance. The Panel noted that it was more economical for overnight accommodation to be booked via Democratic Services on a corporate level where discounts could be applied and therefore this allowance was seldom claimed.

9 Recommendations to Council

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

- (a) That the basic allowance be rounded to 12 equal payments of £346 per month.

	2013/14	2014/15
Basic Allowance	£4,155.00 p.a.	£4,152.00 p.a.

- (b) The levels of Special Responsibility Allowances be reconfigured to reflect the work and time involved and allowing an increased payment for the Deputy Leader of the Council whose duties and responsibilities outweigh its current recompense.
- (c) Alterations should be made to the payment for Appeals Panel which has no definite frequency of assembly. The Panel suggests an allowance of £250 per meeting to be capped at £1000 per annum.

- (d) That all allowances should be rounded to ensure 12 equal payments.
- (e) That there be a slight reduction in allowance to the Accounts, Audit and Risk, Personnel, Licensing and Standards Committees because of reductions in workload or frequency of meetings.
- (f) That there be a slight reduction in allowance to the Overview and Scrutiny and Budget Planning Committees because of the streamlining of their workload.
- (g) That the following rates should apply for the financial year 2014/15.

	2013/14	2014/15
Leader of the Council	£7,209.00 p.a.	£7,212.00 p.a.
Executive Members Holding a Portfolio	£6,291.00 p.a.	£6,300.00 p.a.
Chairman of the Overview and Scrutiny Committee	£3,702.00 p.a.	£3,504.00 p.a.
Chairman of Budget Planning Committee	£3,702.00 p.a.	£3,504.00 p.a.
Chairman of the Planning Committee	£4,200.00 p.a.	£4,200.00 p.a.
Chairman of the Accounts, Audit and Risk Committee	£2,250.00 p.a.	£1,800.00 p.a.
Chairman of the Personnel Committee	£1,104.00 p.a.	£1,008.00 p.a.
Chairman of the Licensing Committee	£1,104.00 p.a.	£1,008.00 p.a.
Chairman of the Standards Committee	£1,104.00 p.a.	£1,008.00 p.a.
Chairman of the Appeals Panel	£1,104.00 p.a.	£250 per meeting to a capped limit of £1000 pa
Leader of the Opposition	£2,898.00 p.a.	£2,904.00 p.a.
Deputy Leader of the Council	£1,104.00 p.a.	£2,484.00 p.a.

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

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

(i) there be: no increase in Travelling and Subsistence Allowances; withdrawal of the Tea Allowance; and an alternative procedure for booking overnight accommodation.

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
Evening Meal Allowance	£10.29 per meal

10 Findings of the Panel

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

- (a) an increase in allowances and expenses other than those set out previously in this report 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, 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 increasingly 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, resulting in negative implications for local democracy.

Mr David Shelmerdine
Chairman
Independent Remuneration Panel
December 2013