

Cherwell District Council

Council

22 February 2016

Members Allowances 2016/2017

Report of Head of Law and Governance

This report is public

Purpose of report

To determine the levels of the allowances to be paid to Members for the forthcoming 2016/2017 financial year following the submission of the report of the Council's Independent Remuneration Panel (IRP) and to approve a mechanism to ensure the legality of any remuneration that might be paid, in future, to councillor directors on council controlled companies.

1.0 Recommendations

The meeting is recommended:

- 1.1 To consider the levels of allowances to be included in the 2016/2017 Members' Allowances Scheme, and whether the Panel's recommendations should be adopted or modified in any way
- 1.2 To authorise the Head of Law and Governance to prepare an amended Members' Allowances Scheme, in accordance with the decisions of the Council for implementation with effect from 1 April 2016.
- 1.3 To authorise the Head of Law and Governance to take all necessary action to revoke the current (2015/2016) Scheme and to publicise the revised Scheme pursuant to The Local Authorities (Members's Allowances)(England) Regulations 2003 (as amended).
- 1.4 To thank the Independent Remuneration Panel for its report and set a fee of £300 for Panel Members for the work carried out in 2015/2016 and propose the same level of fee for 2016/2017.
- 1.5 In the event that any council controlled or influenced company (as defined by the Local Authorities (Companies) Order 1995) determines that its councillor directors should be remunerated, to delegate authority to the section 151 officer in consultation with the monitoring officer and the Lead Member for Financial Management to determine a comparable duty within the Members' Allowances Scheme in order to ensure compliance with statutory requirements.

2.0 Introduction

- 2.1 The Council's Independent Remuneration Panel has met to review the current (2015/2016) Members' Allowances Scheme and its report on the recommended levels of the allowance payments for the 2016/2017 financial year is attached as appendix 1.
- 2.2 The Council is required to have regard to the Panel's recommendations, but is under no obligation to accept them if they are deemed to be inappropriate. It is open to the Council to revise the levels of the recommended allowance payments for the 2016/2017 (either up or down) as is considered appropriate.
- 2.3 The Council's Independent Remuneration Panel was also asked to consider the remuneration of council members who were non-executive directors of council owned companies.

3.0 Report Details

Members' Allowances

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

- (a) the basic allowance is increased by 1% and rounded either up or down to 12 equal payments

	2015/16	2016/17
Basic Allowance	£4,152.00 p.a.	£4,200.00 p.a.

- (b) alterations should be made to the payment to the Chairman of the Personnel Committee which has no definite frequency of assembly. The Panel suggested a special responsibility allowance of £250 per annum plus £250 per meeting of the committee to be capped at £1000 per annum in total.

- (c) the following rates should apply for the financial year 2016/17.

	2015/16	2016/17
Leader of the Council	£7,212.00 p.a.	£7,284.00 p.a.
Executive Members Holding a Portfolio	£6,300.00 p.a.	£6,360.00 p.a.

Chairman of the Overview and Scrutiny Committee	£3,504.00 p.a.	£3,540.00 p.a.
Chairman of Budget Planning Committee	£3,504.00 p.a.	£3,540.00 p.a.
Chairman of the Planning Committee	£4,200.00 p.a.	£4,242.00 p.a.
Chairman of the Accounts, Audit and Risk Committee	£1,800.00 p.a.	£1,818.00 p.a.
Chairman of the Personnel Committee	£1,008.00 p.a.	£250 SRA plus £250 per meeting to a capped limit of £1000 p.a.
Chairman of the Licensing Committee	£250 SRA plus £250 per full meeting to a capped limit of £1000pa	£250 SRA plus £250 per full meeting to a capped limit of £1000pa
Chairman of the Standards Committee	£250 SRA plus £250 per meeting to a capped limit of £1000 p.a.	£250 SRA plus £250 per meeting to a capped limit of £1000 p.a.
Chairman of the Appeals Panel	£250 SRA plus £250 per full meeting to a capped limit of £1000pa	£250 SRA plus £250 per full meeting to a capped limit of £1000pa
Leader of the Opposition	£2,904.00 p.a.	£2,934.00 p.a.
Deputy Leader of the Council	£2,484.00 p.a.	£2,508.00 p.a.
Co-optee Allowance	£708	£720

(d) there be; an increase in the Dependent Carers' and Childcare Allowances:

Childcare	£8 per hour	£10 per hour
Dependent Relative Care	£10 per hour	£20 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
Evening Meal Allowance	£10.29 per meal

(f) Democratic Services should continue to book overnight accommodation

Remuneration of Directors of Council Owned Companies

- 3.2 The Panel, whilst mindful of the comments regarding the responsibility and work load of the Director role, agreed that as the companies were separate entities and the Director role was separate and in addition to that of the Councillor role, did not consider it within the scope of the Panel's role or appropriate to discuss the remuneration paid to directors by companies that were separate from, albeit controlled or influenced by, the Council. Rather the companies themselves should recognise the work of the Directors and determine remuneration themselves subject to the legal constraints applying.
- 3.3 The Council may wish to consider making recommendations to the companies regarding remuneration levels. Consideration should also be given to whether the travel, subsistence, and carers allowances for members attending relevant company meetings should be paid by the council or the relevant company. In either event the amount cannot exceed the equivalent rate under the Members' Allowance Scheme.

- 3.4 Any remuneration that a council controlled or influenced company might pay to its councillor directors must not exceed the amount payable to councillors in respect of a comparable duty under the Members' Allowances Scheme. As the Panel declined to make a recommendation in this regard for the Council's consideration recommendation 1.5 above grants delegated authority to the section 151 officer to make a determination as to an equivalent duty so as to ensure that any remuneration levels paid are lawful pursuant to Article 5 of the Local Authorities (Companies) Order 1995.

4.0 Conclusion and Reasons for Recommendations

- 4.1 There had been no increase in members' basic allowance for a number of years. The Panel noted that staff had received a cost of living increase in recent years and concluded that regular smaller increases would be more acceptable than a one off large increase. An increase of 1% was recommended to the basic allowance rounded either up or down to give 12 equal payments. An Increase of 1% rounded either up or down to give 12 equal payments, was recommended to Special Responsibility Allowances excluding those paid on a meeting by meeting basis.
- 4.2 An increase to the Dependant Carers' and Childcare allowances was recommended to assist individuals who felt precluded from becoming a councillor due to the costs of dependents care and childcare. The Panel agreed to recommend and increase to £10 per hour and £20 per hour respectively.
- 4.3 The increase would be funded within existing approved budget as a result of the forthcoming reduction of councillors from 50 to 48.
- 4.4 It is the view of the Independent Remuneration Panel that the proposals represent realistic and fair levels of allowance for 2016/2017 and recommend adoption.
- 4.5 Any travel, subsistence and carers allowances paid to councillor directors of controlled or influenced companies by the Council should be recharged to the relevant company to which they relate.

5.0 Consultation

- 5.1 Details set out in appendix 1, Panels Report.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To accept the Panel's recommendations

Option 2: To modify the Panel's recommendations. This is within the Council's discretion as the Panel recommendations are not binding. However it is not recommended as the Panel has considered and justified the recommendations that they have made.

7.0 Implications

7.1 Financial and Resource Implications

Provision has been included in the draft 2016/2017 budget for Members' Allowances. There are principally two options available in terms of setting the levels of the allowances for the forthcoming financial year as follows:

- (1) to adopt the recommendations of the IRP. The full cost can be accommodated within the draft budget as mentioned above; or
- (2) to alter the levels of the allowances over and above those recommended by the IRP, although this would increase the provision included in the draft budget.

Comments checked by:

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7.2 Legal Implications

It is a legal requirement of the Council to consider the recommendations of the Independent Remuneration Panel before setting the level of allowances. The legal restrictions in respect of councillor director remuneration are contained in paragraph 3.4 above.

Comments checked by:

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8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

Value for Money Cherwell

Lead Councillor

None

Document Information

Appendix No	Title
1	Report of the Independent and Parish Remuneration Panel on the Review of Members' Allowances for the 2016/2017 Financial Year
Background Papers	
None	
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