



DISTRICT COUNCIL
NORTH OXFORDSHIRE

Report
of the Independent and Parish
Remuneration Panel
on the Review of Members' Allowances for the
2016/2017 Financial Year

For

Cherwell District Council

December 2015

CHERWELL DISTRICT COUNCIL

REPORT OF THE INDEPENDENT AND PARISH REMUNERATION PANEL

REVIEW OF MEMBERS' ALLOWANCES FOR THE 2016/2017 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 2015. This Scheme has remained in force throughout the 2015/16 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 2016/17 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 The Panel met on 7 December 2015 to consider and agree its recommendations for the 2016/17 municipal year. Mr Christopher White was appointed as Chairman of the Panel. Ms Jeanette Baker sent her apologies.
- 2.4 Mr Christopher White Declared an interest in Graven Hill Village Development Company and Holdings Company.
- 2.5 Natasha Clark (Democratic and Elections Team Leader) and Lesley Farrell (Democratic and Elections Officer) provided the Panel with administrative advice and support.
- 2.6 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) allowances 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) 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;

- (e) 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
- (f) 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
- (g) 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 2015/16;
 - (b) a comparison between Cherwell District Council, South Northamptonshire Council and Stratford-on-Avon District Council Members Allowances.
 - (c) 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.

- (d) a summary of Members responses to the 'Activity Questionnaire'.
- (e) the general economic climate.
- (f) the overall financial position of the Council.
- (g) the level of recent and anticipated pay awards for Council staff and management.
- (h) any recent changes in the roles, responsibilities and workload of specific member posts.

- 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 17 completed questionnaires were returned, representing 34% of its membership.
- 5.7 Whilst disappointed in the low return, the Panel was encouraged by a slight increase in the number of responses to the questionnaire this year and the number of Members wishing to address the panel as this forms a large part of their decision making process and all input was gratefully received.
- 5.8 It had been requested by members that the questionnaire include the amount of time spent responding to Social Media and that the average number of hours spent on council business could be changed to monthly.
- 5.9 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 comments detailed in 5.8 will be taken on board by officers and the questionnaire reviewed and amended as appropriate.
- 5.10 The Panel hopes that next year will result in a greater number of responses from Councillors to inform its work, in particular, given that the number of Councillors will reduce from 50 to 48 from 2016 and all members will be part of 3 Member wards representing amended warding arrangements in accordance with the outcomes of the Local Government Boundary Commission for England Cherwell boundary review.
- 5.11 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 4 to 30 hours per week.
- 5.12 The Panel noted that those Members who responded spent an average of 59 hours per month on council duties, which was 6 hours less than last year.
- 5.13 Other conclusions arising from the questionnaires were that:

- (a) no respondents explicitly stated that no changes should be made to the level of Members allowances and expenses for 2015/16.
- (b) 3 respondents proposed varying increases in the level of Members allowances and expenses for 2016/17.
- (c) On a scale of 1 (very generous) to 4 (totally inadequate), (1) respondent rated the basic allowance as 1, (9) as 2, (3) as 3 and (2) as 4. There was no comment on the remainder of respondents.
- (d) On the same scale of 1 to 4, (2) respondents rated the special responsibility allowance as 1, (6) as 2 and (3) as 3. There was no comment on the remainder of respondents.
- (e) On the same scale of 1 to 4, (5) respondents rated the level of travel and subsistence allowances as 1 (7) as 2 and (1) as 4. There was no comment from the remainder of respondents

Unfortunately, these numbers cannot be seen as representative due to the small number of questionnaire returns and not every return answering these specific questions.

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 2015/2016 at 1.85%. The Joint Management Team/Shared Managers have a separate agreement and for 2015/2016 the pay award was 1.75%.
- 6.4 At the time of the meeting of the Independent Remuneration Panel, pay negotiations had not yet commenced for 2016/2017. It was announced on 20 January 2016 that the pay award for staff (excluding the Joint Management Team/Shared Managers) would be 1.25% for 2016/17
- 6.5 The Panel received comparative data from a significant number of local 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.
- 6.6 The Panel acknowledged that there had been a cost of living increase for staff in 2015/2016 and, notwithstanding that the level for 2016/17 was not known at the time of the meeting, was minded to recommend an increase of 1% to Members' Basic Allowance rounded either up or down, whichever is closest, to produce 12

equal payments. As there had been no increase for a number of years, it was considered that a small increase now and any subsequent small increases in the future was more favourable than one large increase.

7 Special Responsibility Allowances

- 7.1 The Panel was requested to review the current level of Special Responsibility Allowances
- 7.2 The Panel was informed that following the establishment of the Joint Commissioning Committee comprising of members from Cherwell District Council and South Northamptonshire Council, which had consideration and approval of all joint policies, amongst others, delegated to it, the Personnel Committee would only consider personnel matters that affected only Cherwell District Council and therefore now meets infrequently. It has no meetings scheduled for the 2016/17 municipal year.
- 7.3 The Panel noted that there would be some work undertaken by the Chairman of the Personnel Committee outside of meetings and therefore agreed some level of allowance was appropriate. It was further agreed that, if meetings were arranged, then an allowance should be paid to the Chairman for fulfilling this role. The Panel agreed that this role would be comparable to the respective roles of the Chairmen of the Licensing and Standards Committees and the allowance payable should be the same, namely an annual responsibility allowance of £250 and an allowance of £250 per full committee meeting chaired be capped at £1,000 in total.
- 7.4 With the exception of the Appeals Panel, Personnel, Standards and Licensing Committee Chairmen, the Panel agreed to recommend a 1% increase rounded either up or down, whichever is closest, to 12 equal monthly payments for Special Responsibility Allowances in line with the increase in Basic Allowance.
- 7.5 The Panel further agreed to recommend that the Co-optee and Independent Persons allowance also be increased by 1% rounded either up or down, whichever is closest, to 12 equal monthly payments.

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 considered the travelling and subsistence allowances and agreed there should be no increase at this time.

9 Dependent Carers' and Childcare Allowance

- 9.1 The panel considered the dependent carers' and childcare allowances. The Panel noted that whilst these had not been claimed in recent years, the current levels were relatively low compared to the actual cost and this may prevent people from standing as a councillor. Therefore to assist individuals who felt precluded from becoming a councillor due to the costs of childcare and dependents' care the Panel agreed to recommend an increase to the dependent carers' and childcare allowances to £20 per hour and £10 per hour respectively.

10 Directors of existing council companies and the potential confederation company and its subsidiary companies

- 10.1 The Panel had been asked to give their view on the remuneration for the Graven Hill Companies to which some members had been appointed non-executive directors and had received information from those members on that role.
- 10.2 The Panel noted that Cherwell District Council has established companies as separate entities and elected Members, amongst other, had been appointed as Directors on the Boards of those companies. The Panel further noted the business case that had been agreed by Cherwell District Council Members and South Northamptonshire council Members at their respective February 2015 meetings whereby they had agreed to move towards a 'confederation approach'.
- 10.3 The Panel had received considerable information from Members appointed to the Graven Hill companies, including two Members addressing the Panel meeting, and the Chief Executive, who was a Director on the Board of both Graven Hill companies. It also received information relating to remuneration levels paid to councillor directors of various other council controlled companies elsewhere. Whilst mindful of the comments regarding the responsibility and work load of the Director role, the panel agreed that the Director role was separate and in addition to that of the Councillor role, it was not a job for the Independent Remuneration Panel to discuss the remuneration of independent companies rather the companies themselves should recognise the work of the Directors and determine remuneration themselves subject to the legal constraints applying.

11 Recommendations to Council

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

- (a) That the basic allowance be increased by 1% rounded either up or down, whichever is closest, 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 to be capped at £1000 per annum in total.

- (c) That the following rates should apply for the financial year 2015/16.

	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 full meeting to

		a capped limit of £1000pa
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 full meeting to a capped limit of £1000pa	£250 SRA plus £250 per meeting to a capped limit of £1000pa
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
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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.

12 Findings of the Panel

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

- (a) there had been no increase in member basic allowance for a number of years and regular smaller increases would be more acceptable than a one off large increase. An increase was recommended to the basic allowance of 1% rounded to give 12 equal payments. The increase would be funded with the forthcoming reduction in councillors from 50 to 48. This increase of 1% should also apply to the allowances paid to co-opted members and Independent Persons
- (b) Given the reduction in the workload of the Personnel Committee, which was now comparable to that of the Chairmen of the Appeals Panel, Standards and Licensing Committees, the Special Responsibility Allowance of the Chairman of the Committee should be amended to the same level of the equivalent committees, namely an annual Special Responsibility Allowance of £250 and an allowance of £250 per full meeting chaired capped at £1000 in total per annum.
- (c) with the exception of the Personnel, Standards, Licensing Committees and the Appeals Panel, there should be an increase in the Special Responsibility Allowances of 1% rounded to 12 equal payments.
- (d) 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.

- (e) the increasing complexity, responsibilities and burden of local government made it imperative for able individuals representing all of society were able to stand for election as Councillors, but the absence of a national baseline for Member remuneration did not help efforts to attract candidates in the local community with the professional qualities needed for the role.
- (f) 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.
- (g) a comparison of joint working remuneration at other councils with shared services and joint committees, including remuneration for those members sitting on joint committees, would take place next year.
- (h) in the case of Directors on the Boards of council created companies and the future confederation approach and associated companies, whilst the council will nominate representatives it will be up to each company to consider whether remuneration should be paid and at what level. It would be in order for the companies to have regard to the remuneration paid to the equivalent posts such as Cabinet/Executive members in considering the level of remuneration.

Mr Christopher White
Chairman
Independent Remuneration Panel
December 2015