



DISTRICT COUNCIL
NORTH OXFORDSHIRE

Report
of the Independent and Parish
Remuneration Panel
on the Review of Members' Allowances for the
2017/2018 Financial Year

For

Cherwell District Council

December 2016

CHERWELL DISTRICT COUNCIL

REPORT OF THE INDEPENDENT AND PARISH REMUNERATION PANEL

REVIEW OF MEMBERS' ALLOWANCES FOR THE 2017/2018 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 2016. This Scheme has remained in force throughout the 2016/17 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 2017/18 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 6 December 2016 to consider and agree its recommendations for the 2017/18 municipal year. Mr Christopher White was appointed as Chairman of the Panel.
- 2.4 Natasha Clark (Democratic and Elections Manager) 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 2016/17;
 - (b) a comparison between Cherwell District Council and South Northamptonshire 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.
- (i) Any additional comments members wished to make in respect of the current allowance scheme.

- 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 35.4% of its membership.
- 5.7 The Panel were once again disappointed by the low return of questionnaires as this forms a large part of their decision making process and they could only surmise that those who did not return the questionnaire were happy with the current allowance scheme.
- 5.8 The Panel were very grateful to those members who returned the questionnaire and also to those who agreed to give their time to speak to the Panel.
- 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.
- 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 reduced from 50 to 48 in 2016 and all members are now 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. The Panel will be interested to know how or if this has affected the Members role.
- 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 14 to 170 hours per month.
- 5.12 The Panel noted that those Members who responded spent an average of 59 hours per month on council duties, which was the same as last year.

5.13 Other conclusions arising from the questionnaires were that:

- (a) three respondents explicitly stated that no changes should be made to the level of Members allowances and expenses for 2017/18.
- (b) five respondents proposed varying increases in the level of Members allowances and expenses for 2017/18.
- (c) On a scale of 1 (very generous) to 4 (totally inadequate), three respondents rated the basic allowance as 1, seven as 2 and four as 3. There was no comment from the remainder of respondents.
- (d) On the same scale of 1 to 4, five respondents rated the special responsibility allowance as 1, four as 2 and three as 3. There was no comment from the remainder of respondents.
- (e) On the same scale of 1 to 4, five respondents rated the level of travel and subsistence allowances as 1 and six as 2. 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 The Panel had recommended a 1% increase for 2016/17 but the Council had voted not to accept the increase in allowance.
- 6.3 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.
- 6.4 The Council and Unison entered into a collective agreement which set out the local pay award for 2016/2017 at 1.25%. The Joint Management Team/Shared Managers have a separate agreement and for 2016/2017 the pay award was 1.25%.
- 6.5 At the time of the meeting of the Independent Remuneration Panel, pay negotiations had not yet commenced for 2017/2018.
- 6.6 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.
- 6.7 The Panel acknowledged that there had been a cost of living increase for staff in 2016/2017 and, notwithstanding that the level for 2017/18 was not known at the

time of the meeting, was minded to recommend an increase of 1.25% 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 would be 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 and in particular the level of payment to the Chairman of the Accounts, Audit and Risk Committee.
- 7.2 The Panel was advised that the role of the Accounts Audit and Risk Committee Chairman had increased substantially with a much more rigorous examination of the accounts and mandatory training for all Accounts Audit and Risk Committee members being introduced.
- 7.3 The Panel agreed that the allowance for the Account Audit and Risk Committee Chairman should be increased to match that of the Budget Planning Committee Chairman.
- 7.4 The Panel also agreed to recommend a 1.25% increase rounded either up or down, whichever is closest, to 12 equal monthly payments for all 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 1.25% rounded either up or down, whichever is closest, to 12 equal monthly payments.
- 7.6 In November 2016 allowances were agreed for members who are Non-Executive Directors of Graven Hill Companies with an assumption that these would increase in line with members' allowances. The Panel therefore agreed that these would also increase by 1.25%.

8.0

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.

Dependent Carers' and Childcare Allowance

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The panel considered the dependent carers' and childcare allowances. The Panel noted that the allowances had been increased last year and agreed that they should remain at the same level.

9.1

10 Recommendations to Council

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

- (a) That the basic allowance be increased by 1.25% rounded either up or down, whichever is closest, to 12 equal payments

	2016/17	2017/18
Basic Allowance	£4,152.00 p.a.	£4,200.00 p.a.

- (b) An increase is recommended to the Chairman of the Account Audit and Risk Committee to bring in line with that of the Budget Planning Committee Chairman.

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

	2016/17	2017/18
Leader of the Council	£7,212.00 p.a.	£7,296.00 p.a.
Executive Members Holding a Portfolio	£6,300.00 p.a.	£6,372.00 p.a.
Chairman of the Overview and Scrutiny Committee	£3,504.00 p.a.	£3,552.00 p.a.

Chairman of Budget Planning Committee	£3,504.00 p.a.	£3,552.00 p.a.
Chairman of the Planning Committee	£4,200.00 p.a.	£4,248.00 p.a.
Chairman of the Accounts, Audit and Risk Committee	£1,800.00 p.a.	£3,552.00 p.a.
Chairman of the Personnel Committee	£1,008.00 p.a.	£253 SRA plus £253 per full meeting to a capped limit of £1012pa
Chairman of the Licensing Committee	£250 SRA plus £250 per full meeting to a capped limit of £1000pa	£253 SRA plus £253 per full meeting to a capped limit of £1012pa
Chairman of the Standards Committee	£250 SRA plus £250 per full meeting to a capped limit of £1000pa	£253 SRA plus £253 per meeting to a capped limit of £1012pa
Chairman of the Appeals Panel	£250 SRA plus £250 per full meeting to a capped limit of £1000pa	£253 SRA plus £253 per full meeting to a capped limit of £1012pa
Leader of the Opposition	£2,904.00 p.a.	£2,940.00 p.a.
Deputy Leader of the Council	£2,484.00 p.a.	£2, 520.00 p.a.
Co-optee Allowance	£708	£720

- (d) there be no increase in the Dependent Carers' and Childcare Allowances:

Childcare	£10 per hour	£10 per hour
Dependent Relative Care	£20 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.

11 Remuneration of Directors of Council Owned Companies

- 11.1 In November 2016 remuneration was agreed for members who were Directors of Graven Hill Companies. It was also agreed that any increase in member allowances would be reflected in remuneration for Directors of Council owned companies.

- (a) the following rates which are comparable to that of the Chairman of Planning Committee should have the following comparable increase:

	2016/17	2017/18
Non-Executive Directors Graven Hill Village Holding Company Limited (HOLDCO)	£4200.00	£4248.00
Non-Executive Directors Graven Hill Village Development Company Limited (DEVCO)	£4200.00	£4248.00

- (b) the following rates which are comparable to that of an Executive Lead Member, should have the following comparable increase:

Non-Executive Director appointed to both HOLDCO and DEVCO	£6300.00	£6372.00
Non-Executive Director of either HOLDCO or DEVCO who is also Chairman of the Board	£6300.00	£6372.00

- (c) the following rate which is comparable to that of an Executive Member holding portfolio who holds more than one responsibility should have the following comparable increase:

Chairman of one company who is a Non-Executive Director of the other	£8400.00	£8496.00
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12.0 Findings of the Panel

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

- (a) there had been no increase to members 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 1.25% (the level awarded to staff in 2016/17) rounded up or down to give 12 equal payments. This increase of 1.25% should also apply to the allowances paid to co-opted members and Independent Persons
- (b) that the workload and responsibility of the Account, Audit and Risk Committee Chairman had increased and the Chairman's allowance should be increased to match that of the Budget Planning Committee Chairman.

- (c) there should be an increase to all Special Responsibility Allowances of 1.25% rounded up or down to ensure 12 equal payments.
- (d) the increasing complexity, responsibilities and burden of local government made it imperative for able individuals representing all of society to be 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.
- (e) 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.
- (f) a comparison of joint working remuneration at other councils with shared services and joint committees, including remuneration for those members sitting on joint committees should be take place and be reviewed in 2017.

Mr Christopher White
Chairman
Independent Remuneration Panel
December 2016