

Cherwell District Council

Council

26 February 2018

Members Allowances 2018/2019

Report of Monitoring Officer

This report is public

Purpose of report

To determine the levels of the allowances to be paid to Members for the forthcoming 2018/2019 financial year following the submission of the report of the Council's Independent Remuneration Panel (IRP)

1.0 Recommendations

The meeting is recommended to:

- 1.1 Consider the levels of allowances to be included in the 2018/2019 Members' Allowances Scheme, and whether the Panel's recommendations should be adopted or modified in any way
- 1.2 Authorise the Monitoring Officer to prepare an amended Members' Allowances Scheme, in accordance with the decisions of the Council for implementation with effect from 1 April 2018.
- 1.3 Authorise the Monitoring Officer to take all necessary action to revoke the current (2017/2018) Scheme and to publicise the revised Scheme pursuant to The Local Authorities (Members's Allowances)(England) Regulations 2003 (as amended).
- 1.4 Thank the Independent Remuneration Panel for its report and set a fee of £300 for Panel Members for the work carried out on this review for 2017/2018 and propose the same level of fee for any reviews carried out in 2018/2019 capped at a maximum of £1200.

2.0 Introduction

- 2.1 The Council's Independent Remuneration Panel has met to review the current (2017/2018) Members' Allowances Scheme and its report on the recommended levels of the allowance payments for the 2018/2019 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 2018/2019 (either up or down) as is considered appropriate.

3.0 Report Details

Members' Allowances

3.1 Based on the information provided to the Panel as detailed in its report at Appendix 1, it recommends that:

(a) the basic allowance is increased by 2% and rounded either up or down to 12 equal payments

	2017/2018	2018/2019
Basic Allowance	£4,200.00 p.a.	£4,284.00 p.a.

(b) That there should be no changes in the Special Responsibility Allowances and the following rates should apply for the financial year 2018/2019.

	2017/2018	2018/2019
Leader of the Council	£7,284.00 p.a.	£7,284.00 p.a.
Executive Members Holding a Portfolio	£6,372.00 p.a.	£6,372.00 p.a.
Chairman of the Overview and Scrutiny Committee	£3,552.00 p.a.	£3,552.00 p.a.
Chairman of Budget Planning Committee	£3,552.00 p.a.	£3,552.00 p.a.
Chairman of the Planning Committee	£4,248.00 p.a.	£4,248.00 p.a.
Chairman of the Accounts, Audit and Risk Committee	£4,248.00 p.a.	£4,248.00 p.a.

Chairman of the Personnel Committee	£253 SRA plus £253 per meeting to a capped limit of £1012 p.a.	£253 SRA plus £253 per meeting to a capped limit of £1012 p.a.
Chairman of the Licensing Committee	£253 SRA plus £253 per full meeting to a capped limit of £1012pa	£253 SRA plus £253 per full meeting to a capped limit of £1012pa
Chairman of the Standards Committee	£253 SRA plus £253 per meeting to a capped limit of £1012 p.a.	£253 SRA plus £253 per meeting to a capped limit of £1012 p.a.
Chairman of the Appeals Panel	£253 SRA plus £253 per full meeting to a capped limit of £1012pa	£253 SRA plus £253 per full meeting to a capped limit of £1012pa
Leader of the Opposition	£2,940.00 p.a.	£2,940.00 p.a.
Deputy Leader of the Council	£2,520.00 p.a.	£2,520.00 p.a.

(c) that the Co-optee and Independent Persons Allowance should be increased by 2% and rounded either up or down to 12 equal payments:

Co-optee and Independent Persons Allowance	£720.00 p.a.	£732.00 p.a.
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Remuneration of Directors of Council Owned Companies

3.2 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. As the allowance for Non-Executive Directors of Graven Hill Companies were in line with an equivalent special responsibility allowance, which vary depending on the appointment and as no increase was recommended for special responsibility allowances, no increase was recommended for Non-Executive Directors.

(a) the following rates which are comparable to that of the Chairman of Planning Committee should remain the same:

	2017/2018	2018/2019
Non-Executive Directors Graven Hill Village Holding Company Limited (HOLDCO)	£4248.00	£4248.00
Non-Executive Directors Graven Hill Village Development Company Limited (DEVCO)	£4248.00	£4248.00

(b) the following rates which are comparable to that of an Executive Lead Member, should remain the same:

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

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

Chairman of one company who is a Non-Executive Director of the other	£8496.00	£8496.00
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(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) that subject to electric vehicles receiving the same level of allowance as other motor vehicles at 45p per mile, there should be no change to Travelling and Subsistence Allowances;

Bicycles	20p per mile
Motorcycles	24p per mile

Motor Vehicles including electric vehicles	45p per mile
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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

4.0 Conclusion and Reasons for Recommendations

- 4.1 The following paragraphs set out the rationale for the recommendations of the Panel. Further detail is provided in the Panel's report at Appendix 1.
- 4.2 There had been a cost of living increase for staff in 2017/2018 and, notwithstanding that the level for 2018/19 was not known at the time of the meeting, the Panel was minded to recommend an increase of 2% to Members' Basic Allowance rounded either up or down, whichever is closest, to produce 12 equal payments. This equates to an additional payment of £7 per month to each councillor (before tax and NI, where paid)
- 4.3 The Panel noted that the increase of 1.25% to the Basic Allowance in 2017/2018 had been the first increase in the Basic Allowance since 2009/2010 agreed by Council. The Panel further noted that a number of Members had requested not to receive the increase of 1.25% in 2017/2018.
- 4.4 Over the past few years, Cherwell District Council had fallen towards the bottom of the scale of neighbouring authorities in the South East region. The Panel agreed that applying an increase to the Basic Allowance would benefit all Members, demonstrate their value and encourage a wider diversity of Councillors.
- 4.5 Assuming the increase of 2% in Basic Allowance and Co-optee and Independent Persons Allowances was applied to all eligible, the total additional cost to the council would be £4284 in 2018/2019 which has been factored in during the budget setting process.
- 4.6 Whilst the Panel recommended an increase for all Members through the Basic Allowance they felt an additional increase in Special Responsibility Allowances was not justified at this time as they had received no real evidence of increased work or responsibility.
- 4.7 The Panel also agreed to recommend an increase in mileage allowance for electric vehicles to 45p per mile as this is in line with HMRC levels.

- 4.8 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.
- 4.8 It is the view of the Independent Remuneration Panel that the proposals represent realistic and fair levels of allowance for 2018/2019 and recommend adoption.

5.0 Consultation

- 5.1 Details set out in appendix 1, the Panel's Report. (5. Work of the Panel)

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 2018/2019 budget for Members' Allowances and the full cost of agreeing a 2% increase to the basic allowance can be accommodated

If Members were minded to alter the levels of the allowances over and above those recommended by the Panel, this would be above the provision included in the draft budget.

Comments checked by: Paul Sutton, Executive Director – Finance and Governance
Paul.sutton@cherwellandsouthnorthants.gov.uk

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.

Comments checked by: Chris Mace, Solicitor,
christopher.mace@cherwellandsouthnorthants.gov.uk, Telephone: 01327 322125

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 2018/2019 Financial Year
Background Papers	
None	
Report Author	Lesley Farrell, Democratic and Elections Officer
Contact Information	01295 221591 lesley.farrell@cherwellandsouthnorthants.gov.uk