



Cherwell
DISTRICT COUNCIL
NORTH OXFORDSHIRE

**Report
of the Independent and Parish
Remuneration Panel
on the Review of Members' Allowances for the
2021/2022 Financial Year**

for

Cherwell District Council

December 2020

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Report of the Independent and Parish Remuneration Panel

Review of Members' Allowances for the 2021/2022 Financial Year

1.0 Introduction

1.1 The Local Government Act 2000 and the Local Authorities (Members' Allowances)(England) Regulations 2003 require local authorities to review their Allowances Schemes and to maintain an Independent Remuneration Panel (IRP) to consider and make recommendations on new schemes.

1.2 The Regulations set out that the following issues are to be addressed by the Panel:

- **Basic Allowance:** each local authority must make provision for a basic, flat rate allowance for all elected Members. The allowance must be the same for all Members and can either be paid in a lump sum or in instalments.
- **Special Responsibility Allowance (SRA):** each local authority may make provision for the payment of SRAs to elected Members who have significant responsibilities. The Panel has to recommend the responsibilities that should be remunerated and the levels of allowance.
- **Co-optees' Allowance:** each local authority may make provision for the payment of an allowance to co-optees' for attending meetings, conferences and seminars
- **Childcare and dependants' carers' allowance:** each local authority may make provision for the payment of an allowance to elected Members who incur expenditure for the care of children or dependent relatives whilst undertaking particular duties
- **Travel and subsistence:** each local authority may determine the levels of travel and subsistence allowances and the duties to which they should apply
- **Indexation:** each local authority may determine that allowances should be increased in accordance with a specified index and can identify the index and set the number of years (not exceeding four) for which it should apply
- **Backdating:** each local authority may determine that, where allowances are made to an allowance scheme, the allowances as amended may be backdated.

- 1.3 All Councils are required to convene their IRP and seek its advice before they make any changes or amendments to their Members' Allowances Scheme. Elected Members must "have regard" to their IRP's recommendations before setting a new or amended Members' Allowance Scheme.
- 1.4 Following the meeting of the Independent and Parish Remuneration Panel ("the Panel") in December 2019, the Panel recommended to Council that both the basic and Special Responsibility Allowances for the 2020/2021 financial year should be increased in line with the staff pay award. At the 25 February 2019¹ meeting of Full Council, Members approved the recommendation of the Panel for allowances to be increased in line with the staff award. At that time a staff award had not been agreed so Members' resolved that payment of the increase would be backdated to 1 April 2020. In October 2020 a staff pay increase of 2.75% was awarded. This was applied to the Basic Allowance, Special Responsibility Allowance, Independent Persons and Co-optee allowances (rounded either up or down to 12 equal payments) and backdated to 1 April 2020. All other allowances remained the same. The scheme remained in force throughout the 2020/2021 financial year.
- 1.5 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 2021/2022 in respect of:
- (a) the levels of basic and special responsibility allowances;
 - (b) the travelling, subsistence and dependants' carers' allowances; and
 - (c) Co-optees and Independent Persons allowance.

2.0 The Independent Remuneration Panel

- 2.1 The current membership of the Panel is:

Ms Jeanette Baker
Mr Ray Everitt
Ms Charlotte Green
Mr Andrew Hodges
Mr David Shelmerdine
Mr Christopher White

- 2.2 The Panel met on 7 December 2020 to consider and agree its recommendations for 2021/2022 financial year.

¹ The report can be viewed at: [Full Council 24 February 2020](#) (Minute 67 refers)

2.3 Mr Ray Everitt sent his apologies

2.4 Mr Christopher White was appointed as Chairman of the Panel.

2.5 Natasha Clark (Governance and Elections Manager) and Lesley Farrell (Democratic and Elections Officer) provided the Panel with administrative advice and support.

3.0 Terms of Reference of the Panel

3.1 The Panel's terms of reference as originally agreed by the Council when the Panel was first constituted (as amended by the 2003 Consolidating Regulations which relate to the determination of local schemes for travelling and subsistence allowance) are outlined in its reports dated 3 July 2001 and 4 July 2003².

3.2 The principal matters on which the Panel can make recommendations are set out in the introduction. As the Panel meets annually to make recommendations for the forthcoming financial year, indexation is not applied to the allowance scheme.

4.0 The Panel's Adopted Approach

4.1 Since 2001, the Panel's approach has been that recommendations should be formulated appropriate to the circumstance of the Council, recognizing that the roles of Executive and Non-Executive Members are now well-established.

4.2 The following underlying principles continue to form the 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' and recognition of the time and level of responsibility that such public duty requires.
- (d) the original principle of the Panel was that an element of Members' time in terms of their work as a Councillor should be treated as voluntary and therefore should not be remunerated – the principles of voluntary service

² Copies of the reports are available on request from democracy@cherwell-dc.gov.uk

were fully set out in paragraphs 9.4 and 9.5 of the July 2001 report³; and it was agreed that this principle should continue.

- (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 residents 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 review scheme should continue to be subject to well informed periodic reviews.

5.0 The Work of the Panel

- 5.1 The Panel had previously determined the underlying principles on which the levels of Members allowances should be based, as outlined in section 4 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. It is important to highlight that the focus of the review is on the roles rather than the individuals who occupy them.
- 5.3 The Panel was aware of the responsibilities and workloads of Executive members with their specific portfolios.
- 5.4 The Panel noted the additional workload and complexity in the role of the Leader of the Council in leading the political direction of the Council, considerable responsibility for delivering the Council's budget and policy framework and steering the partnership dimension of the Council's working.
- 5.5 The Panel noted that the Covid 19 pandemic has impacted on the work of elected Members with district meetings being held virtually rather than physically. Similarly, engagement with residents, parish councils and community groups has been recast with consequent effect on the workload that arises. Whilst travel time has reduced, online meetings and email engagement have increased.
- 5.6 Nonetheless, mindful that it is not known if these changes are time-limited, or if some of the new ways of working would continue, the Panel highlighted that whilst it was important to acknowledge these changes and pressures, it was

³ Copy available on request to democracy@cherwell-dc.gov.uk

important to be consistent with previous reviews and not be influenced by exceptional circumstances, and as such, it does not affect its recommendations.

5.7 As part of its review, the Panel considered the following information which informed its conclusions:

- (a) a copy of the Council's Members' Allowances Scheme for 2020/2021;
- (b) a comparison of neighboring authority Members Allowances;
- (c) comparative data from the Members' Allowances survey undertaken by South East Employers 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 Annual Survey;
- (e) the general economic climate, increase in cost of living and level of national pay awards;
- (f) the overall financial position of the Council;
- (g) any recent changes in the roles, responsibilities and workload of specific Member posts;
- (h) any additional comments Members wished to make in respect of the current allowance scheme;
- (i) the discussions with the Members who spoke to the Panel;
- (k) as negotiations for the annual staff increase had not yet commenced, this information was not available for the panel.

Members' Allowance Scheme Annual Survey

5.8 The Panel continues to place great importance on the information gathered by way of the Annual Survey.

The purpose of the Annual Survey 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.

Question 4 – What is your employment status?

- Retired or otherwise not employed 9
- Employed full time 11
- Employed part time 2
- Other 0

5.14 Questions 5 – 11 sought comments from Members on the level of basic allowance, Special Responsibility Allowance, travel, subsistence, childcare and dependants' carers' allowances, time commitment and voluntary aspects of time given and any additional comments.

- (a) Eleven of the respondents receive a Special Responsibility Allowance (SRA) and consider that an average of 17.6 hours per month related to the post for which the SRA was received.
- (b) The majority of respondents considered that part of their time was given on a voluntary basis. The number of voluntary hours varied from 2 to 80.
- (c) With regards to the current rate of allowance and if it was thought to be adequate. 6 Members thought that the allowance should be increase in line with officer pay award. 0 thought it should be increased by an amount not linked to the officer pay award, 14 considered the allowance to be adequate and frozen at the current level and 2 thought it should be decreased.
- (d) With regards to Carers Allowance, Travel Allowance or Subsistence Allowance, the following Comments were submitted:
 - Those with care responsibilities should be able to claim for them.
 - If you are going to give expenses for cycling it is illogical not to do so for walking.
 - Never claim
 - All are fair
 - Travel Allowances should be used to encourage environmentally friendly travel
 - When travel starts after Covid 19, councillors should share cars to reduce costs and better for the environment
 - The mileage allowance for motorcycles is too low. I know this is a government set rate but please object to them. How can the allowance be 20p per mile for a bicycle with only a couple of moving parts and cheap tyres and only 4p per mile more for a motorcycle that is in effect a 2 wheeled car? As an electric bicycle by definition is an electric motorcycle, does it get an allowance of 24p per mile as well? No

mention of electric motorcycles such as the 'zero' Harley Davison Livewire; what rates are these?

- 5.15 Whilst having regard to the questionnaire responses, during their deliberations, the Panel was conscious that the Members Allowance Scheme reflects the government set amounts for travel. However, the Members Allowance Scheme was amended in 2018 to include an allowance of 45p per mile for electric vehicles.

6.0 Basic Allowance

- 6.1 It is required in the relevant legislation that a Basic Allowance of the same value be provided to all members of the Council. The allowance is intended to remunerate councillors for their time spent as a councillor, covering incidental costs incurred by them as ordinary members of the Council, including the use of their homes.
- 6.2 The Panel was requested to review the current level of Basic Allowance.
- 6.3 Since the Council moved to its Local Pay Formula, the Panel has used the annual pay settlement for staff as one of their main considerations for recommending adjustment to the levels of the basic and special responsibility allowances paid to Members.
- 6.4 The Panel noted that whilst their recommended increase for 2020/2021, in line with the staff pay award for 2020/2021, and backdated to 1 April 2020 had been agreed by Council, some Members had chosen not to take the increase.
- 6.5 The negotiations for a cost of living increase for staff for the 2021/2022 financial year had not yet started but the Panel was aware the Government had confirmed in November 2020 there would be a pay freeze for the majority of public sector workers in 2021/2022.
- 6.6 Having regard to the various calls on councillors' time and conscious that a proportion of time is voluntary, the levels of basic allowance paid by comparator councillors, and taking into particular consideration the current economic climate and the comments from the Members survey, the Panel agreed to recommend that the Basic Allowance should be frozen for the financial year 2021/2022.

7.0 Special Responsibility Allowances

- 7.1 The Panel reviewed the Special Responsibility Allowances (SRA).
- 7.2 Consistent with the increase to the Basic Allowance in 2020/2021, Council agreed the recommendation of the Panel that the level of staff pay award for

2020/2021 should be applied for SRA's and rounded either up or down, whichever was closest to produce 12 equal payments and backdated to the beginning of the 2020/2021 financial year, 1 April 2020.

- 7.3 In line with its recommendation to freeze the Basic Allowance for 2021/2022, the Panel agreed to recommend that all SRA's should be frozen in 2021/2022.

8.0 Co-optee and Independent Persons Allowance

- 8.1 In line with the Basic and Special Responsibility Allowance, the Panel agreed to recommend that the Co-optee and Independent Persons allowance also be frozen for the financial year 2021/2022.

9.0 Non-Executive Directors on Council Owned Companies

- 9.1 In 2018 it was agreed that Members who were Non-Executive Directors (NED) of both Graven Hill Companies (Graven Hill Development Company Limited, (DEVCO) and Graven Hill Village Holdings Limited (HOLDCO)) should receive an allowance comparable to the Special Responsibility Allowance paid to the Planning Committee Chairman.

- 9.2 In line with the recommendations for Special Responsibility Allowances, the Panel agreed to recommend that the NED allowance should be frozen for 2021/2022.

10.0 Travelling and Subsistence Allowances

- 10.1 The Panel was requested to review the current level of Travelling and Subsistence Allowances.
- 10.2 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 motorcycle or motor vehicle concerned and remain the same. These rates remain unchanged.
- 10.3 In relation to Subsistence Allowances, the Panel had 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 (including mortgages).
- 10.4 However, the National Joint Council for Officers ceased to produce nationally agreed subsistence rate for local government staff in 1996. Since that time, subsistence rates have been a subject for local determination and the Council has based its rate on Local Government Association rates.

- 10.5 The Panel considered the travelling and subsistence allowances and agreed, to recommend that there should be no increase in travelling or subsistence allowances at this time.
- 10.6 Expenses incurred by councillors appointed as Non-Executive Directors of companies will continue to be paid at the same rate and recharged to the relevant company.

11.0 Dependants' Carers' and Childcare Allowance

- 11.1 The Panel considered the dependants' carers' and childcare allowances. The Panel noted that these allowances were claimed very infrequently but agreed that the availability of the allowances was extremely important to encourage those with families or care responsibilities to stand as a councillor.
- 11.2 The Panel agreed that the dependent carers and childcare allowance should be maintained with no change to the current terms, conditions and rates payable.

12.0 Recommendations to Council

- 12.1 Having given due consideration to the information provided to the Panel, it recommends to Full Council to agree:
- 12.2 That Basic Allowance be frozen and remain at the current level:

	Current Level 2020/2021	Proposed Level for 2021/2022
Basic Allowance	£4,512 pa	£4,512 pa

- 12.3 That all Special Responsibility Allowances be frozen and remain at the current level:

	Current Level 2020/2021	Proposed Level for 2021/2022
Leader of the Council*	£7,680 pa	£7,680 pa
Deputy Leader of the Council	£2,652 pa	£2,652 pa
Executive Members holding a Portfolio	£6,708 pa	£6,708 pa
Leader of the Opposition	£3,096 pa	£3,096 pa
Chairman of Accounts, Audit and Risk Committee	£3,732 pa	£3,732 pa
Chairman of Budget Planning Committee	£3,732 pa	£3,732 pa
Chairman of Overview and		

Scrutiny Committee	£3,732 pa	£3,732 pa
Chairman of Planning Committee	£4,464 pa	£4,464 pa
Chairman of Appeals Panel	£264 SRA plus £264 per meeting to a capped limit of £1,056	£264 SRA plus £264 per meeting to a capped limit of £1,056
Chairman of Licensing Committee	£264 SRA plus £264 per meeting to a capped limit of £1,056	£264 SRA plus £264 per meeting to a capped limit of £1,056
Chairman of Personnel Committee	£264 SRA plus £264 per meeting to a capped limit of £1,056	£264 SRA plus £264 per meeting to a capped limit of £1,056
Chairman of Standards Committee	£264 SRA plus £264 per meeting to a capped limit of £1,056	£264 SRA plus £264 per meeting to a capped limit of £1,056

(The Leader of the Council receives the Leaders' allowance and an Executive Portfolio allowance. All SRA's are paid in addition to the Basic Allowance)

- 12.4 That the Co-optee and Independent Person allowance remain frozen at the current level:

	Current Level 2020/2021	Proposed Level for 2021/2022
Co-optee and Independent Person Allowance	£756 pa	£756 pa

- 12.5 That Dependants' Carers' and Childcare Allowances remain at the current level and capped at 40 hours per month:

	Current Level 2020/2021	Proposed Level for 2021/2022
Childcare	£10 per hour	£10 per hour
Dependent Relative Care	£20 per hour	£20 per hour

- 12.6 That Travelling and Subsistence Allowances remain at the current level:

	Current Level 2020/2021	Proposed Level for 2021/2022
Bicycles	20p per mile	20p per mile
Motorcycles	24p per mile	24p per mile
Motor Vehicles	45p per mile	45p per mile
Electric or similar Specialised Vehicles	45p per mile	45p per mile

Breakfast Allowance	£6.02 per meal	£6.02 per meal
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Lunch Allowance	£8.31 per meal	£8.31 per meal
Evening Meal Allowance	£10.29 per meal	£10.29 per meal

12.7 That Democratic Services continue to book overnight accommodation if required.

12.8 That Non-Executive Director allowances remain frozen at the current level:

	Current Level 2020/2021	Level for 2021/2022
Non-Executive Directors Graven Hill Village Holding Company Limited and Graven Hill Village Development Company Limited	£4,464 pa	£4,464 pa

12.9 In arriving at its recommendations, the Panel had particular regard to the following:

- (a) There had been a 2.75% cost of living increase for staff in 2020/2021. The Panel had recommended the same level of increase to be applied to Members' basic allowance and special responsibility allowances rounded up or down, whichever was closest, to produce 12 equal payments. This increase had been agreed by Full Council in February 2020.
- (b) The Panel acknowledged that the CDC Members' Allowances are relatively low in comparison to other similar councils and elected members therefore represented good value for money.
- (c) The Panel acknowledged that the Covid 19 Pandemic had impacted on the ways Members work and were also mindful of the work carried out by Executive Members and the Leader of the Council
- (d) The increasing complexity, responsibilities and burden of local government made it imperative for individuals representing all of society to be able to stand for election as Councillors. Allowances are not the only means of overcoming obstacles to wider democratic representation, but the absence of a national baseline for Member remuneration did not help efforts to attract a diverse range of people in the local community to consider becoming councillors.
- (e) Whilst levels of remuneration need to reflect the time, effort and expertise required of Councillors, it was evident that it was not the will of Councillors to increase remuneration at this time.
- (f) The Panel considered applying the same cost of living increase to Members' allowances as that awarded to staff as in the previous year. However, taking into consideration the results of the Members Survey, the

comments of the Members who addressed the Panel and the expectation of a public sector pay freeze, it was agreed that Members' Allowances should be frozen for the financial year 2021/2022.

- (g) The Panel thanked Democratic Services for the information provided to assist in their work.

Mr Christopher White (Chairman)
Independent Remuneration Panel
December 2020.