

Report of the Independent and Parish
Remuneration Panel on the Review
of Parish Members' Allowances
for the 2020/2021 Financial Year

For

Parish Councils in the Cherwell District

December 2019

REPORT OF THE INDEPENDENT AND PARISH REMUNERATION PANEL

REVIEW OF PARISH MEMBERS' ALLOWANCES FOR THE 2020/2021 FINANCIAL YEAR

1 Introduction

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) provide all parish councils with the discretion to introduce allowances schemes whereby a parish basic allowance plus travelling and subsistence allowances can be paid to their elected members whether or not that election was contested. Further, a travelling allowance and a subsistence allowance, but not a parish basic allowance, can be paid to co-opted members of parish councils.
- 1.2 The setting of the levels of the allowances is open to parish councils to determine after first considering the recommendations of the Parish Remuneration Panel. This is in line with the Government's view that the allowances system provides for clear and transparent local accountability as parish councils, like other local authorities, will be both accountable and answerable to their local communities in terms of the allowance payments made to their members.
- 1.3 The Panel has completed its work on the review of allowance matters which fall to it under the 2003 Regulations. This report sets out the recommendations of the Panel which must be considered by parish councils when they determine whether to continue to pay allowances or introduce allowance schemes for the first time and, where appropriate, the levels of the allowances to be paid.

2 The Parish Remuneration Panel

- 2.1 The Parish Remuneration Panel was appointed by Cherwell District Council on 21 July 2003 pursuant to Regulation 27 of the 2003 Regulations.
- 2.2 The current membership of the Panel is:
- Ms Jeanette Baker
Mr Ray Everitt
Mr David Shelmerdine
Mr Christopher White
Mr Andrew Hodges
- 2.3 Mr Stefan Robinson and Mrs Charlotte Green had resigned from the panel during the summer of 2019. The Panel thanked them for contribution to the panel and wished them well for the future.
- 2.4 The Panel met on 3 December 2019 to consider its recommendations for the 2020/2021 municipal year.
- 2.5 Mr Christopher White was appointed as Chairman for the meeting.
- 2.6 Natasha Clark (Governance and Elections Manager) and Lesley Farrell (Democratic and Elections Officer) provided the Panel with administrative advice and support.
- 2.7 The Panel's findings are set out in this report, together with recommendations for

consideration by Parish Councils.

3.0 Terms of Reference of the Panel

3.1 The Terms of Reference of the Panel remain as originally agreed when it was first constituted in 2003.

3.2 These Terms of Reference accord with the provisions of Regulation 28 which provide that the Panel must produce a report and recommendations on:

- (a) the amount of parish basic allowance payable to the elected members of parish councils;
- (b) the amount of travel and subsistence allowance payable to members of parish councils;
- (c) whether the parish basic allowance should be payable only to the chairman of the parish council or to all of its elected members;
- (d) whether, if a parish basic allowance is to be made to both the chairman and other elected members, the allowance payable to the chairman should be set at a higher level than that of the other elected members and if so, the higher amount which should be payable;
- (e) the responsibilities and duties in respect of which members of parish councils should receive travel and subsistence allowances.

4.0 Basic Allowance

4.1 The 2003 Guidance allows for the Panel to recommend the same levels of parish basic allowance for all parish councils or different levels for different councils.

4.2 In considering allowances for parish councils, the approach previously adopted by the Panel has been to express the Parish Basic Allowance as a percentage of the Basic Allowance paid by Cherwell District Council to its Members.

4.3 In undertaking the review of allowances for Cherwell District Council (CDC) elected Members, the Panel acknowledged that the CDC members' allowances were low in comparison to other similar councils and the elected members represented good value for money.

4.4 The Panel noted that in 2019/2020 the recommended 2.4% cost of living increase had been agreed by Council.

4.5 When considering its recommendations, the Panel uses the staff pay settlement to inform its proposals for Cherwell District Council Members. The negotiations for a cost of living increase for Cherwell District Council staff in 2020/2021 financial year had not yet started but the Panel agreed that the same level increase in the pay settlement for staff should be applied to the Members Basic Allowance and rounded either up or down, whichever is closest, to produce 12 equal payments. Payment of the increase should be backdated to the beginning of the 2020/2021 financial year, 1 April 2020, should the staff pay settlement not be agreed prior to that date.

4.6 The Panel had previously agreed an electorate-based banding criterion for calculating the levels of the parish basic allowances whereby the parishes were divided into Band 1, Band 2 and Band 3 (from the largest to the smallest).

4.7 The Panel believed that the banding approach was the most appropriate and logical method and provided a link in terms of assessing payment levels for future reviews by the Panel. The Panel reaffirmed that the banding of parish councils according to electorate remained appropriate and believed that there remained a strong and identifiable correlation between electorate, financial resources and levels of member activity and responsibility.

4.8 The agreed electorate bands remain:

Band 1 – electorate above 5001

Band 2 – electorate between 901 and 5000

Band 3 – electorate below 900

4.9 The agreed bandings are:

- Band 1- Banbury, Bicester and Kidlington
- Band 2 - Adderbury, Ambrosden, Bloxham, Bodicote, Caversfield, Deddington, Gosford and Water Eaton, Heyford Park, Hook Norton, Launton, and Yarnton.
- Band 3 - All remaining parishes

4.10 By this criterion, the Parish Basic Allowance expressed as a percentage of the Basic Allowance of Cherwell District Council would be 20% for Band 1 Parish Councils, 10% for Band 2 Parish Councils and 5% for Band 3 Parish Councils.

4.11 Whilst acknowledging parish populations are increasing; the Panel agreed that the banding levels were still appropriate. The Panel agreed that due to population changes some parishes may change band in 2020/2021 and it was therefore necessary to review population levels annually to ensure parishes were banded correctly.

5.0 Enhanced Payment to the Parish Chairman and Town Mayors

5.1 The Panel re-affirmed its previous position that as Parish Chairs and Town Mayors often have significant additional responsibilities above their duties as an ordinary Town/Parish councillor, this responsibility should continue to be reflected in an enhanced allowance.

5.2 The Panel reaffirmed that enhanced payments to Parish Chairmen and Town Mayors should be based on a 50% increase to the parish basic allowance.

6.0 Travel and Subsistence Allowances

6.1 The Panel noted that under the 2003 Regulations, the categories of duty that qualify for the payment of a travel and subsistence allowance are:

- (a) for attending a meeting of the parish council or any of its committees or

sub-committees or meeting of a body to which appointments or nominations are made (including committees or sub-committees of those bodies);

- (b) for attending meetings of any association of authorities of which the parish council is a member;
- (c) for performing any duty under the parish councils Standing Orders made under Section 135 of the Local Government Act 1972 requiring a member or members to be present when tender documents are opened;
- (d) for the performance of any duty in connection with the discharge of any function of the Council conferred by or under any enactment and empowering or requiring the Council to inspect or authorise the inspection of premises; and
- (e) for carrying out any other approved duty by the Council, or any other duty of a class so approved for the purpose, or in connection with, the discharge of the functions of the Council or any of its committees or sub-committees.

6.2 The Panel noted that the setting of travel and subsistence allowances was a matter for each parish council to determine. However, the Panel reaffirmed that the levels recommended to parishes should mirror those agreed by the District Council.

6.3 The Panel reaffirmed its view that parish councils were best placed to determine which of the duties in Point 6.1 should be included in their allowances scheme.

6.4 The Panel also noted that under previous arrangements various other matters relating to the payment of travel allowances were specified by the Secretary of State to cover those occasions when members were required to travel on official Council business by means other than their own vehicles, specifically:

- (a) travel by public transport (the rate payable not to exceed the amount of any ordinary or other cheap fare (if available) and where there is more than one class of fare travel should be by second class fare unless it is decided that first class fare should be substituted);
- (b) supplementary allowances (the rates/fares referred to above to be increased by any supplementary allowances but not exceeding the expenditure incurred);
- (c) travel by taxi (and public transport) (in cases of urgency, and where no other public transport is available, the reimbursement of the actual taxi fare and, in any other case, where travel is by public transport, the payment not to exceed the amount of the fare);
- (d) travel by hired vehicle (the usual allowance rates applicable to the cc of the hired vehicle in accordance with the allowance rates specified by the relevant council excluding the hire costs).

6.5 The Panel reaffirmed its view that it would be appropriate to make additional payments to cover tolls and other miscellaneous type parking charges.

6.6 The Panel also reaffirmed its view that the various matters outlined in Point 6.4 above should continue to be included in parish allowances schemes.

7.0 Dependent Carers' and Childcare Allowance

7.1 The National Association of Local Councils (NALC) is currently continuing to seek an amendment to the Local Authorities (Members Allowances) (England) Regulations 2003 to allow the provisions of paragraph 7 to apply equally to local councils (parish/town) as well as principal authorities (district/county/unitary). This would give councillors on local councils the same right as councillors on principal authorities to be able to claim the dependant carers and childcare allowance. Currently this is unavailable to Parish Councils in England.

7.2 The Panel noted with disappointment that there was no change to the current position with regards dependent carers' and childcare allowance and agreed that they would continue to monitor the work of NALC with a view to reviewing these allowances in the parish scheme. The Panel agreed that it would support payment of Dependent Carers' and Childcare Allowances if and when such payment was permitted.

8.0 Recommendations to Parish Councils

8.1 Based on the information provided to the Panel, it recommended:

- (a) Parish allowance rates should continue to be based on a proportion of the District Councillor basic allowance rates.
- (b) That the Parish Basic Allowance be increased in line with the staff cost of living increase rounded either up or down, whichever is closest, to give 12 equal payments, and payment backdated to the beginning of the financial year 2020/2021, 1 April 2020, should a settlement not be agreed before that date.

(Whilst the Panel's recommendation is for an increase in line with the staff cost of living allowance, to give an indicative idea of cost and change, a 2% increase has been applied to the figures below for information):

Possible increases of 2% for 2020/2021:

<i>Band 1 Basic Allowance (20% of District Basic Allowance)</i>	<i>£900 PA</i>
<i>Band 2 Basic Allowance (10% of District Basic Allowance)</i>	<i>£456 PA</i>
<i>Band 3 Basic Allowance (5% of District Basic Allowance)</i>	<i>£228 PA</i>

- (c) Parish Chairmen/Town Mayors Allowance should be increased proportionately in line with District Council rates and continue to be based on a 50% increase to the parish council basic allowance for corresponding band.

<i>Band 1 Parish Chairmen/Town Mayors Allowance</i>	<i>£1,344 PA</i>
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<i>Band 2 Parish Chairmen/Town Mayors Allowance</i>	<i>£672 PA</i>
<i>Band 3 Parish Chairmen/Town Mayors Allowance</i>	<i>£336 PA</i>

(e) Travel and subsistence allowances should remain the same:

Bicycles	20p per mile
Motorcycles	24p per mile
Motor Vehicles	45p per mile
Electric or Similar Specialised Vehicles	45p per mile
Breakfast Allowance	£6.02 per meal
Lunch Allowance	£8.31 per meal
Evening Meal Allowance	£10.29 per meal
Absence overnight	£91.14
Absence overnight in London or at the National Association of Local Council's National Conference	£103.96

- (e) it would be appropriate for the payment of tolls and other parking charges to continue to be included in parish allowance schemes;
- (f) it would be appropriate for the occasions when parish members can travel by means other than by their own vehicle to continue to be defined in parish allowance schemes; and
- (g) it be noted that each parish council can determine the 'approved duties' for which it is legitimate to claim travel and subsistence allowances within the five categories specified in the 2003 Regulations.

The Committee thanked Democratic Services for their contribution in providing information to assist the Panels work.

Mr Christopher White
Chairman
Parish Remuneration Panel
December 2019