

**Report of the Independent and Parish
Remuneration Panel on the Review of Parish
Members' Allowances for the 2022/2023
Financial Year**

For

Parish Councils in the Cherwell District

January 2022

Report of the Independent and Parish Remuneration Panel

Review of Parish Members' Allowances for the 2022/2023 Financial Year

1.0 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 and travelling and subsistence allowances can be paid to their elected members whether or not that election was contested. Travelling and subsistence allowances, 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.

2.0 The Parish Remuneration Panel

- 2.1 The Parish Remuneration Panel was established by Cherwell District Council pursuant to Regulation 27 of the 2003 Regulations.
- 2.2 The current membership of the Panel is:
 - Ms Jeanette Baker
 - Mr Andrew Hodges
 - Mr David Shelmerdine
 - Mr Christopher White
- 2.3 The Panel met on 22 November 2021 to consider its recommendations for the 2022/2023 municipal year.

- 2.4 Mr Christopher White was appointed as Chairman for the meeting.
- 2.5 Natasha Clark (Governance and Elections Manager) and Lesley Farrell (Democratic and Elections Officer) provided the Panel with administrative advice and support.
- 2.6 The Committee thanked Democratic Services for their contribution in providing information to assist the Panels work.
- 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 provision of Regulations 28 which provide that the Panel must produce a report and recommendation 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 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 parish 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 (CDC) to its elected Members.
- 4.3 In undertaking the review of allowances for CDC elected Members, the Panel acknowledged that the CDC Members' Allowances were low in comparison to other similar councils and the Members Allowance represented good value for money.
- 4.4 The Panel noted from the Parish Survey that very few Parish Councils pay an allowance and where they do, few Parish Councillors take it up.
- 4.5 The Panel noted that in 2021/2022 its recommendation, in line with the public sector pay freeze, to freeze all Members' Allowances at the current level, so they remained the same for 2021/2022, had been agreed by Council on 22 February 2021.
- 4.6 When considering its recommendations for 2022/2023, the Panel agreed to recommend that Members' Allowances be increased in line with the 2022/2023 staff cost of living increase rounded up or down, whichever is closest, to give 12 equal payments, and payment of the increase backdated to the beginning of the financial year 2022/2023, 1 April 2022, should a settlement not be agreed before that date.
- 4.7 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).
- 4.8 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.
- 4.9 The agreed electorate bands remain:
- Band 1 – electorate above 5001
Band 2 – electorate between 901 and 5000
Band 3 – electorate below 900
- 4.10 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

- 4.11 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.
- 4.12 Whilst acknowledging parish populations are increasing, and that a Community Governance Review was currently taking place within Cherwell District, the Panel agreed that the banding levels were still appropriate. The Panel agreed that due to population changes and the results of the Community Governance Review, some parishes may change band in 2022/2023 and it was therefore necessary to review population levels annually to ensure parishes were banded correctly.

5.0 Enhanced Payment to Elected Parish Chairmen and Town Mayors

- 5.1 The Panel reaffirmed its previous position that Parish Chairmen 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 Elected Councillors who are 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 highlighting that travel rates were in line with HMRC rates and subsistence allowances based on Local Government Association Rates.
- 6.3 The Panel reaffirmed its view that parish councils were best placed to determine which of the duties in paragraph 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 vehicle, 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 paragraph 6.4 above should continue to be included in parish allowance schemes.

7.0 Dependants' 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 dependants' carers' and childcare allowance. Currently this is unavailable to Parish Councils in England.

8.0 Review of Parish Members' Allowance Scheme and Indexation

- 8.1 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.
- 8.2 As part of its district Members' Allowance Scheme deliberations, the Panel had been advised that a council can apply an index to their allowances in circumstances where the only change each year is the application of the index. Many authorities have adopted an indexed scheme whereby allowances are amended annually by the reference to the annual pay award for staff at that authority and takes effect from the date on which the staff award takes effect.
- 8.3 CDC does not currently have an indexed scheme, rather the Panel meets annually and makes recommendations to Council for consideration as part of the following years scheme.
- 8.4 In considering the introduction of an indexed scheme, the Panel acknowledged that, as with all its recommendations, the decision on Members' Allowances and, alongside this, an indexation scheme, sits with Council but Members must have regard to the view of the Panel.
- 8.5 The Panel commented that transparency was a key and crucial element of its annual review. Were a four-year scheme with indexation to be agreed by Council, the independence of a review which ensures the scheme is fair for all would be lost. The Panel agreed not to make a recommendation to the district council on indexation.

9.0 Recommendations to Parish Councils

- 9.1 Having given due consideration to the information provided to the Panel, it recommends:

- (a) Parish allowance rates should continue to be based on a proportion of the District Councillor basic allowance rates (in line with the regulations payable only to elected parish councillors, whether or not that election was contested).
- (b) That the Parish Basic Allowance should be increased in line with the Cherwell District Council staff cost of living increase rounded up or down, whichever is closest, to give 12 equal payments, and payment of the increase backdated to the beginning of the financial year 2022/2023, 1 April 2022, should a settlement not be agreed before that date. The allowances for 2022/2023 be rounded to as close to 20%, 10% and 5% of the District Councillor basic allowance as practicable rounded up or down, whichever is closest, to give 12 equal payments. (in line with the regulations payable only to elected parish councillors, whether or not that election was contested).

(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 1.75% increase has been applied to the figures below for information):

Band 1 Basic Allowance (20% of District Basic Allowance)	£919.20 pa
Band 2 Basic Allowance (10% of District Basic Allowance)	£459.60 pa
Band 3 Basic Allowance (5% of District Basic Allowance)	£229.80pa

- (c) Elected Councillors who are Parish Chairmen/Town Mayors Allowance should remain at the current level but amended to be 150% of the Basic Allowance for each band as far as practicable rounded up or down, whichever is closest, to give 12 equal payments:

Band 1 Parish Chairmen/Town Mayors Allowance	£1,378.80pa
Band 2 Parish Chairmen/Town Mayors Allowance	£689.40 pa
Band 3 Parish Chairmen/Town Mayors Allowance	£344.64 pa

- (d) Travel and subsistence allowance should remain at the current level (payable to elected and co-opted parish councillors).

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
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- (e) It would be appropriate for the payment of tolls and other parking charges to continue to be included in parish allowance schemes (payable to elected and co-opted parish councillors)
- (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.

Mr. Christopher White (Chairman)
Parish Remuneration Panel
January 2022.