

**Report of the Independent and Parish
Remuneration Panel on the Review of Parish
Members' Allowances for the 2025/2026
Financial Year**

For

Parish Councils in the Cherwell District

December 2024 (agreed February 2025, effective 1 April 2025)

Report of the Independent and Parish Remuneration Panel

Review of Parish Members' Allowances for the 2025/2026 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 and Mr Christopher White
- 2.3 The Panel met on 6 December 2024 to consider its recommendations for the 2025/2026 municipal year. Mr David Shelmerdine submitted apologies for the meeting.
- 2.4 Mr Andrew Hodges was appointed as Chair for the meeting.
- 2.5 Michael Carr (Interim Principal Officer – Scrutiny and Democratic Lead), Tash Clark (Governance and Elections Manager) and Denzil Turberville (Head of Legal) 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 chair of the parish council or to all its elected members
 - (d) whether, if a parish basic allowance is to be made to both the chair and other elected members, the allowance payable to the chair 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.
- 4.4 When considering its recommendations for 2025/2026, the Panel agreed to recommend that Members' Allowances (Basic Allowance and all Special Responsibility Allowances) be increased in line with the 2025/2026 staff pay award (3.5%), rounded up, to give 12 equal payments from 1 April 2025.
- 4.5 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).
- 4.6 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.

4.7 The agreed electorate bands remain:

- Band 1 – electorate above 5001
- Band 2 – electorate between 901 and 5000
- Band 3 – electorate below 900

4.8 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

4.9 By this criterion, the Parish Basic Allowance (only payable to elected Parish Councilors, whether that election was contested or not) 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.

4.10 Whilst acknowledging parish populations are increasing, the Panel agreed that the banding levels were still appropriate. The Panel further agreed that population levels should continue to be reviewed annually to ensure parishes were banded correctly.

5.0 Enhanced Payment to Elected Parish Chairs and Town Mayors

5.1 The Panel reaffirmed its previous position that 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 Chairs and Town Mayors (only payable to elected Parish Councilors, whether that election was contested or not) 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 Council's 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. Notwithstanding, the Panel reaffirmed that the travel levels recommended to parishes should mirror those agreed by the District Council highlighting that travel rates were in line with HMRC approved mileage rates (NB. These rates are for the first 10,000 business miles in the tax year, it is assumed no Member would have mileage above this level) and if any adjustments are implemented by HMRC then the revised rates be applied to Members' travel allowances effective from the date of implementation by HMRC.

- Bicycles – 20p per mile
- Motorcycles – 24p per mile
- Motor vehicles – 45p per mile
- Electric vehicles – 45p per mile
- 5p per passenger per business mile for carrying an additional passenger in a car or van on journeys which are also work journeys for them.

6.3 With regards subsistence allowances, these had previously been based on Local Government Association Rates. However, the Panel had regard to the detailed review of council staff subsistence that had been undertaken and adopted for staff and recommended that the rates for subsistence allowances for district councillors be aligned with the revised maximum staff subsistence levels with claims permitted on approved duties of over 5 hours outside the district* subject to the submission of receipts (*subsistence allowances cannot be claimed for any duties within the district as the basic allowance is deemed to cover all within district expenses).

- Breakfast - £7.50
- Lunch - £10.50
- Tea / coffee - £4.00
- Evening meal - £12.50

6.4 Parish Councils may therefore wish to consider applying the revised subsistence levels and equivalent criteria for claims: permitted for approved duties of over 5 hours; not permitting claims within the parish area (or may choose the Cherwell district).

6.5 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.

6.6 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).

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

6.8 The Panel also reaffirmed its view that the various matters outlined in paragraph 6.5 above should continue to be included in parish allowance schemes.

7.0 Dependents' Carers' and Childcare Allowance

7.1 The National Association of Local Councils (NALC) continues 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).

7.2 This would give councillors on local councils the same right as councillors on principal authorities to be able to claim the dependents' carers' and childcare allowances. 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 CDC does not have an indexed scheme, rather the Panel meets annually and makes recommendations to Council for consideration as part of the following years scheme. The Panel agreed that this approach should continue.

9.0 Recommendations to Parish Councils

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

- (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) The Parish Basic Allowance should be based on the 2025/2026 Cherwell District Council Basic Allowance (£5220) and paid based on Band rounded up to as close to 20% (Band 1), 10% (Band 2) and 5% (Band 3) of the District Councillor basic allowance to give 12 equal payments (in line with the regulations payable only to elected parish councillors, whether or not that election was contested):

Band 1 Basic Allowance (20% of District Basic Allowance)	£1044 pa
Band 2 Basic Allowance (10% of District Basic Allowance)	£522 pa
Band 3 Basic Allowance (5% of District Basic Allowance)	£261 pa

- (c) The allowance for Elected Councillors who are Parish Chairs/Town Mayors should be 150% of the Basic Allowance for each band rounded up to give 12 equal payments (in line with the regulations payable only to elected parish councillors, whether or not that election was contested):

Band 1 Parish Chair/Town Mayors Allowance	£1566 pa
Band 2 Parish Chair/Town Mayors Allowance	£783 pa
Band 3 Parish Chair/Town Mayors Allowance	£396 pa

- (d) Travel allowances remain at the current level in line with HMRC approved mileage rates and if any adjustments are implemented by HMRC, then the revised rates should be applied to Parish Councillors' travel allowances (payable to elected and co-opted parish councillors).
- Bicycles – 20p per mile
 - Motorcycles – 24p per mile
 - Motor vehicles – 45p per mile
 - Electric vehicles – 45p per mile
 - 5p per passenger per business mile for carrying an additional passenger in a car or van on journeys which are also work journeys for them.
- (e) Subsistence allowances to be amended to reflect the amended district council maximum subsistence levels with claims permitted on approved duties of over 5 hours outside the parish/district* subject to the submission of receipts (*for consideration by each Parish Council) (payable to elected and co-opted parish councillors).

- Breakfast - £7.50
- Lunch - £10.50
- Tea / coffee - £4.00
- Evening meal - £12.50

Should Parish Councils choose to retain subsistence allowances at the current level, they should remain be payable up to the following maximum amount (payable to elected and co-opted parish councillors).

- Breakfast Allowance - £6.02
- Lunch Allowance - £8.31
- Evening Meal Allowance - £10.29
- Absence overnight - £91.14
- Absence overnight in London or at the National Association of Local Council's National Conference - £103.96

- (f) 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).
- (g) It would be appropriate for the occasions when parish councillors can travel by means other than by their own vehicle to continue to be defined in parish allowance schemes.
- (h) 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. Andrew Hodges (Chair)
Parish Remuneration Panel
December 2024