

ANNUAL ASSEMBLY

18 May 2016

Title: Members' Allowances Scheme 2016/17	
Report of the Leader of the Council	
Open Report	For Decision
Wards Affected: None	Key Decision: No
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Accountable Divisional Director: Fiona Taylor, Director of Law and Governance	
Accountable Director: Chris Naylor, Chief Executive	
Summary: This report sets out proposals in relation to Members' allowances for the 2016/17 municipal year. It is proposed that in view of the continuing pressures on public sector funding a freeze, for the eighth successive year, be applied to all basic and special responsibility allowances (SRAs). Furthermore, no other changes are proposed to the scheme that was approved for 2015/16.	
Recommendation(s) The Assembly is recommended to: (i) Agree that no increase be applied to Members' basic and special responsibility allowances for the 2016/17 municipal year, representing a freeze in allowance levels for the eighth successive year; and (ii) Adopt the Members' Allowances Scheme 2016/17 as attached at Appendix A , to come into effect from 19 May 2016.	
Reason(s) To meet the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003.	

1. Introduction and Background

- 1.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require local authorities to make an annual scheme of allowances.

1.2 In setting its annual scheme, the Council must have regard to any recommendations of an independent remuneration panel. The exceptions to this requirement are where allowances are to be increased in accordance with an approved index or where no increase is proposed, subject to a review every four years. In considering the Members' Allowances Scheme for 2014/15, the Assembly had regard to the report published in June 2014 by the Independent Panel that was established by London Councils to exercise the function on behalf of London Boroughs.

1.3 The Members' Allowances Scheme forms part of the Council Constitution (Part 6).

2. Proposal and Issues

2.1 In view of the continuing pressures on the Council's finances, it is proposed to maintain the freeze on both basic and special responsibility allowances for the eighth successive year.

2.2 Furthermore, there are no proposed changes to the positions that shall qualify for a special responsibility allowance or the rates applicable to travelling, subsistence and other allowances.

2.3 The proposed Members' Allowances Scheme for 2016/17 is set out at **Appendix A**.

3. Options Appraisal

3.1 The cost of allowances must be contained within the existing budget provision and consequently any changes to basic and/or SRAs would need to be funded within that overall budget provision.

4. Consultation

4.1 The proposal to freeze allowances for a further year has been discussed with and supported by the Leader of the Council and the Cabinet Member for Central Services.

5. Financial Implications

5.1 The Members' Allowances budget for 2016/17 is £800,000 and is sufficient to meet all projected costs during the year. Any proposed increase in allowances would need to be funded within the current budget through other efficiencies, such as reducing the number of positions attracting an SRA, or via an approved growth bid or additional funding.

5.2 For information, the budget was reduced by £100,000 for 2015/16 as part of the budget savings process. The reduction stemmed from the removal of the entitlement of councillors to be members of the Local Government Pension Scheme, which meant that the Council was no longer required to make an employer contribution in relation to those councillors who were, prior to 1 April 2015, in the LGPS.

6. Legal Implications

Implications completed by: Paul Feild, Senior Corporate Governance Lawyer

6.1 The relevant legal issues have been covered in the body of the report.

Public Background Papers Used in the Preparation of the Report:

- London Councils Independent Panel Report “The Remuneration of Councillors in London 2014” (<http://www.londoncouncils.gov.uk/who-we-are/about-us/financial-information/leadership-and-expenses/remuneration-councillors-london>)

List of appendices:

- **Appendix A** – Proposed Members’ Allowance Scheme 2016/17