

ANNUAL ASSEMBLY

15 MAY 2013

Title: Members' Allowance Scheme 2013/14	
Report of: THE LEADER OF THE COUNCIL	
Open	For Decision
Wards Affected: None	Key Decision: No
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Accountable Divisional Director:	Fiona Taylor, Head of Legal and Democratic Services
Accountable Director:	Graham Farrant, Chief Executive
Summary: This report sets out proposals in relation to Members' allowances for the 2013/14 Municipal year. In response to the continuing difficult economic climate and the increasing pressures on public sector funding, the Assembly is recommended to agree a freeze, for the fifth successive year, on basic and special responsibility allowances (SRAs). The proposed Members' Allowances Scheme for the 2013/14 municipal year is attached at Appendix A .	
Recommendation(s) The Assembly is recommended to agree: (i) That no increase be applied to Members' basic and special responsibility allowances for the 2013/14 municipal year, representing a freeze in allowance levels for the fifth year in succession; (ii) That the draft Members' Allowances Scheme for the 2013/14 municipal year attached at Appendix A take effect from 16 May 2013.	
Reason(s): To meet the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003.	

1. Introduction and Background

- 1.1 In 2000, an Independent Remuneration Panel (IRP) was established to review and make recommendations to the Council on Members' Allowances. Each year the IRP would consider a range of factors such as inflation indices, staff pay awards and how other London Boroughs' schemes were applied, as well as reviewing Members' time inputs through questionnaires and interviews. The IRP's recommendations would be presented to the Assembly for adoption.
- 1.2 For 2009/10 and 2010/11, the IRP recommended a freeze in allowance levels in response to the prevailing economic situation and the increasing squeeze on the public sector. These recommendations were fully supported by the Assembly.
- 1.3 In 2011/12 following consultation between the Leader and the members of the IRP it was agreed that it would not be necessary to convene the Panel until such time as the financial forecast improves, on the basis that no increase to allowance levels would be recommended.

2. Proposal and Issues

- 2.1 In response to the continuing difficult economic climate and the increasing pressures on public sector funding, a freeze, for the fifth successive year in Members' basic and special responsibility allowances is proposed.
- 2.2 The Members' Allowances Scheme forms part of the Council Constitution (Part F). Whilst there are no proposals to amend the level of allowances the opportunity has been taken to review the content of the Scheme to make sure the wording is clear and non ambiguous and accords with best practice such as including details of travel and subsistence allowances, all of which are in line with nationally agreed rates. A copy of the proposed Scheme for 2013/14 is set out in Appendix A.

3. Options Appraisal

- 3.1 The cost of members' allowances must be contained within the existing budget provision. If members were mindful to increase allowances, it would be necessary to convene a meeting of the IRP and for the Assembly to have regard to any recommendations.

4. Consultation

- 4.1 All members were made aware last year of the need to continue the freeze on increases in allowances for the foreseeable future.

5. Financial Implications

Implications completed by: Carl Tomlinson, Group Manager, Finance & Resources
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- 5.1 The proposal to freeze Members' Allowances (basic and special responsibility including the Mayoral allowance and provision for pension contributions) keeps the

total cost in line with that of 2012/13 and therefore can still be contained within the approved budget for 2013/14 of £899,000.

- 5.2 In the absence of an approved growth bid or additional funding, any proposed increase in allowances would need to be funded within the current budget, for example by taking measures such as reducing the number of positions attracting an SRA.

6. Legal Implications

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- 6.1 The Council is required each year to make a Members' Allowances Scheme in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 6.2 The regulations require the scheme to be made with due regard to any recommendations of an independent remuneration panel and that the final scheme be adopted.

7. **Other Implications** – There are no other implications associated with this report.

Background Papers Used in the Preparation of the Report:

Local Authorities (Members' Allowances) (England) Regulations 2003.

List of appendices:

Appendix A – Proposed Members' Allowance Scheme 2013/14