

ANNUAL ASSEMBLY

20 May 2015

Title: Members' Allowances Scheme 2015/16	
Report of the Cabinet Member for Central Services	
Open Report	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: Chris Naylor, Chief Executive	
Summary: This report sets out proposals in relation to Members' allowances for the 2015/16 municipal year. It is proposed that in view of the continuing difficult economic climate and the increasing pressures on public sector funding a freeze, for the seventh 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 2014/15.	
Recommendation(s) The Assembly is recommended to: (i) Agree that no increase be applied to Members' basic and special responsibility allowances for the 2015/16 municipal year, representing a freeze in allowance levels for the seventh year in succession; and (ii) Adopt the Members' Allowances Scheme 2015/16 as attached at Appendix A , to come into effect from 21 May 2015.	
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.
- 1.3 In considering the Members' Allowances Scheme last year, the Assembly had regard to the report published in June 2014 by the Independent Panel that was established by London Councils to exercise the functions of and on behalf of London Boroughs.
- 1.4 The Members' Allowances Scheme forms part of the Council Constitution (Part 6).

2. Proposal and Issues

- 2.1 In view of the continuing difficult economic climate, it is proposed to maintain the freeze on both basic and special responsibility allowances for the seventh 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 2015/16 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 was discussed with and supported by the Leader of the Council and the Cabinet Member for Central Services has also discussed the proposals with his colleagues.

5. Financial Implications

Implications completed by: Carl Tomlinson, Finance Group Manager

- 5.1 The Members' Allowances budget was reduced by £100,000 as part of the budget savings process for 2015/16. 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 in the LGPS.
- 5.2 The budget for 2015/16 of £800,000 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.

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.

Background Papers Used in the Preparation of the Report: None

List of appendices:

- **Appendix A** – Proposed Members' Allowance Scheme 2015/16