

Members' Allowances – Report of the Independent Remuneration Panel

	Chief Executive
Ward(s) Affected:	n/a

Purpose

To consider the recommendations of the Independent Remuneration Panel in respect of the Members' Allowance Scheme.

Background

1. The Local Government Act 2000 requires all local authorities to appoint an Independent Remuneration Panel (IRP), to advise on the terms and conditions of their Scheme of Councillors' Allowances. The Local Authorities (Members Allowances) (England) Regulations 2003, as amended and the Guidance on Consolidated Regulations for Local Authorities, determine how the Panels are to operate.
2. A Members Allowances Scheme can apply for up to 4 years and can be indexed to the Retail Price Index (RPI) or the Consumer Price Index (CPI).
3. Members' allowances were previously reviewed in 2012. At that point, allowances were frozen for a period of one year, then indexed to CPI for 4 years, that period finishing at the end of the 2016/17 municipal year.
4. A review is now required and specifically in relation to:
 - the basic allowance;
 - special responsibility allowances;
 - travel and subsistence allowances;
 - dependents' carers' allowances
 - any other allowances;
 - whether to index link any increases (up to 4 years); and
 - whether payment of allowances may be backdated.

Panel Members

5. The Chief Executive, under delegated authority, appointed the following members of the IRP, in consultation with party group leaders:
 - ◆ Lucy Brown – Chief Executive, Disability Initiative
 - ◆ Ian Hylan – Executive Principle, Tomlinscote School and 6th Form College
 - ◆ Robin Lennie – MD, Stihl
 - ◆ Paul Marcus – MD, Eagle Radio Ltd
 - ◆ Mark Selby – EM3 LEP Growth Hub

Current Position

6. The IRP met on 6 February 2017 and its report, in relation to the proposed Council's Members' Allowance Scheme is attached at Annex A.
7. A separate report will be sent to Parish Councils on the IRP's recommendations on Members' allowances for those Councils.

Options

8. The Council has to have regard to the IRP's report when making a new Allowance Scheme, but does not have to agree with all or any of the elements thereof.
9. As a result, the Council has the options to adopt the recommendations of the IRP in relation to the Members' Allowances Scheme, to adopt an amended or different scheme, or to ask the IRP to reconsider its recommendations.

Summary of the IRP Recommendations

10. The Panel recommended that:
 - (i) the basic allowance for Members, currently £4,990, be increased annually by 1% in May 2017 and May 2018;
 - (ii) a new Special Responsibility Allowance be established for the Deputy Leader, to commence at £8,600 on 17 May 2017 and to increase by 1% in May 2018 in line with other allowances;
 - (iii) a Special Responsibility Allowances for the Chairman and Vice-Chairman of the Audit and Standards Committee be commensurate with those of the Chairmen and Vice-Chairmen of Scrutiny/Select Committees;

- (iv) Special Responsibility Allowances, currently as set out below (with exception of the arrangements for Deputy Leader proposed at (ii), above), be retained and be increased by 1% per annum in May 2017 and May 2018:

	Current Allowances	New Allowances
The Leader	13,591	13,727
Political Group Leader	4,534	4,580
Member of the Executive	4,534	4,580
Scrutiny/Select Committee Chairmen	3,627	3,663
Scrutiny/Select Committee Vice-Chairmen	1,448	1,463
Planning Applications Committee Chairman	4,199	4,241
Planning Applications Committee Vice-Chairman	2,099	2,120
Licensing Committee Chairman	3,627	3,663
Licensing Committee Vice-Chairman	1,813	1,831
Audit and Standards Committee Chairman	3,627	3,663
Audit and Standards Committee Vice-Chairman	1,448	1,463
Mayor	4,728	4,775
Deputy Mayor	1,575	1,591

- (v) subsistence allowances match those received by Borough Council Officers;
- (vi) car mileage payments be at the maximum rate per mile that can be paid tax-free as defined by HM Revenue and Customs or the rate for Officers, whichever is the lower;
- (vii) subject to the proof of payment being submitted with all claims, child and dependant carer's allowances be paid as follows:
- Childcare – Up to £7.00 per hour (*No change proposed*)
 Carers of Dependents – up to £17.50 per hour (*previously up to £15*); and
- (viii) in the event that a decision on allowances cannot be made before the start of the municipal year, allowances payable to Borough Councillors for 2017/18 be backdated to 17 May 2017.

Resource Implications

11. The current expenditure against the Members Allowances budget, which includes both basic Members' allowances and special responsibilities allowances, is £278,195.

12. If the Council decides to adopt the recommendations of the IRP without amendment this would result in an increased budget requirement in 2017/18 of £6,811.
13. This would give expenditure against the Members' Allowances budget for 2017/18 of £285,006.
14. If the IRP recommendations for 2018/19 were adopted, a 1% increase across the board would equate to a budget increase for that period of £2,850, raising expenditure to £287,856.
15. Furthermore there is a requirement to publish a notice in local newspapers, on the recommendations of the IRP and how the full report can be accessed. This has been done and the costs will be met from existing budgets.

Recommendation

16. The Council is asked to review the Members' Allowances Scheme, in the light of the recommendations of the Independent Remuneration Panel, and to recommend accordingly.

Annexes: Report of the Independent Remuneration Panel – Annex A

Background Papers: None

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