

Agenda Item No: 10.9 **Report No:** 25/15
Report Title: Independent Remuneration Panel – Members’ Allowances Scheme
Report To: Cabinet **Date:** 12 February 2015
Cabinet Member: Councillor Rob Blackman
Ward(s) Affected: All
Report By: Catherine Knight, Assistant Director of Corporate Services
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Purpose of Report:

To consider the recommendations of the Independent Remuneration Panel on Members’ Allowances.

Officers Recommendation(s):

- 1 To consider the report and recommendations of the Council’s Independent Remuneration Panel, together with the financial appraisal of the Head of Finance, and to formulate recommendations for consideration by Full Council on 25 February 2015.

Reasons for Recommendations

- 1 To comply with the Local Authorities (Members’ Allowances) (England) Regulations 2003.

Information

- 2 Councils are required to establish and maintain an Independent Remuneration Panel (IRP), the purpose of which is to make recommendations to the local authority about the allowances to be paid to its councillors. The Regulations require the Council to have regard to the recommendations made to it by an IRP before it agrees or amends its Members’ Allowances Scheme (Regulation 19.1)
- 3 When Council considered the previous full report of the IRP in November 2010, the agreed basic allowance, special responsibility allowances and the dependent carers’ allowance rates were subject to index linking, an arrangement which should not be relied upon for more than four years

(Regulation 10.5). A full review of the Members' Allowances Scheme was therefore anticipated for 2014.

- 4 Cabinet recommended to Council and it was subsequently agreed at a meeting of the Council on 15 October 2014, that the IRP should reconvene in view of the statutory requirement to make a review.
- 5 The IRP appointed by the Cabinet and Council met on 11 and 12 December 2014 and its report is attached at Appendix A.
- 6 The Regulations require the Council to publicise the recommendations of the Panel, the agreed scheme and actual allowances paid to councillors each year. Arrangements are in hand for the required notice to be published in accordance with the Regulations.
- 7 Notification of the review was given to each Town and Parish Council within the District. No specific matters were raised in response and as such the Panel was not requested to review and/or make recommendations on the current allowances of any such Town or Parish Council.

Financial Appraisal of the Recommendations of the Independent Remuneration Panel:

- 8 Appendix 1 to the IRP's Report summarises the recommendations of the IRP along with the current amount of each type of allowance.
- 9 The draft General Fund and Housing Revenue Account budgets for 2015/2016 which Cabinet will consider at this meeting included an average increase in all Councillors' allowances of 2.2%, mirroring the average pay increase for employees. The impact of the IRP's recommendations is an increase of £500 (16.7%) in the Basic Allowance, with Special Responsibility Allowances increasing or decreasing by varying amounts, equating to an average decrease of 7.2%. Total costs are shown below:

	2015/16 Draft Budget £	IRP Recommendation £
Basic Allowances	125,900	143,700
Special Responsibility Allowances	75,600	68,700
Total	<u>201,500</u>	<u>212,400</u>

- 10 The overall financial effect of the IRP's recommendations, compared with the draft 2015/2016 budget is an increase of £10,900, of which £9,100 would fall on the General Fund and £1,800 on the Housing Revenue Account. If Cabinet and Council accept the IRP's recommendations, the General Fund savings target for 2015/2016 will be increased and there will be an additional call on the Housing Revenue Account working balance.

Legal Implications

- 11 There are no legal implications arising as a result of this report.

Sustainability Implications

- 12** I have completed the Sustainability Implications Questionnaire and there are no significant effects as a result of the recommendation within this report.

Risk Management Implications

- 13** In accordance with the Council's Risk Management methodology the following risks and mitigating factors have been identified: Council is obliged by statute to have regard to the recommendations made to it by an Independent Remuneration Panel before it adopts a new Members' Allowances Scheme and this obligation is met by considering the above recommendations.

Equality Screening

- 14** I have completed the initial Equality Impact Assessment screening exercise and have identified no negative impacts arising from this Report. Therefore, a full Equality Impact Assessment is not required.

Background Papers

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15.1 The report of the Independent Remuneration Panel 2014 (Appendix A) and the documents referred to in that report.

15.2 Local Authorities (Members' Allowances) (England) Regulations 2003 - <http://www.legislation.gov.uk/uksi/2003/1021/contents/made>

Appendices

- 16** Appendix A: Report of the Independent Remuneration Panel December 2014