

Report of Head of Legal Services

10. Members' Allowances

Purpose of report

1. To consider whether to increase the level of Members' Allowances in line with the increase in the Consumer Price Index.
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Recommendations

It is recommended that:

- i) the approval by the Independent Remuneration Panels to the continued use of the Consumer Price Index to make any necessary annual adjustments to the Members' Allowances Scheme over the next four years be noted; and*
- ii) Members determine the level of Members' Allowances for 2013/14.*

Introduction and Background

2. The Authority is required to have a scheme for its Members to be paid an annual allowance, under the Local Authorities (Members' Allowances) (England) Regulations 2003. The current scheme is attached at Appendix 1 and provides a basic annual allowance to Members. A Special Responsibility Allowance payable for certain roles. Members with more than one special responsibility only receive one special responsibility allowance at the higher appropriate level.
3. The Authority is required to consider the recommendations of an Independent Remuneration Panel made up of at least three non-councillors with regards to the level of allowances, although it is able to determine its own allowance levels taking into account factors such as affordability. The Authority takes advice from the Independent Remuneration Panels of both Worcestershire County Council and Herefordshire Council.
4. The Local Authorities (Members' Allowances) (England) Regulations 2003 require the authority to publish the total sum paid to each Member on an annual basis. The current 2013/14 budget for Members' Allowances is £57,100.

Consumer Price Index

5. On 16 June 2008 the FRA agreed to use the Consumer Price Index (CPI) for the purpose of annually adjusting Members' Allowances. However the Authority has previously agreed not to take an increase in 2011 and 2012. Should the Authority wish to increase Members' Allowances, this would be met through the existing budgets.

6. When an Authority has used a particular index to adjust allowances for a period of four years, it must seek a further recommendation from the Independent Remuneration Panel that the index can still be used. Both the Worcestershire County Council and Herefordshire Council Independent Remuneration Panels have recommended further use of the CPI for the next four years.
7. The following table indicates the current allowances and the amount to which they would increase if the Consumer Price Index was applied with effect from 1 April 2012.

Allowance	Current level	CPI wef 1.4.12
Chair of the Authority	£9,032	£9,283
Vice Chair of the Authority	£5,419	£5,569
Political Group Leaders	£1,355	£1,392
Chairs of Standing Committees	£1,355	£1,392
Basic Allowance	£1,163	£1,195

Conclusion/Summary

8. The Independent Remuneration Panels have recommended the use of the Consumer Price Index for a further four years to make annual adjustments to Members' Allowances. The Authority is asked to note this recommendation and to consider whether to make any alterations to the Members' Allowances payable for 2013/14.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	By retaining the level of Allowances applicable for 2010/11 there will be no budget increase necessary.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None directly.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None directly.
Consultation (identify any public or other consultation that has been carried out on this matter)	None.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	The types of allowances payable are determined by Regulation, however the current Members' Allowances Scheme includes a Dependents' Carers' Allowance.

Supporting Information

Appendix 1 – Members' Allowances Scheme

Background papers –

Local Authorities (Members Allowances) (England) Regulations 2003

Fire Authority Report and Minutes – 20 June 2012

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