

Report of the Head of Legal Services

Members' Allowances Scheme 2021/22

Purpose of report

1. To consider whether to make any alterations to the Members' Allowances Scheme for 2021/22 in light of the change in the Consumer Price Index to December 2020.

Recommendation

Group Leaders recommend that there be no change to the existing allowances for 2021/22.

Introduction and Background

2. The Authority is required to make a scheme each year for its Members to be paid a basic annual allowance, under the Local Authorities (Members' Allowances) (England) Regulations 2003. Authorities may also make provision for other allowances, for example for those Members with special responsibilities or for travel and subsistence. The proposed 2021/22 budget for members' allowances is £51,000. The Regulations allow for authorities to refer to an index for the purpose of any annual adjustments to the levels of allowances.

Consumer Price Index

3. The Authority uses the Consumer Price Index (CPI) for the purpose of annually adjusting members' allowances, however the Authority has not taken any uplift since 2008 with the exception of the decision taken in February 2016, which provided a slight increase of 0.2% for the financial year 2016/17.
4. The Office of National Statistics has reported that the CPI 12 month inflation rate was 0.6% in December 2020. By way of example, an increase of 0.6% would equate to an additional £6.99 on the current basic allowance of £1,165.80 and would increase the requirement for members' allowances by £306. It is anticipated that this increase could be met within the existing budget.
5. Table 1 overleaf sets out the comparison between each allowance at the current rate and the rate with a 0.6% CPI uplift.

Table 1. Comparison between each allowance at the current rate and the rate with a 0.6% CPI uplift.

Allowance	Current Rate	Rate with CPI increase
Basic	£1165.80	£1172.79
Committee Chairman / Group Leader	£1357.44	£1365.58
Authority Vice-Chairman	£5429.76	£5462.34
Authority Chairman	£9049.68	£9103.98

Conclusion/Summary

6. The Authority has previously used the CPI to make any necessary annual adjustments to its Members' Allowances Scheme. Should the Authority approve an uplift in members' allowances for 2021/22 in line with the CPI this would result in an additional £6.99 on the current basic allowance of £1,165.80 and would increase the requirement for members' allowances by £306.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	The proposed budget for members' allowances is £51,000. An increase due to the CPI increase could be met within the existing budget.
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 basic allowance payable is determined by the Regulations, however the current Members' Allowances Scheme also includes a Dependents' Carers' Allowance to assist those members with caring responsibilities in carrying out their approved duties.

Supporting Information

Appendix 1 – Members' Allowances Scheme 2020/21

Background papers –

Local Authorities (Members Allowances) (England) Regulations 2003

Inflation and Price Indices – Office for National Statistics www.ons.gov.uk