

Report of Head of Legal Services

11. Members' Allowances Scheme 2016/17

Purpose of report

1. To consider whether to make any alterations to the Members' Allowances Scheme for 2016/17 in light of the very small change in the Consumer Price Index to December 2015.

Recommendation

It is recommended that Members determine the level of Members' Allowances for 2016/17.

Introduction and Background

2. The Authority is required to have a scheme 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 2016/17 budget for Members' Allowances is £50,301.
3. Prior to making or amending its scheme, the Authority must have regard to the recommendations made by the Independent Remuneration Panels of the authorities from which its Members are nominated i.e. Worcestershire County Council and Herefordshire Council. The current Members' Allowances Scheme is attached at Appendix 1.

Consumer Price Index

4. On 16 June 2008 the Authority agreed to use the Consumer Price Index (CPI) for the purpose of annually adjusting Members' Allowances. However the Authority has subsequently agreed not to take any CPI related increase since 2009. Both the Worcestershire County Council and Herefordshire Council Independent Remuneration Panels have recommended further use of the CPI until the end of the financial year 2016/17.
5. The Office of National Statistics has reported that the CPI rose by 0.2% in the year to December 2015, compared with a 0.1% rise in the year to November 2015. Although this is the first month since January 2015 for which the rate has exceeded 0.1%, this continues the trend since early 2015 of the rate being very close to zero.

6. By way of example, an increase of 0.2% would equate to an additional £2.33 on the current basic allowance of £1,136 and would increase the total cost of members' allowances by approximately £100.
7. Members are asked to determine whether to make any alterations to the Members' Allowances Scheme for 2016/17 in light of the changes in the CPI.
8. On 29 January 2013 all Members were granted a dispensation by the Standards Committee in January 2013 for a period of four years to speak and vote on the Members' Allowances Scheme. Members are therefore not treated as having an Other Disclosable Interest (ODI) in this matter.

Conclusion/Summary

9. The Independent Remuneration Panels have recommended the use of the Consumer Price Index (CPI) to make annual adjustments to Members' Allowances until the end of 2016/17. There has been a slight rise in the CPI of 0.2% in the year to December 2015. Members are therefore asked to determine whether to make any alterations to the Members' Allowances Scheme in light of the slight rise in the CPI.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	The proposed budget for Members' Allowances is £50,301.
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 Regulation, 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 2015/16

Background papers –

Local Authorities (Members Allowances) (England) Regulations 2003

Fire Authority Report and Minutes – 17 June 2015

Standards Committee Report and Minutes – 29 January 2013

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