MEMBERS ALLOWANCES SCHEME 2018-2019

ADVICE OF CORPORATE DIRECTOR

1.0 EXECUTIVE SUMMARY

1.1 All Councils are required annually to make a scheme for the payment of basic and other specified allowances to elected members. This report seeks approval for a scheme for the financial year 2018-2019.

1.2 Before making a scheme the Council must have regard to the recommendations of its independent remuneration panel.

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

2.1 It is a statutory requirement that the Council makes a scheme annually for the payment of allowances to members.

3.0 RECOMMENDATION

3.1 The Council is recommended to consider the report of the Independent Remuneration Panel and make a scheme for members’ allowances for the year beginning 1 April 2018.

The options available to members are set out in paragraph 5.

3.2 The Council is asked to note that the Constitution will be updated as necessary to reflect the Members Allowances Schemes made by the Council.

4.0 BACKGROUND

4.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require all councils to annually “make a scheme” for the payment of basic and other specified allowances to elected members. The Scheme should be made prior to the start of the financial year but can be amended at any time during the year.
4.2 The Regulations also require local authorities to establish an independent remuneration panel to review and make recommendations on a scheme of allowances to be paid to members and others. In making a scheme, the Council must have regard to the recommendations of its panel.

4.3 The Independent Remuneration Panel has conducted a review of the Council’s current Scheme of allowances in place for members of Cumbria County Council. Its proposals are set out in Appendix 1 of its report, “Recommendations for Councillors’ Remuneration for the Financial Year 2018/19.”

4.4 Following consideration of the members allowances scheme by the Council in September 2016, the Independent Remuneration Panel was asked to consider, as part its review in 2017, the possibility of only fully reviewing the Scheme once every four years and in intervening years making annual adjustments to members’ allowances with reference to an index.

4.5 The Panel has recommended that it does not consider an index for up to four years appropriate. The Panel’s reasons are set out in its report.

4.6 The Panel has recommended indexation for a period of one year (2019-2020), with the appropriate index being the National Joint Council for Local Government Services annual pay agreement for local government employees.

4.7 With regard to the remainder of the members’ allowances scheme the Independent Remuneration Panel has recommended:

**Basic Allowance**
Increase up to £8,405 (1%).

**Special Responsibility Allowances**
Leader of the Council – up to £25,500 per annum (2%)
Deputy Leader – up to £14,280 per annum (2%)
Cabinet Members – up to £10,200 per annum (2%)
Chair of Scrutiny Management Board – up to £10,200 per annum (2%)
All other SRAs to increase by 1%.

**Dependent Carers Allowance** – no change in current arrangements.

**Travel and Subsistence Allowances** – no change, these are to remain in line with HM Revenue and Customs approved rates for tax allowance purposes and will be updated to reflect any change in the HM Revenue and Customs approved rates from the date of application.

**Co-optee Allowances** – up to £6,955 (1%) (Chair of Workington Harbour Board).

The Panel recommends that these amounts should take effect from the Annual meeting in 2018. Members will note that in 2018 the annual meeting will take place in April 2018.
4.8 The Panel’s analysis and recommendations are contained in Section 9 of its report. The full report of the Independent Remuneration Panel is appended to this report as Appendix 1.


5.0 OPTIONS

5.1 The Council must have regard to the recommendations of its Independent Remuneration Panel. Having regard to the recommendations of the Panel, the Council has the following options:

a) Make a scheme in the same terms as the Scheme approved by Council on 7 September 2016, to take effect on 1 April 2018.

b) Make a scheme in accordance with the recommendations of the Independent Remuneration Panel.

c) Make an alternative scheme of basic and other allowances.

6.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS

6.1 The budget for 2017/18 for Members Allowances and support is £1.118m. The projected increase will be contained within this overall budget.

6.2 The Scheme of Members Allowances currently in place costs £0.945m per annum representing 0.25% of the Total County Council Budget.

6.3 The Scheme of Members Allowances now recommended by the Independent Remuneration Panel (effective from 1 April 2018) will cost £0.955m per annum which is a slight increase on the current scheme (£0.945m). Travel and subsistence costs are excluded from these figures but the budget includes a projected £0.128m in respect of travel and subsistence allowances, these will remain in line with HM Revenue and Customs approved rates.

7.0 LEGAL IMPLICATIONS

7.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require all councils to annually “make a scheme” for the payment of basic and other specified allowances to elected members.

7.2 In making a scheme for members’ allowances, the Council must have regard to the recommendations of the Independent Remuneration Panel.

7.3 The Council has the discretion to determine not to accept all or any of the final recommendations, provided it has had regard to them in making its decision.
7.4  The Council must publish a notice in one or more newspapers circulating in its area containing specified information about the scheme it has made and must make copies of the scheme available to the public on request.

8.0  CONCLUSION

8.1  The Council’s Independent Remuneration Panel has undertaken a review of the current scheme of members’ allowances and has made a number of recommendations for consideration by the Council. The Council must have regard to the report of the Independent Remuneration Panel in making its scheme for the payment of members’ allowances.

Dawn Roberts
Corporate Director – Resources and Transformation

16 October 2017

APPENDICES

Appendix 1 – Recommendations for Councillors’ Remuneration for the Financial Year 2018/19 (September 2017)

Electoral Division(s):  All

Executive Decision

Key Decision

If a Key Decision, is the proposal published in the current Forward Plan?  N/A

Is the decision exempt from call-in on grounds of urgency?  N/A

If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?  N/A

Has this matter been considered by Overview and Scrutiny?  N/A
If so, give details below.

Has an environmental or sustainability impact assessment been undertaken?  N/A

Has an equality impact assessment been undertaken?  No
PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS
County Council 7 September 2017- Members Allowances Scheme

CONSIDERATION BY OVERVIEW AND SCRUTINY
Not considered by Overview and Scrutiny

BACKGROUND PAPERS
No background papers

RESPONSIBLE CABINET MEMBER
The Leader of the Council
The Deputy Leader of the Council

REPORT AUTHOR
Shamim Lindsay
Group Solicitor/Manager
Shamim.lindsay@cumbria.gov.uk
Telephone: 07976 062123