



Leicester  
City Council

**WARDS AFFECTED**  
All Wards

**COUNCIL**

**14<sup>th</sup> JULY 2016**

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## **SCHEME OF MEMBER ALLOWANCES 2016/17 & 2017/18 – APPLICATION OF INDEXATION**

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### **REPORT OF THE DIRECTOR OF DELIVERY, COMMUNICATIONS AND POLITICAL GOVERNANCE**

#### **1. PURPOSE OF REPORT**

Following the recent agreement of the Local Government Employees 2 year pay award Council is asked to consider Schemes of Members Allowances for 2016/17 and 2017/18.

#### **2. RECOMMENDATIONS (OR OPTIONS)**

Members are recommended to:

1. Agree the Members Allowances Schemes for 2016/17 and 2017/18 (attached at appendices 1 and 2) implementing indexation of allowances in line with the recent Independent Remuneration Panel report and the link to the Local Government employees pay award of 1% for each of the two years.
2. Agree that for the municipal year 2016/17 which commenced on 20 May 2016 arrears relating to applicable allowances be payable to Members in receipt of those allowances for the period 20 May 2016 to 14 July 2016.

#### **3. REPORT**

The main Regulations relating to Members Allowances are the Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations).

Section 19.1 of the Regulations require that all councils must make a scheme providing for the payment of allowances to Members (ie Councillors and Elected Mayors) and that before a Council makes or amends such a Members' Allowances Scheme, it must publish and have regard to a report and recommendations made by its statutory Independent Remuneration Panel (IRP).

Sections 10 (1), 10 (4) and 10 (6) of the Regulations define that Schemes should be made before the beginning of each year; that within certain specific criteria, local authorities may rely on an index for annual adjustment, which has the effect of removing the requirement to undertake a new IRP process before making a Scheme

each year; and that local authorities have the ability to choose to backdate allowances where they see fit.

The IRP report as agreed by Council on 17 March 2016 (minute no. 33 refers) defined that the following allowances be indexed for 4 years from 2016/17 to 2019/20 the maximum period permitted by legislation, without reference to the Panel as follows:

- Basic Allowance, SRAs, Co-optees, Civic Allowances and the Telecommunications and Support Allowance: updated annually in line with the annual percentage pay increase given to Leicester City Council employees (and rounded to the nearest £ as appropriate) as agreed for each year by the National Joint Council for Local Government employees.
- Out of Council area Mileage Allowance: indexed to the HMRC AMAP (Authorised Mileage Allowance Payments) approved mileage rates.
- Out of Council area other travel and subsistence: reimbursement of actual costs taking into account the most cost effective means of transport and/or accommodation available and the convenience of use with the maximum rates indexed to the same periodic percentage increase that may be applied to Officer Travel and Subsistence Allowances.
- Dependants' Carers' Allowance: the maximum hourly rates to be indexed to the government's national living wage applicable to the age of the carer (childcare) and Council's own hourly rate for a Home Care Assistance (care of other dependants).

The 'In-Council' Travel and Subsistence Allowance was not indexed.

Whilst the Council meeting in March agreed a Members Allowances Scheme for 2015/16 it was not possible at that point for Council to consider a 2016/17 Scheme in line with indexation to the employee pay award. This was as negotiations were continuing through National Joint Council for Local Government Services which contains representatives of employers and trades unions.

Notification of an agreed employees pay award for the period 1 April 2016 to 31 March 2018 was received in May 2016. The award consisted of 1% for each of the two years for all staff with additional support for those on the lowest grades. The new rates, together with arrears were included in the June 2016 pay for City Council employees.

As the employee pay award covers the period until 31 March 2018 it is open to the Council to also consider, at this point, a Scheme for 2017/18 in addition to the requirement to make a Scheme for 2016/17.

To allow closer alignment with the Local Government employees pay award and the Regulations from 2017/18 the financial year will be classed as the applicable year for Members Allowances as opposed to the Municipal Year which has been used in recent years.

## **4. FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

### **4.1. Financial Implications**

If the proposals are accepted as detailed within the report, the 1% rise in the costs of applicable allowances are expected to be £9,450 in 2016/17 and a further £9,550 in 2017/18, plus on-costs. However assuming no further change to allowances in that period and that the budgets are uprated for the pay award as anticipated, then the annual saving of £17,000 identified in the report considered in March 2016 will be maintained.

Colin Sharpe, Head Finance (Skills & Enterprise)

### **4.2 Legal Implications**

Detailed in Section 3 of the report.

Kamal Adatia, City Barrister & Monitoring Officer

### **4.3 Climate Change**

There are no climate change implications associated with the report.

Louise Buckley, Senior Environmental Consultant – Climate Change

## **5. OTHER IMPLICATIONS**

| <b>OTHER IMPLICATIONS</b>     | <b>YES/NO</b> | <b>Paragraph References Within the Report</b>               |
|-------------------------------|---------------|---|
| Equal Opportunities           | n             | There are no specific implications relating to this report. |
| Policy                        | n             |   |
| Sustainable and Environmental | n             |   |
| Crime and Disorder            | n             |   |
| Human Rights Act              | n             |   |
| Elderly/People on Low Income  | n             |   |
| Corporate Parenting           | n             |   |
| Health Inequalities Impact    | n             |   |

## **6. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972**

None

## **7. CONSULTATIONS**

Kamal Adatia, City Barrister & Monitoring Officer

## **8. REPORT AUTHOR**

Miranda Cannon

Director of Delivery, Communications & Political Governance