



Leicester
City Council

WARDS AFFECTED
All Wards

7.2

COUNCIL

14 JUNE 2018

SCHEME OF MEMBER ALLOWANCES 2018/19 & 2019/20 – APPLICATION OF INDEXATION

REPORT OF THE DIRECTOR OF DELIVERY, COMMUNICATIONS AND POLITICAL GOVERNANCE

1. PURPOSE OF REPORT

Following the recent agreement of the Local Government Employees pay award Council is asked to consider Schemes of Members Allowances for 2018/19 and 2019/20.

2. RECOMMENDATIONS (OR OPTIONS)

Members are recommended to:

1. Agree the Members' Allowances Schemes for 2018/19 and 2019/20 (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 2% for each of the two years.
2. Agree that arrears relating to applicable allowances be payable to Members in receipt of those allowances for the period 1 April 2018 (or for the period the allowance was applicable) to 14 June 2018. This process reflects that for council employees for whom where the pay award is agreed following the start of the financial year arrears are paid back to that point.
3. Note that under the terms of the Local Authorities (Members' Allowances) (England) Regulations 2003 consideration of a further Independent Remuneration Panel will be required prior to consideration of a scheme of allowances for 2020/21.

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.

Notification of an agreed employees pay award for the period 1 April 2018 to 31 March 2020 was received in late April 2018. The award consisted of an uplift of 2% on 1 April 2018 and a further 2% on 1 April 2019, with those on lower salaries receiving higher increases. The new rates, together with arrears were included in the April 2018 pay for City Council employees.

As the employee pay award covers the period until 31 March 2020 it is open to the Council to also consider, at this point, a Scheme for 2019/20 in addition to the requirement to make a Scheme for 2018/19.

4. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4.1. Financial Implications

If the proposals are accepted as detailed within the report, the 2% rise in the costs of applicable allowances is expected to be £19,300 in 2018/19 and a further £19,700 in 2019/20, 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 costs will remain within budget.

Colin Sharpe, Head Finance

4.2 Legal Implications

Detailed in Section 3 of the report.

Kamal Adatia, City Barrister & Monitoring Officer

4.3 Climate Change

There are no significant climate change implications associated with this report.

Mark Jeffcote, Environment Team (x37 2251)

5. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph References Within the Report
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