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**Subject:** MEMBERS' ALLOWANCES SCHEME 2018/19

**Meeting and Date:** Council – 31 January 2018

**Report of:** Director of Governance

**Classification:** UNRESTRICTED

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**Purpose of the report:** To consider the Members' Allowances Scheme for 2018/19.

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**Recommendation:** To make the Members' Allowances Scheme for 2018/19.

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## 1. Summary

Under Regulation 10 of the Local Authorities (Members' Allowances) (England) Regulations 2003/1021 the Council is required to make a scheme for the payment of allowances to Members.

## 2. Introduction and Background

2.1 The Council's Members' Allowance Scheme provides for the following allowances:

- Basic Allowance (received by all Members of the Council);
- Special Responsibility Allowances (for specific positions);
- Independent Person(s) Allowances
- Travel and Subsistence Expenses
- Dependent Carers Allowance
- Co-Optees' Allowance

2.2 The levels of allowance for the Chairman and Vice-Chairman are set out in the Scheme for transparency but do not form part of it.

2.3 The Council removed the arrangements for the Index Linking of Members' Allowances at its meeting held on 4 March 2015 to reflect the freeze in allowance levels.

2.4 The Council is required to make its scheme annually. In making any Scheme the Council must give consideration to the non-binding recommendations of the East Kent Joint Independent Remuneration Panel, a joint body formed by Canterbury City Council, Dover District Council and Thanet District Council. The recommendations of the Panel are set out in Appendix 2 of the report.

2.5 A draft Members' Allowance Scheme for 2018/19 based on the 2017/18 levels is attached as Appendix 1 of the report.

## 3. Identification of Options

3.1 Option 1: To make the Members' Allowances Scheme 2018/19 at the levels of 2017/18, as set out in Appendix 1. This would result in no changes to the allowance scheme.

Members would make the Members' Allowances Scheme as set out in Appendix 1 for the municipal year 2018/19.

- 3.2 Option 2: To make the Members' Allowance Scheme 2017/18 at the levels of 2016/17, as set out in Appendix 1, subject to an increase in the Dependent Carers Allowance to £7.83 per hour in line with the National Living Wage from April 2018.

Members would make the Members' Allowances Scheme as set out in Appendix 1, subject to the amendment to the Dependent Carers Allowance.

- 3.3 Option 3: To make the Members' Allowances Scheme set out in Appendix 1 with amendments. This might include changes to the Basic Allowance, Special Responsibility Allowance and/or the Travel and Subsistence Allowances.

Members could make the Members' Allowances Scheme as set out in Appendix 1 subject to minor changes. In the event of a more significant change it is recommended that Members request a further report setting out the changes and the resource implications arising.

#### **4. Evaluation of Options**

- 4.1 Option 1 is cost neutral and would result in no direct resource implications or changes to the existing Members' Allowances Scheme. Although this option does reject the non-binding recommended increase by the Panel in respect of the Dependent Carers Allowance it should be noted that in their recommendation the Panel recognises "that in light of budgetary pressures on local authorities the Council may not choose to implement this" (i.e. the recommended increases).

- 4.2 Option 2 would result in minimal resource implications. It amends the draft Scheme to increase the Dependent Carers Allowance from £7.50 to £7.83 per hour. On the basis of the historic number of claims per annum against the Dependent Carers Allowance over the last 5 municipal years (less than 1 per year) this would be sustainable within the current budget provision.

- 4.3 Option 3 would potentially impact on the required 2018/19 budgetary provision. The proposed Members' Allowances Scheme set out in Appendix 1 is cost neutral and any amendment to increase the levels of the Members' Allowances Scheme would impact on the required 2018/19 budget provision.

#### **5. Resource Implications**

- 5.1 There are no direct resource implications if Option 1 is adopted and Option 2 incurs minimal resource implications that can be funded from within the existing budget provision.

- 5.2 If Members wish to make significant changes the Members' Allowances Scheme it is recommended that this be subject to a further report setting out the financial implications of the changes. For example, if the Members' Allowance Scheme was to be increased in line with the Panel's non-binding target levels set out in its last review, this would increase the Basic Allowance budget by a total of £162,450 and Special Responsibility Allowances budget by a total of £106,715.

#### **6. Corporate Implications**

- 6.1 The Council is required to make arrangements for a Members' Allowances Scheme.

#### **7. Appendices**

Appendix 1 – Draft Members' Allowances Scheme 2018/19

Appendix 2 – East Kent Joint Independent Remuneration Panel Recommendations in respect of the draft Members' Allowances Scheme 2018/19 (to follow)

Appendix 3 – Comparison of the draft Members' Allowance Scheme 2018/19 against the last Quadrennial Review of the East Kent Joint Independent Remuneration Panel

8. **Background Papers**

Constitution of the Council – Issue 20

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