

**23 MARCH 2016****SCHEME OF COUNCILLORS' ALLOWANCES 2016/17**

Report Sponsor: Stephen Gerrard (Interim Service Director [Legal and Democratic Services])

Contact Officer: June Allen (Councillor and Electoral Services Manager) – 01908 254844

**1. Purpose**

1.1 To seek agreement of a Scheme of Councillors' Allowances for 2016/17.

**2. Recommendations**

2.1 That the Scheme of Councillors' Allowances, based on the recommendations of the 2014 Independent Remuneration Panel and the Scheme adopted for 2015/16, be adopted to take effect from 1 April 2016, subject to:

- (a) The addition of a Special Responsibility Allowance of £3,000 for the Chair of the RegenerationMK Committee; and
- (b) An increase in the Dependent Carer's Allowance in line with the maximum rate for National Minimum Wage.

2.2 That the 2014 report on allowances for members of Parish and Town Councils be noted

**3. Issues and Choices**

3.1 Under the terms of the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council is obliged to appoint an Independent Remuneration Panel to review, comment and advise on the level of allowances paid to councillors at least every three years.

3.2 In March 2015 the Council agreed that there should be no increase in the overall sum of money for councillors' allowances (Minute CL106 refers). The scheme for 2015/16 was agreed and included Special Responsibility Allowances for Overview and Scrutiny to reflect the decision of the Council on 14 January 2015 (Minute CL118 refers).

At its meeting on 13 January 2016, the Council agreed that a politically balanced Regeneration Committee of the Council be established (Minute CL90 refers). Following consultation with the Chair of the Independent Remuneration Panel, it is suggested that a Special Responsibility Allowance of £3,000 be agreed.

3.3 The Joint Negotiating Committee (Employer's Side), on 27 October 2014 agreed the implementation of the Living Wage, £7.20 per hour for those aged 25 or over, with effect from 1 April 2015.

3.4 When the Council agreed the 2015/16 scheme in March 2015, it agreed that no indexation be applied to Councillors' allowances whatsoever. On 1 October 2015, the minimum wage increased to:

23 March 2016

- £6.70 per hour (21 years and over)
- £5.30 per hour (18 – 20 year olds)
- £3.87 per hour (for workers under 18 who are above compulsory school leaving age).

The Chair of Independent Remuneration Panel has confirmed that although the Panel did not specify that the minimum wage should rise in accordance with national guidelines, it was the intention that this should apply. It is, therefore, recommended that the Dependent Carer's Allowance be increased in line with the minimum wage as at 1 October 2015 and any subsequent annual increase.

3.5 The proposed Scheme of Allowances for 2015/16 is attached as **Annex A** to this report. The proposed Scheme of Allowances for 2016/17 for members of Parish and Town Councils is attached as **Annex B** to this report.

#### 4. Implications

##### 4.1 Policy

None

##### 4.2 Resources and Risk

The Allowances Scheme as drafted is within the Council's approved budget for 2016/17.

<input type="checkbox"/>	Capital	<input checked="" type="checkbox"/>	Revenue	<input type="checkbox"/>	Accommodation
<input type="checkbox"/>	IT	<input checked="" type="checkbox"/>	Medium Term Plan	<input type="checkbox"/>	Asset Management

##### 4.3 Legal

The Local Authorities (Members' Allowances) (England) Regulations 2003 make it a requirement to establish and maintain an Independent Remuneration Panel and for the Council to adopt a Scheme of Allowances for the forthcoming year by 1 April each year.

Under the terms of the Local Government Act 2000, the Council is required to take account of the recommendations of an independent panel before fixing its level of Councillors' Allowances.

The 2014 Panel recommended that a panel is reconvened in three years' time unless there is a major change in the democratic process.

##### 4.4 Other Implications

None

<input checked="" type="checkbox"/>	Equalities / Diversity	<input type="checkbox"/>	Sustainability	<input checked="" type="checkbox"/>	Human Rights
<input type="checkbox"/>	E-Government	<input type="checkbox"/>	Stakeholders	<input type="checkbox"/>	Crime and Disorder

Background Papers: Report of the Independent Remuneration Panel 2014  
 Overview and Scrutiny Working Group Report.  
 Councillors' Allowances Scheme 2015/16