

REPORT OF CHIEF EXECUTIVE

MEMBERS' ALLOWANCES - ANNUAL INFLATION ADJUSTMENT

Purpose of Report

1. To obtain approval for an amendment to the existing Members' Allowance Scheme so as to increase the existing amounts of the allowances by a suitable inflationary percentage.

Background

2. Historically, the annual inflationary increase to Members' Allowances has been linked to statistics supplied by the Office for National Statistics (ONS) in line with the 'New Earnings Survey' for male white collar workers. The Council has not been able to use the previously used comparator in previous year because of the changes being made by the ONS in its collection and reporting of data, the Council agreed in the last couple of years to increase the Members' Allowances in accordance with last year's pay award to local government staff (ie 2.95%).

Proposed Increase for 2006/07

3. While statistical data is now available from the ONS in a new format, as the previously used measure is now no longer available as a comparator, it will be necessary to determine a new measure that is relevant to the work that Members undertake.
4. Members of the Independent Remuneration Panel have recommended the Council to continue its adoption of the percentage pay increase awarded to local government staff in 2006/07 as the basis for the percentage increase of Members' allowances, pending a review of the most appropriate indices. The pay award for 2006/07 granted a 2.95% increase.
5. The proposed composition of the Executive Cabinet will be reduced from ten to seven members, the number of Associate Chairs of the Overview and Scrutiny Committee will be reduced by three to two members and the number of Lead Members will be increased by one to eleven members subject to confirmation at the Annual Council meeting.
6. The current cost of the Members Allowances Scheme is £281,080.14. After taking into account the 2.95% uplift and the changes in composition to the bodies referred to in paragraph 5, the total cost of the Members Allowances Scheme for 2006/07 will be £275,009. The reduction in the number of Executive Cabinet Members and Scrutiny Chairs will result in an overall saving of approximately £15,000 pa.

Recommendation to the Council

6. The Council is recommended to endorse the recommendation of the Independent Remuneration Panel and to authorise the amendment of the Members' Allowances Scheme by effecting an overall 2.95% increase in the allowances with effect from 16 May 2006.

DONNA HALL
CHIEF EXECUTIVE

SLP

There are no background papers to this report.