

DECISION-MAKER:	COUNCIL
SUBJECT:	MEMBERS' ALLOWANCE SCHEME
DATE OF DECISION:	21 FEBRUARY 2024
REPORT OF:	COUNCILLOR LORNA FIELKER, LEADER OF THE COUNCIL

<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY

N/A

BRIEF SUMMARY

Under the Local Government (Members' Allowances) (England) Regulations 2003, local authorities are required to adopt a Member Allowance Scheme and appoint Independent Remuneration Panels (IRP) for the purpose of reviewing their schemes of members' allowances and making recommendations to Full Council. The most recent IRP took place in October 2022, with the IRP recommendations presented at Council on 16 November 2022.

Council had regard to the recommendations of the Independent Remuneration Panel (IRP) as set out in the Panel's report to Council, but decided not to accept the recommendations except in respect of (a) the proposed dependant carers' allowance and (b) to remove the members IT allowance and adopt a core Members' Allowance Scheme (MAS) based on the current scheme from 8 May 2023.

Council also decided to freeze members' allowances in 2023/2024, the Basic Allowance remained at the 2022 rate of £13,900 per member. This report recommends the continuation to freeze member's allowances.

RECOMMENDATION:

	(i)	To accept the premise for the original recommendation for increases by the IRP but agree these be frozen until the expiration of the current adopted Member Allowance Scheme in May 2027.
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REASONS FOR REPORT RECOMMENDATIONS

1.	Reinstatement of the annual increases to the basic allowance from 2024/2025 and the continuation of these in 2025/26 will add to the financial pressures faced by the council.
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED
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2.	The alternative is to resume increases in line with the MAS as agreed in 2022, with the budget pressure that would bring.
DETAIL (Including consultation carried out)	
3.	As referred to above the council has to have in place a MAS at all times. Council has a duty to have regard to the recommendation of the IRP when making or amending the scheme of allowances, however it is not bound to follow its recommendations.
4.	The formula used to calculate the basic allowance is linked to the real living wage (RLW). This would represent an 10% annual increase, plus the backdated increase for 23/24, to the basic allowance payable to all members.
5.	The current basic allowance for members is £13,900 per member. Should members reinstate accepting an uplift in allowances from 2024/2025, the basic allowance will rise to £16,848 per member. For 2024/2025 this will represent an additional annual increase of £0.22M in the basic and special responsibility allowance payments before on costs.
6.	In 2025/26 the formula used to calculate the basic allowance would continue to rise in line with the annual increase to the RLW until the MAS is independently reviewed again by October 2026. However, this report does recommend that this increase is not taken in order to continue to assist in easing the budget position
7.	Members are fully aware of the council's financial position and recognise the reinstatement of the annual uplift to the basic allowance will continue to add to the financial pressures within the council's budget and therefore propose to retain the current level of allowances and reject the reinstatement of an annual increase to the basic allowance until the next IRP review takes place
8.	The next IRP will take place in the Autumn of 2026 to review the current MAS. Any changes to the scheme will take effect post May 2027 elections. The cost of commissioning a new IRP is reflected in the 2025/2026 budget and costs approximately £5000.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
9.	Budget exists for the payments under the agreed MAS at the frozen 2022/23 rate, save for any new Cabinet Member or Chairs of committees /positions created over the numbers set out in the constitution There is no allocated budget for any uplift which if agreed would be a pressure on the General Revenue Fund.
10.	The existing budget for members allowances is £0.92M, an increase in members allowances will not be affordable within this budget. An increase to the current living wage will result in a pressure in this budget of £0.22M in 24/25.
11.	The total cost of allowances including on costs at 24/25 RLW would be £1.14M
12.	Given the financial position of the authority any potential increase in expenditure that cannot be offset by reductions in spend elsewhere should be carefully considered. A budget pressure will impact on the overall budget gap

	the authority is facing. Therefore the recommendation of this report is to freeze increases to members allowances.
<u>Property/Other</u>	
13.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
14.	Local Government (Members' Allowance) (England) Regulations 2003.
<u>Other Legal Implications:</u>	
15.	None
RISK MANAGEMENT IMPLICATIONS	
16.	None
POLICY FRAMEWORK IMPLICATIONS	
17.	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	
2.	

Documents In Members' Rooms

1.	None
2.	

Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
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Other Background Documents

Other Background documents available for inspection at:

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Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	IRP Report November 2022	
2.		