

REPORT OF STANDARDS COMMITTEE

(Meeting held on 30 January 2009)

1. MEMBERS' ALLOWANCES SCHEME – AUTOMATIC UPDATING 2009/10 (REPORT B) (MINUTE 38)

Members may recall that in 2005, the Council agreed that members' allowances should be updated annually using the Retail Price Index (All Items) percentage rate of inflation for the year to December. The Members' Allowances Scheme provides for the updating to apply to the basic, special responsibility, dependent carer's and co-optees' allowances from 1 April in each following year. These new arrangements took effect from 1 April 2006.

The increase in the Retail Price Index (All Items) for the year to end of December 2008 was 4.0%. An updating of 4.0% from 1 April 2009 would normally be automatically applied to the basic, special responsibility and dependent carers' and co-optees' allowances, but the Council is required formally to make a scheme of members' allowances each year and therefore must resolve on the issue. The Council is not obliged to apply the updating factor provided in the Scheme.

The Council has previously agreed that the automatic updating system should continue for a maximum of four years, or until the Remuneration Panel is re-convened to review the Scheme. A review must therefore take place prior to the Municipal Year 2010/11.

Provision has been made in the draft 2009/10 budget for a 3% increase in allowances. The financial implications of a 3% or a 4% increase are set out below:

% Increase	Provision required
3%	£14,710 (£13.16/hour)
4% (RPI)	£19,613 (£13.29/hour)

If the Council adheres to the Scheme with a 4% increase in allowances, an expenditure plan bid for approximately £5,000 would need to be submitted.

The Committee were conscious of the current financial situation, both locally and further afield, and whilst acknowledging that, under the Scheme, members are entitled to a 4% increase in allowances, the Committee felt that the Council should consider carefully the current financial climate before making any changes to their allowances.

RECOMMENDED:

- (a) ***That the Council notes that the basic, special responsibility, dependent carers' and co-optees' allowances embodied in the current Members' Allowances Scheme are, according to the provisions in the Scheme, due to be updated by 4% with effect from 1 April 2009, but that the Council considers carefully the current global financial circumstances before agreeing the allowances to apply from 1 April 2009.***

- (b) That if the Council decides to amend the Scheme to provide for an increase in allowances of more than 3%, additional financial provision for 2009/10 be authorised.**

**Cllr J A G Hutchins
Vice-Chairman**