

<b>Item No.</b> 7.1	<b>Classification:</b> Open	<b>Date:</b> February 21 2007	<b>Meeting Name:</b> Council Assembly
<b>Report title:</b>		Member Allowances	
<b>Ward(s) or groups affected:</b>		N/a	
<b>From:</b>		Borough Solicitor	

## RECOMMENDATIONS

1. That the existing member allowance scheme be extended beyond March 2007 and that Standards Committee at its next meeting undertakes a further review to make recommendations to council assembly following consideration of the full London Councils (LC) Independent Panel report.
2. That the existing allowances are increased by the agreed inflation rate for the Local Government Pay Scheme with effect from April 2007.
3. That council assembly defer a decision to have the option of joining the Local Government Pension Scheme for a further year.

## BACKGROUND INFORMATION

4. On October 11 2006 standards committee considered the member allowance scheme in relation to index-linking, pensions and arrangements for payment of special responsibility allowance in an election year.
5. The LC Independent Panel report to which the council has to have regard had not been published at the time of this meeting although a summary of its contents was made available.
6. The current member allowance scheme was agreed in October and November 2003 by Council Assembly. The Southwark scheme was to cover the period 2003 to 2007 and included annual inflation linked increases. This scheme therefore ends in March 2007.
7. The Members Allowance (England) Regulations 2003 requires authorities to make a scheme at the beginning of each year for the payment of a basic allowance for members for that year. There is also a requirement for the scheme to make provision for the payment of special responsibility allowance, dependent 'carers' allowance; travelling and subsistence allowance; and co-optees' allowance. The authority is allowed to make provision for an annual adjustment of the allowance by reference to such index as may be specified by the authority and where the only change to the scheme in any one year is the annual adjustment, the scheme is not deemed to have been amended.
8. Standards committee decided to recommend the continuation of the scheme with index-linking tied into the Local Government Pay Scheme.

9. Standards committee decided to recommend that consideration of member pensions be deferred for a further year.

**KEY ISSUES FOR CONSIDERATION**

10. The rate of inflation may now not be known in time for member allowances to be updated on the payroll system. A projected rate could be applied in time for April and any necessary adjustments made at a later time.

**Resource Implications**

11. The cost of inflationary increases to member allowances is budgeted at inflation.

**Legal Implications**

12. Legal issues are outlined in the body of the report.

**Community Impact Assessment**

13. This report has little direct impact but should be seen as recognition of the contribution of elected members to community representation and cohesion.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
Council Assembly, Standards Committee and Constitutional Steering Group agenda and minutes.	Constitutional Team, Town Hall, Peckham Road, London SE5 8UB	Lesley John 020 7525 7228

**AUDIT TRAIL**

<b>Lead Officer</b>	Graham Love, Head of Democratic Services	
<b>Report Author</b>	Graham Love	
<b>Version</b>	Final	
<b>Dated</b>	7 February 2007	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Monitoring Officer	Yes	No
Chief Finance Officer	No	No
Executive Member	No	No
<b>Date final report sent to Constitutional Support Services</b>	7 February 2007	