

- i. As referred to in the IRP report the Panel were asked to consider its recommendations in the light of the Council's worsening financial situation. The full financial impact of the changes within the recommendations can be difficult to map accurately as they will reflect individual claims and Council decisions regarding Member positions. For example the impact of changes such as dependent care allowances will depend on Members personal and professional circumstances and require individual claims. However If the recommendations are implemented as published it will result in an estimated annual saving of around £17,000 against the current budget. Additionally, whilst it is hard to judge the full impact prior to implementation, the recommendations should result in greater efficiencies and a reduction in the level of staffing resource required to administer the allowances scheme.
- ii. The report recommends that the basic and special responsibility allowances are indexed to the end of the Municipal year 2019/20 in accordance with the annual percentage pay increase given to Leicester City Council staff which is agreed each year by the relevant national pay body (with other allowances also linked to relevant indices)
- iii. As indicated in the IRP report, the link which was created between the City Mayor allowance and an MPs salary by the Council decision of 29 March 2012 (min 46 refers) has broken and as reported to Council in 18 September 2014 (min 29 refers) following a decision by Government in 2014 elected Members in England are no longer eligible to become members of the Local Government Pension Scheme with membership terminated at the end of the term of office (ie at the City Council elections in May 2015 for elected Members in Leicester). The option of becoming a member of such a scheme remains open for Councillors in other home nations of the UK and for MPs and Police and Crime Commissioners. As referred to in the report this loss of access to the LGPS represents a major reduction in the benefit available to Members. An illustration of the impact of these changes is shown below:

Role	2012 Allowance / salary plus pension benefit	2016 Allowance / salary plus pension benefit
MP	£65,738 + £5,653 = £71,391	£74,962 + £9670 = £84,632 Note (a)
Police & Crime Commissioner	£75,000 + £11,400 = £86,400	£75,000 + £12,525 = £87,525 Note (b)
City Mayor	£65,738 + £11,833 = £77,571	£67,856 + £0 = £67,856 Note (c)
Councillor	£9,829 + £1,769 = £11,598	£10,146 + 0 = £10,146

Note (a) - Exchequer's pension contribution for MPs from 1 April 2015 is 12.9% and was 8.6% in 2012

Note (b) - The Police and Crime Commissioner role was created in November 2012, but the figures reflect the pension benefit for the full year. The post-holder remains eligible to be a member of the LGPS should they choose to be. The employer contribution to this fund for 2016/17 will be 16.7% and was 15.2 in 2012 (figures taken from The OPCC for Leicestershire Annual Financial report 2012/13).

Note (c) -The City Mayor role and Councillors were eligible to be members of the LGPS and in 2012 the employer contribution rate was 18%. Legislation removed the ability for elected members including the City Mayor to be in the LGPS from 2014.