

**MEMBERS' ALLOWANCES FOR LIQUOR LICENSING  
RESPONSIBILITIES**

**JOINT REPORT OF THE DIRECTOR OF FINANCE AND THE DIRECTOR  
OF LAW AND PROPERTY**

**1. PURPOSE**

- 1.1. To consider a report from the Members' Allowances Independent Panel regarding allowances for liquor licensing responsibilities.
- 1.2. To consider an alternative mechanism for annual variations for the Members' Allowances Scheme.

**2. BACKGROUND**

- 2.1. The current Members' Allowances Scheme was approved by the Council on the 17<sup>th</sup> November 2003 and was based on recommendations made by the Members' Allowances Independent Panel covering the four Black Country boroughs.
- 2.2. Licensing Act 2003 Responsibilities
  - 2.2.1 The Licensing Act 2003 has introduced new licensing responsibilities for local authorities and the Independent Panel was asked by Dudley, Sandwell and Wolverhampton Councils to reconvene to consider whether these new responsibilities and workloads warranted any amendment to the Members' Allowances Scheme.
  - 2.2.2 The report of the Independent Panel is attached at Appendix 1, and its recommendations for the payment of a Special Responsibility Allowance to each member of and chairman of the Licensing Sub-Committees are set out in Section 5 of the report. In summary, the Independent Panel is proposing a Special Responsibility Allowance (SRA) of £2,000 for each member of the Licensing Sub-Committees. In addition the five chairmen of each of the sub-committees would receive up to £3,000 in view of their additional responsibilities.
  - 2.2.3 In accordance with previous practice, the Standards Committee has considered these proposals and resolved that the Cabinet and Council should approve the Independent Panel's recommendations, but without coming to a firm view on the level of allowance for Licensing Sub-Committee Chairmen.
  - 2.2.4 In the context of the Council's existing Allowance Scheme, and to recognise the additional responsibilities of the Sub-Committee Chairmen, it would seem appropriate to consider a total Special Responsibility Allowance of

£3,000 for the Sub-Committee Chairmen and the Cabinet should recommend that level to the Council.

### 2.3 Inflation Increases in Member Allowances

- 2.3.1 The Members' Allowances Scheme states that "the allowances in this Scheme shall be varied with effect from 1<sup>st</sup> April each year in line with changes in the average non-manual male wage for "All Industries and Services" for the West Midlands County area, as published in the New Earnings Survey".
- 2.3.2 Unfortunately, the New Earnings Survey has been discontinued and a new basis for calculating inflationary increases will be required.
- 2.3.3 The New Earnings Survey has been superseded by the 'Annual Survey of Hours and Earnings' and the use of this index was considered by the Standards Committee. This would result in an increase in Allowance of only 1.3% with effect from 1<sup>st</sup> April 2005, less than the annual rate of inflation.
- 2.3.4 Two other measures could be considered:-
- a. linking increases in Members Allowances to the agreed pay awards for NJC Local Government Services, which would result in an increase of 2.95% with effect from 1<sup>st</sup> April 2005.
  - b. using the national percentage increase for full-time employees in the 'Annual Survey of Hours and Earnings' would have resulted in an increase of 4.1% with effect from 1<sup>st</sup> April 2005
- 2.3.5 The use of published indices is potentially fraught with change and uncertainty and on reflection the more reliable measure would be to link increases to Local Government Pay Awards.

## 3.0 PROPOSALS

- 3.1 It is proposed that the Cabinet:
- a. consider the recommendations of the Members Allowance Independent Panel and recommend to the Council
    - i. the payment of Special Responsibility Allowance of £2,000 to all Members of Licensing Sub-Committees for the period April 2005 to November 2005.
    - ii. the payment of an additional £1,000 (i.e. to give a total SRA of £3,000) to the Chairmen of the five Licensing Sub-Committees for the period April 2005 to November 2005.
  - b. recommend to the Council that the Scheme for Members Allowances be amended to read 'The allowances in this Scheme shall be varied with effect from 1<sup>st</sup> April each year in line with the agreed pay awards for NJC Local Government Services'.

#### **4.0 FINANCE**

- 4.1 The cost of the proposed additional SRA's for Licensing Sub-Committee Chairmen and Members will be £35,000, which would be a charge against the fee income generated by applications under the new arrangements.
- 4.2 Provision has been made in the approved budget for 2005/06 for inflation increases in Members Allowances.

#### **5.0 LAW**

- 5.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 set out the arrangements for setting Members' Allowances or amending an existing scheme. In making an amendment to an existing scheme the Council must have regard to the recommendations of a local independent remuneration panel and any amendments to the scheme must be publicised in accordance with regulation 16.

#### **6.0 EQUAL OPPORTUNITIES**

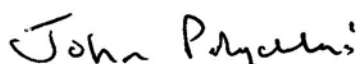
- 6.1 This report complies fully with the Council's policies with regard to equality and diversity.

#### **7.0 RECOMMENDATION**

- 7.1 That the proposals in paragraph 3 be agreed.



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## **BACKGROUND PAPERS**

None