

NOTICE OF MEETING

STANDARDS COMMITTEE

**Monday, 19th February, 2018, 7.30 pm - Civic Centre, High Road,
Wood Green, N22 8LE**

Members: Councillors Kaushika Amin (Chair), David Beacham, Stuart McNamara, Felicia Opoku and Lorna Reith

Co-optees/Non Voting Members:

Quorum: 3

1. **FILMING AT MEETINGS**

Please note this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

The Chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual, or may lead to the breach of a legal obligation by the Council.

2. **APOLOGIES FOR ABSENCE**

3. **URGENT BUSINESS**

The Chair will consider the admission of any late items of urgent business. Late items of urgent business will be considered under the relevant item, or at item 7.

4. **DECLARATIONS OF INTEREST**

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct.

5. MINUTES OF THE LAST MEETING (PAGES 1 - 4)

To confirm and sign the minutes of the meetings of the Standards Committee held on 16 November 2017.

6. MEMBERS' ALLOWANCES SCHEME (PAGES 5 - 28)

To consider proposals relating to the Council's scheme of allowances for Members.

7. NEW ITEMS OF URGENT BUSINESS

8. DATES OF NEXT MEETINGS

8 March

Michael Kay, Democratic Services and Scrutiny Manager
Tel – 020 8489 2920
Fax – 020 8881 5218
Email: michael.kay@haringey.gov.uk

Bernie Ryan
Assistant Director – Corporate Governance and Monitoring Officer
River Park House, 225 High Road, Wood Green, N22 8HQ

Friday, 09 February 2018

MINUTES OF THE MEETING OF THE STANDARDS COMMITTEE HELD ON THURSDAY, 16TH NOVEMBER, 2017, 7.00 - 8.10 pm

PRESENT:

**Councillors: Kaushika Amin (Chair), Stuart McNamara, Felicia Opoku,
Lorna Reith and Clive Carter**

25. FILMING AT MEETINGS

The Chair drew attendees' attention to the notice on the agenda regarding filming at meetings.

26. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Beacham, for whom Cllr Carter attended as a substitute.

27. URGENT BUSINESS

None.

28. DECLARATIONS OF INTEREST

None.

29. MINUTES OF LAST MEETING

The minutes of the meeting of the Standards Committee held on 14 September were agreed.

30. UPDATE ON WORK PROGRAMME - PROCEDURE RULES AND MEMBERS' ALLOWANCES

The Committee received an update from Michael Kay, Democratic Services and Scrutiny Manager, on the work initiated by the Committee to consider the Council's procedure rules, the Protocol on Member-Officer Relations and the scheme of Members' allowances.

After a discussion of whether the structure of Part 4 of the Council's Constitution ought to be revised to better set out the procedure rules contained therein, the Committee agreed that it would be preferable to not undertake an exercise of restructuring the rules at this stage, but that the Committee should be presented with proposed amendments to improve the rules within the existing structure.

In a related discussion, Councillors noted that the proposed relocation of Committee meetings in the next municipal year was intended to provide greater opportunities for broadcasting of meetings.

On the Member-Officer Protocol, Members considered a draft developed following the structures and content agreed at the September meeting. Members noted that it had not yet been discussed by senior officers within the Council, which may lead to some small changes.

Members agreed that it would be helpful if the draft referred explicitly to the relationship with Homes for Haringey officers, and to the statutory role of the Director of Children's services and the Cabinet Member.

Members agreed that it was helpful for the protocol to provide clarity for both Members and Officers on appropriate relations. It was suggested that other boroughs' equivalent Protocols should be reviewed to see if there were arrangements in place for resolving concerns or grievances with the Head of Paid Service, aside from the referral to the Monitoring Officer outlined in the present draft.

Members agreed that, further to comments made, the document should now be presented in an all-Member briefing.

On the Members' Allowances Scheme, there was a discussion of whether it was helpful to have such a review given the forthcoming Council elections and the expectation of further guidance from the Independent Panel on the Remuneration of Councillors in London. Members agreed that it was necessary to have this review, given it was often deferred and this would be as good a time as possible to agree any needed changes.

Members noted that some boroughs offered an allowance for group leaders based on the size of their group, based on a mixture of fixed allowance and a per-member figure. This would help accommodate any possible third group returned at the forthcoming election. Members asked that that be considered further, to be discussed at the next meeting.

It was agreed that the changes agreed by the Committee should be incorporated into a new Allowances scheme, which would then be briefed to Members.

AGREED

That work continue to review the Constitution's Procedure rules

That the finalised draft Member-Officer Protocol be briefed to Members

That :

- the Opposition Leader should move from Band 3B to Band 2B
- the Opposition Whip, Deputy Leader and Chair of Corporate Committee should move from Band 2B to Band 1
- a new allowance be created for the Vice Chair of Regulatory in Band 1

- the statutory co-optees currently offered an allowance should be offered it on a per-meeting basis, to a maximum
- Cabinet Advisers ought not receive an allowance
- the Dependents' Carer's Allowance should be offered the London Living Wage

31. NEW ITEMS OF URGENT BUSINESS

None.

32. DATES OF NEXT MEETINGS

Noted.

CHAIR: Councillor Kaushika Amin

Signed by Chair

Date

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Report for: Standards Committee 19 February 2018

Title: Members' Allowances Scheme

Report

authorised by : Bernie Ryan, Assistant Director Corporate Governance and Monitoring Officer

Lead Officer: Michael Kay | 020 8489 2920 | michael.kay@haringey.gov.uk

Ward(s) affected: N/A

Report for Key/

Non Key Decision: Non-Key

1. Describe the issue under consideration

1.1 Following a series of discussions on the Members' Allowances Scheme, this paper asks for agreement to final proposals to be briefed all Members in advance of ratification.

2. Cabinet Member Introduction

N/A.

3. Recommendations

3.1 The Committee is asked:

- A. To agree the summary of the work to date at paragraphs 6.7, 6.9, 6.10, 6.12 and 6.13
- B. To agree an option from paragraph 6.21 to present to Members

4. Reasons for decision

4.1 The Council has a legal duty to approve a Members' Allowances Scheme before the end of each year to cover the following year. The Council can amend a scheme any time during the year but can only revoke a scheme with effect from the beginning of the year. The scheme must make provision for basic allowances and, if they are to be paid, special responsibility, dependents' carers, travelling and subsistence and co-optees' allowances.

5. Alternative options considered

5.1 No alternative options were considered as there is a duty to adopt a Members' allowances scheme annually.

6. Background information

Allowances Review

- 6.1 The Standards Committee and Full Council agreed in March 2017 that there should be a review of allowances in this municipal year to ensure the recommendations made to Council in March 2018 for the following municipal year be appropriate for any outcome of the May elections.
- 6.2 The Standards Committee has considered this matter in its meetings of July, September and November 2017 and this paper reflects the conclusions reached at those meetings.

Guidance

- 6.3 Before a council can adopt a Members' Allowances Scheme it has a duty to consider the recommendations of an independent remuneration panel in relation of the payment of Members' allowances.
- 6.4 The Local Authorities (Members' Allowances) (England) Regulations 2003 allow London Boroughs to use an independent remuneration panel set up for the purpose of making recommendations across London. London Councils set up a panel for this purpose in 2001. It published guidance in 2014, which has been considered by the Standards Committee in this municipal year's review of the allowances scheme.
- 6.5 The Independent Panel on the Remuneration of Councillors in London published revised guidance in January 2018. This is can be found at Appendix 2 and the guidance, as it applies to Haringey, is set out below.
- 6.6 In addition to not changing its recommendations in relation to the structure of the allowances scheme, the 2018 Guidance did not suggest major uplifts to the levels of remuneration in its 2014 report. Instead, it applied the recommended annual uplift in line with the local government pay settlement to reach slightly higher levels of remuneration. Had a Council set its allowances in line with the 2014 guidance and applied the recommended uplift each year, the 2018 recommendations would be very straightforward to accommodate. Haringey has not provided that annual uplift.

Re-banding

- 6.7 Following consideration of the 2014 Guidance and levels of allowances across London and particularly comparable boroughs, the Committee agreed the following changes to the current Members' allowances scheme:
- A. That the special responsibly allowance paid to the Chair of Corporate Committee be moved from Band 2B in the current structure to Band 1.
 - B. That the special responsibly allowance paid to the Leader of the Opposition be moved from Band 3B to Band 2B.

C. That the special responsibility allowances paid to the Deputy Leader of the Opposition and the Opposition Chief Whip be moved from Band 2B to Band 1.

- 6.8 Page 8 of the Independent Panel's 2018 guidance sets out the posts envisaged as falling within Bands 1 and 2. These are consistent with the 2014 guidance, and these changes would plainly follow this guidance. In the case of the opposition group positions, the Standards Committee saw previously that Haringey's provision of allowances at higher bands than the guidance recommended was out of step with other boroughs, regardless of the relative size of opposition groups.

New SRA

- 6.9 The Committee agreed that the Vice Chair of the Regulatory Committee be paid a special responsibility allowance at Band 1 in light of its workload, including chairing a Licensing Sub-Committee that meets regularly. This is consistent with the Independent Panel's 2018 guidance (page 8).
- 6.10 The Standards Committee have previously discussed that it would be helpful to provide for a third party in the Council. To accommodate an additional SRA within the current envelope of expenditure, it is suggested that the Deputy Leader of the Opposition's allowance be provided to the Leader of a third group, and that the group should be of at least 2 Members. First, this would recognise that the Opposition Deputy Leader currently receives his or her allowance given the need to hold the executive to account – which would be the third party's responsibility. Second, it would avoid un-funded expenditure that would arise if there were a requirement for an additional SRA not currently provided for – and not reserve funds for an allowance that may not be drawn.

Consequence of changed bands

- 6.11 The proposals above in relation to the re-banding and a new allowance generate a net saving of £25 193 against the current expenditure. This means there is some flexibility in providing an uplift to allowances that could be contained within the current overall cost of the allowances scheme. The number of Members that could receive an allowance would increase to 28, from 27 at present.

Dependents' Carers' Allowance

- 6.12 The Standards Committee has agreed that the Member's Allowances Scheme should state that the Dependent Carers' Allowance should be at the London Living Wage, rather than including a figure that can be outdated. This change reflects the Independent Panel's 2018 guidance (page 6).

Co-optees' Allowances

- 6.13 The Standards Committee agreed to move to a per-meeting allowance for those co-optees currently remunerated, to a maximum of the current level of £616.50.

Allowance Level

- 6.14 The Committee has considered the level of remuneration paid, in comparison with the London Average and the Independent Panel's Guidance.
- 6.15 The current basic allowance offered by Haringey is at the recommended level in the 2014 guidance, or £10 703. The 2018 guidance recommends a basic allowance of £11 045 – an increase of £342 or 3.2% against Haringey's current basic allowance.
- 6.16 As has been discussed previously by the Committee, the Independent Panel suggests a range for SRAs at bands that based on a proportion on the recommended total remuneration to the Leader.
- 6.17 As Haringey has traditionally provided an allowance to the Leader below the level recommended in the guidance, the other special responsibility allowances offered may not be in line with the level suggested by the guidance, they are all either within the recommended proportion or in excess of it. This is shown in Table 1 below.
- 6.18 Table 1 sets out how Haringey's current allowances scheme meets the Independent Panel's 2018 guidance, both in terms of the levels suggested, and the proportion each band would take of the Leader's band.
- 6.19 The final column reminds Members of what they saw previously when considering the Haringey Scheme against the current allowances offered by Haringey's statistical neighbours.

Table 1

Haringey Allowance Band	Meet 2018 guidance level?	Meet guidance proportion?	Compared with SN average?
Band 4 (Leader)	£23,495 below	N/A	£6,170 below
Band 3B (Cabinet)	£11,726 below	Above	£98 below
Band 3A (Scrutiny Chair)	£14,012 below	Yes	£5,398 over
Band 2B (Principal Committee Chair)	Yes	Above	£5,279 over
Band 2A (Scrutiny Panel)	£939 below	Yes	£8,810 over
Band 1 (Chairs)	Yes	Above	£1,653 over
Basic	£342 below	N/A	£366 over

- 6.20 The Standards Committee has already seen that Haringey's SRAs were more generous than the averages elsewhere for the basic allowance and SRAs in Band 1 and 2, were broadly in line at Band 3, and were lower than the average at Band 4 – essentially operating a flatter allowances scheme than elsewhere. This is reflected in the "Compared with SN (statistical neighbour) average" column above.
- 6.21 Table 2 below shows the cost implications of scenarios for re-distributing the savings generating by the changes in bands. The first row reminds Members of

the total cost of the current allowances scheme, followed by the revised baseline once the changes in bands are incorporated.

Option A is to increase the basic allowance to the new recommended level of £11,045.

Option B is to provide an increase for the basic allowance and all Special Responsibility Allowances of 1%, as was discussed by the Committee at its last meeting.

Option C builds on Option B in ensuring a broader increase, but makes a larger increase for the basic allowance to reflect the points made above.

- 6.22 As Members have noted, the Independent Panel recommends an annual increase in allowances in line with the local government pay settlement, and so indicative figures for future years have been included, based on a 1% uplift. These are italicised in table 2 when they exceed the current expenditure.
- 6.23 This is purely indicative, and decisions for future years will have to be taken in the preceding year, when there can be consideration of the potentially availability of further funds.

Table 2

	2018-19	year 2	year 3	year 4
Baseline: Current year costs	1,126,517			
Revised baseline to reflect changes in bands	1,101,324			
Option A Increasing the basic allowance to £11,045	1,120,818	<i>1,132,026</i>	<i>1,143,346</i>	<i>1,154,780</i>
Option B Increasing all allowances by 1%	1,112,337	1,123,461	<i>1,134,695</i>	<i>1,146,042</i>
Option C Increasing basic by 2%, all SRAs by 1%	1,118,438	<i>1,129,622</i>	<i>1,140,919</i>	<i>1,152,328</i>

- 6.24 Increasing the basic allowance to the new recommended level would have the attraction of increasing all Members' allowances and ensuring the scheme reflects current guidance. This would have the effect of increasing the proportion of SRA-recipients' remuneration against the Leader's, further flattening the allowances structure, albeit slightly.
- 6.25 Given that all Special Responsibility Allowances are within or above the recommended proportion of the Leader's remuneration, and none are significantly lower than the averages offered elsewhere, the current allowance levels do not appear to need uplifting on their own merits. That said, the Committee has indicated a desire to increase allowances in line with the Local Government Pay Settlement, as recommended by the Independent Panel. This would also help the scheme keep pace with cost of living increases and avoid the need for potential large future increases to remedy significant shortfalls.

Alternative model for remuneration of leaders of political groups

- 6.26 In its previous discussion, the Standards Committee expressed interest in a potential allowances scheme that could offer group leaders an allowance that varied depending on the size of the leader's group. This was not provided for in the Independent Panel's guidance, but there are examples in London Boroughs of such a scheme being used.
- 6.27 Following discussion with another borough that has operated such a scheme for some time, there does not appear to be a large administrative burden associated with such a scheme. Political control changed often in the borough, and the scheme had accommodated that, and it could also be updated in the course of an administration or year according to any changes to political groups. However, that borough did operate under the Committee system, rather than the leader-and-executive model, and their allowances scheme also recognised group spokespeople to a larger extent than Haringey's.
- 6.28 How such a scheme could be operated for Haringey has been modelled, including on a base Special Responsibility Allowance, and the per-Member figure that would reflect the size of the group.
- 6.29 To do this, the SRA and per-member figure was calculated to ensure the opposition leader would fall within Band 2 of the Independent Panel's Guidance, if it had between 2 and 28 Members. Using the current total remuneration for the Leader and Opposition Leader and the new calculated SRA per-Member figure, an SRA was calculated as the base for the Leader. This was below the opposition leader's base SRA, and so an average was calculated that would serve as the base SRA for both Leader and Principal Opposition leader.
- 6.30 This resulted in a base SRA of £14,673.55 for both Leaders, and a per-Member figure of £522.70. As an illustration, if this were applied to Haringey's current structure, the Leader would have a total SRA of £40,285.85 (compared with £33,590 in the current scheme), and the Opposition Leader would receive £18,855.15 (compared with £25,191 at present, or 16,797 at the Band 2 allowance, which the Committee has previously agreed to do in line with guidance).
- 6.31 This model is attractive in that it would easily accommodate further parties – which could receive only the per-member allowance, rather than the base SRA. It would also have the effect of bringing the Leader's allowance closer to the guidance figure, within the same envelope of expenditure for SRAs as present. However, this would make the reallocation outlined above difficult to accommodate within the current envelope of expenditure - Options A and C above would be unaffordable (by over £3000 and £760 respectively), though option B would be possible within the current expenditure.
- 6.32 A more fundamental drawback of varying allowances would be the potential closeness of remuneration between group leaders in situations the Council has more balanced group sizes. If the majority group were one Member larger than an opposition group, there would be only the £522.70 difference between the Leader of the Council, with the "high level of responsibility" that entails (as outlined by the Independent Panel's guidance), against the Opposition Leader

who would not be responsible for exercising the Council's executive functions. For that reason, this model is not recommended.

7. Contribution to strategic outcomes

Members of the Council are directly responsible for the setting and oversight of all strategic priorities.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

The proposals contained in this paper are contained with the available budget.

Legal

Legal implications are contained within the body of this report.

Equality

The decision to approve allowances to members does not have a direct impact on the equality duty of the council, other than that the scheme includes provision for payment for parent/carers allowances to facilitate the attendance of parents and carers at meetings and in relation to carrying out the general responsibilities of councillors.

9. Use of Appendices

Appendix 1: Draft Members' Allowances Scheme 2018-19

Appendix 2: 2018 report of the Independent Panel on the Remuneration of Councillors in London

10. Local Government (Access to Information) Act 1985

N/A

Part 6

Members' Allowances Scheme

1. SCHEME FOR THE PAYMENT OF MEMBERS' ALLOWANCES

- 1.01 Made in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 and in force for the municipal year ~~2017/18~~ 2018/19 (i.e. ~~1 April 2017 to 31 March 2018~~ 1 April 2018 to 31 March 2019).

2. BASIC ALLOWANCE

- 2.01 Each Councillor will be entitled to receive the sum of £TBC by way of Basic Allowance.
- 2.02 If a Councillor does not serve as such for the whole 12-month period or becomes disqualified, he/she will only be entitled to receive pro-rata payment for the period(s) during which he/she actually was a serving Councillor. This principle applies to education representatives on scrutiny bodies and employee and employer representatives on the Combined Pensions Committee and Board (co-optees).

3. INCLUDED EXPENSES

- 3.01 Travel Expenses.
The Basic Allowance includes all travel within the M25. Councillors are not entitled to any form of concession or special permit as Councillors for parking in the Borough.
- 3.02 Telephones and I.T.
The Basic Allowance includes Councillors' telephone call charges, both mobile and landline, for which Councillors are billed individually. The Council meets the rental for apparatus, including broadband, and all datacharges.

4. MAYORAL ALLOWANCES

- 4.01 The additional allowances for the Mayor and Deputy Mayor are:
- (a) The Mayor is entitled to an additional allowance of £ TBC.
 - (b) The Deputy Mayor is entitled to an additional allowance of £TBC.

Appendix 1

5. SPECIAL RESPONSIBILITY ALLOWANCES

5.01 For the period ~~1 April 2017 to 31 March 2018~~ 1 April 2018 to 31 March 2019, Haringey Council will allocate Special Responsibility Allowances in six bands, to Councillors who take on certain additional roles, in accordance with Table A below. If a Councillor does not serve as such for the whole period or becomes disqualified, he/she will only be entitled to receive pro-rata payment for the period(s) during which he/she actually was a serving Councillor.

Table A

Band	Position	Special Allowance	Total Allowance
Band 4	<ul style="list-style-type: none"> • Leader 	£TBC	£ TBC
Band 3B	<ul style="list-style-type: none"> • 9 or fewer x Cabinet Members • Opposition Leader 	£ TBC	£ TBC
Band 3A	<ul style="list-style-type: none"> • Chair of Overview and Scrutiny Committee 	£ TBC	£ TBC
Band 2B	<ul style="list-style-type: none"> • Chair of Corporate Committee • Chief Whip • Chair of Regulatory Committee • Chair of Alexandra Palace and Park Board • <u>Leader of the Principal Opposition</u> • Opposition Deputy Leader • Opposition Chief Whip 	£ TBC	£ TBC
Band 2A	4 x Councillors serving on Overview and Scrutiny Committee	£ TBC	£ TBC
Band 1	<ul style="list-style-type: none"> • Chair of Combined Pensions Committee and Board • Chair of Staffing and Remuneration Committee • Chair of Standards Committee • <u>Chair of Corporate Committee</u> • <u>Vice Chair of Regulatory</u> • <u>Leader of the second Opposition Group or Deputy Leader of the Principal Opposition</u> • <u>Chief Whip of the Principal Opposition</u> 	£ TBC	£ TBC

Appendix 1

6. MULTIPLE RESPONSIBILITIES

6.01 Where a Councillor holds more than one post of special responsibility, he/she may only receive one Special Responsibility Allowance. Where a Councillor holds more than one post of special responsibility and the posts have Special Responsibility Allowances of different monetary values, the Councillor would receive the higher one. For the purposes of this paragraph, the Mayor and Deputy Mayor count as posts of special responsibility.

7. CO-OPTES' ALLOWANCES

7.01 Each education representative on scrutiny bodies and each employee and employer representative on the Combined Pensions Committee and Board is entitled to an allowance of £154 per meeting attended, to a maximum of £616.50. No allowances are payable to others who are not elected Councillors.

8. BABYSITTING AND DEPENDANTS ALLOWANCE

8.01 Councillors and non-elected members can claim this allowance based on the following:

- (a) That reimbursement be made at the London Living Wage ~~a maximum rate of £8.60 per hour~~. The period of payment should include the time of the meeting, together with reasonable travelling time of the member, plus any necessary travelling expenses of the carer to and from their home.
- (b) Children over the age of 16 must not be claimed for, unless suffering from an illness or disability making constant care essential.

9. TRAVELLING AND SUBSISTENCE ALLOWANCE

9.01 Councillors can claim this allowance for attending approved meetings, training and conferences etc. only to the extent that it involves travel outside the M25. Claims must be based on the following:

- (a) The mileage rate for travel by private car is 34.6 pence per mile. An extra 3 pence per mile is payable for each passenger for whom a travelling allowance would otherwise be payable. The cost of tolls, ferries and parking charges can be claimed.
- (b) The mileage rate for travel by solo motor cycle is :

Not exceeding	150 cc	8.5 pence per mile
Over	150 cc but not over 500 cc	12.3 pence per mile
Over	500 cc	16.5 pence per mile
- (c) On public transport only the ordinary or cheaper fare can be claimed where more than one class is available.
- (d) The cost of a taxi, including a reasonable tip, can be claimed only in case of urgency or where public transport is not practicable or reasonably available.

Appendix 1

(e) The maximum rates for subsistence allowance on approved duties are as follows:

For an absence of more than 4 hours before 11.00	£4.92
For an absence of more than 4 hours including lunchtime between 12.00 and 14.00	£6.77
For an absence of more than 4 hours including the period 15.00 to 18.00	£2.67
For an absence of more than 4 hours ending after 19.00	£8.38

10. CLAIMS AND PAYMENTS

- 10.01 Where a Councillor is also a Councillor of another authority, that Councillor may not receive allowances from more than one authority in respect of the same duties.
- 10.02 The Basic Allowance and Special Responsibility Allowances will be paid in equal monthly instalments.
- 10.03 The Co-optees' Allowance must be claimed by, and will be paid at, the end of the municipal year, subject to paragraphs 2.02 above and 10.05 below.
- 10.04 All claims for Travelling and Subsistence Allowance and Babysitting and Dependants Allowance must be made within two months of the relevant meeting or the costs being incurred by the Councillor or non-elected member, subject to paragraph 10.05 below.
- 10.05 If any Allowance under paragraphs 10.03 or 10.04 is not claimed within the prescribed time limit, the Democratic Services Manager shall have a discretion to make the payment nonetheless.
- 10.06 Any Councillor or non-elected member may elect to forego his/her entitlement to all or part of any allowance by giving written notice at any time to the Democratic Services Manager.

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The Remuneration of Councillors in London 2018

Report of the Independent Panel



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Introduction

The Local Authorities (Members' Allowances) (England) Regulations 2003 ('the Regulations') authorise the establishment by the Association of London Government (now London Councils) of an independent remuneration panel to make recommendations in respect of the members' allowances payable by London boroughs. Such a panel ('the Panel') was established and reported in 2001, 2003, 2006, 2010 and 2014. It now comprises Sir Rodney Brooke CBE DL (Chair), Steve Bundred and Anne Watts CBE.

The Regulations require a review of the scheme every four years as a minimum. The current Panel has therefore completed a review of remuneration for councillors in London. We present our findings and recommendations in this report.

As a preparation for our work, we invited all London boroughs to give their views on the operation of the existing scheme. We are grateful for the feedback, which confirms that the existing London scheme of members' allowances is still fit for purpose. We make recommendations accordingly (**recommendations throughout the report are in bold type**). However, where issues have arisen from the comments we received, we have addressed them in this report.

The role of elected members

In our previous reports we reflected on the importance of the role of elected members. We repeat at Appendix B the job profile for councillors which we originally included in our 2010 report. The feedback we have received is that it continues to be appropriate.

The Local Governance Research Unit, based at Leicester Business School, recently launched a Councillor Commission as an independent review of the role and work of the councillor. The Commission's report points out that councillors oversee million-pound budgets, balancing complex financial pressures at a time of severe cutbacks in local authority spending, making decisions which will affect their areas for decades to come. In London each Borough Council is responsible for services crucial to its residents. Each has a revenue budget of up to £1.4bn as well as a substantial capital programme. The scale of their turnover and other financial activities are in many instances comparable with those of large publicly quoted companies.

Councillors are faced with unenviable choices. Demand for local authority services continues to grow. In particular, there is rapid growth in the number of old people with a corresponding increase in demand for social care. London itself faces acute housing problems. Councillors have an increased responsibility for health. Thus the strain on and competition for resources increase the demands made on elected members. The responsibilities and accountabilities are made clear after a tragedy like the Grenfell Tower fire.

The evidence we received confirms that the workload and responsibilities of councillors continue to increase and that their role has become more complex, and not only in the areas of social care, housing and health. There has been growth in the number of sub-regional meetings, partnerships and joint bodies (such as Boards for Health & Wellbeing and Safer Neighbourhoods) which require the commitment and time of leaders, cabinet members and front-line councillors. Partnership engagement makes great demands on councillors. There has been a marked increase in informal meetings, such as working groups, forums and community gatherings as well as formal meetings like local authority companies. The expectations of the public continue to rise.

While valuable to democracy, the use of social media adds to the pressure on councillors by increasing demands from their constituents in several different ways. Communication with councillors is not only easier but immediate. The public expects a speedy response, so that it is now more difficult for councillors in employment to deal with concerns as quickly as voters expect. Not only do social media make it easier for their constituents to get hold of councillors, but they also enable an isolated concern to become an organised campaign.

Recruitment of councillors

We received evidence that it is increasingly difficult to recruit people of quality who are prepared to stand for office as councillors. Though the low level of allowances was mentioned as a reason for this, a major disincentive is the time commitment required of a councillor. That time commitment (as well as finance) can make it difficult to combine the role with a job and a family life. As one councillor commented to the Leicester Business School Commission, 'Serving on outside bodies means that I am working every day of the week, weekends too'. As was pointed out in responses we received, the problem is exacerbated in London, where councillors are on the whole younger than in other parts of the country and often in employment. They also face substantially higher costs of living.

Though the time commitment may be the main disincentive to service as a councillor, it is important that, as far as reasonably possible, financial loss does not prevent people from becoming councillors. Allowances are not shown by polls to be something which influences councillors to take on the role, though they are instrumental in making it possible for some people to do so. Allowances should be set at a level that enables people to undertake the role of councillor, while not acting as an incentive to do so. If it is important that there are no financial incentives to being a councillor, it is equally important that there should not be a financial disincentive. It is clearly desirable that service as a councillor is not confined to those with independent means.

Since our last report the Government has removed the possibility of councillors joining the local government pension scheme. We believe that access to the pension scheme can be an important factor in making service as a councillor financially possible for a wider range of people. It is particularly significant for those who, like elected mayors, leaders and portfolio holders, give most or all of their time to service in local government and lose the opportunity to contribute to a pension scheme elsewhere. Loss of access to a pension scheme imposes a further financial penalty on councillors.

We do not repeat the arguments for appropriate remuneration for councillors which we have set out in our previous reports. We believe them to be self-evident. But we do repeat our belief in the importance of local democracy and the role of councillors within it.

The current financial and political climate

Because of the current financial climate, the local government pay settlement in recent years has been severely limited. Since our last report there have been three awards of 1%. Acutely sensitive to the current financial austerity, some boroughs have frozen members' allowances and failed to apply the pay awards to them. Indeed some boroughs have even reduced members' allowances.

Our recent reports have made no recommendations for increasing the levels of members' allowances other than continuing provision for annual adjustments in accordance with the annual local government pay settlement. As the Government-appointed Councillors' Commission pointed out in their 2007 report, the recommendations of the London Panel has led to some convergence of members' allowances across London. Indeed, the Councillors' Commission recommended a similar system for the country as a whole. Following our recommendations, there is now considerable congruity in the basic allowance made by London boroughs.

However, most London boroughs have not adopted our recommendations in their entirety and there remain substantial differences in the amount of special responsibility allowances. We fully recognise that now is not the time to contemplate a general increase in councillors' allowances. Nevertheless we hope that in the longer term the financial situation will permit further convergence of members' allowances around our recommendations.

Level of Basic Allowance

In our last report we recommended that there should be a Basic Allowance paid to every councillor of £10,703. Updated for the local government staff pay awards since then, the figure is now £11,045. Given the loss of pension rights; growth in the volume and complexity of the work of councillors; and the limited increase in the Basic Allowance since our last report, we believe that there is a strong case for considering a larger increase. The basic allowance is now less than the allowances paid by many similar authorities outside London. In Wales, for example, the government-

appointed commission sets the basic allowance at £13,400 for members of local authorities with populations which are generally substantially lower than those of London boroughs.

However we reluctantly accept that, in the current financial climate, it would be inappropriate to recommend a general increase in members' allowances (beyond the annual updating). Pegging an annual increase to staff pay awards will ensure that councillors can receive annual increases which are in line with those received by staff. **We therefore recommend that the Basic Allowance be set at £11,045.** We believe that it remains sensible to frame recommendations which are common across London.

Special Responsibility Allowances

Given the extent of the responsibilities of leaders of London boroughs, the Panel's first report in 2001 recommended that their remuneration should equate to that of a Member of Parliament. [Our recommendations for other special responsibility allowances are related to that recommended for leaders.]

Since then the increase in the remuneration of Members of Parliament has substantially exceeded the annual local government pay increase to which we tied the special responsibility allowance for the leader of a London borough. At the time of our last report an MP received a salary of £67,060 while our recommendation for a borough leader (increases having been restricted to the local government staff pay increases) was for total remuneration of £65,472, a difference of £1,588. Updated for the local government pay awards, our recommendation for the current total remuneration of a London borough leader would be £68,130. Meanwhile the salary of MPs has increased to £76,011, a difference of £7,881. Moreover MPs continue to be entitled to a pension as well as to sundry other benefits (such as termination payments) which are not available to leaders.

In our current consultation we enquired whether the remuneration of an MP remains a sound comparator to fix the remuneration of a borough leader. In general the responses agreed that the comparator was appropriate and, if anything, that the Leaders of London boroughs warranted a higher remuneration than an MP, because they had greater financial responsibility and legal burdens, and especially given the differential pension arrangements. Indeed one respondent authority suggested that the direct responsibilities of a Leader should command the salary of a Junior Minister.

We sympathise with the responses. Certainly the way in which MPs' remuneration has outpaced that of leaders would prompt a review of the Leaders' allowances had the Panel not had regard to the current stringent economic circumstances. For the same reasons which prompt us to peg the Basic Allowance, **we recommend that the special responsibility allowance for a Leader should be in accordance with our former recommendation, plus the subsequent local government staff pay awards, ie £57,085. We recommend the maintenance of its relation to other special responsibility allowances, as set out in the Appendix to this report.** Nevertheless we hope that parity of the remuneration of the Borough leaders with the remuneration of Members of Parliament will be restored when the economic situation eases and that the other Special Responsibility Allowances will then be adjusted accordingly.

Interpretation of the Scheme

The responses from the boroughs generally indicated no problems with interpretation of our recommendations, though many had adopted lower figures, especially for special responsibility allowances. We continue to believe that the scheme we propose is sufficiently flexible to accommodate the varying political management arrangements of different London boroughs. Specifically, we were asked for guidance on what percentage of councillors should receive a special responsibility allowance. **We reiterate our view that no more than 50% of councillors should receive a special responsibility allowance. We also continue to believe that no member should receive more than one special responsibility allowance though we accept that there might exceptionally be special circumstances where allocation of more than one Special Responsibility Allowance might be justified, eg where members undertake a number of different time-consuming roles such as sitting on licensing hearings.**

We were asked to give more detailed guidance on the roles allocated to different bands and whether these could be tied to the time commitment required of a role, expressed as a percentage of the time commitment of the Leader. However, we believe that the percentages we identify should be tied not only to time commitment but also to levels of responsibility.

Training and Support

The responsibilities of councillors are substantial, extensive and complex. We have mentioned the Grenfell Tower tragedy as a chilling instance of those responsibilities. **We believe that every borough should have an ongoing programme of member training and development and that members should be expected to participate. We believe that members should be provided with logistical and clerical support to help them deal with their workload.**

Barriers to being a councillor

It is important that obstacles to becoming a councillor should be removed wherever possible. Child care costs can be a significant deterrent to service as a councillor. **We repeat our strong view that in appropriate cases when they undertake their council duties, councillors should be entitled to claim an allowance for care of dependents. The dependents' carers' allowance should be set at the London living wage but (on presentation of proof of expense) payment should be made at a higher rate when specialist nursing skills are required.**

We also repeat our belief that members' allowances schemes should allow the continuance of Special Responsibility Allowances in the case of sickness, maternity and paternity leave in the same terms that the council's employees enjoy such benefits (that is to say, they follow the same policies).

Travel and Subsistence allowances

We continue to believe that the Basic Allowance should cover basic out-of-pocket expenses incurred by councillors, including intra-borough travel costs and expenses. The members' allowances scheme should, however, provide for special circumstances, such as travel after late meetings or travel by councillors with disabilities. The scheme should enable councillors to claim travel expenses when their duties take them out of their home borough, including a bicycle allowance.

Allowances for Mayor or Civic Head

Many councils include the allowances for the mayor (or civic head) and deputy in their members' allowance scheme. However these allowances do serve a rather different purpose from the 'ordinary' members' allowances, since they are intended to enable the civic heads to perform a ceremonial role. There are separate statutory provisions (ss 3 and 5 of the Local Government Act 1972) for such allowances and councils may find it convenient to use those provisions rather than to include the allowances in the members' allowance scheme.

Update for inflation

We continue to recommend that for a period of four years the allowances we recommend should be updated annually in accordance with the headline figure in the annual local government pay settlement.

We have been asked whether it is necessary for the annual updating to be formally authorised by the council each year. The Regulations do seem to make this obligatory.

Sir Rodney Brooke CBE DL

Steve Bundred

Anne Watts CBE

London, January 2018

Appendix A

Basic allowance £11,045

Special responsibilities – beyond the basic allowance

The case for special allowances

The reasons for payment of additional special responsibility allowances should be clearly set out in local allowances schemes. Special allowances should come into play only in positions where there are significant differences in the time requirements and levels of responsibility from those generally expected of a councillor.

Calculation of special allowances

The proposed amounts for each band are a percentage of the figure suggested for a council leader depending upon levels of responsibility of the roles undertaken and are explained below. We believe that the SRA, which the previous panel recommended for the leader of a London council (updated), continues to be appropriate.

Categories of special allowances

The regulations specify the following categories of responsibility for which special responsibility allowances may be paid:

- Members of the executive where the authority is operating executive arrangements
- Acting as leader or deputy leader of a political group within the authority
- Presiding at meetings of a committee or sub-committee of the authority, or a joint committee of the authority and one or more other authorities, or a sub-committee of such a joint committee
- Representing the authority at meetings of, or arranged by, any other body
- Membership of a committee or sub-committee of the authority which meets with exceptional frequency or for exceptionally long periods
- Acting as spokesperson of a political group on a committee or sub-committee of the authority
- Membership of an adoption panel
- Membership of a licensing or regulatory committee
- Such other activities in relation to the discharge of the authority's functions as require of the member an amount of time and effort equal to or greater than would be required of him by any one of the activities mentioned above, whether or not that activity is specified in the scheme.

Local discretion

It is for the councils locally to decide how to allocate their councillors between the different bands, having regard to our recommendations and how to set the specific remuneration within the band. They must have regard to our recommendations. We believe these should have the merits of being easy to apply, easy to adapt, easy to explain and understand, and easy to administer.

BAND ONE

The posts we envisage falling within band one include:

- Vice chair of a service, regulatory or scrutiny committee
- Chair of sub-committee
- Leader of second or smaller opposition group
- Service spokesperson for first opposition group
- Group secretary (or equivalent) of majority group
- First opposition group whip (in respect of council business)
- Vice chair of council business
- Chairs, vice chairs, area committees and forums or community leaders
- Cabinet assistant
- Leadership of a strategic major topic
- Acting as a member of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods
- Acting as a member of an adoption panel where membership requires attendance with exceptional frequency or for exceptionally long periods
- Leadership of a specific major project.

Remuneration

We propose that band one special responsibility allowances should be on a sliding scale of between 20 – 30 per cent of the remuneration package for a council leader.

This would be made up as follows:

Basic allowance: £11,045

Band One allowance: £2,582 to £9,397

Total: £13,627 to £20,442

BAND TWO

The types of office we contemplate being within band two are:

- Lead member in scrutiny arrangements, such as chair of a scrutiny panel
- Representative on key outside body
- Chair of major regulatory committee e.g. planning
- Chair of council business (civic mayor)
- Leader of principal opposition group
- Majority party chief whip (in respect of council business).

Remuneration:

We propose that band two allowances should be on a sliding scale between 40 – 60 per cent, pro rata of the remuneration package for a council leader.

This is made up as follows:

Basic allowance £11,045

Band two allowances: £16,207 to £29,797

Total: £27,252 to £40,842

BAND THREE

We see this band as appropriate to the following posts:

- Cabinet member
- Chair of the Health and Wellbeing Board
- Chair of the main overview or scrutiny committee
- Deputy leader of the council

Remuneration:

We propose that band three allowances should be between 70 – 80 per cent pro rata of the remuneration package for a council leader.

This is made up as follows:

Basic allowance: £11,045

Band three allowance: £36,917 to £43,460

Total: £47,962 to £54,505

BAND FOUR

Leader of cabinet

This is a full-time job, involving a high level of responsibility and includes the exercise of executive responsibilities. It is right that it should be remunerated on a basis which compares with similar positions in the public sector, while still retaining a reflection of the voluntary character of public service.

Remuneration:

We propose that the remuneration package for a council leader under band four of our scheme should be £68,130.

This is made up as follows:

Basic allowance: £11,045

Band four allowance: £57,085.

Total: £68,130

BAND FIVE

Directly elected mayor

A directly elected mayor has a full-time job with a high level of responsibility and exercises executive responsibilities over a fixed electoral cycle. It is right that it should be remunerated on a basis which compares with similar positions in the public sector, while still retaining a reflection of the voluntary character of public service. However we believe this post remains different to that of the strong leader with cabinet model. The directly elected mayor is directly elected by the electorate as a whole. The strong leader holds office at the pleasure of the council and can be removed by the council. We believe that the distinction is paramount and this should be reflected in the salary level.

Remuneration:

We propose that a directly elected mayor should receive a remuneration package of 25 per cent higher than that recommended for a council leader and that it should be a salary set at **£85,162**.

Appendix B

On behalf of the community – a job profile for councillors

Purposes:

1. To participate constructively in the good governance of the area.
2. To contribute actively to the formation and scrutiny of the authority's policies, budget, strategies and service delivery.
3. To represent effectively the interests of the ward for which the councillor was elected, and deal with constituents' enquiries and representations.
4. To champion the causes which best relate to the interests and sustainability of the community and campaign for the improvement of the quality of life of the community in terms of equity, economy and environment.
5. To represent the council on an outside body, such as a charitable trust or neighbourhood association.

Key Tasks:

1. To fulfil the statutory and local determined requirements of an elected member of a local authority and the authority itself, including compliance with all relevant codes of conduct, and participation in those decisions and activities reserved to the full council (for example, setting budgets, overall priorities, strategy).
2. To participate effectively as a member of any committee or panel to which the councillor is appointed, including related responsibilities for the services falling within the committee's (or panel's) terms of reference, human resource issues, staff appointments, fees and charges, and liaison with other public bodies to promote better understanding and partnership working.
3. To participate in the activities of an outside body to which the councillor is appointed, providing two-way communication between the organisations. Also, for the same purpose, to develop and maintain a working knowledge of the authority's policies and practices in relation to that body and of the community's needs and aspirations in respect of that body's role and functions.
4. To participate in the scrutiny or performance review of the services of the authority, including where the authority so decides, the scrutiny of policies and budget, and their effectiveness in achieving the strategic objectives of the authority.
5. To participate, as appointed, in the area and in service-based consultative processes with the community and with other organisations.
6. To represent the authority to the community, and the community to the authority, through the various forums available.
7. To develop and maintain a working knowledge of the authority's services, management arrangements, powers/duties, and constraints, and to develop good working relationships with relevant officers of the authority.
8. To develop and maintain a working knowledge of the organisations, services, activities and other factors which impact upon the community's well-being and identity.
9. To contribute constructively to open government and democratic renewal through active encouragement of the community to participate generally in the government of the area.
10. To participate in the activities of any political group of which the councillor is a member.
11. To undertake necessary training and development programmes as agreed by the authority.
12. To be accountable for his/her actions and to report regularly on them in accessible and transparent ways.

Appendix C

The independent panel members

Sir Rodney Brooke CBE DL had a long career in local government, including as chief executive of West Yorkshire County Council, Westminster City Council and the Association of Metropolitan Authorities. He was knighted in 2007 for his contribution to public service.

Steve Bundred was chairman of Monitor, chief executive of the Audit Commission and chief executive of the London Borough of Camden.

Anne Watts CBE has an extensive career in equality and diversity and governance that spans the private, voluntary and public sectors with organisations including the Open University, the University of Surrey, the Commission for Equality and Human Rights and Business in the Community. She chaired the Appointments Commission.

