

## NOTICE OF MEETING

# STANDARDS COMMITTEE

**Tuesday, 25th January, 2022, 7.00 pm - 40 Cumberland Road, Wood Green N22 7SG (watch the live [Here](#) or watch the recording [here](#))**

**Members:** Councillors Felicia Opoku (Chair), Barbara Blake, Vincent Carroll, Julia Ogiehor and Peter Mitchell

**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. 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', 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**

To receive any apologies for absence.

### 3. **URGENT BUSINESS**

The Chair will consider the admission of any late items of Urgent Business. (Late items will be considered under the agenda item where they appear. New items will be dealt with under items 10 & 14 below).

### 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 (PAGES 1 - 4)**

To confirm and sign the minutes of the Standards Committee meeting held on 5 October 2021.

**6. ANTI-FRAUD AND CORRUPTION STRATEGY (INCLUDING BRIBERY) (PAGES 5 - 30)**

**7. MEMBERS ALLOWANCE SCHEME 2022/23 (PAGES 31 - 60)**

**8. RECENT DEVELOPMENTS ON ETHICAL STANDARDS.**

Report to follow.

**9. COMMITTEE WORK PROGRAMME (PAGES 61 - 62)**

This paper seeks to identify topics that will come to the attention of the Standards Committee and seeks members' input.

**10. NEW ITEMS OF URGENT BUSINESS**

As per item 3

**11. DATES OF FUTURE MEETINGS**

To note the dates of future meetings:

28<sup>th</sup> February 2022

**12. EXCLUSION OF THE PRESS AND PUBLIC**

Items 12-13 are likely to be subject to a motion to exclude the press and public from the meeting as they contain exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 1 & 2; namely, information relating to any individual and information likely to reveal the identity of an individual.

**13. APPOINTMENT OF INDEPENDENT PERSON - STANDARDS COMMITTEE FROM 30 JUNE 2022 - 29 JUNE 2023 (PAGES 63 - 66)**

**14. NEW ITEMS OF EXEMPT URGENT BUSINESS**

Fiona Rae, Acting Committees Manager  
Tel – 020 8489 3541  
Fax – 020 8881 5218  
Email: [Fiona.Rae@haringey.gov.uk](mailto:Fiona.Rae@haringey.gov.uk)

Fiona Alderman  
Head of Legal & Governance (Monitoring Officer)  
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Monday, 17 January 2022

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**MINUTES OF MEETING Standards Committee HELD ON  
Tuesday, 5th October, 2021, 7pm.**

**PRESENT:**

**Councillors: Felicia Opoku (Chair), Barbara Blake, Vincent Carroll and Erdal Dogan**

**ALSO ATTENDING: Fiona Alderman – Head of Legal and Governance and Ayshe Simsek Democratic Services and Scrutiny Manager**

**18. FILMING AT MEETINGS**

The Chair referred to the notice of filming at meetings as set out at Item 1 and members noted this information.

**19. APOLOGIES FOR ABSENCE**

There were apologies for absence from Cllr Ogiehor.

**20. URGENT BUSINESS**

There were no new items of urgent business.

**21. DECLARATIONS OF INTEREST**

There were no declarations of interest put forward.

**22. MINUTES**

**RESOLVED**

To approve the public minutes of the Standards Committee meeting held on the 29<sup>th</sup> of June 2021 and the public minutes of the Standards Sub Assessment Committee held on the 26<sup>th</sup> of July 2021.

**23. BRIEFING PAPER ON DECLARATIONS OF INTEREST AND PERSONAL SAFETY FOR COUNCILLORS**

The Committee considered the attached report responding to a request from the Chair and Committee members to explore consideration of the requirement to divulge a Councillor's home address on the Councillor Register of Interest form published on the Council's website. There was a longstanding Committee concern about Councillors personal safety from having this information on the website.

The Democratic Services and Scrutiny Manager advised that the report provided the background to how the code of conduct was developed. It further set out the reasons for Councillors requiring to declare their home address details on their Register of Interest. The report further detailed the provision in Section 32 of the Localism Act 2011 on sensitive interests. This provision allowed Councillors to apply to the Monitoring Officer to have their home address details withheld, if this could lead to them being subject to violence or harassment.

The Democratic Services Manager explained that there had been a sympathetic stance from Monitoring Officers, over the last couple of years, when considering applications for the home address to be withheld as a sensitive interest. There had been a number of requests put forward that had been granted.

The Committee noted that since consideration of a previous report on this matter, 18 months ago, there had not been any changes to the legislation and the requirement for Councillors to declare their home address on their Register of Interest when taking office remained. There had been a recent change to elections legislation; now not requiring prospective Councillor candidates to include their home address on the ballot paper for elections but this had not been taken forward in respect of Councillor Home addresses on Register of Interest forms.

There was LGA guidance, recently issued in June 2021, providing advice on handling intimidation and keeping safe for Councillors and MP's. This was attached and provided some good practical advice.

The Chair felt that it would be useful to look at what other London boroughs had done in relation to Councillor safety and whether there was a blanket agreement to have addresses withheld from Councillor Register of Interests. However, the Committee discussed the need to treat concerns individually and the Monitoring Officer's sympathetic stance was recognised and welcomed. This could have been set out more explicitly in the report. A member of the Committee expressed that they had experienced this sympathetic stance and had provided the necessary information in their application to the Monitoring Officer and had not been required to meet a high threshold evidence base for proving they met the criteria of the sensitive interest.

The Monitoring Officer explained that it would be difficult to explain a blanket approach of not including Councillor addresses as there would be Councillors that did want their addresses included for the reasons of openness and transparency. Dealing with requests on individual case-by-case basis was the recommended way forward.

A further member concurred with this, and commented on how residents liked the concept of their Councillor being local and being in contact with them. It was sensible for Councillors to have their own safety measures in place such as making sure that if going on a visit, there was awareness of this by a colleague/ family member and understanding provided of how long the visit was expected to take.

Agreed that there was not a need to have report back on this matter, outlining the boroughs that withheld the addresses of all their Councillors. A Committee Member

offered to email the two Councils that he was aware of that withheld their Councillor's home addresses to the Democratic Services and Scrutiny Manager.

**RESOLVED**

To note the report.

**24. BRIEFING PAPER ON RECENT DEVELOPMENTS ON ETHICAL STANDARDS FOR ELECTED OFFICIALS**

The Committee considered a report highlighting recent developments in the ethical standards of elected officials that might be of interest to members of the Standards Committee in its role of promoting and maintaining high standard of conduct. There were also some case studies shared of complaint outcomes that was useful for the Committee's wider knowledge. This information could be considered by the Committee on a periodical basis if felt helpful.

The Committee agreed that the information had been useful and interesting to note. A member commented on the cases where there had been a fine line between the outcomes possible and the importance of getting advice and talking through any potential interests that could affect your decision making as a Councillor at an early stage.

**RESOLVED**

1. To note the report.
2. To continue to receive this report on a periodical basis.

**25. COMMITTEE WORK PROGRAMME**

Noted that a report on the Independent Persons appointment would need to be considered at the January meeting. This was currently a 2 year appointment and there was a need to consider a report with some options on the next steps.

There would be an early report on Member's Allowances for 2022/23 year, including any new guidance from London Councils, if published by this date.

Noted that the meeting on the 28<sup>th</sup> of Feb was earlier than usual due to the pre – election period and meetings stopping on the 18<sup>th</sup> of March. This included items on Member Allowances, appointment of Independent Persons, annual report on complaints and any required constitutional changes.

The Chair commented on having a report on suggested updates to the Member Code of Conduct, and considering what may need to be added . This could include recent updates to the social media policy and this could include the Committee providing advice on what key information to include in training for new cohort of Councillors.

**26. NEW ITEMS OF URGENT BUSINESS**

None

**27. EXCLUSION OF THE PRESS AND PUBLIC**

It was noted that items 11-12 contained exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 1 & 2; namely information relating to any individual and information likely to reveal the identity of an individual.

**RESOLVED**

That the press and public be excluded from the meeting for consideration of items 15-17 as they contained exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 1 & 2; namely information relating to any individual and information likely to reveal the identity of an individual.

**28. EXEMPT MINUTES**

**RESOLVED**

1. To approve the exempt minutes of the Standards Committee meeting held on the 29<sup>th</sup> June 2021.
2. To approve the exempt minutes of the Standards Sub Assessment Committee on the 26<sup>th</sup> of July 2021.

**29. NEW ITEMS OF EXEMPT URGENT BUSINESS**

None

CHAIR: Councillor Felicia Opoku

Signed by Chair .....

Date .....



**Report for:** Standards Committee – 25<sup>th</sup> January 2022

**Item number:**

**Title:** Anti-Fraud and Corruption Strategy (including Bribery)

**Report authorised by :** Director of Finance, Jon Warlow

**Lead Officer:** Minesh Jani, Head of Audit and Risk Management  
Tel: 020 8489 5973  
Email: [minesh.jani@haringey.gov.uk](mailto:minesh.jani@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Information

**1. Describe the issue under consideration**

- 1.1 The Corporate Committee is responsible for Anti-fraud and Corruption arrangements as part of its Terms of Reference under the Council's constitution. The Anti-Fraud and Corruption Strategy and the accompanying documents are under review and are scheduled to be presented to the Corporate Committee in July 2022.
- 1.2 This paper was requested by the Standards Committee to refresh the Committee's awareness of Council's arrangement for dealing with fraud and corruption.

**2. Cabinet Member Introduction**

- 2.1 Not applicable.

**3. Recommendations**

- 3.1 That the Standards Committee notes the Corporate Anti-fraud and Corruption Strategy together with the appended Fraud Response Plan, Whistle-blowing Policy, Sanctions Policy, Anti-money Laundering Policy and the Anti-bribery Policy.

**4. Reasons for decision**

- 4.1 The Corporate Committee is responsible for approving the Council's Anti Fraud and Corruption Strategy under its Terms of Reference and last endorsed the current policy in December 2020. The Standard Committee is asked to note this report.

**5. Alternative options considered**

- 5.1 Not applicable.

**6. Background information**

- 6.1 Haringey Council seeks to maintain high standards of probity and has put in place arrangements for protecting the public purse. Sound systems to demonstrate public accountability are also vital for effective management of services and in maintaining public confidence; the minimisation of losses from fraud and corruption is essential for ensuring resources are used for their intended purpose.
- 6.2 The Council's Anti-fraud and Corruption Strategy gives guidance to relevant individuals, employees, Councillors, members of the public and organisations working in partnership with the Council, on the Council's stance on Fraud and Corruption and the steps people should take if they suspect fraud and corruption. The strategy also sets out how the Council will deal with any allegations.
- 6.3 The strategy states the Council has a zero tolerance to fraud and corruption and the Council will use the full range of sanctions to act against individuals or organisations found to be committing fraud against the Council.
- 6.4 The Council's Anti-fraud and Corruption Strategy and the related appendices are published on the Haringey website and intranet site. In addition, all policies are published separately to enable anyone searching for the individual policy to locate these easily. The website pages also provide details of how to report suspected cases of fraud and corruption.
- 6.5 The Head of Legal and Governance and Head of Audit and Risk Management are the responsible officers for maintaining the Anti-fraud and Corruption Policy, together with all related policies: Whistleblowing, Sanctions, Anti-Money Laundering and Anti-bribery. The Head of Legal and Corporate Governance and Head of Audit and Risk Management review all anti-fraud and corruption policies to ensure they reflect current legislation and recommended best practice.

**7. Contribution to strategic outcomes**

- 7.1 The Council has an important role to demonstrate stewardship of the public purse. The management of fraud risks is an important part of the Council's work to enable the Council to utilise its resources to achieve its corporate aims.

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

8.1 Finance and Procurement

There are no direct financial implications arising from this report. The strategies will be implemented within existing agreed budgets.

8.2 Legal

The Head of Legal and Governance has been consulted in the preparation of this report, and in noting that the policies, plan and strategy follow legislative requirements / industry guidance and best practice, has no comments.

## 8.3 Equality

There are no direct equality implications for the Council's existing policies, priorities and strategies as a result of this report. However, ensuring that the Council has effective anti-fraud and corruption arrangements in place and taking appropriate action to improve these where required will assist the Council to use its available resources more effectively.

## 9. **Use of Appendices**

Appendix 1 – Fraud Response Plan

Appendix 2 – Whistleblowing Policy

Appendix 3 – Sanctions Policy

Appendix 4 – Anti Money Laundering Policy

Appendix 5 – Anti Bribery Policy

## 10. **Local Government (Access to Information) Act 1985**

Not applicable.

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## Fraud Response Plan

### 1. Why we have a Fraud Response Plan

- 1.1 Reports in the media suggest fraud is on the increase although fraud is not usually an everyday occurrence and most people are surprised to discover a potential fraud issue. Knowing what to do and taking the right steps when the fraud is discovered allows us to make sure the investigation is carried out properly.
- 1.2 Having a structured response plan helps everyone to handle any fraud issues in the same way and avoid potential problems like: inadvertently tipping off the suspect, enabling them to destroy incriminating evidence; failing to keep the matter confidential; and taking inappropriate action caused by having insufficient information.
- 1.3 A Fraud Response Plan ensures that incidents are handled in a systematic and efficient manner, not only to conclude a successful investigation, but also to show that the organisation acted in an effective and lawful manner; and that it does not tolerate fraud.

### 2. What you should do if you suspect fraud or corruption

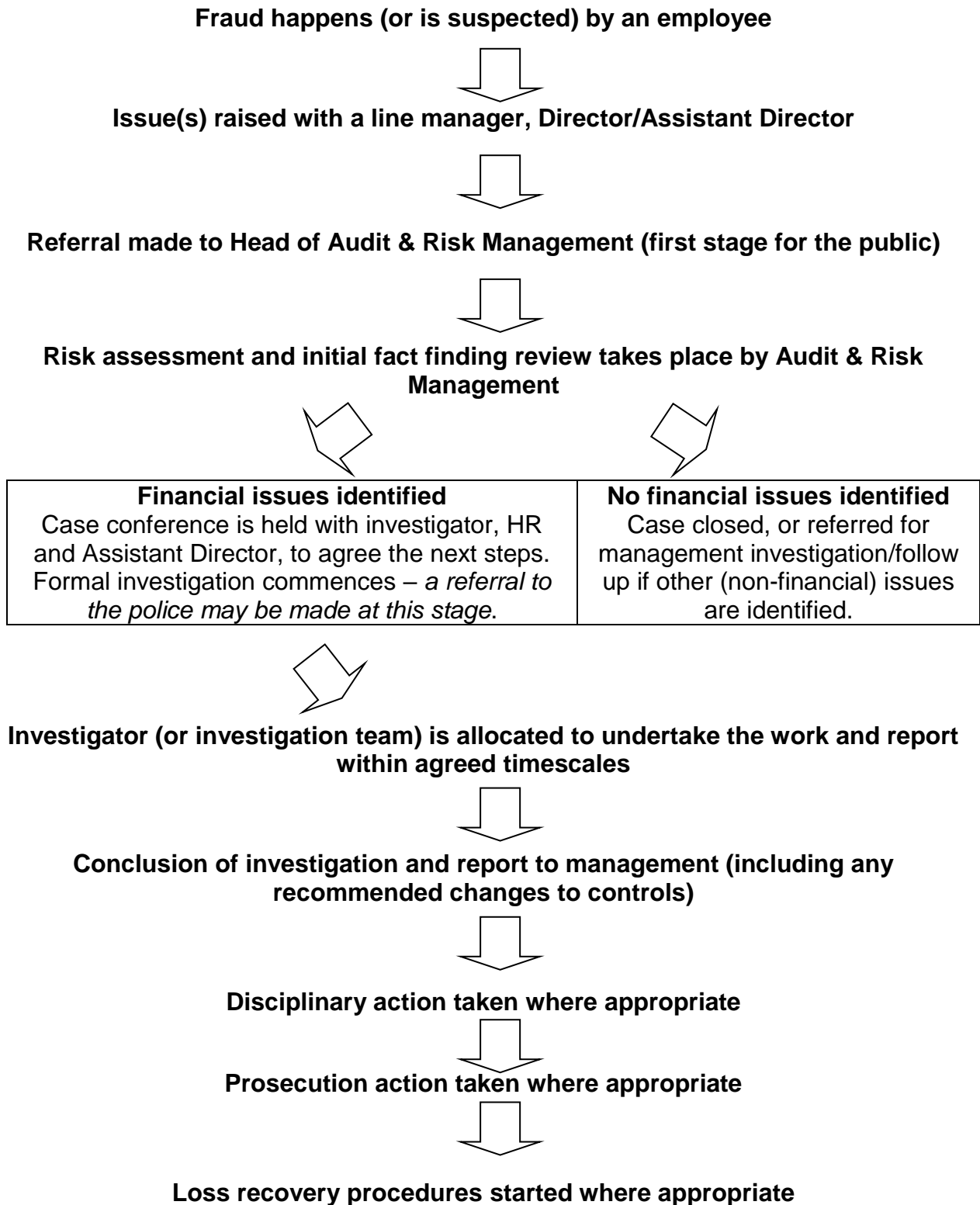
- 2.1 Our employees and councillors are often the first to realise when things may be going wrong, or fraud and corruption may be taking place. However, they may think that they would not be supported if they raised their concerns, or they may even be afraid of being harassed or bullied. In these circumstances, an individual may feel it would be easier to ignore their concerns, rather than report it. We want to tell you that this is not the case.
- 2.2 Our 'Whistleblowing' Policy is in place to encourage and enable individuals to raise legitimate concerns, rather than overlooking a problem. The policy applies to all Haringey employees, staff of Council contractors, agency staff and trainees.
- 2.3 If you suspect fraud or corruption, you should raise your concern with your line manager. Failing that, you should approach your Head of Service, or Assistant Director. If you cannot raise your concern within your own service area, you should approach the Head of Audit & Risk Management.
- 2.4 We want to encourage any member of the public, or a partner organisation, who suspects fraud and corruption to contact the Council's Head of Audit and Risk Management in the first instance.
- 2.5 **Remember:** tell some-one, don't keep it to yourself; make a note of anything which made you think a fraud was happening; keep things confidential initially; do not confront the suspect(s); only take away any evidence if there is any risk that it will be destroyed or thrown away. **Leave the investigation to Audit & Risk Management.**



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**3. Investigations into allegations of fraud or corruption**

Although we cannot say how each individual case is dealt with, the following process is outlined as a general guide.



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## **Whistleblowing Policy**

### **1. What is 'Whistleblowing'?**

- 1.1 Whistleblowing encourages and enables employees to raise any serious concerns they may have, rather than overlooking a problem. Serious concerns include: criminal activity; not complying with legal requirements; miscarriages of justice; putting an individual's health or safety at risk including residents, clients and members of the public; and damage to the environment.
- 1.2 Employees are often the first to realise that there is something wrong within the Council. However, they may be reluctant to say anything or raise their concerns as they feel that speaking up would be disloyal to their colleagues or to the Council; or they may feel that they would be victimised for doing so.
- 1.3 The Public Interest Disclosure Act 1998 (PIDA) offers all employees legal protection against any detriment, or unfair dismissal, as the result of speaking out about crime, fraud, miscarriages of justice, dangers to health and safety, breaches of civil service code or risks to the environment.

### **2. Our Commitment**

- 2.1 We are committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees, and others that we deal with, who have serious concerns about any aspect of our work to come forward and tell us about those concerns.
- 2.2 If any employee raises their concerns in the public interest (not for personal gain) and they reasonably believe that the information they are giving is true and in good faith, our Whistleblowing policy aims to ensure that they receive support; and their concerns are properly investigated and addressed.
- 2.3 We will publicise this policy across the Council on a regular basis, so all our staff are aware of the support available and what is required of them.

### **3. Who does the Policy apply to?**

- 3.1 The policy applies to all our employees. This includes temporary and agency staff, 'as and when' employees, authorised volunteers or work experience staff. It also applies to contractors working for us on our premises e.g. agency staff, builders, and drivers. It also covers suppliers and those providing services under a contract with us in their own premises, for example, care homes and children's centres. The policy also covers our Members.
- 3.2 This policy has been shared with the relevant trade unions and professional organisations and has their support.

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#### **4. Our aims**

- To encourage everyone to feel confident in raising concerns; and to act upon their concerns about potential wrongdoing;
- To provide ways for all staff to raise concerns in confidence and receive appropriate feedback on any action taken;
- To ensure that staff receive a response to their concerns; and that staff are aware of how to pursue them if they are not satisfied; and
- To reassure everyone they will be protected from possible reprisals, or victimisation, if they have a reasonable belief that they have made a disclosure, which is in the public interest.

#### **5. How to raise a concern**

- 5.1 As a first step, any concerns should normally be raised with your immediate supervisor/manager. However, if the concern is serious, relates to a sensitive matter, or your line manager may be involved, you should approach a senior manager, or Assistant Director/Director within your service area.
- 5.2 Our Financial Regulations state that the Head of Audit and Risk Management should be told of any concerns that relate to financial or accounting irregularities or suspected irregularities. This policy allows the opportunity to raise your concerns about any financial matters directly to the Head of Audit and Risk Management.
- 5.3 If your concern is not about financial issues, you may also raise it with the Assistant Director for Human Resources; or the Assistant Director of Corporate Governance (the Council's Monitoring Officer).
- 5.4 PIDA encourages staff to approach their employer in the first instance: this way you are legally protected; and any subsequent disclosure of the same information you make externally will be protected. However, the government advises that if you felt that your employer would cover your concerns up, or would treat you unfairly, or they have not resolved the issue when they have been told about it previously; you can make a referral to a 'prescribed person' and some examples of these are listed at the end of this policy.
- 5.5 Alternatively, you could ask your Trade Union to raise the matter on your behalf; or seek advice from your professional organisation, if you are a member of one.
- 5.6 Other procedures are available, for example the Grievance procedure which relates to complaints about your own employment. This policy also does not replace other corporate complaints procedures, which are for public use.

#### **6. How we will respond to concerns raised under this policy**

- 6.1 We will aim to review your concerns and complete any investigations required as quickly as possible. It is not possible to say how every concern will be treated but as a general guide, within ten working days of the concern being raised, we will:
- Assess the complaint and identify the most effective process to use to investigate the allegations raised;



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- Notify the Head of Audit and Risk Management that a concern has been raised to ensure it is recorded properly in accordance with this policy;
- Write to the person raising the concern (as long as the concern has not been raised anonymously) to acknowledge their complaint and indicate how the matter raised will be dealt with;
- Indicate a likely timescale to complete the investigation; and
- Provide individuals with information on staff support mechanisms that are available.

**7. Confidentiality – Protection for Whistleblowers**

7.1 We want to protect anyone who raises a concern; including keeping their identity confidential if this is what the employee wants. All concerns will be treated in confidence and we will make every effort not to reveal people's identity, but please consider that we may need to provide a witness statement if the matter is subject to a disciplinary process, or referred to the police.

7.2 This policy encourages you to put your name to your concern whenever possible. Please note that:

- Staff must believe the disclosure of information is in the public interest;
- Staff must believe it to be true;
- Staff must **not** act maliciously; or knowingly make false allegations; and
- Staff must **not** seek any personal gain.

**8. Safeguards and Victimisation**

8.1 We recognise that the decision to report a concern can be a difficult one to make. If what you are saying is true, or you believe it to be true, you should have nothing to fear as you will be acting in the best interests of the Council and everyone we provide a service to.

8.2 We will not tolerate any harassment or victimisation (including informal pressures); and we will take appropriate action, including disciplinary procedures, to protect you when you raise a concern which is in the public interest.

8.3 If you make an allegation, which you think is genuine but is not proven, no action will be taken against you. However, where there is clear evidence that you have made a malicious allegation then action may be taken against you under the Disciplinary procedure.

8.4 We want to encourage our staff to put their name to their concerns so we can investigate them properly. However, some people may wish to remain anonymous. In these circumstances, we will still consider concerns raised, taking into account the seriousness of the issues raised and the credibility of the concern, but our ability to take the matter further may be restricted if anonymity needs to be maintained.

**9. Monitoring**

9.1 The Assistant Director of Corporate Governance (the Council's Monitoring Officer), is responsible for the maintenance and operation of this policy. The Head of Audit and



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Risk Management will maintain a record of concerns raised and the outcomes (but in a form which does not breach your confidentiality) and will report as necessary to the Council.

- 9.2 The Assistant Director of Corporate Governance and Head of Audit and Risk Management will liaise with the Assistant Director of Human Resources when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

### **WHISTLEBLOWING - GUIDANCE NOTES FOR MANAGERS**

When staff suspect or discover something is wrong, they are encouraged to report this to their manager. This gives managers the chance to correct any potential or actual malpractice before the issue escalates. Please note that if there are allegations of potential fraud, or financial irregularity, then these must be reported to the Head of Audit and Risk Management in line with the Council's Financial Regulations.

Victimising or deterring staff from raising legitimate concerns is a serious disciplinary offence. Whistleblowers are also afforded protection under the Public Interest Disclosure Act. Therefore, managers must ensure that anyone who makes a complaint have confidence that it is going to be properly investigated and addressed; and they will suffer no detriment as a result of speaking out.

Managers must respect the confidentiality of any staff raising concerns if they (the staff) want this. However, managers should advise staff that during the investigation the source of the information may need to be revealed and the individual may be required to provide a statement, or appear as a witness in any disciplinary or police investigation. You should advise the employee that they will be supported in these processes, if required. You should also advise the employee of any other support processes that are available to them.

In all cases where an employee uses the Council's Whistleblowing policy to raise their concerns, the person receiving the concern must notify the Head of Audit and Risk Management. They are the Council's nominated officer for recording any Whistleblowing referrals and are required to maintain a log, which ensures confidentiality, and provide periodic information on the use of the Whistleblowing policy.



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### **Investigating Referrals**

Managers need to review an employee's concerns raised under the Whistleblowing Policy and complete any investigations required as quickly as possible. As a general guide, within ten working days of the concern being raised, the manager should:

- Formally acknowledge the concern to the employee, or their Trade Union/ professional organisation;
- Undertake an initial review of the concerns (or refer the matter to the Head of Audit and Risk Management where fraud is alleged);
- Appoint an independent and impartial manager to undertake an investigation;
- Agree a timescale to complete the investigation with the investigating manager and advise the employee, or their representative, of the likely timescale;
- Conduct an investigation under the Whistleblowing Policy, following the same process as the Disciplinary Procedures for investigating cases of misconduct/ gross misconduct;
- An investigation may conclude that, potentially, there has been a breach of the Council's Code of Conduct and Disciplinary Rules. In these circumstances, you should invoke the disciplinary process; and
- Subject to any legal constraints, inform the employee, or Trade Union/ professional organisation, of the progress and outcome of any investigation.

### **Examples of Relevant Prescribed Persons**

If you decide to blow the whistle to a 'prescribed person' rather than your employer, the government has produced a [Prescribed Persons List](#).

More information on Whistleblowing can be found on the GOV.UK website: [www.gov.uk/whistleblowing](http://www.gov.uk/whistleblowing)

Examples of prescribed persons include:

***Her Majesty's Chief Inspector of Education, Children's Services and Skills ("the Chief Inspector")*** about matters relating to the regulation and inspection of establishment and agencies for children's social care services.

Ofsted  
Piccadilly Gate  
Store Street  
Manchester M1 2WD  
Tel: 0300 123 3155  
Email: [whistleblowing@ofsted.gov.uk](mailto:whistleblowing@ofsted.gov.uk)



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**Care Quality Commission** about the provision of health care on the NHS or independent health care services.

CQC National Customer Service Centre  
Citygate  
Gallowgate  
Newcastle upon Tyne  
NE1 4PA  
Tel: 03000 616161  
[www.cqc.org.uk](http://www.cqc.org.uk)

**The Health and Safety Executive** about health or safety at work or the health and safety of the public.

Health and Safety Executive  
Rose Court  
2 Southwark Bridge  
London  
SE1 9HS  
Online form: [www.hse.gov.uk/contact/workplace-complaint.htm](http://www.hse.gov.uk/contact/workplace-complaint.htm)  
Tel: 0300 0031647  
[www.hse.gov.uk](http://www.hse.gov.uk)

**The Comptroller and Auditor General** about the proper conduct of public business, value for money, fraud and corruption in relation to the provision of public services.

The Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
London SW1W 9SP  
Tel: 020 7798 7999  
[www.nao.org.uk/contact-us](http://www.nao.org.uk/contact-us)



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## Sanctions Policy

### 1. Policy Statement

- 1.1 We will use the full range of sanctions available to us, including criminal prosecution, civil recovery, internal disciplinary procedures and referral to regulatory bodies in order to deter fraud, bribery and corruption.
- 1.2 Our Legal Services and the Crown Prosecution Service will be used to undertake prosecutions; and we will refer all relevant cases to the appropriate professional bodies and other law enforcement agencies. We will assist external organisations if they decide to bring their own prosecution cases.
- 1.3 Our fraud and corruption strategy states that we will seek the full range of sanctions against anyone found to have committed fraud against the Council: and they will apply to any fraud either against the Council or against money that the Council has responsibility for.

### 2. Deciding what sanction to apply

- 2.1 We have a range of sanctions that we can use, including internal disciplinary procedures and criminal and civil prosecutions; and we have this policy to make sure that we:
- Apply all available sanctions consistently;
  - Apply sanctions efficiently and cost effectively; and
  - Have a transparent and robust decision making process.
- 2.2 In some cases, we may apply more than one sanction e.g. if a member of staff has stolen money from us, we may take internal disciplinary proceedings, refer the matter to the police, and undertake civil recovery procedures.
- 2.3 We may decide to pursue a criminal prosecution in some cases; these will usually be reserved for those cases, which we think, are the most serious. The Council has the power to undertake some prosecutions itself using our Legal Services, but some cases can only be decided on by the Crown Prosecution Service.
- 2.4 All cases which are considered for prosecution will apply firstly the 'Evidential Test'; and secondly the 'Public Interest Test', as set out in the Code for Crown Prosecutors 2020 as follows:  
**Evidential Test** - The investigator will consider the following questions in assessing whether there is sufficient evidence to prosecute the case: Can the evidence be used in court? Is the evidence reliable? Is the evidence credible?



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**Public Interest Test** - If the Evidential Test has been met, the investigator will then consider whether or not a prosecution would be in the public interest. Each case will be assessed on its own merits and a review will include: How serious the offence is; the level of culpability of the suspect; the circumstances of and the harm caused to the victim; if the suspect was under the age of 18 at the time of the offence; the impact on the community; whether prosecution is a proportionate response; and whether sources of information require protecting.

### **3. Types of fraud and the possible sanctions**

#### **3.1 Employees, Councillors, Teachers, School Staff**

If we find that any of our staff or councillors have committed fraud, or been involved in corruption, we will undertake disciplinary action in the first instance. If we identify that the Council has suffered any financial loss, we will always seek to recover this, including through civil and criminal prosecutions. Where staff are members of professional bodies, or have to comply with national codes of conduct (teachers, social care staff etc), we will refer any cases of fraud and corruption to these bodies.

#### **3.2 Benefit Fraud**

The Department for Work and Pensions is responsible for investigating housing benefits fraud, but the Council is still responsible for assessing and paying for some benefits including council tax support, and social fund.

#### **3.3 Housing and Right to Buy Fraud**

In all cases where anyone has fraudulently applied for Right to Buy, housing support, or a tenancy from the Council, we will always seek repossession of the property and recovery of any financial losses. Where we identify that a tenant is sub-letting their property illegally, we will use the Prevention of Social Housing Fraud Act 2013 to prosecute them and recover any money they gained by sub-letting their property. We will also consider using the Fraud Act 2006.

#### **3.4 Other fraud**

There are a number of other areas such as: insurance claims, direct care payments, grants to organisations, exemptions and reliefs from Council Tax or Non-domestic rate payments, and applications for financial and other assistance where theft and fraud may occur. We will always seek to recover any money lost and consider a criminal or civil prosecution. Where an external organisation is involved, we will make a referral to any relevant governing body such as the Law Society, Charities Commission, or the Registrar of Companies.

### **4. Proceeds of Crime Act 2002**

4.1 The Proceeds of Crime Act 2002 (POCA) was put in place to demonstrate that crime does not pay. We will use POCA wherever we can to obtain confiscation



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orders, including compensation orders, as well as recovery of the full overpayment of benefits. We may use accredited Financial Investigators attached to other enforcement agencies, or the police, to assist us.

**5. Monitoring**

5.1 The Assistant Director of Corporate Governance (the Council's Monitoring Officer), is responsible for the maintenance and operation of this policy. The Assistant Director of Corporate Governance and Head of Audit and Risk Management will liaise with the Chief People Officer when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

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## ANTI-MONEY LAUNDERING POLICY

### 1. What is money laundering?

1.1 Money laundering is the term used for several offences involving the proceeds of crime, or terrorism. This includes possessing, or in any way dealing with, or concealing, or converting the proceeds of any crime, as well as funds likely to be used for terrorism and the proceeds of terrorism. Money laundering is used to describe the activities of criminals who convert the proceeds of crime into legitimate activities, with the intention of hiding the true sources of their income.

1.2 In relation to the Council, money laundering would be the attempt to do legitimate business with the Council e.g. buying/leasing property, or paying for goods and services using assets or money derived from the proceeds of crime or terrorism.

1.3 This policy applies to all employees and councillors and sets out the legal requirements relating to money laundering, including how to respond if anyone suspects that money to pay for property, goods, or services comes from criminal, or terrorist activities.

1.4 As money laundering seeks to legitimise cash or property from criminal or terrorist activities, it often involves the following three steps: -

- **Placement** – cash is introduced into the financial system by some means. For example, depositing the cash into bank accounts, exchanging currency or simply changing small notes for larger notes (or vice versa).
- **Layering** – a financial transaction to camouflage the illegal source; transfer between accounts including offshore, offering loans, investments and complex financial transactions.
- **Integration** – acquisition of financial wealth from the transaction of the illicit funds. For example, buying residential or commercial property, businesses and luxury goods.

### 2. Laws covering money laundering

2.1 Legislation has shifted the burden for identifying acts of money laundering from police and government agencies to organisations and their employees. The principal legislation and regulation relating to money laundering are: the Proceeds of Crime Act 2002 (POCA), the Terrorism Act 2000 (TA), and the Money Laundering, Terrorist Financing and Transfer of Funds (information on the Payer) Regulations 2017.

2.2 There are two main types of offences, which may be committed:

- Money laundering offences; and
- Failure to report money-laundering offences.

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2.3 The main types of money laundering offences are:

- **Concealing** – knowing or suspecting a case of money laundering, but concealing or disguising its existence
- **Arranging** – becoming involved in an arrangement to launder money, or assisting in money laundering
- **Acquisition**, use or possession – benefiting from money laundering by acquiring, using or possessing the property concerned.

2.4 Examples include :-

- acquiring, using, or possessing criminal property;
- handling the proceeds of crimes, such as theft, fraud and tax evasion;
- investing the proceeds of crime in other financial products;
- being knowingly involved, in any way, with criminal or terrorist property;
- entering into arrangements to facilitate laundering criminal or terrorist property;
- transferring criminal property;
- failing to report a suspicion that money laundering offences are taking place; and
- 'tipping off' someone who is, or is suspected of being involved in money laundering, in such a way as to reduce the likelihood of being investigated, or prejudicing an investigation.

2.5 The Terrorism Act 2000 made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism.

2.6 Depending on the severity of the suspected offence, the Magistrates' Court can issue fines of up to £5,000, or sentences of up to 6 months in prison (or both), and, in the Crown Court, fines are unlimited, and sentences of up to 14 years may be handed down.

### 3. The obligations of the Council

3.1 The main requirements of the legislation are:

- To appoint a Money Laundering Reporting Officer (MLRO);
- Maintain client identification procedures in certain circumstances;
- Implement a procedure to enable suspicions to be reported; and
- Maintain record keeping procedures.

3.2 The Council's MLRO is the Assistant Director of Corporate Governance. In the absence of the designated MLRO, the Head of Audit and Risk Management should be contacted.

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3.3 The Council has developed formal client identification procedures, which must be followed when Council land or property is being sold. These require individuals (and companies) to provide proof of identity and current address. If satisfactory evidence is not obtained, the transaction must not be progressed and guidance should be sought from the MLRO. All records maintained in respect of suspected money laundering activity must comply with the Data Protection Act.

#### 4. Examples of potential money laundering situations

4.1 It is not possible to provide a definitive list of possible situations involving money laundering; or how to decide whether to report suspicions to the MLRO. However, the following are risk factors, which either may, individually or cumulatively, suggest possible money laundering activity:

- Payment of a substantial sum of money in cash (over £10,000), either in a single transaction, or a number of smaller transactions which total more than £10,000;
- Payment of cash sums where cash is not the usual means of payment;
- A new customer, or use of a new/shell company, with no financial history;
- A customer who refuses to provide requested information without a reasonable explanation;
- Concerns about the honesty, integrity, location, or identity of a customer;
- Unnecessarily complex transactions e.g. routing or receipt of funds from third parties, or through third party accounts;
- Involvement of an unconnected third party without any reasonable explanation;
- Overpayments by a customer, or payments of deposits subsequently requested back;
- Absence of an obvious legitimate source of funds;
- Movement of funds overseas, particularly involving a higher risk country, or tax haven;
- The cancellation, or reversal, of a previous transaction;
- Requests for the release of customer account details, other than in the normal course of business;
- Transactions at substantially above or below current market values;
- Poor business or financial records;
- A similar previous transaction (completed or requested) from the same customer;
- An inability to trace the customer, or organisation;
- Individuals or companies that are insolvent but have funds.

#### 5. Reporting procedure

5.1 If you have any questions or doubts about an individual, company, or transaction that you have been dealing with, then it is important to get advice from the MLRO, or Head of Audit and Risk Management as soon as possible – **do not delay reporting your concerns, as this may make you subject to criminal prosecution.**



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5.2 Your report to the MLRO should include as much details as possible, including:

- Full details of the people involved e.g. name, address, company name, directorships, contact details etc;
- Full details of their (and your) involvement;
- The type(s) of money laundering activity suspected;
- The date(s) of the suspected money laundering activity, including whether the transactions have happened, are ongoing, or are imminent;
- Where they took place;
- How they were undertaken (cash payment, bank transfer etc);
- The (likely) amount of money or assets involved;
- Why, exactly, you are suspicious.

5.3 Your report should also provide the MLRO with copies of any related supporting documentation. If you are acting in a legal capacity and consider that legal professional privilege may apply to the information, you should set this out in the report to the MLRO and why the information is legally privileged. The MLRO will determine whether the information should be exempt from any reports to the National Crime Agency (NCA).

5.4 Once you have reported your concerns to the MLRO, you must not undertake any further enquiries into the matter. The MLRO will refer the matter on to the NCA, if required, in order for them to undertake further investigation. No further action must be taken in relation to the transaction(s) until either the MLRO, or NCA, has given their consent in writing.

5.5 You should not voice any suspicions to the person(s) who you suspect of money laundering; or make any reference on IT systems, or client/hard copy files that you have reported your concerns to the MLRO. If an individual requests access to information, any notes will need to be disclosed, which may tip them off and may make you liable for prosecution.

5.6 A record will be maintained, including details of the customer due diligence, which will be kept for five years after the end of the business relationship; together with a record of the transactions also kept for five years. Guidance on performing the required due diligence checks can be obtained from the Head of Audit and Risk Management.

## **6. Review of disclosures by the MLRO**

6.1 When the MLRO receives a report of suspected money laundering, they will review the information and any other relevant information, including:

- Reviewing any other transactions patterns and volumes;
- The length of any business relationship involved;
- The number of any one-off transactions and any linked one-off transactions;
- Any identification evidence held.



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- 6.2 The MLRO will complete their review, which may include speaking to the person who made the referral, in order to determine whether there is sufficient evidence of actual/suspected money laundering and whether there are reasonable grounds to know (or suspect) that this is the case. The MLRO will then determine whether the NCA needs to be involved and their consent obtained for a transaction to proceed. In these circumstances, the transaction must not proceed until the NCA consent has been formally received (or if no consent has been received from the NCA after 7 working days).
- 6.3 If the MLRO concludes that there are no reasonable grounds to suspect money laundering, they will record their decision on the report and give their consent to proceed with the transaction.
- 6.4 In cases where legal professional privilege may apply, the MLRO will liaise with the Council's s151 Officer to decide whether there is a reasonable reason for not reporting the matter to the NCA.

## 7. Additional requirements for Finance and Legal employees

- 7.1 In addition to the reporting procedure in Section 5 above, employees providing certain finance and legal services must also comply with 'due diligence' requirements:

**Simplified due diligence.** Required when there is low risk of money laundering e.g. new business with a company; when checks on company and director registration details would represent sufficient due diligence.

**Enhanced due diligence.** Required when there is a higher risk of money laundering e.g. remote transactions where the customer is not present to be identified would require additional information and documents to be provided.

If satisfactory evidence cannot be provided, then the transaction cannot proceed.

- 7.2 Customer identification processes must be undertaken when the Council:
- Forms a business partnership with a customer;
  - Undertakes a one-off transaction relating to property or debt of more than £10,000;
  - Undertakes a series of linked transactions involving total payment of more than £10,000;
  - Knows, or suspects, that a transaction or a linked series of transactions involves money laundering.
- 7.3 Customer identification must be completed before any business is undertaken with the individual in relation to accountancy, procurement, audit and legal services with a financial or real estate transaction. In order to complete customer identification the following processes should be undertaken:
- Identify the person who wants to form the business relationship or complete the transaction;
  - Verify their identity using independent sources of information;



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- Identify who benefits from the transaction;
- Monitor transactions to make sure that they are consistent with what is understood about the individual or country;
- Understand the source of their funds;
- Ensure there is a logical reason why they would want to do business with the Council.

**8. Training**

8.1 The MLRO and Head of Audit and Risk Management will ensure that training on the law relating to money laundering and the Council's procedures is provided to all relevant employees on a regular and ongoing basis.

**9. Monitoring**

9.1 The Assistant Director of Corporate Governance (the Council's Monitoring Officer), is responsible for the maintenance and operation of this policy. The Assistant Director of Corporate Governance and Head of Audit and Risk Management will liaise with the Chief People Officer when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

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## **Anti-Bribery Policy**

### **1. Policy Statement**

- 1.1 The Bribery Act 2010 made bribery a criminal offence. The Council and everyone employed by us, including members, temporary and agency staff, consultants and contractors, will not pay bribes or offer improper inducements to anyone for any purpose. We do not accept bribes or improper inducements.
- 1.2 To use a third party to channel bribes to others is also a criminal offence. We do not and will not engage indirectly in, or otherwise encourage, bribery. The Council is committed to the prevention, deterrence and detection of bribery. We have zero tolerance towards bribery.

### **2. What is bribery?**

- 2.1 Bribery is the offering, promising or giving of a financial or other advantages designed to induce an individual to take an improper decision or action. These inducements can take many forms including offering cash, holidays, event tickets, meals. Decisions could relate to recruitment, the award of contracts, planning consents and other awards.
- 2.2 There are four key offences under the 2010 Act:
- bribing another person (section 1);
  - accepting a bribe (section 2);
  - bribing a foreign official (section 6); and
  - failing to prevent bribery (section 7).
- 2.3 Failure by a commercial organisation to prevent bribery is a corporate offence. For the purposes of the Bribery Act 2010, the Council is classed as a 'commercial organisation'. The Act also introduces an offence of bribing a foreign official. Individuals found guilty of an offence may be imprisoned for a maximum term of ten years and face an unlimited fine.

### **3. Scope of the policy**

- 3.1 This policy provides a coherent and consistent framework to enable all our employees to understand and implement arrangements to enable compliance with the Act. In conjunction with related policies and key documents it will also enable employees to identify and effectively report a potential breach.
- 3.2 This policy applies to all of our activities and staff including all permanent, temporary and agency staff, contractors, agents, members (including independent members), volunteers and consultants. For our partners, joint ventures and suppliers, we will encourage the adoption of policies consistent with the principles set out in this policy.

### **4. Our commitment to anti-bribery**

- 4.1 In order to comply with the Bribery Act, we will:





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- Set out a clear anti-bribery policy and keep it up to date;
- Maintain appropriate procedures to prevent bribery;
- Undertake anti-bribery risk assessments where appropriate;
- Make all employees aware of their responsibilities to comply with this policy at all times;
- Maintain appropriate gifts and hospitality procedures;
- Encourage employees to report any suspicions of bribery;
- Investigate instances of alleged bribery and assist the police and other authorities in their investigations; and
- Take a robust line against anyone found to have breached this policy or to have committed or facilitated bribery.

4.2 As part of our commitment to comply with the Bribery Act, it will be considered unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to 'facilitate' or expedite a routine procedure;
- accept payment from a third party that you know, or suspect, is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided in return;
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy; and
- engage in activity in breach of this policy.

## 5. Contracts and failure to prevent bribery

5.1 Under the Public Contracts Regulations, a company is automatically barred from competing for public contracts where it is convicted of a corruption offence. Companies that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. We have the discretion to exclude organisations convicted of this offence and you should get advice from our Procurement team on this issue.

## 6. Raising a concern

6.1 We want everyone who has any concerns to be able to report these effectively. Our Whistleblowing policy sets out how to do this, including making an anonymous referral.





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**7. Monitoring**

- 7.1 The Assistant Director of Corporate Governance (the Council's Monitoring Officer), is responsible for the maintenance and operation of this policy. The Assistant Director of Corporate Governance and Head of Audit and Risk Management will liaise with the Assistant Director of Human Resources when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

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**Report for** Standards Committee 25 January 2022

**Title:** Members Allowances Scheme for 2022-23

**Report**

**Authorised by:** Head of Legal and Governance - Fiona Alderman

**Lead Officer:** Ayshe Simsek - Democratic Services and Scrutiny Manager

**Ward(s) affected** N/A

**Report for Key/**

**Non Key Decision:** Non key decision

**1. Describe the issue under consideration**

- 1.1 Each year before 31<sup>st</sup> March, full Council is required by the Local Authorities (Members Allowances) (England) Regulations 2003 to adopt a Members Allowances Scheme for the following financial year.

**2. Cabinet Member Introduction**

N/A

**3. Recommendations**

- 3.1 To discuss and comment on any changes required to Appendix 1, Members Allowance Scheme, to be taken forward and considered at the 28 February 2022 Standards Committee meeting.

**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' allowance scheme annually.

**6. Background information**

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- 6.1 This report asks Standards Committee to consider the scheme proposed for 2022- 23 and comment on any changes required prior to approval by full Council, in accordance with Article 14.03 of the Council's Constitution.
- 6.2 Before it can adopt a Members Allowances Scheme, the Council has a duty to consider the recommendations of an Independent Remuneration Panel in relation to the payment of Members Allowances.
- 6.3 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 and its most recent report has just been published on the 14<sup>th</sup> of January 2022 and is attached at Appendix 2.
- 6.4 The report recognises the increased profile of councillors as elected representatives and the need to have in place a system of support for Councillors that further recognises the full scale of their responsibilities. The challenges, expectations and demands on Councillors have significantly increased in the last 4 years. The key issues highlighted are:
- Financial decision-making will be more complex due to financial pressures caused by the impact of covid, leading to heightened responsibility for financial decision-making. Budget decisions will have far-reaching implications and councillors will face more pressure on making the right decisions.
  - Making difficult budget choices with increase in demand: for social care, housing
  - Greater public awareness of need for local authority's effective partnership working with police, public health and the voluntary sector on welfare support.
  - Increase in contact between Councillors and constituents through social media and online platform, with expectations of immediate response.
- 6.5 The report highlights the challenges to recruiting and attracting new councillors and the difficulties in London with higher living costs. The report discusses reaching a good balance on the level of allowances. This is aiming to ensure that the Basic Allowance and Special Responsibility Allowances are not acting as an incentive to undertake these roles but equally not becoming a financial disincentive. The key issue highlighted is the lack of access of councillors to the local government pension scheme. This can be particularly financially challenging to councillors who take on leadership and portfolio roles for a long period to the detriment of their own careers. This issue will be explored in the 2022/23 review.
- 6.6 The 2022 IRP report continues to recommend that the Basic Allowance should be updated in line with the Local Government Pay awards and overall recommendation is that the Basic Allowance is up to £12,014. The report does not increase the bandings for special responsibility allowances from the 2018 report. However, there will be more detailed analysis of the demands and work patterns of councillors in the 2022/23 review.

- 6.7 The IRP report highlights consideration of a package of support for councillors including continued member training and development, access to digital support, childcare support, and carer financial support to enable attendance at meetings, councillors with disabilities access to travel support. Overall, travel and subsistence reimbursement with additional focus on ensuring female councillors have access to safe travel to get home after meetings.
- 6.8 The Independent Review Panel makes a commitment to undertake a further detailed review, commencing in the summer of 2022 and a report by the end of 2023 with recommendations on the remuneration of Councillors in London.
- 6.9 Although the IRP 2022 makes recommendations, it is for each individual Council to decide the level of remuneration and for which roles. The 2018 recommendations were also previously considered in the 2019/20 independent review carried out by the Standards Committee.
- 6.10 A reminder that in March 2020, when considering the Members' Allowances Scheme, the Council gave due regard to the recommendations of the report of an Independent Adviser to the Standards Committee who had completed a review of the Member's Allowance scheme. The Adviser put forward proposals for increases to certain SRAs as well as recommending index linking the Basic Allowance to the local government staff pay award with increases taken forward in the proceeding financial year.
- 6.11 In March 2020, and March 2021, it was not felt appropriate to adopt the proposed increases to SRAs in the current economic climate and it was agreed that the SRAs remained at the levels agreed in 2018.
- 6.12 However, one recommendation from the independent review agreed at Council meeting on the 19th of March 2020, was that the Members Basic Allowance percentage increase be index linked to the local government officer pay percentage increase, capped at 2% to be reduced if a lesser percentage is agreed, and to be paid in the 2020/21 municipal year once the staff pay award had been finalised. This was implemented for the 2020/21 year.
- 6.13 The index link was not continued in March 2021 as Members agreed that the 2021/22 scheme be unchanged and to not include any local government pay increases. This was in view of the ongoing pandemic and Council spend on Covid measures.
- 6.14 The Independent Adviser report is attached for information and the IRP report also continues to recommend an annual uplift in line with the local government annual pay increase. Comment is sought on whether Committee members are continuing to recommend that the Allowances scheme continue unchanged for the 2022/23 year. Alternatively, indicate if considering an index link to Basic Member Allowance increases to the local government Officer Pay percentage. Current indications are that local government officers are being offered a 1.75% pay increase (2.75% to those on the lowest pay point). To note that this increase is being contended by trade unions and a higher increase being sought to cover the full cost of inflation. The current Basic Allowance is £11,247

and the 1.75% increase would be £197, meaning the Basic Allowance would be £11,444. This would be paid over 12 months. The attached IRP report continues to support the uplift to Basic Allowance in line with the local government pay award.

**7. Contribution to strategic outcomes**

7.1 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)**

**8.1 Finance**

The cost of the scheme unchanged is within the allocated budget envelope and to increase the Members Basic Allowance by £197.00 per councillor would be £11,229 with on costs and would need to be met within the overall Budget envelope of Democratic and Scrutiny services.

**8.2 Head of Legal and Governance**

The proposed Members' Allowance Scheme complies with the relevant provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003; the Local Government and Housing Act 1989 and the Local Government Act 2000.

In addition, there are separate provisions, namely sections 3 and 5 of the Local Government Act 1972 for the payment of allowances to the Mayor and the Deputy Mayor.

**8.3 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: Members Allowances Scheme 2021/22

Appendix 2: The remuneration of Councillors in London 2022– report of the Independent panel

Appendix 3 – Haringey Review of Member Allowances 2019/20

**10. Local Government (Access to Information) Act 1985**

None



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# Part 6

## Members' Allowances Scheme

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### 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 1 April 2021 to 31 March 2022 ).

### 2. BASIC ALLOWANCE

- 2.01 Each Councillor will be entitled to receive the sum of £11,247 by way of Basic Allowance.
- 2.02 If a Councillor does not serve as such for the whole 12-month period or becomes suspended or partially suspended, 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 also 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.

### 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 £16,965.
  - (b) The Deputy Mayor is entitled to an additional allowance of £4,238.

## 5. SPECIAL RESPONSIBILITY ALLOWANCES

5.01 For the period 1 April 2021 to 31 March 2022, 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 suspended or partially suspended, he/she will only be entitled to receive pro-rata payment for the period(s) during which he/she actually was a serving Councillor and had the special responsibilities .

**Table A**

| Band    | Position  | Special Allowance | Total Allowance (including Basic Allowance) |
|---------|---|-------------------|---|
| Band 4  | •Leader   | £33,926           | £45,173                                     |
| Band 3B | 9 or fewer x Cabinet Members  | £25,443           | £36,690                                     |
| Band 3A | • Chair of Overview and Scrutiny Committee  | £23,134           | £34,381                                     |
| Band 2B | •Chief Whip<br>•Chair of Strategic Planning and Planning Sub Committee<br>•Chair of Alexandra Palace and Park Board<br>•Leader of the Principal Opposition  | £16, 965          | £28,212                                     |
| Band 2A | 4 x Councillors serving on Overview and Scrutiny Committee  | £15, 421          | £26,668                                     |
| Band 1B | •Chair of Combined Pensions Committee and Board<br>•Chair of Staffing and Remuneration Committee<br>•Chair of Standards Committee<br>•Chair of Corporate Committee<br>•Chair of Licensing Committee and Licensing Sub Committee | £8, 482           | £19,729                                     |

|  |  |  |  |
|--|--|--|--|
|  | <ul style="list-style-type: none"> <li>• Leader of the second Opposition Group or Deputy Leader of the Principal Opposition</li> <li>• Chief Whip of the Principal Opposition</li> </ul> |  |  |
|--|--|--|--|

## **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. 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. 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.
- (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 Dependents 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.

## **11 MATERNITY, ADOPTION, SHARED PARENTAL, PATERNITY AND SICKNESS PAY**

- 11.01 Subject to this paragraph 11, all Members shall continue to receive their Basic Allowance in full in the case of maternity, adoption, shared parental, paternity and sickness leave, as long as they remain a Councillor. This includes Members becoming parents through surrogacy arrangements.
- 11.02 Members entitled to a Special Responsibility Allowance shall continue to receive their allowance in full in the case of maternity, adoption, shared parental, paternity and sickness leave for a six month period. Extension of this period of leave will require prior 2 months' written notice to be given to the Political Leader of the respective political group. If the extended leave is agreed by that Political Leader, a report will be compiled to seek executive approval from before the point of the 6 months' leave expiry, for the extension of this leave. The Council (or Leader in case of Cabinet Members) may, depending on the circumstances, appoint a replacement to cover the period of absence who will be entitled to the SRA pro rata for the period of the temporary appointment.
- 11.03 The Democratic and Scrutiny Services Manager will write to the Member to confirm the continuation of allowances and until what date they will continue.
- 11.04 Leave arrangements are unaffected by the number of children born from a single pregnancy or placed as part of a single adoption.

### **Maternity Leave**

- 11.05 A Member is entitled to take up to 52 weeks' maternity leave starting no earlier than the 11th week before the expected week of childbirth, except following a premature birth, and no later than the day following the actual date of birth.
- 11.06 The Member must notify the Democratic Services and Scrutiny Manager of their intention to take maternity leave in writing no later than 4 weeks before the date they wish the period of maternity leave to start and:
- i) Confirm the expected week of childbirth;
  - ii) Provide a copy of the MATB1 (available from a doctor or midwife);
  - iii) Confirm the date on which the Member intends her maternity leave to start.

### **Adoption Leave**

- 11.07 A Member is entitled to take up to 52 weeks of adoption leave starting no earlier than 14 days before the child is expected to be placed and no later than the expected placement date, or if the child is adopted from overseas, no later than 28 days after the date on which the child enters Great Britain,

11.08 The Member must notify the Democratic Services and Scrutiny Manager in the case of a UK adoption of their intention to take adoption leave in writing no more than seven days after the date on which the Member is notified of having been matched with the child for adoption or, where that is not reasonably practicable, as soon as is reasonably practicable thereafter. In the case of an overseas adoption, the Member must notify the Democratic Services and Scrutiny Manager of their intention to take adoption leave in writing, no more than 28 days after s/he received the official notification and:

- i) Confirm the date the child is expected to be placed with him/her for adoption (UK Adoption) or the date on which the Member received an official notification and the date on which the child is expected to enter Great Britain (overseas adoption);
- ii) Provide a copy of the matching certificate/official notification. The matching certificate must be issued by the adoption agency that matched the Member to the child and must contain the name and address of the agency, the date on which the Member was notified that s/he had been matched to the child, and the date on which the agency expects to place the child with the Member.;
- (iii) in the case of an overseas adoption, the date of entry of the child into Great Britain
- iv) Confirm the date which the Member has chosen his/her adoption leave to start.

### **Shared Parental Leave**

11.09 A Member is entitled to Shared Parental Leave if they are :-

- (i) the mother, or expectant mother, of a child, or the father of the child, or at the date of the child's birth the spouse, civil partner or partner of the mother/expectant mother, and at the date of birth the mother and the father/spouse/civil partner/partner share the main caring responsibility for the child; or
- (ii) the adopter of a child, or at the date that the child is placed for adoption the person who is the spouse, civil partner or partner of the adopter, and at the date of the placement of the child for adoption the adopter and the spouse/civil partner/partner share the main caring responsibility for the child. Where two people have been matched jointly, the adopter is whoever has elected to be the child's adopter.

11.10 A Member may share up to 50 weeks' leave if the mother/ adopter curtails their maternity/adoption leave before using their full entitlement of 52 weeks. The number of weeks available as Shared Parental Leave will be reduced by the number of weeks maternity or adoption leave that has already been taken by the mother or adopter.

11.11 Shared Parental Leave can be taken as one continuous block or in multiples of complete weeks, but must end no later than one year after the birth/placement for adoption of the child.

11.12 The Member must notify the Democratic Services and Scrutiny Manager of their intention to take shared parental leave in writing no later than 8 weeks before the date they wish the period of shared parental leave to start, and must in writing provide the following information

(i) in the case of the birth of a child:-

- the names of the mother and of the father/spouse/civil partner/partner,
- the start and end dates of any period of maternity leave to be taken by the Member,
- the total amount of Shared Parental Leave available,
- the expected week of birth
- the date of birth (where the child is not yet born, this information must be provided as soon as reasonably practicable after the birth and, in any event, before the first period of Shared Parental Leave to be taken by the Member)
- how much Shared Parental Leave the mother and the father/spouse/civil partner/partner each intend to take
- an indication as to when the Member intends to take Shared Parental Leave. Including the start and end dates for each period of leave.

(ii) in the case of the adoption of a child:-

- the names of the adopter and of the spouse/civil partner/partner,
- the date that the adopter was notified of having been matched for adoption with the child
- the date that the child is expected to be placed for adoption
- the date of the placement ( where the child has yet to be placed for adoption, this information must be provided as soon as reasonably practicable after the placement and, in any event, before the first period of Shared Parental Leave to be taken by the Member)
- the start and end dates of any period of adoption leave to be taken by the adopter,
- the total amount of Shared Parental Leave available,
- how much Shared Parental Leave the adopter and the spouse/civil partner/partner each intend to take
- an indication as to when the Member intends to take Shared Parental Leave. Including the start and end dates for each period of leave.

### **Paternity Leave**

11.13 A Member is entitled to take up to two weeks' paternity leave to help care for the child, or to support the child's mother/adopter, if they are either: the father of the child (whether or not they are the biological father); the spouse, civil partner or partner of the mother/adopter.

11.14 The Member may take one week or two consecutive weeks of paternity leave, but not single days or less than a week's duration. Paternity leave must be taken within 56 days of the birth or adoption.

- 11.15 The Member must notify the Democratic Services and Scrutiny Manager of their intention to take paternity leave in writing no later than 4 weeks before they wish the period of paternity leave to start (childbirth) or no more than seven days after the date on which the adopter is notified of having been matched with the child or, where that is not reasonably practicable, as soon as is reasonably practicable; and:
- i) Confirm the expected week of childbirth; or the dates on which the adopter was notified that s/he had been matched with the child and on which the child is expected to be placed for adoption with the adopter(UK Adoption); or the dates on which the adopter received official notification and on which the child is expected to enter Great Britain (Overseas Adoption);
  - ii) or matching certificate/official notification;
  - iii) Confirm the length of the absence and the date on which the Member has chosen to begin his/her leave
- 11.16 If the Member wishes to change the start date of a period of leave, they should write to the Democratic Services and Scrutiny Manager no later than 4 weeks before either the original start date 'or' the new start date (whichever is earlier). The Democratic Services and Scrutiny Manager will ensure that HR Services are informed within 2 working days of receipt of the details.
- 11.17 If the Member wishes to change the end date of a period of leave they should write to the Democratic Services and Scrutiny Manager at least 4 weeks before either the original end date or the new end date (whichever is earlier). The Democratic Services and Scrutiny Manager will ensure that HR Services are informed within 2 working days of receipt of the details.
- 11.18 HR Services will provide confirmation that the information on revised dates has been received and that relevant re-instatement or adjustment of any SRA has taken place, with a copy to Democratic Services, within 10 working days.

### **Sickness Leave**

- 11.19 A Member who is sick will continue to receive the basic allowance as long as they remain a Councillor. They will also continue to receive any SRA for a six month period. Extension of this period of leave will require prior 2 months' written notice to be given to the Political Leader of the respective political group. If the extended leave is agreed by that Political Leader, a report will be compiled to seek *executive* approval before the point of the 6 months' leave expiry, for the extension of this leave. This is in accordance with section 85 of the 1972 Local Government Act.
- 11.20 If a Member decides not to return to office following either during or on their expiry of maternity, adoption, shared parental, paternity or sickness leave, the Chief Executive must be notified. HR Services must then be informed within two working days of receiving notification. Allowances will cease from the effective resignation date.



- 11.21 If an election is held during the Member's maternity, adoption, shared parental, paternity or sickness leave and they are not re-elected, or decide not to stand for re-election, their basic allowance and SRA, if appropriate will cease from the Monday after the election date when they would technically leave office.

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# The Remuneration of Councillors in London 2022

Report of the Independent Panel



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## Summary

At the time of writing this report the country is still responding to the shock of the tragic death of Sir David Amess MP. It is a sad reminder of the vital role that all elected representatives play in the life of our country and how your roles are at the heart of our democratic and civic society. It is also a reminder of the risks that are linked to your roles. It is vital that we have a system of support in place that recognises the full scale of the responsibilities of councillors and one that supports residents in both wanting to come forward to undertake these roles and then when they are elected enables them to be effective. Our work as an independent remuneration panel can play a part in that endeavour.

The report below details our position as the output for the 2021 review. In short, we are very conscious about the huge changes that have taken place as a society during the last few years. Our residents, businesses and communities have been dealing with, and continue to deal with, major challenges. The feedback we have received supports our view that this has had a major impact on the demands placed on all councillors and of those councillors charged with special responsibilities. There is now greater than ever demands for time spent on wider partnership working, the situations faced by many residents are ever more challenging and complex, the ease of access afforded by technology has increased expectations for almost constant access and rapid responses. The burden of responsibility for effective government at a local level is extremely significant.

At the same time, many aspects of the current situation are still relatively recent. It remains rather unclear how these recent patterns of demands and increased expectations will play out and settle over time. With this level of uncertainty, we do not believe that at the current time we have the evidence available to recommend any significant changes in the remuneration of councillors.

However, given the wider background, we have concluded that, instead of waiting four years to undertake the next review, it would be preferable to undertake a review commencing in the summer of 2022 with the aim of concluding it in the latter half of 2023. As well as enabling us to re-assess the situation, this timescale would enable us to undertake more detailed consultations and seek wider views as part of the evidence gathering that will be needed.

As well as the substantive recommendations in the report, we therefore recommend that we undertake a further review of the remuneration of councillors during 2022-23.

## Background

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, 2014 and 2018. It now comprises Mike Cooke (Chair), Sir Rodney Brooke CBE DL 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. 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.

Our last report reflected on research that identified 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. These challenges continue and have been exacerbated by the impact of the Covid-19

## **Pandemic and the continuing recovery effort from it.**

In London, each borough 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 difficult 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 coupled with higher levels of homelessness than other parts of the country. Councillors have an increased responsibility for local and place-based health outcomes. Thus, the strain on and competition for resources increase the demands made on elected members.

The feedback we received is that the workload and responsibilities of councillors continues to increase and that their role has become more complex, and not only in the areas of social care and housing. There has been a growth in other public sector activities including community safety with increasing engagement with the Police, increasing expectations for closer working with health services, and in some boroughs more involvement with joint venture partnerships and local authority trading companies. Since the start of the Pandemic, there has been an important and significant role for councillors in local welfare support and greater liaison with the voluntary sector. This all requires the commitment and time of leaders, cabinet members and front-line councillors. The Pandemic has also heightened the significant role of councillors as a point contact for information, advice and reassurance for communities.

While valuable to democracy, the growth in digital connectivity and the availability and use of social media and other forms of messaging applications 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 to deal with concerns as quickly as voters expect. Not only does social media make it easier for their constituents to access councillors, but they also enable an isolated concern to become an organised campaign. The expectations of the public continue to rise.

## **Recruitment of councillors**

We received feedback that it continues to be challenging to recruit candidates generally but also from a diverse background and of a high enough calibre who are prepared to stand for office as councillors. Though financial deterrents were cited amongst a number of reasons for this, a major disincentive is the time commitment required of a councillor. Time pressures (as well as finance) can make it difficult to combine the role with a job and caring responsibilities. As was pointed out in the 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 which are continuing to rise.

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 who have retired or with independent means.

In 2014 the Government removed the possibility of councillors joining the local government pension scheme. Almost half of the responses we received cited the lack of pension provision as a factor that influences people whether to run for council office. 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 for advancement in their particular profession and to contribute to a pension scheme elsewhere. In view of the importance this could have for recruiting a diverse range of councillors in future and to wider issues for local democracy, the Panel intends to look at lobbying opportunities on this issue as part of its further review in 2022-23.

## The current financial climate

Because of the financial climate over the last decade, the local government pay settlement over much of this period has been either frozen or severely limited. Since our last report there have been modest increases from 2% in 2018-19 to 2.75% last year.

Acutely sensitive to the ongoing financial austerity, 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.

Our recommendations have led to some convergence of members' allowances across London. 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.

In reaching our views this year, we have been acutely conscious of the continuing financial challenges to council budgets including the impact from the Covid-19 Pandemic. This adds to the view that now is not the time to contemplate a general increase in councillors' allowances.

## Level of Basic Allowance

In our last report we recommended that there should be a Basic Allowance paid to every councillor of £11,045. Updated for the local government staff pay awards since then (and including an indicative 1.75% award for 2021-22 which is still the subject of negotiation), the figure is now £12,014. Given all the circumstances including 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 looking again at the level of the allowance. The basic allowance is now less than the allowances paid by many similar authorities outside London. In our last report we highlighted that in Wales, for example, the government-appointed commission set the basic allowance at £13,400 for members of local authorities with populations which are generally substantially lower than those of London boroughs. In its most recent report, published in February 2021, this had increased to £14,368.

However, the wider context is one of considerable uncertainty including whether trends in demands will be sustained. If they are so, as seems likely, the consequences of the changing patterns of work remains unclear added to which is the current financial climate. All this suggests to us that now is not the right moment to recommend major changes to the current allowances (beyond the annual updating). Linking the allowances to 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 £12,014 pending the outcome of the 2021-22 award. 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 £76,011 while our recommendation for a borough leader (increases having been restricted to the local government staff pay increases) was for a total remuneration of £68,130, a difference of £7,881. Updated for the local government pay awards (and indicative 2021-22 award), our recommendation for the current total remuneration of a London borough leader would be £74,106. Meanwhile the salary of MPs has increased to £81,932, a difference of £7,826. Moreover, MPs continue to be entitled to a pension as well as to 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 suggested that the comparator was appropriate with some feedback noting 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, a couple of respondent authorities 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 progressed compared to that of leaders could be argued to warrant a review of the Leaders' allowances.

We are also aware of the very significant expectations on leaders and leading members to participate in wider cross borough, pan-London and partnership working, the demands of which (both in terms of time commitments but importantly in terms of responsibility and significance) appear to have increased dramatically over the last 18 months. Our report makes no recommendations in respect of remuneration for these roles at this stage but we propose to return to this issue as part of the further review that is proposed.

However, for the same reasons which prompt us to maintain the current Basic Allowance, (namely a significant uncertainty over the long term implications of the changes we have been witnessing in the last 18 months, combined with the financial challenges faced at this time) 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 (including an indicative uplift of 1.75% for 2021-22 which is still the subject of negotiation), ie £62,092. We recommend the maintenance of its relation to other special responsibility allowances, as set out in the Appendix to this report.

However, we believe that it is important to undertake a more detailed review, along with the Basic Allowances, of the special responsibility allowances having allowed further time for the new patterns of demands and expectations to become even clearer. We envisage beginning this review in the summer of 2022 and concluding the review during the latter half of 2023.

## Training and support

The responsibilities of councillors are substantial, extensive and complex. We have mentioned the increased role that councillors have delivered particularly during the Pandemic. The Pandemic has also resulted in an acceleration of more flexible ways of working including greater use of digital technology. While this has provided a range of benefits including less travelling for work it has required councillors to have the necessary digital skills. Additionally, the move to audio-visual conferencing has resulted in a growth in meetings for many contributing to an overall increase in 'screen time'. Training and development is beyond the direct remit of our Panel but is an important part of ensuring that residents can step forward and become successful and effective elected local representatives. Addressing the financial aspects but not the support aspects would be counter-productive. For this reason, we believe that every borough should have an ongoing programme of member training and development and that members should be provided with the logistical and clerical support and the appropriate IT equipment 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. Care costs can be a significant deterrent to service as a councillor. Our strong view is 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.

One respondent authority stressed that member allowances schemes present an opportunity to better support councillors by providing not just remuneration but wider support packages. Our view is 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

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 all allowances 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.

**Mike Cooke**

**Sir Rodney Brooke CBE DL**

**Anne Watts CBE**

London, 6 January 2022

## Appendix A

### Basic allowance £12,014

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: £12,014**

**Band One allowance: £2,807 to £10,218**

**Total: £14,821 to £22,232**

## 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 £12,014**

**Band two allowances: £17,628 to £32,450**

**Total: £29,642 to £44,464**

### **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: £12,014**

**Band three allowance: £39,860 to £47,271**

**Total: £51,874, to £59,285**

### **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 £74,106.

This is made up as follows:

**Basic allowance: £12,014**

**Band four allowance: £62,092.**

**Total: £74,106**

### **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 £92,633.**

## 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 represent effectively the interests of the ward for which the councillor was elected, and deal with constituents' enquiries and representations including, where required, acting as a liaison between the constituent and the local authority and where appropriate other public service providers.
10. To contribute constructively to open government and democratic renewal through active encouragement of the community to participate generally in the government of the area.
11. To participate in the activities of any political group of which the councillor is a member.
12. To undertake necessary training and development programmes as agreed by the authority.
13. To be accountable for his/her actions and to report regularly on them in accessible and transparent ways.

## Appendix C

### The independent panel members

#### **Mike Cooke**

Mike Cooke was the Chief Executive of the London Borough of Camden for seven years, where he had also been Director of Housing and Adult Social Care and HR Director. He has extensive experience of partnership working across London including as the CELC lead on children and chairing the London Safeguarding Children Board. Mike also has worked for seven years in financial services where he developed an expertise in remuneration.

Until November 2020 Mike had been a Non-Executive Director of the Central and North West London NHS Foundation Trust where he was chair of the HR Committee. Mike's current role is the independent Chair of the North Central London Integrated Health and Care System.

#### **Sir Rodney Brooke CBE, DL**

Sir Rodney Brooke has 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.

#### **Dr Anne Watts CBE**

Anne Watts has an extensive career in governance, diversity and inclusion spanning commercial, public and voluntary sectors. She has held executive roles for HSBC and Business in the Community and was chair of the Appointments Commission. She has carried out reviews of Government departments and the Army. In addition she has been a member of Government Pay review bodies and Deputy Chair, University of Surrey where she chaired Remuneration Committee and the new Vet School.

She is a non-exec of Newable (previously Greater London Enterprise) where she chairs ESG Committee and is a non-exec of Newflex subsidiary. In addition she continues to sit on the Race and Gender Equality Leadership teams for Business in the Community.



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**Report for:** Standards Committee – 25 January 2022

**Title:** Committee Work Programme

**Report authorised by:** Fiona Alderman, Head of Legal and Governance (Monitoring Officer)

**Lead Officer:** Ayshe Simsek, Democratic Services and Scrutiny Manager  
ayshe.simsek@haringey.gov.uk, 020 8489 2929

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Non-Key Decision

**1. Describe the issue under consideration**

- 1.1 Members to note current work programme and put forward any comments on suggested areas of work.

**28<sup>th</sup> February 2022**

- 1. Early report on any potential constitutional changes following a review by Legal and Finance and Procurement**
- 2. Annual update on Member Complaints**
- 3. Final Report on Member's Allowances 2022/23**
- 4. Council Report on Independent Person appointments.**
- 5. Report on LGA Code of Conduct.**
- 6. Update on publication of Councillor homes addresses on the Register of Interests.**

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By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

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