

Report for: Standards Committee 28 January 2019

Title: Update on Members' Allowances Scheme

Report

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Ward(s) affected: N/A

Report for Key/

Non Key Decision: Non-Key

1. Describe the issue under consideration

- 1.1 Following discussions on the Members' Allowances Scheme, this paper seeks Members' comments on the Allowance Scheme for 2019/20 that need to be considered for the next report to committee meeting in March, noting that there is an additional report on the proposals relating to recognising, maternity, paternity and sick pay for councillors.

2. Cabinet Member Introduction

N/A.

3. Recommendations

The Committee is asked:

- 3.1 To receive an update on the activities of the Deputy Cabinet Member role at the March meeting and consider the additional remuneration of these posts at this meeting.
- 3.2 To consider recommending to full Council in March that there is a 1% uplift to allowances in March for 2019/20 scheme.
- 3.3 To agree the deletion of section 3.02 – Telephones and IT, as this information is no longer correct.
- 3.4 To make any further comments on Appendix A which would need to be considered in the March report to the Committee on Member's Allowance Scheme.
- 3.5 To agree a review of the Member Allowance Scheme is completed between May 2019 and March 2020 for implementation in 2020/21, undertaking analysis of roles and responsibilities with reference to neighbouring and comparator boroughs as well as considering the recommendations of the Independent Remuneration Panel.

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.

To ensure that the Special Responsibility Allowances reflects the roles and responsibilities of the banding positions.

The increase in the uplift is proposed to respond to inflationary increases and would be lower than the proposed staff uplift of 2%.

5. Alternative options considered

- 5.1 To not agree a scheme for 2019/20 which would be contrary to the legal duty of the Council.

6. Background information

- 6.1 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 was published in January 2018 and is attached as Appendix 2. Although the IRP makes recommendations, it is for each individual Council to decide the level of remuneration and for which roles. The 2018 recommendations have been considered in the compilation of the Members Allowance Scheme for 2018/19 following a review by the Standards Committee of the scheme undertaken between May 2017 to March 2018. The Standards Committee may wish to consider undertaking a similar review between May 2019 to March 2020, following Council changes in May 2018 and assessing if there has been a change in roles and increase/decrease in responsibilities of the positions receiving an SRA.
- 6.2 In concluding the previous review of Member Allowances, the Committee, at its meeting in March 2018, also noted that the scheme may need to be reconsidered if there were changes after the election.
- 6.5 The Leader of the Council has indicated that it would be his intention to continue with the appointment of 2 Assistant Cabinet Member posts in May 2019.

Appointing Assistant Cabinet Members

6.6 The definition of the Assistant Cabinet Members from the Constitution (Part 3, Section C, section 4 – advises that:

The Council may appoint Assistant Cabinet Members to provide an effective link between the Cabinet and other Councillors and to assist Cabinet Members generally and with specific roles within their portfolio.

The Assistant Cabinet Members:-

- (a) May not take Cabinet decisions
- (b) May have specific areas of focus within the relevant portfolio area
- (c) Will be able to substitute in certain circumstances for the Cabinet Members but not if a decision is to be made as part of the Cabinet arrangements
- (d) Can attend and participate in the absence of the relevant Cabinet Member at meetings of the Cabinet with the permission of the Leader but cannot vote
- (e) Cannot participate in a Scrutiny Panel or Review that is examining an area of policy within the relevant Cabinet Member portfolio responsibilities
- (f) May put questions to Cabinet Members at Council Question time but not in respect of the portfolio to which they have responsibility as an Assistant Cabinet Member
- (g) Assistant Cabinet Members may not take part in Cabinet decision-making in any way.

6.7 Should an SRA be approved for the two Assistant Cabinet Member posts, the number of Members that receive an allowance would increase from 26, to 28. Although the guidance advises that no more than 50% of Members should receive an SRA, the Mayor and Deputy Mayor are excluded from this calculation as they are not provided with an SRA, but rather an allowance to reflect the expenditure incurred in the course of their mayoral duties. This is set out at page 6 of the guidance (under "Allowances for Mayor or Civic Head"). Therefore, if the Committee are minded to recommend the amendment for approval by full Council, this would still be in line with the guidance.

6.8 With regard to funding the additional two roles, the previous Member's Allowance Scheme re-banding exercise, completed by the Committee between March 2017 and March 2018, generated a net saving of £25,193 against expenditure in 2017-18. Full Council further agreed a 1% uplift to allowances in March 2018

7. Contribution to strategic outcomes

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

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

Finance

The uplift will require an increase in the Members Allowances budget of £15,077. The two additional assistant cabinet member posts will also require an additional £18,794 allocation to the Members allowances budget, if the top end of the band 1 salary banding was applied. This would be offset by the net saving of £25,193 which was generated by the members Allowance scheme review in 2017/18.

Legal

Legal implications are contained within the body of this report.

Equality

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

9. Use of Appendices

Appendix 1: Draft Members' Allowances Scheme 2019-20

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

Appendix 3 Information on neighbouring borough SRA schemes.

10. Local Government (Access to Information) Act 1985

N/A