

Report for: Standards Committee 14 October 2019

Title: Update on Review of Member's Allowances 2020/21

Report

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Lead Officer: Ayshe Simsek Acting Democratic Services and Scrutiny Manager

Ward(s) affected: N/A

Report for Key/

Non Key Decision: Non Key

1. Describe the issue under consideration

- 1.1 This Committee has responsibility for considering and recommending changes to the Member's Allowance scheme, to full Council for adoption.
- 1.2 The Committee agreed previously to instigate a review of the Member's Allowance scheme focusing on the functions and responsibilities of Council Committees together with the volume and complexity of their decision making to ascertain whether the SRA's provided to the Leader, Cabinet Members, Committee chairs, Vice -Chairs and Scrutiny Panel Chair's reflects the allocated allowance. It was agreed that the review would be supported by an independent adviser to the Committee and Richard Penn, an LGA associate has agreed to provide independent advice and support to the review.
- 1.3 This report provides an update on the progress of the review with some comparative data to consider and a questionnaire is enclosed which will seek members views on the current member's allowance scheme and the changes to be made. This is compiled in response to the Committee's agreement that written depositions be sought.
- 1.4 The independent advisor, Richard Penn will be attending the meeting to discuss his approach to this review and seeking Committee member's comments.
- 1.5 The review will be operating under the principle that any changes proposed will need to be evidence based.

2. Cabinet Member Introduction

Not applicable

3. Recommendations

3.1. To note the update on progress with the review.

3.2 To approve/comment on the attached questionnaire for distribution to Members on the 15th of October and completion by the 14th of November.

3.3 To comment on the attached comparative data at appendix 3.

4. Reasons for decision

The Council has a legal duty under the Local Authorities (Members Allowances) (England) Regulations 2003 to adopt 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.

The Committee agreed in January 2019 that an independent review of Members Allowances be taken forward

5. Alternative options considered

To not review the scheme which would be contrary to previous resolutions of the Committee.

6. Background information

The Committee agreed the scoping document attached at their meeting in June.

Since this meeting, Richard Penn, an LGA Senior Associate, has been commissioned to provide independent support and advice to the Committee. Richard has completed a number of reviews of Members Allowances in the recent past and also chairs the Independent Remuneration Panel for South Derbyshire Council. In January 2008 he was appointed by the Minister for Local Government as the Chair of the Independent Remuneration Panel for Wales, a post he held until the end of 2015. The Panel was responsible for setting the remuneration arrangements for all 22 unitary councils in Wales, for also the four Fire and Rescue Authorities and the three National Parks in Wales. It was also responsible for setting remuneration for the 750 plus Town and Community Councils in Wales.

Richard has been provided with information on the Council in the form of the boundary commission review submission on council size, and previous Standards and Full Council reports on the members allowance scheme.

Following Richard's advice, Democratic Services have compiled a questionnaire which is proposed for distribution to all Councillors. The purpose of the questionnaire is to obtain the views of Councillors regarding the Council's current Member's Allowance Scheme. These views will particularly be picked up under the section on special responsibility allowances, whereby Councillors would be able to indicate the level of appropriateness of special responsibility allowances for each of the roles under the current scheme; and also under the space at the end of questionnaire for Councillors to give a full response of their views on the current scheme. Moreover, the first two questions would assist in providing a quantifiable understanding of the roles and duties of Councillors to assess the appropriateness of the current remuneration scheme.

In addition to the questionnaire, Democratic Services conducted research on Member's Allowances Schemes at local authorities. Sources of research included the Local Government Association website to analyse demographics, and investigation of local authority websites, in particular, the up-to-date versions of the constitution of each of the local authorities, which contain information on Members' Allowances Schemes and Committees. The local authorities selected for the review had similar demographics to Haringey. An analysis between Conservative local authorities and Liberal Democrat local authorities was undertaken following comments at previous meeting to ensure that there was a wider range of council's compared to. These choices were determined by considering those with the closest demographic aspects to Haringey. Additionally, a mixture of Leader & Cabinet and Committee forms of governance systems was chosen to also create a wider comparison for the review.

Based on the research, Democratic Services compiled a comparative data table on the following local authorities:

- Leader and Cabinet governance model
 - Haringey Council (Labour majority)
 - Enfield Council (Labour majority)
 - Islington Council (Labour majority)
 - Camden Council (Labour majority)
 - Waltham Forest Council (Labour majority)
 - Southwark Council (Labour majority)
 - Westminster Council (Conservative majority)

- Committees governance model
 - Barnet Council (Conservative majority)
 - Richmond upon Thames Council (Liberal Democrat majority)
 - Sutton Council (Liberal Democrat majority)

The key findings of the research are as follows:

- The Chief Whip and Chief Whip of the Opposition at Haringey Council are provided the highest amount of special allowance in comparison to the local authorities selected. The former receiving £16, 965 and the latter receiving £8,482 in special allowance.
- The Regulatory Chairs at Haringey Council receive the highest amount of special allowance (£16,965) in comparison to the local authorities selected. Of the selected Labour majority Councils, only Haringey Council and Waltham Forest Council provides special responsibility allowance to the Regulatory Vice-Chairs. However, Haringey Council provides almost double the amount of special responsibility allowance to the Regulatory Vice-Chairs (£8,482) in comparison to Waltham Forest Council (£4,590).
- From the selected local authorities, Haringey Council's Overview and Scrutiny Chair receives the second highest amount of special responsibility allowance (£23,134). The Overview and Scrutiny Chair at Southwark Council receives the highest amount at £24,547, and Richmond upon Thames Council provides the OSC Chair equivalent (Chair of Policy & Performance Review Board) the lowest amount of special responsibility allowance at £5,100.
- **Leader of the Council**
 - The Leader and Deputy Leader of Southwark Council have the highest amount of special responsibility allowances in comparison to the other local authorities examined as part of the review. The Leader of Southwark Council comes receives a special responsibility allowance of £54,303, and the Deputy Leader of Southwark Council receives a special responsibility allowance of £36,448.
 - Waltham Forest Council provides the second highest amount of special responsibility allowances in comparison to the local authorities examined. The Leader of Waltham Forest Council receives a special responsibility allowance of £51,000, and the Deputy Leader of Waltham Forest Council receives a special responsibility allowance of £32,640.
 - In contrast, Enfield Council provided the lowest amount special responsibility allowances to the Leader (£26,364). However, Enfield Council provides the Deputy Leader a special responsibility allowance of £15,828, whereas Haringey, Islington and Camden Council do not provide special responsibility allowances to the Deputy Leader.

- **Cabinet Members**

- Southwark Council has 9 Cabinet Members (similar amount of Cabinet Members to Haringey Council), and its Cabinet Members receive the highest amount of special responsibility allowance in comparison to the other local authorities examined as part of the review. The Cabinet Members of Southwark Council receive a special responsibility allowance of £36,448.
- In relation to the local authorities reviewed that follow the Leader and Cabinet model, the Cabinet Members of Westminster Council receive the lowest amount of special responsibility allowance, which comes to the amount of £11,000 for each of the 8 Cabinet members (excluding the Deputy Leader, who although has a Cabinet portfolio, has a higher special responsibility allowance of £19,000).

Committee members are asked to provide any further comments on this information.

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)

8.1 Finance and Procurement

8.2 The review is being facilitated through the LGA and there will budget implications. Currently this can be contained within the budget for Democratic Services and Scrutiny following the delayed recruitment of a Committee post holder.

8.3 Legal

8.4 Legal services have reviewed the scoping report and their comments have been included.

8.5 Equality

8.6 These are set out in the scoping document.

9. Use of Appendices

Appendix 1 Project Plan
Appendix 2 Questionnaire
Appendix 3 Comparative data

10. Local Government (Access to Information) Act 1985

10.1 The Council Constitution which can be found at;

<http://www.haringey.gov.uk/local-democracy/about-council/council-constitution>

11. IRP Member's Allowances 2018