

REPORT OF STANDARDS COMMITTEE 3/2019/20

FULL COUNCIL 19 March 2020

Chair: Councillor Opoku

1. INTRODUCTION

Full Council is being asked to revoke the Members Allowances Scheme for 2019/20 as of 31st March 2020; and to approve a new Members Allowances Scheme for the municipal year 2020/21 as set out in the recommendations below and to take effect from 1st April 2020.

- 1.2 Full Council is also being asked to approve the appointment of Lisa Klein as an Independent Person, and Stephen Ross as Secondary Independent Person to the Standards Committee. This is under s28(7) of the Localism Act 2011 for a period of 2 years commencing 1st July 2020 and ending on 30th June 2022; Full Council is further asked to approve the allowance paid per annum to the Independent Person, and Secondary Independent person at £1250.00 and £250.00 respectively.

2. MEMBERS' ALLOWANCES 2020/21

- 2.1 The Standards Committee has the Constitutional responsibility for considering and recommending changes to the Member's Allowance Scheme (the Scheme), to Full Council for adoption.
- 2.2 At our meeting on 25th June 2019, we agreed to instigate a review of the Scheme. The stated focus was to be 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. We agreed that the review would be supported by an independent adviser to the Committee, and Richard Penn - an LGA Senior Associate - agreed to provide independent advice and support to the review.
- 2.3 To provide an evidence base for the review, a questionnaire was compiled and distributed to all councillors to respond to within a 4 week window. This sought comments on the existing scheme, and sought views on the changes that were needed. In addition, Mr Penn met with councillors, including both party group leaders and chief whips over a two day period, to obtain their views and respond to questions about the review. Information was also collated on the work of committee chairs outside of chairing meetings as well as information on the work of Leader and Cabinet Members. Further desktop research was considered by Mr Penn, including information on neighbouring borough schemes and the IRP [Independent Remuneration Panel] recommendations for Member's Allowances published in 2018.

- 2.4 We received Mr Penn's report at the Committee meeting on the 23rd January 2020, and considered the draft findings. We provided comments to him at the meeting relating to the responses to the SRA for the Deputy Leader of the Opposition, and the Regulatory Committee Chair's Allowance. We also requested the addition of information relating to the average cost of Members' Allowance for all London boroughs, per council and per councillor be included.
- 2.5 Our comments were incorporated into a final report considered at the Committee meeting on the 2nd March 2020. We were asked to consider the recommendations attached at appendix 1 which were seeking agreement to the response to the recommendations set out at appendix 3.
- 2.6 In order to make our decision, we referred to the recommendations of the independent review and further took account of the financial information on the cost of revising the Scheme for 2020/21 and for 2021/22. We agreed that the review of the Scheme had been thorough and detailed and commended Mr Penn, for providing a wider insight into the roles and responsibilities of members receiving an SRA. We agreed the report was educational and was a valuable document for the Council to refer to currently, and in the future, when considering the role of members, the decision making structure of the Council and the SRA scheme. However, a majority of the Committee expressed difficulty with recommending increases to SRA's in the current economic environment.
- 2.7 We discussed why some of these financial concerns had not been expressed earlier when the independent review had been commissioned at a cost and the draft findings presented at the January meeting. It had not been possible to foresee what the outcome of the review, at the start of the process, and to provide a financial limit as this may have interfered with the independence and the need to have an evidence based review. Also, from wider discussion with members, there had been some inclination that there would be proposals to decrease SRAs as well as increase them. However, no decreases had been proposed, which would mean all proposed increases would incur extra costs. Mr Penn advised that there had been few calls for a decrease in any SRA in the consultation process.
- 2.8 Reference was made to the Independent Adviser's questionnaire findings at appendix 3 of the independent report which detailed responses to whether each SRA was 'too low', 'fair' or 'too high'. A majority of responses indicated that the allocation was 'fair' rather than 'too low' or 'too high', providing reasons for no change to the scheme.
- 2.9 We further emphasised that this was not a rejection of the report from Mr Penn, but some members felt that it was not appropriate to adopt the proposed increases to certain SRAs in the current

economic climate, following a general election, when there was still the potential for local government to make reductions in spend.

2.10 We acknowledged the merits of the Member remuneration arrangements in Wales for unitary authorities and town and community councils. We also noted that this would be a useful model to consider in London, whilst acknowledging it would be difficult to amalgamate a Member Allowance Scheme across all the London Councils, as all had different structures with different political agendas. However, representations could be made on taking forward such a model.

2.11 In conclusion, we could not all agree to recommend to Full Council the changes set out in appendix 3 of the Scheme, but did agree that a revised scheme be approved in March 2020 to take effect from 1st April 2020 for the municipal year 2020/21 as detailed below.

2.12 However, with regards to recommendation 2 on the independent report attached at appendix 2, that “the Basic Allowance payable in 2020/21 remains at £11,026 per annum, and that this payment is index linked to the local government staff pay award for 2020 when it is finalised later this year”. We considered this increase appropriate. There was some questioning of this position, as the increase would have a similar cost to increasing the SRA’s. The majority of the Committee felt that this was justifiable and should be adopted. Given the uncertainty of the potential percentage increase and timing of this decision, it was agreed that this be capped at 2% and be payable in the 2020/21 municipal year. We thanked the Independent Advisor, Richard Penn, for his work and contribution to the Committee.

3. WE RECOMMEND

That Full Council:

3.1 Revoke the Members Allowance Scheme for 2019/20 as of 31st March 2020;

3.1.1 Approve the new Members’ Allowances Scheme for the municipal year 2020/21 as set out on pages 28 to 36 of the attached report at appendix 2, and subject to the date change, to take effect from 1st April 2020;

3.2 Agree, that the Members Basic Allowance percentage increase is to 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 has been finalised.

4. Appointment of Independent Persons under section 28(7) of the Localism Act 2011 (to support the operation of the Code of Conduct by the Standards Committee) from 1st July 2020 to 30st June 2022

- 4.1 We considered a report recommending the appointment of Lisa Klein as Independent Person and Stephen Ross as Secondary Independent Person under section 28(7) of the Localism Act 2011, to support the operation of the Code of Conduct by the Standards Committee. We noted that Independent Persons appointed to this position may also be appointed to a panel convened to consider a proposal to dismiss a Statutory Chief Officer under the Local Authorities (Standing Orders) (England) Regulations 2015.

WE RECOMMEND

That Full Council:

- 5.1 Approves the appointment of Lisa Klein as Independent Person, and Stephen Ross as secondary Independent Person under s28(7) of the Localism Act 2011 for a period of 2 years commencing 1st July 2020 and ending on 30st June 2022;
- 5.2 Approves the allowance to be paid to the Independent Person, and Secondary Independent person at £1250.00 and £250.00 per annum respectively.