

	<p><b>COUNCIL</b></p> <p><b>1 March 2016</b></p>
<b>Title</b>	<b>Members' Allowance Scheme 2016/17</b>
<b>Report of</b>	Monitoring Officer
<b>Wards</b>	Not Applicable
<b>Status</b>	Public
<b>Enclosures</b>	<p>Appendix A: The Remuneration of Councillors in London –Report of the Independent Panel</p> <p>Appendix B: Proposed Members' Allowances Scheme</p>
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## Summary

The Council is required, if it wishes to pay such allowances, to adopt a Members' Allowances Scheme on an annual basis with effect from 1 April each year.

The proposed Members' Allowances Scheme is based on the current Scheme, which was adopted by Council on 3 March 2015 for the 2015/16.

## Recommendation

1. That Council have regard to the recommendations of the Independent Panel on the Remuneration of Councillors in London as attached as Appendix A.
2. That Council approve the Members' Allowances Scheme attached as Appendix B for 2016/17 with effect from 1 April 2016.

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The Council is required under the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) to agree on an annual basis a schedule of Allowances payable to Members' for the following financial year. Under the regulations, when making or amending a scheme, the Council is required to have regard to the recommendations of an Independent Remuneration Panel (section 19).
- 1.2 The Members Allowance Scheme is comprehensive and includes Basic Allowances, Special Responsibility Allowances (for posts which carry specific responsibilities) and other allowances and expenses that may be claimed.
- 1.3 Council at its meeting on 3 March 2015 approved a revised schedule of Allowances that reflect responsibilities under the new Committee System. The adopted scheme formed part of the formal Members Allowance Scheme which is incorporated within the Council's Constitution. That scheme had regard to the recommendations in the June 2014 report of the London-wide Independent Remuneration Panel convened by London Councils (see Appendix A). That report noted there is now considerable congruity in the basic allowance made by the London Boroughs. It noted however most London Boroughs have not adopted the panel's recommendations in their entirety. It should also be noted that that the London Councils recommendations do not explicitly consider the Committee System which Barnet now operates and as such some of the Bands are not comparable.
- 1.4 The regulations state that before the beginning of each year the authority shall make a scheme for the basic allowances for that year.
- 1.5 The proposed scheme of allowances for 2016/17 does not change the allowance rates from those agreed for 2015/16. This includes recommendations that:
  - 1.5.1 London Councils previously recommended that Member allowances are linked to the annual local government pay settlement which would ensure that councillors can receive annual increases which are in line with those received by staff. To date, Barnet has not agreed that the scheme should be tied to the annual government pay settlement.
  - 1.5.2 If members take on extra work and responsibilities through undertaking external appointments, then they should be entitled to retain the remuneration attracted by those responsibilities. The Member Allowance Scheme as attached to Appendix B states the following "where a member of the authority is also a member of another authority that member may not receive allowances from more than one authority in respect of the same duties".
  - 1.5.3 The payment to Councillors of an allowance ('the Dependents Carer Allowance') in respect of the expenses of arranging for the care of children or dependents when the Councillor attends meetings or is

engaged in other official duties. Ordinary care should be remunerated at not less than the London living wage £8.60 per hour, and (on presentation of proof of expense) payment should be made at a higher rate when specialist nursing skills are required. The Members Allowance Scheme as set out in Appendix B includes an allowance of £7.00 per hour for a maximum of 8 hours which is below the rate previously recommended by London Councils, but in accordance with the rate agreed by Council in March 2015.

1.5.4 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. The Members Allowance Scheme at Appendix B is silent on continuance of SRA in the event of sickness, maternity and paternity however notes that only the following circumstances mean that the SRA is altered

- the scheme is amended
- the councillor is newly elected
- the councillor ceases to be a councillor
- the councillor accepts or gives up a position eligible for a special responsibility allowance.

1.5.5 The basic allowance should cover all reasonable out-of-pocket expenses incurred by councillors including intra-borough travel costs and expenses. The Members Allowance Scheme at Appendix B considers travel outside of the borough.

## **2. REASONS FOR RECOMMENDATIONS**

2.1 The Members Allowance Scheme for 2016/17 requires the approval of full Council. Council is required to ensure the Scheme meets all the requirements of statute including the period the scheme covers and consideration of the findings of the Independent Panel Report.

2.2 The Scheme chosen reflects the special responsibilities of members under the Committee system and is within the lower range of the London Councils recommendations.

2.3 The Scheme has been drafted on the basis that Council still wishes to pay the Basic and Special Responsibility allowances proposed adopted by Council on 3 March 2015.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 Fully implementing the recommendations of the June 2014 report of London Councils Panel, even at median levels, would result in additional expenditure by the Council compared to current budget provision. This is not sustainable in light of the Budget Planning for 2015/16 – 2019/20 report agreed by the Council on 3 March 2015.
- 3.2 Council could refuse to adopt the proposed Members' Allowances Scheme for 2016/17. This is not recommended as the implementation of the scheme is required to regulate the remuneration of Members in respect of council business undertaken.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 Following approval by the Council of a Scheme, a notice will be advertised pursuant to Section 16 of the Regulations.
- 4.2 The approved Scheme will become operational with effect from 1<sup>st</sup> April 2016.
- 4.3 A further report for review on Members Allowances for 2017/18 will be brought to Council before 31 March 2017 with a view to agreeing a scheme for the following municipal year.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

- 5.1.1 The proposed Scheme of Members Allowances has contributed towards delivering the corporate savings required in the 2015/16-2019/20 Spending Review agreed by Council on 3 March 2015.

#### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The 2015/16 Members Allowances budget was £1,316,290. The 2016/17 budget proposes savings of approximately £196,000 from the Members Allowances budget (reduced to £1,105,390) due to savings arising from the adoption of the Committee System form of governance and from restricting the number of SRAs that can be paid. These changes were made to the scheme in 15/16 – no further changes are currently proposed for 16/17. However, Council has agreed to set up a Standards Committee with an independent chair and Constitution, Ethics and Probity Committee is to consider a report on the recruitment of independent members. If it wishes to recommend any changes to the allowance for the independent members as a result of the charring duties, it will make a recommendation to full Council accordingly.

#### **5.3 Legal and Constitutional References**

- 5.3.1 There is a requirement that councils must make any scheme for the following year to commence on 1 April. Schemes can be amended at any time but new schemes can be introduced only from the start of each year commencing on 1 April. The approval of Council is necessary to any amendments to existing schemes or the adoption of new schemes.
- 5.3.2 Regulations relating to members' allowances require the publication of the report of the Independent Remuneration Panel, the scheme of allowances and details of the total sums paid to each member under each category of allowance in each year. The statutory guidance on the publicity requirements suggests that details of allowances paid are made available on the council's website together with information on the responsibilities of elected members and the duties and time commitment which the basic allowance is intended to remunerate.
- 5.3.3 Responsibility for adopting a Members' Allowances Scheme is attributable to Council in accordance with paragraph 1.10 of the Responsibility for Functions section of the Council's Constitution.

#### **5.4 Risk Management**

- 5.4.1 Failure to agree a scheme may render the council in breach of its statutory duty.

#### **5.5 Equalities and Diversity**

- 5.5.1 These proposals do not adversely compromise the Council's public sector equalities duty under the 2010 Equality Act.

#### **5.6 Consultation and Engagement**

- 5.6.1 An advertisement setting out details of the Scheme itself will be published as soon as practicable after Council has made its decision.

### **6. BACKGROUND PAPERS**

- 6.1 London Borough of Barnet website, Currently Elected Councillors Allowances and Expenses: <https://www.barnet.gov.uk/citizen-home/council-and-democracy/democracy-and-elections/currently-elected-councillors/allowances-and-expenses.html>