

	<p>COUNCIL</p> <p>3 March 2015</p>
Title	Members' Allowance Scheme 2015/16
Report of	Monitoring Officer
Wards	Not Applicable
Status	Public
Enclosures	Appendix A: The Remuneration of Councillors in London – Report of the Independent Panel Appendix B: Proposed Members' Allowances Scheme
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<p>Summary</p>
<p>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.</p> <p>In drawing up the revised Members' Allowances Scheme, regard has been given to the recommendations of the London-wide Independent Remuneration Panel convened by London Councils whose most recent report was issued June 2014</p>

Recommendations

- 1. That Council have regard to the recommendations of the Independent Panel on the Remuneration of Councillor in London as attached as Appendix A.**
- 2. That Council approve the Members' Allowances Scheme attached as Appendix B for 2015/16 effective from 1 April 2015 to 31 March 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 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 a Basic Allowance, Special Responsibility Allowances (SRAs) for posts which carry specific responsibilities and other allowances and expenses that may be claimed.
- 1.3 Council at its meeting on 15 July 2014 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.
- 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 Independent Remuneration Panel's report notes there is now considerable congruity in the basic allowance made by the London Boroughs. 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 in Barnet and, as such, some of the Bands are not comparable to those which refer to cabinet member or scrutiny committee chairman posts.
- 1.6 London Councils continue to recommend 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 local government pay settlement.

- 1.7 The London Councils report considers external paid appointments and it suggests that 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”.
- 1.8 The Regulations authorise 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. London Councils believe that 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 per hour for a maximum of 8 hours which is below the rate recommended by London Councils.
- 1.9 The report recommends continuance of SRAs 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 SRAs in the event of sickness, maternity and paternity. However, the Members Allowance Scheme 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.
- 1.10 The report considers that 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 2015/16 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 designed to contribute towards the options for the Council by providing a saving on the previous Scheme and being 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 15 July 2014, with the exception set out in 2.4.
- 2.4 There has been one adjustment to the Scheme approved in July 2014, namely that the SRA for the Leader of Smaller Opposition be removed as this position no longer exists following the 2014 Local Elections.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Fully implementing the recommendations of the 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 Business Planning for 2015/16 – 2019/20 report agreed by the Policy and Resources Committee on 10 June 2014.
- 3.2 Council could refuse to adopt the proposed Members' Allowances Scheme for 2015/16. 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 further notice will be advertised through pursuant to Section 16 of the Local Authorities (Members' Allowances) (England) Regulations 2003
- 4.2 The approved Scheme will become operational with effect from 1st April 2015.
- 4.3 A further report for review on Members Allowances for 2016/17 will be brought to Council before 31 March 2016 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 contributes towards delivering the corporate savings required in the 2015/16 - 2019/20 Spending review agreed by Policy and Resources Committee on 10 June 2014.

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

- 5.2.1 The 2014/15 budget Members Allowances is £1,314,000. The 2015/16 budget proposes savings of approximately £140,000 from the Members Allowances budget due to savings arising from the adoption of the Committee System

form of governance and (£90,358) and savings due to the Members allowance Scheme restricting the number of SRAs that can be paid (£29,541).

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 (Section 15).

5.4 Risk Management

5.4.1 Failure to agree a scheme may render the council in breach of its statutory duty. In addition, without a Members Allowance Scheme that describes the level of pay ascribed to each role a member undertakes may dilute accountability.

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 None.