

COUNCIL			
<b>Report Title</b>	Members Allowances		
<b>Key Decision</b>			Item No.
<b>Ward</b>	n/a		
<b>Contributors</b>	Head of Law		
<b>Class</b>	Part 1	Date: September 17 2014	

## Members Allowances

### 1. Summary and Purpose

The purpose of this report is to present recommendations in relation to members' allowances based on the Scheme of Allowances prepared by London Councils' remuneration panel and the recommendations of Sir Rodney Brooke as to its fit with the local circumstances in Lewisham.

### 2. Background

- 2.1 Under Section 18 Local Government and Housing Act 1989, the Secretary of State may make regulations authorising or requiring Councils to make a scheme providing for the payment of allowances to members. The relevant regulations are the Local Authorities (Members' Allowances) (England) Regulations 2003 as amended. The Council must publish its Scheme of Members' Allowances, dealing with basic allowances and special responsibility allowances. Payments to members of the Council may only be made in accordance with this scheme.
- 2.2 From 2001 to 2009, the Council maintained an independent remuneration panel to advise it on members' allowances. However, in January 2010, the Council agreed to change its arrangements so that it no longer maintained its own independent remuneration panel but instead had regard to the recommendations of the panel established by London Councils. It was also agreed that the Council would engage the services of Sir Rodney Brooke, the Chair of the London Councils remuneration panel after the election in May 2010 to prepare a report advising the Council about the extent to which the recommendations in the London wide report would be appropriate in the local Lewisham circumstances for the incoming administration.
- 2.3 Sir Rodney Brooke prepared that report and the Council considered it in June 2010. However because of the prevailing economic circumstances, the Council decided that it would not make any amendment to the then current scheme in so far as it related to basic or special allowances, which remained

at the 2009/10 level.

- 2.4 Since then, the Council has considered the Scheme of Members' Allowances on one further occasion. That was in 2012 when it agreed that Carers' allowances under the Scheme should be increased to £8.40 per hour and that in future it should rise automatically to match the London Living Wage.
- 2.5 A copy of the current Scheme of Members' allowances appears at Appendix 1.
- 2.6 One further legislative change has impacted on members' remuneration. Prior to the election in May 2014, regulations provided the potential for all members to be eligible to join the Local Government Pension Scheme and many members of the Council opted to do so. However, further regulations abolished the right to join the LGPS with effect from the May 2014 elections.
- 2.7 There are a number of measures in place which were originally suggested by the Council's Standards Committee to ensure the transparency of members' allowances. These measures followed a review by the Standards Committee of members' allowances and expenses. Though the Committee recognised that expenses claimed were low and justified, the Committee made suggestions for improved reporting practice, all of which were adopted and are currently in place. They include the publication of the amounts claimed by members for travel and expenses on the Council's website.
- 2.8 The Council's Scheme of Members' Allowances has now not been significantly amended since 2009. By contrast NJC officers' salaries have increased by 3%, though JNC salaries have remained static. Given the advent of a new administration at the May 2014 elections, the question of members' allowances is now being reviewed in the light of changed circumstances.
- 2.9 In considering the question of members' allowances, the Council is under a statutory duty to have regard to the advice of the Independent Remuneration Panel. A copy of the Report of the Independent Remuneration Panel of London Councils now appears at Appendix 2.
- 2.10 As in 2010, the Council has commissioned the services of Sir Rodney Brooke, Chair of the London Councils Independent Remuneration Panel to give advice about the fit of the London wide recommendations of the Panel in the context of Lewisham's local circumstances. His report now appears at Appendix 3.

### **3. Recommendations**

- 3.1 Having regard to the advice of the London Councils remuneration panel and the advice of Sir Rodney Brooke, and to the guidance issued under the Local Government Act 2000, to consider the recommendations contained in the reports at Appendix 2 and 3, and to decide whether to approve a scheme of members' allowances in accordance with Sir Rodney Brooke's recommendations as summarised below.

- (a) Basic allowance be set at £10,703 to all councillors
- (b) Special responsibility allowances to be paid as follows:-

Mayor	£81,839
Deputy Mayor	£41,675
Other Cabinet members	£16,160
Chair of Council	£ 7,070
Chair , Overview and Scrutiny	£16,160
Select Committees	£ 7,070
Chair Strategic Planning Committee	£10,115
Chair other Planning Committees	£ 7,070
Chair Licensing Committee	£ 7,070
Leaders of political groups with 15 or more members	£ 5,328
Chair of the majority group and Leaders of political groups with more than three but fewer than fifteen members	£ 3,197
Majority party whip	£ 5,328
Chair Standards Committee	£ 1,010

- (a) The basic and special responsibility allowances should cover travel in the borough and subsistence within the Greater London area.
- (b) The co-optees' allowance to be set at £606.
- (c) Subject to the provisions in paragraph 4 below, members should be entitled to claim the same allowances for travel outside London as officers.
- (d) In special circumstances (e.g. for the care of a severely disabled person) the Council should reimburse a higher rate of dependant's carers' allowance where this can be justified.
- (e) To acknowledge that the Members Allowance Scheme has not been updated for 6 years and that updating of the Scheme should continue for four years in accordance with the rate by which JNC salaries are changed in the preceding year.
- (f) Except as recommended for amendment by Sir Rodney Brooke, the current Members Allowances scheme remain in place.
- (g) That any changes to the Members Allowances Scheme be backdated to the beginning of the 2014/15 municipal year.

- 3.2 To ask officers to publish details of the new scheme as required by law in a newspaper circulating in the area.
- 3.3 To note that travel and subsistence allowances are tied to those agreed for officers from time to time, that Carers' Allowance will also increase automatically in line with the London Living Wage and that National Insurance will automatically be amended in line with any changes in the contribution rate.

#### **4. Provisions in the existing scheme relating to travel**

- 4.1 Members should not be entitled to claim more than the standard fare for any rail journey outside the borough
- 4.2 For other travel allowances (including a bicycle allowance) members should be entitled to the same allowances as those authorised for officers. They should be entitled to claim for taxi fares only when returning from late night meetings where public transport is not available, and where appropriate by members with a relevant disability. In the case of dispute, the Standards Committee should be asked to arbitrate.
- 4.3 When undertaking civic duties, the Chair of Council and the Deputy Chair of Council should be entitled to use taxis when the Council car is not available..
- 4.4 Mobile telephones or similar devices be allotted to all councillors with a requirement that they identify all non Council usage and reimburse the cost of such usage. In cases of dispute, the Standards Committee should be asked to arbitrate.

#### **5. Legal Implications**

- 5.1 The Council is under a duty to adopt a scheme of members' allowances by virtue of section 18 Local Government and Housing Act 1989 and relevant regulations. It may only pay allowances in accordance with such a scheme.
- 5.2 Members are reminded of the need to have regard to the guidance issued under the Local Government Act 2000 in relation to Members' Allowances which is referred to in the report of the London Councils Remuneration Panel attached as Appendix 2 .
- 5.3 There is a general rule that members may not usually vote on matters in which they have a personal pecuniary interest. However decisions relating to the Scheme of Members' Allowances are an exception to this general principle, and members may vote on this issue, having regard to the recommendations of the Panel, and the recommendations of Sir Rodney Brooke which in accordance with the law are being published in a newspaper circulating in the area. The Scheme once agreed will also be published.
- 5.4 The Equality Act 2010

- (a) This Act introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- (b) In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- (c) The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Council, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- (d) The Equality and Human Rights Commission issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:  
<http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
- (e) The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
- The essential guide to the public sector equality duty
  - Meeting the equality duty in policy and decision-making
  - Engagement and the equality duty
  - Equality objectives and the equality duty
  - Equality information and the equality duty
- (f) The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties

and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

## **6. Financial Implications**

The overall budget for members' allowances for 2014/15 is £1m. This excludes associated costs for members, e.g. mobile phones, IT equipment and members training. This budget is unchanged from the 2013/14 level. The additional costs of increasing all the allowances in line with the recommendations of Sir Rodney Brooke is likely to add approximately £100k to the cost of members' allowances overall. The Council contribution in respect of members' pensions paid in 2013/14 amounted to £110k. This represents the full year saving from members no longer being part of the Pension Fund scheme.

## **7. Crime and Disorder and Environmental Implications**

There are no specific implications

## **8. Equalities Implications**

Basic allowance is payable to councillors and special responsibility in relation to specified responsibilities. Payment of dependent carers' allowance as proposed should go some way to encouraging those with children or caring responsibilities to be able to participate in the democratic process as far as possible.