

LONDON BOROUGH OF TOWER HAMLETS

COUNCIL MEETING

WEDNESDAY 4th MARCH 2009

MEMBERS' ALLOWANCES SCHEME 2009/10

REPORT OF THE ASSISTANT CHIEF EXECUTIVE

1. **SUMMARY**

- 1.1 Part 6 of the Council's Constitution sets out the Scheme of Members' Allowances which provides for a Basic Allowance payable to all Councillors, Special Responsibility Allowances for specified member roles, Dependants' Carers' and Travel/Subsistence Allowances and an attendance allowance for voting co-opted members of the Standards and Overview and Scrutiny Committees.
- 1.2 Under the relevant legislation the Council must agree a Scheme of Members' Allowances annually, before the start of the financial year to which it applies. This report invites the Council to agree the scheme as currently adopted to continue into the new financial year, subject to one amendment in relation to the Deputy Mayor's Allowance as set out below. Any further changes to the Scheme that may be proposed as part of the annual review of the Constitution currently under way will be reported to the Council in April 2009 for discussion as part of the Constitution Working Party's overall package of recommendations.

2. **RECOMMENDATIONS**

- 2.1 That the Members' Allowances Scheme at Part 6 of the Constitution be agreed for 2009/10, subject to:-
- (a) indexing of the amounts payable for the basic, special responsibility and dependants' carers' allowances as set out in paragraph 11 of the scheme; and
- (b) An increase in the Special Responsibility Allowance in respect of the post of Deputy Mayor from £2,650 p.a. to £4,034 p.a., payable from the implementation date of the current Members' Allowances Scheme, i.e. 21st May 2008.
- 2.2 That the London Borough of Tower Hamlets Members' Allowances Scheme 2009 be adopted as set out at Appendix 'A' to this report.

3. BACKGROUND

- 3.1 In accordance with Statutory Instrument (SI 1021/2003) the Council is required to agree a Scheme of Members' Allowances on an annual basis.
- 3.2 The current scheme is included at Part 6 of the Council's Constitution and it is proposed that this should be re-adopted for 2009/10 as set out at Appendix 'A' to this report.
- 3.3 The Scheme includes provision for indexing of the Basic, Special Responsibility and Dependants' Carers' Allowances from 1st April each year in line with the local government pay settlement. The pay settlement for 2008 has not yet been finally agreed so the attached appendix currently shows the figures payable during 2007/08 along with a note regarding the indexation provision.

4. DEPUTY MAYOR'S ALLOWANCE

- 4.1 The Council Meeting on 21st May 2008 received a report from the Constitution Working Party which recommended that the Special Responsibility Allowance payable to the Mayor should increase from £4,770 p.a. to £8,069 p.a. (the same as a non-executive committee Chair) to reflect more adequately the demands of the position. The Council agreed this proposal, but no change was made at the time to the Deputy Mayor's Allowance which remains at £2,650 p.a.
- 4.2 It is proposed that this anomaly should now be addressed and the allowance payable to the Deputy Mayor be restored to 50% of the Mayor's Allowance (i.e. £4,034 p.a.), payable from 21st May 2008. The Constitution Working Party has discussed this matter and is in support of the proposal.
- 4.3 If the Council is minded to agree to this proposal it will be necessary to make the change at the current meeting as the Members Allowances Regulations provide for an amended entitlement to payment to apply from the beginning of the year in which the amendment is made.

5. FURTHER REVIEW

- 5.1 The recommendations in this report are presented at this stage to satisfy the legal requirement to adopt the scheme prior to the start of the financial year and thereby enable Members' allowances to be paid from April 2009.
- 5.2 However, the Constitution Working Party is currently undertaking the annual review of the Constitution to ensure continued best practice. Should the Working Party make any further recommendations for changes to the Members' Allowances Scheme these will come forward

as part of the overall package of proposed constitutional amendments for discussion at the Council Meeting on 22nd April 2009.

6. THE INDEPENDENT REMUNERATION PANEL

- 6.1 In agreeing a Scheme of Members' Allowances the Council must have regard to (but is not required to adopt in full) the recommendations of the Independent Remuneration Panel. Tower Hamlets, in common with many London boroughs uses the Panel established by London Councils. Currently Tower Hamlets' rates of Special Responsibility Allowances are significantly below those recommended by the Independent Panel in its most recent report (December 2006) but are around the median for London.
- 6.2 In relation to the Deputy Mayor's Allowance, the Independent Panel's 2006 report recommends that the post of Deputy Civic Mayor (described as 'Vice-Chair of Council Business') should attract a 'Band One' Special Responsibility Allowance of between £2,227 and £8,323 p.a. or 20-30% pro-rata of the Panel's recommended remuneration for a Council Leader. Officer research has found that allowances paid to Deputy Civic Mayors by other London Boroughs during 2008-09 range from £1,485 to £9,324 p.a.. Tower Hamlets' proposed figure is therefore just below the middle of this range.
- 6.3 No other changes are currently proposed to the Tower Hamlets scheme for 2009/10 and the London Councils Independent Remuneration Panel has not issued further recommendations since the Council last reviewed its scheme in May 2008.

7. COMMENTS OF THE CHIEF FINANCE OFFICER

- 7.1 The scheme includes provision for indexing Members' Allowances in line with the local government pay settlement. Costs arising from this will be met from within the existing budgets.

8. COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES AND STANDARDS)

- 8.1 Legal comments have been incorporated within the body of the report.

LOCAL GOVERNMENT ACT, 2000 (SECTION 97) LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

Brief description of "background paper"	Name/telephone number of holder
None.	

APPENDIX 'A'

London Borough of Tower Hamlets: Members' Allowances Scheme

(Part 6 of the Council's Constitution)

This Scheme is made by the London Borough of Tower Hamlets in accordance with the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003 as amended.

1. This Scheme shall be called The London Borough of Tower Hamlets Members' Allowances Scheme 2009 and it shall come into effect on 1 April 2009.

Basic Allowance

2. Subject to paragraph 8, a basic allowance of £9,698* shall be paid to each Councillor for each year.
3. The basic allowance of £9,698* shall be payable with effect from 1 April 2009.

*[*Note: The figures shown are those applying during 2007/08. In accordance with Paragraph 11 of this scheme these amounts will be adjusted with effect from 1st April 2008 and again from 1st April 2009 to reflect the annual pay settlements for local government when these are agreed.]*

Special Responsibility Allowance

4. Subject to paragraphs 5-8, a special responsibility allowance shall be paid for each year to those Councillors who hold a position of special responsibility as specified in Schedule 1.
5. The amount of each such allowance shall be the amount specified against the respective special responsibility in Schedule 1 and it shall be payable with effect from 1 April 2009.
6. Any special responsibility allowance payable under paragraphs 4 and 5 shall be in addition to the basic allowance payable under paragraph 2 above.
7. Any Councillor who holds more than one position of special responsibility shall receive only one special responsibility allowance which shall be at the higher level.

Part-Year Entitlement

8. If, in the course of the year, this scheme is amended or a Councillor's entitlement changes, the relevant basic and/or special responsibility

allowance shall be calculated and paid pro-rata during the particular month in which the scheme amendment or entitlement change occurs.

Dependants' Carers' Allowance

9. A maximum of £7.00* per hour shall be paid to those councillors who necessarily incur expense in arranging for the care of their children or other dependants to enable them to undertake any of the activities specified in Schedule 2 to this Scheme.
10. The following conditions shall apply:
 - payments shall be claimable for children aged 15 or under or for other dependants where there is medical or social work evidence that care is required;
 - only one weekly payment shall be claimable for the household of each Councillor, unless the Council's Standards Committee considers there are special circumstances;
 - the allowance shall be paid as a re-imbusement of incurred expenditure against receipts;
 - the allowance shall not be payable to a member of the claimant's own household;
 - any dispute as to entitlement and any allegation of abuse shall be referred to the Council's Standards Committee for adjudication.

Indexation

11. The Basic, Special Responsibility and Dependants' Carers' Allowances shall be adjusted annually to reflect the annual pay settlement for local government. The adjustment shall take effect on 1 April in each year, or the date on which the settlement takes effect, if later.

Travel and Subsistence Allowance

12. An allowance shall be paid to any Councillor for travelling and subsistence undertaken outside the Borough in connection with any of the duties specified in Schedule 2.
13. An allowance shall be paid to a co-opted member of a Committee, Sub-Committee or Panel of the Council for travelling and subsistence in connection with any of the duties specified in Schedule 2, irrespective of whether the meeting or duty is inside or outside the Borough.
14. The amounts payable shall be the amounts which are for the time being payable to officers of the Council for travelling and subsistence undertaken in the course of their duties.

Co-optees' Allowance

15. Subject to paragraph 16, a co-opted member of the Standards Committee, the Overview and Scrutiny Committee or the Health Scrutiny Panel may claim a co-optees' allowance of £117 and the Independent Chair of the Standards Committee may claim a co-optees' allowance of £240, for attendance at any meeting of the Committee or the Panel or attendance at any conference or training event, where attendance is on behalf of and authorised by the Council.
16. A claim for co-optees' allowance shall be made in writing within two months from the date of attendance at the meeting, conference or training event.
17. Where a member is suspended or partially suspended from his or her responsibilities or duties as a co-opted member under Part III of the Local Government Act 2000, any co-optees' allowance payable to him or her for the period for which he or she is suspended or partially suspended, may be withheld by the Council.

Suspension of Allowances

18. Where a Councillor is suspended or partially suspended from his or her responsibilities or duties as a member of the Council under Part III of the Local Government Act 2000, or Regulations made under that Part, the part of the basic and special responsibility allowance or any travelling or subsistence allowance payable to him or her for the period for which he or she is suspended or partially suspended, may be withheld by the Council.

Recovery of Allowances Paid

19. Any allowance that has been paid to a Councillor whilst on suspension or after he or she has ceased to be a member of the Council, or is for some other reason not entitled to receive the allowance for a specified period, may be recovered.

Claims and Payments

20. Subject to paragraph 22, payments shall be made for basic and special responsibility in instalments of one-twelfth of the amounts respectively specified in this Scheme, paid on the last working day of each month.
21. Where a payment of one-twelfth of the amount specified in this Scheme for a basic or special responsibility allowance will result in the Councillor receiving more than the amount to which he or she is entitled, the payment shall be restricted to such amount as will ensure that no more is paid than the amount to which he or she is entitled.

22. A claim for travelling and subsistence or dependants' carers' allowance;
- shall be made in writing within two months from the date of the performance of the duty for which the claim is made;
 - shall be accompanied by receipts and/or any relevant evidence of the costs incurred.
 - shall be subject to such validation and accounting procedures as the Council's Corporate Director Resources may from time to time prescribe.
23. Travelling and subsistence and dependants' carers' allowance shall be paid on the last working day of each month for any claim received not less than 14 days before that date.

Pensions

24. Any Councillor under the age of 75 shall be entitled to join the London Borough of Tower Hamlets Local Government Pension Scheme. Both basic and special responsibility allowances shall be treated as pensionable pay for the purposes of the scheme.

Records of Allowances and Publications

25. The Council shall keep a record of payments made by it under this Scheme, including the name of the recipients of the payment and the amount and nature of each payment.
26. The record of the payments made by the Council under this Scheme shall be available at all reasonable times for inspection at no charge. A copy shall also be supplied to any person who requests it on payment of a reasonable fee.
27. As soon as reasonably practicable after the end of the year to which this Scheme relates, the Council shall make arrangements to publish the total sums paid by it to each recipient for each different allowance.
28. A copy of the Scheme shall be supplied to any person who requests it on payment of a reasonable fee.

Renunciation

29. A member may at any time and for any period, by notice in writing given to the Chief Executive, elect to forego any part of his/her entitlement to an allowance under this Scheme.

Interpretation

30. In this scheme:

- “Councillor” means an elected member of the London Borough of Tower Hamlets who is a councillor;
- ‘Member’ means any person who is either a councillor or a co-opted member;
- “Co-opted member” means any person who is not a Councillor but who sits on a Committee, Sub-Committee or Panel of the Council.
- “Year” means the 12 months ending on 31 March in any year;

Revocation

31. The London Borough of Tower Hamlets Members’ Allowance Scheme 2008 is hereby revoked.

SCHEDULE 1

Special Responsibility Allowance

The following are specified as the special responsibilities for which special responsibility allowances are payable and the amounts of those allowances:

	£
Leader of the Council	28,563 *
Deputy Leader of the Council	15,898 *
Leader of Group with over 6 Councillors	7,320 *
Leader of Group with up to 6 Councillors (subject to having at least 10% of the Council)	3,960 *
Cabinet/Lead Members (x8)	13,652 *
Chair of Overview and Scrutiny	10,863 *
Chair of Health Scrutiny Panel	8,069 *
Lead Member for Scrutiny (x5)	8,069 *
Chair of Development, Licensing and Appeals Committees (x3)	8,069 *
Chair of General Purposes Committee	8,069 *
Mayor	8,069 *
Deputy Mayor	4,034 *

*[*Note: The figures shown are those applying during 2007/08. In accordance with Paragraph 11 of this scheme these amounts will be adjusted with effect from 1st April 2008 and again from 1st April 2009 to reflect the annual pay settlements for local government when these are agreed.]*

SCHEDULE 2

Dependants' Carers' and Travelling and Subsistence Allowances

The duties for which these allowances are payable include:

- the attendance at a meeting of the Council or of any committee or sub-committee of the Council or of any other body to which the Council makes appointments or nominations, or of any committee or sub-committee of such a body;
- the attendance at any other meeting, the holding of which is authorised by the Council, or a committee or sub-committee of the Council, or a joint committee of 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee, provided that –
- where the Council is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited; or
- if the Council is not so divided, it is a meeting to which at least two members of the Council have been invited
- the attendance at a meeting of any association of authorities of which the Council is a member;
- the attendance at a meeting of the Cabinet or a meeting of any of its committees, where the Council is operating executive arrangements;
- the performance of any duty in pursuance of any standing order under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;
- the performance of any duty in connection with the discharge of any function of the Council conferred by or under any enactment and empowering or requiring the Council to inspect or authorise the inspection of premises.
- the performance of any duty in connection with arrangements made by the Council for the attendance of pupils at any school approved for the purposes of section 342 of the Education Act 1996 (approval of non-maintained special schools); and
- the carrying out of any other duty approved by the Council, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the Council or any of its committees or sub-committees.