


Non-Executive Report of the:  <b>Council</b>  18 May 2016	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Melanie Clay, Corporate Director Law, Probity and Governance	<b>Classification:</b> Unrestricted
<b>SCHEME OF MEMBERS' ALLOWANCES 2016/17</b>	

<b>Originating Officer(s)</b>	Beverley McKenzie, Head of Member Support
<b>Wards affected</b>	All wards

## Summary

Part 6 of the Council's Constitution sets out the Scheme of Members' Allowances. This provides for a Mayor's Allowance to be paid to the Mayor; a Basic Allowance to all Councillors; Special Responsibility Allowances for specified member roles; Dependants' Carers' and Travel/Subsistence Allowances; and an attendance allowance for co-opted members of the Standards Advisory Committee and the Overview and Scrutiny Committee.

By law the Council must agree the Scheme of Members' Allowances annually, before the start of the year to which it applies. The proposed Scheme of Members Allowances for 2016/17 was confirmed at Council on 23 March 2016.

Changes to the Council's Non-Executive Committees and Scrutiny Committees and Sub-Committees, as proposed in an earlier report on the agenda, require that the Scheme of Members Allowances be amended. Further amendments are proposed to the Basic Allowance, Special Responsibility Allowances, and the Mayor's Allowance. The new proposed Scheme of Members Allowances for 2016/17 is attached at Appendix 'A' to this report.

## Recommendations:

1. That the updated London Borough of Tower Hamlets Scheme of Members' Allowances 2016/17 be adopted as set out at Appendix 'A' to this report with any changes coming into effect from Thursday 19 May 2016 or the appointment of a Councillor to the relevant position, whichever is the later.
2. To confirm that no automatic uplift in the Basic Allowance in relation to the Local Government Pay Settlement be taken for the 2016 Pay Award.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Members Allowance report agreed by Full Council in March 2016 noted that 'the Council's scheme will be reviewed later in 2016 as part of the ongoing governance review and in the light of the Panel's recommendations'.
- 1.2 Changes to the Council's Non-Executive Committees and Scrutiny Committees and Sub-Committees, and the creation of the new role of Mayoral adviser, as proposed in other reports on the agenda, have required this review.
- 1.3 Further amendments are proposed to the Basic Allowance, Special Responsibility Allowances, and the Mayor's Allowance by the review, to better reflect the workloads and responsibilities of Members from all parties. All amendments proposed result in SRA levels that are either within or below the levels recommended by the 2014 report of the Independent Panel, as set out at Appendix B.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The current scheme could be retained with the exception of deleting the Special Responsibility Allowances for the Human Resources and Appeals Committees that have been deleted through a decision taken in a report earlier on the Council agenda.
- 2.2 However, if the above Committee changes are not agreed then a decision will be required on whether to retain Allowances for the Chairs' of those Committees.

## **3. DETAILS OF REPORT**

- 3.1 In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 as amended the Council is required to agree a Scheme of Members' Allowances on an annual basis. The Scheme may include an annual index-linked adjustment of allowances, but it must be subject to a full review at least every four years, taking into account the recommendations of an Independent Remuneration Panel.
- 3.2 Although the Scheme may include an annual index-linked adjustment of allowances, in view of the amended Basic Allowance in this report it is proposed that no uplift is taken for 2016.

3.3 The current scheme was agreed at Council on 23 March 2016 and it is proposed that the updated version attached at Appendix A to this report should replace the currently agreed scheme. The proposed changes to the scheme include:

- Amended Basic Allowance, Special Responsibility Allowances, and Mayor's Allowance
- Deletion of Special Responsibility Allowances (SRAs) relating to expired Committees (Human Resources and Appeals Committees), and a reduction in the number of SRAs for Scrutiny Leads
- Creation of an Allowance for designated Mayoral Advisers.

3.4 The Mayor has indicated that he will be writing to the Chief Executive to notify him that in 2016/17 he wishes to forego 50% of the uplift awarded under this Scheme (£3953).

3.5 When agreeing a Members' Allowances Scheme the Council is required to take into account the recommendations of the London Independent Remuneration Panel. For information, the current allowance bands proposed by the London Independent Remuneration Panel are set out in Appendix B to this report.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

4.1 For 2016/17 the increases in allowances will be met within existing budget allocations. A review may be required for the 2017/18 financial year onwards.

#### **5. LEGAL COMMENTS**

5.1 Section 18 of the Local Government and Housing Act 1989 permits the Secretary of State, by regulations, to make a scheme providing for the payment of a basic allowance, an attendance allowance and a special responsibility allowance to members of a local authority. Section 100 of the Local Government Act 2000 permits the Secretary of State, by regulations, to provide for travelling and subsistence allowances for members of local authorities, allowances for attending conferences and meetings and reimbursement of expenses. In exercise of these powers the Secretary of State has made the Local Authorities (Members' Allowances) (England) Regulations 2003.

5.2 The Regulations require the council to make a scheme before the beginning of each year for the payment of basic allowance. The scheme must also make provision for the authority's approach to special responsibility allowance, dependants' carers' allowance, travelling and subsistence allowance and co-optees' allowance. The scheme may also provide for other matters of the kind dealt with in the proposed scheme.

- 5.3 When considering the scheme, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). This consideration should be supported by a proportionate level of equality analysis

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 The payment of Members' Allowances helps to ensure that people from all parts of the community within the borough are able to serve as elected members. This promotes effective community leadership and accountability, to the benefit of the whole borough and all its communities.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 No specific Best Value implications relate to this report.

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 8.1 There are no direct SAGE implications arising from the recommendations in this report

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 There are no specific risk implications relating to this report.

## **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 10.1 There are no specific crime and disorder implications arising from this report.
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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None.

#### **Appendices**

- Appendix A – Scheme of Members Allowances (as amended)
- Appendix B – Current Recommended Allowance Bands from the London Independent Remuneration Panel

#### **Local Government Act, 1972 Section 100D (As amended)**

#### **List of “Background Papers” used in the preparation of this report**

List any background documents not already in the public domain including officer contact information.

- None.

#### **Officer contact details for documents:**

- N/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 2016 and it shall come into effect on 1 April 2016. Subsequently amended at Council on 18 May 2016 with the amendments coming into effect on 19 May 2016. The Scheme shall apply to the Mayor, Councillors and Co-opted Members of the London Borough of Tower Hamlets.

**Basic Allowance**

2. Subject to paragraph 8, a basic allowance of £10,390\* (amended to £10,938\* on 19 May 2016) shall be paid to each Councillor for each year. The Basic Allowance shall not be payable to the elected Mayor.
3. The basic allowance of £10,390 shall be payable with effect from 1 April 2016 with the amended allowance of £10,938 payable from 19 May 2016.

**Special Responsibility Allowance**

4. Subject to paragraphs 5-8, a special responsibility allowance shall be paid for each year to those Members 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 2016 (with amendments applying from 19 May 2016).
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 Member 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 Member'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 £7.49\* per hour (amended to £9.40\* per hour from 19 May 2016) shall be paid to those Members 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 Member, unless the Council's Standards Advisory 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 Advisory Committee for adjudication.

## **Indexation**

11. The Basic, Special Responsibility, Mayor's and Dependants' Carers' Allowances would normally be adjusted annually to reflect the annual pay settlement for local government staff. However, for 2016/17 only, this adjustment is not applied.

## **Travel and Subsistence Allowance**

12. An allowance shall be paid to any Member 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 Advisory Committee, the Overview and Scrutiny Committee or any of its Sub-Committees, may claim a co-optees' allowance of £121\* (amended to £123 from 19 May 2016) and a co-opted member who is appointed as Chair of the Standards Advisory Committee may claim a co-optee's allowance of £247\* (amended to £250 from 19 May 2016), for attendance at any meeting of the Committee or the Panel or attendance at any conference or mandatory 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-optee's 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**

18. Any allowance that has been paid to a Member 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**

19. Subject to paragraph 21, payments shall be made for basic and special responsibility allowances in instalments of one-twelfth of the amounts respectively specified in this Scheme, paid on the last working day of each month.
20. Where a payment of one-twelfth of the amount specified in this Scheme for a basic or special responsibility allowance will result in the Member 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.

- 21.** 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.
- 22.** 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**

- 23.** Neither members nor co-opted members of the Council are eligible to join the London Borough of Tower Hamlets Local Government Pension Scheme.

### **Records of Allowances and Publications**

- 24.** 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.
- 25.** 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.
- 26.** 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.
- 27.** A copy of the Scheme shall be supplied to any person who requests it on payment of a reasonable fee.

### **Renunciation**

- 28.** 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**

**29.** In this scheme:

- “Councillor” means an elected member of the London Borough of Tower Hamlets who is a councillor;
- “Mayor” means the elected Mayor of Tower Hamlets Council
- “Member” means any person who is either the Mayor, a councillor or a co-opted member of Tower Hamlets Council;
- “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**

**30.** The London Borough of Tower Hamlets Members’ Allowance Scheme 2016 is hereby revoked and replaced with the Tower Hamlets Members’ Allowances Scheme 2016 (as amended).

## 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:

**Table One** – Special Responsibility Allowances that apply between 1 April 2016 and 18 May 2016 (inclusive)

	£
Mayor	67,094
Deputy Mayor	15,217
Leader of the Majority Group on the Council	13,065
Leader of any other Group with over 6 Councillors	10,502
Leader of any Group with up to 6 Councillors (subject to having at least 10% of the Council)	5,709
Cabinet Members	13,065
Chair of Overview and Scrutiny Committee	10,502
Chair of Health Scrutiny Panel	7,801
Lead Members for Scrutiny	7,801
Chair of Development Committee	10,502
Chairs of Licensing, Appeals and General Purposes Committees	7,801
Chairs of Audit, Human Resources and Pensions Committees	5,709
Speaker of Council	7,801
Deputy Speaker of Council	3,899

**Table Two** – Amended Special Responsibility Allowances to be applied from Thursday 19 May 2016

	£
Mayor	75,000
Statutory Deputy Mayor	16,000
Leader of the Majority Group on the Council	11,300
Leader of the largest Opposition Group	11,300
Leader of any Group (subject to having at least 10% of the Council)	8,000
Cabinet Members	14,000
Mayoral Advisers	7,000
Chair of Overview and Scrutiny Committee	11,000
Chair of Scrutiny Sub-Committee (Housing, Health, or Grants), Lead Member for Scrutiny (Children's or CLC)	8,000
Chair of Development Committee	11,000
Char of Strategic Development Committee	11,000
Chair of Licensing Committee	6,000
Chair of General Purposes Committee	8,000
Chair of Audit Committee	6,000
Chair of Pensions Committee	6,000
Speaker of Council	10,000
Deputy Speaker of Council	5,000

## 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.

## Appendix B

### Current proposed London Independent Remuneration Panel Allowance Bands

Role	Independent Review 2014 (uprated to 2016 figures allowing for Local Government Pay Awards)* (£)	Proposed Tower Hamlets amended Member Allowance Scheme 2016/17
Basic Allowance	10938	10938
Mayor	83639	75000
Statutory Deputy Mayor	35900-42591	16000
Leader of the Majority Group on the Council	15826-29209	11300
Leader of the largest Opposition Group	15826-29209	11300
Leader of any Group (subject to having at least 10% of the Council)	2444-9137	8000
Cabinet Members	35900-42591	14000
Mayoral Adviser	2444-9137	7000
Chair of Overview and Scrutiny Committee	35900-42591	11000
Chair of Scrutiny Sub- Committee	15826-29209	8000
Chair of Development Committee	15826-29209	11000
Chair of Licensing	15826-29209	5000
Chair of General Purposes Committee	2444-9137	8000
Chair of Audit Committee	2444-9137	6000
Chair of Pensions Committee	2444-9137	6000

\*(All allowances uprated as recommended by using the 2.2% 2014-16 pay local government award)