


Non-Executive Report of the: Council 21 March 2018	
Report of: Asmat Hussain, Corporate Director Governance	Classification: Unrestricted
Member Allowances Scheme 2018/19	

Originating Officer(s)	Beverley McKenzie, Head of Members' Support
Wards affected	All Wards

1. SUMMARY

- 1.1 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; Dependents' Carers' and Travel/Subsistence Allowances; Maternity/Paternity/Adoption leave and an attendance allowance for co-opted members of the Standards Advisory Committee and the Overview and Scrutiny Committee.
- 1.2 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 2018/19 is attached at Appendix A.

2. RECOMMENDATION:

The Council is recommended to:

- 2.1 Adopt the London Borough of Tower Hamlets Members' Allowances Scheme 2018 as set out at Appendix A to this report.

3. REASONS FOR THE DECISIONS

- 3.1 The Council is required to agree a Scheme of Members' Allowances annually.

4. ALTERNATIVE OPTIONS

- 4.1 None.

5. DETAILS OF REPORT

- 5.1 In accordance with Statutory Instrument (SI 1021/2003) 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.

- 5.2 The London Councils Independent Remuneration Panel issued a report in January 2018. The Council's scheme was reviewed in May 2016 as part of the ongoing governance review and in the light of the Panel's recommendations. This was agreed by Council at their meeting on 18th May 2016.
- 5.3 The current scheme is included at Part 6 of the Council's Constitution and it is proposed that this should be re-adopted for 2018/19 as set out at Appendix A to this report. The updated scheme from March 2017, has been changed to include a provision for maternity, paternity and adoption leave and update the Dependent care allowance amount in line with the current London living wage. No other amounts have been changed for the 2018 scheme.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The current budget for member allowances is £850k per annum. The financial implications of adopting the scheme detailed in appendix A of this report will be met from this budget. Whilst the actual costs incurred will vary dependent on the number of meetings scheduled and the circumstances of the relevant postholder, the existing budget is considered sufficient to accommodate the changes proposed to the scheme for 2018/19.

7. LEGAL COMMENTS

- 7.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 ('the Regulations') require the Council to on or before 31st March in each year make a scheme in accordance with the Regulations. The Scheme must make provision for payment of the basic allowance specifying the amount and also make provision for the following allowances if it intends to make such payments in respect of a year-
- (a) special responsibility allowance;
 - (b) dependants' carers' allowance;
 - (c) travelling and subsistence allowance; and
 - (d) co-optees' allowance.
- 7.2 The proposed Member Allowances Scheme 2018/19 provides for Maternity, Paternity, Adoption and Sickness Pay which is established practice in a number of other London boroughs. Whilst there is nothing in the Regulations that provides that the Scheme is to include reference to such, the inclusion of Maternity, Paternity, Adoption and Sickness Pay are supported by the Council's general power of competence. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. The inclusion of Maternity pay is also consistent with the Council's obligations under the Equalities Act 2010.
- 7.3 Regulation 17 of the Regulations places a duty on the Council to publish as soon as reasonably practicable after making any amendments to the current Members' Allowance Scheme a notice in one or more newspapers circulating

in its area. The Council must also ensure that copies of the Scheme are available for inspection by members of the public at the principal office of the Authority, at all reasonable hours.

8. ONE TOWER HAMLETS CONSIDERATIONS

- 8.1 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.

9. BEST VALUE (BV) IMPLICATIONS

- 9.1 None specific to this report.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 None specific to this report.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 None specific to this report.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 None specific to this report.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix A – Member Allowances Scheme

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:

- Beverley McKenzie, Head of Members' Support