

**LONDON BOROUGH OF TOWER HAMLETS**

**COUNCIL MEETING**

**WEDNESDAY 24<sup>th</sup> MARCH 2010**

**MEMBERS' ALLOWANCES SCHEME 2010/11**

**REPORT OF THE ASSISTANT CHIEF EXECUTIVE**

**1. SUMMARY**

- 1.1 Part 6 of the Council's Constitution sets out the Scheme of Members' Allowances. This provides for a Basic Allowance to be paid 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 By law the Council must agree a Scheme of Members' Allowances annually, before the start of the financial year to which it applies. 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.
- 1.3 The London Councils Independent Remuneration Panel last reported in 2006 and that report informed the Council's current scheme. The Independent Remuneration Panel will issue a further report during 2010. It is therefore recommended that the Members' Allowances Scheme be re-adopted without amendment at this stage to continue into the new financial year, subject to a review once the recommendations of the Independent Remuneration Panel have been published.

**2. RECOMMENDATIONS**

- 2.1 That the Members' Allowances Scheme at Part 6 of the Constitution be re-adopted for 2010/11, subject to indexing of the amounts payable for the basic, special responsibility and dependants' carers' allowances as set out in paragraph 11 of the scheme;
- 2.2 That accordingly the London Borough of Tower Hamlets Members' Allowances Scheme 2010 be adopted as at Appendix 'A'; and
- 2.3 That the Members' Allowances Scheme be subject to review in accordance with the regulations following the publication of the London Councils Independent Remuneration Panel recommendations 2010.

### **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, updated as necessary but with no substantive changes, for 2010/11 as set out at Appendix 'A' to this report. The Scheme includes provision for indexing of the Basic, Special Responsibility and Dependants' Carers' Allowances from 1<sup>st</sup> April each year in line with the local government pay settlement.

### **4. FURTHER REVIEW/INDEPENDENT REMUNERATION PANEL**

- 4.1 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 2010.
- 4.2 However, the regulations require the Members' Allowances Scheme to be subject to review at least every four years. In doing so the Council must have regard to (but is not required to adopt in full) the recommendations of an Independent Remuneration Panel. Tower Hamlets, in common with many London boroughs, uses the Panel established by London Councils. This last reported in 2006 and is scheduled to issue a further report during 2010.
- 4.3 Therefore it is proposed that the Scheme be re-adopted unchanged at this stage pending a review to take place later in 2010, once the Independent Panel's recommendations have been published.
- 4.4 Currently Tower Hamlets' rates of Special Responsibility Allowances are significantly below those recommended by the Independent Panel in its previous report (December 2006) but are around the median for London.

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

- 5.1 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 existing budgets.

### **6. COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

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

## **7. IMPLICATIONS FOR ONE TOWER HAMLETS**

- 7.1 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.

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT (SAGE)**

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

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 There are no direct risk management implications arising from this report.

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### **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
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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 2010 and it shall come into effect on 1 April 2010.

#### **Basic Allowance**

2. Subject to paragraph 8, a basic allowance of £10,065\* shall be paid to each Councillor for each year.
3. The basic allowance of £10,065\* shall be payable with effect from 1 April 2010.

*[\*Note: The figures shown are those payable during 2009/10. In accordance with Paragraph 11 of this scheme the amounts marked \* will be adjusted with effect from 1<sup>st</sup> April 2010 to reflect the annual pay settlement for local government staff when this is 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 2010.
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 £7.26\* 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 2009 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	29,348 *
Deputy Leader of the Council	16,335 *
Leader of Group with over 6 Councillors	11,274 *
Leader of Group with up to 6 Councillors (subject to having at least 10% of the Council)	6,130 *
Cabinet/Lead Members (x8)	14,027 *
Chair of Overview and Scrutiny	11,274 *
Chair of Health Scrutiny Panel	8,374 *
Lead Members for Scrutiny (x5)	8,374 *
Chair of Development Committee	11,274 *
Chairs of Licensing, Appeals and General Purposes Committees (x3)	8,374 *
Chairs of Audit, Human Resources and Pensions Committees (x3)	6,130 *
Olympics Ambassador	6,130 *
Mayor	8,374 *
Deputy Mayor	4,186 *

*[\*Note: The figures shown above are those payable during 2009/10 (except for the Leader of the Council, whose allowance was subject to a 25% reduction; and the Deputy Leader, who requested to receive only the same SRA as a Lead Member; for that year). In accordance with Paragraph 11 of this scheme the above amounts will be adjusted with effect from 1<sup>st</sup> April 2010 to reflect the annual pay settlement for local government staff when this is 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.