


<p>Non-Executive Report of the:</p> <p>Council</p> <p>Wednesday, 18 January 2023</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Janet Fasan, Director of Legal and Monitoring Officer</p>	<p>Classification: Open (Unrestricted)</p>
<p>Members' Allowances Scheme - 2022-23 Uplift</p>	

Originating Officer(s)	Matthew Mannion, Head of Democratic Services
Wards affected	(All Wards);

Executive Summary

The Members' Allowances Scheme sets out the basic and special responsibility allowances for Members as well as allowances for co-opted Members, travel and subsistence, dependent carers and related information.

The Scheme has provision for allowances to be updated in line with the local government staff award each year. However, this year the staff award is a fixed sum as opposed to the usual percentage increase. Council therefore needs to decide how this should be translated into any change in Member Allowances for this year.

The Scheme can be left unchanged or some/all allowances could be updated by set amounts or following a proposed formula.

Recommendations:

The Council is recommended to:

1. Review and note the options set out in the report.
2. Note the recommendation from the London Independent Remuneration Panel.
3. Propose and agree whether to increase any elements of the Members Allowances Scheme for 2022-23.

1. REASONS FOR THE DECISIONS

- 1.1 Council has responsibility for the Member Allowances Scheme and so needs to determine what actions, if any, should follow the agreement of this year's local government staff pay award.

2. ALTERNATIVE OPTIONS

2.1 Council can choose to:

- Keep all allowances unchanged.
- Agree to uplift certain allowances whilst leaving others unchanged (e.g. uprate the Co-optee Allowance but leave Mayor/Councillor Allowances unchanged).
- Agree to uplift all allowances by 4.04% in line with the recommendation of the London Independent Remuneration Panel.
- Agree to uplift allowances by a different amount.

3. DETAILS OF THE REPORT

3.1 Council reviews and agrees the Member Allowances Scheme at its meeting each March. It was last fully reviewed at the meeting held on 16 March 2022. Since that date amendments have been agreed to remove a number of Special Responsibility Allowances (Chief Whip, Mayoral Advisors and to limit the number of Deputy Mayors).

3.2 The basic member allowance currently stands at £11,898. The Mayor's allowance is currently £80,579.

3.3 Special Responsibility Allowances are paid to Councillors who perform certain roles such as Cabinet Member (£21,754), Chairs of Committees (between £6,526 and £11,965) and Leader of the Opposition Group (£12,291).

3.4 Co-opted Members receive £272 per meeting to Chair a Committee or £136 per meeting as a regular Co-optee Member.

Annual Indexation

3.5 The Member Allowances Scheme at Paragraph 11 says the following about an annual uplift of the Scheme:

“The Basic, Special Responsibility, Mayor's and Dependants' Carers' Allowances will be adjusted to reflect the annual pay settlement for local government staff effective 1 April 2022. The Dependents' Carers' Allowance will also be adjusted to, as a minimum, be in line with the London Living Wage.”

3.6 Most years the staff pay award is an agreement to increase salaries by a set percentage. That percentage increase can easily be copied to uplift the Member Allowances Scheme. This year the agreement was for salaries to increase by a set lump sum (£2,355) regardless of the initial starting salary. This doesn't translate well into the Member Allowances Scheme. Council is therefore asked to determine if/how the Scheme should be adjusted for this year.

The London Independent Remuneration Panel

- 3.7 When taking decisions in relation to the Member Allowance Scheme, Council is obliged to take account of the findings of the London Independent Remuneration Panel which is managed by London Councils.
- 3.8 The Panel recently met to consider the pay award for this year and has recommended that Member Allowances Schemes be uprated by 4.04% which is the increase agreed in the local government staff award for staff allowances.

Dependent Carers Allowance

- 3.9 The Dependent Carer's Allowance is currently set at £11.05 the level of the London Living Wage (LLW). However, the LLW has recently been uprated to £11.95 and as the Member Allowances Scheme is clear that this allowance must be at least as high as the LLW, it is proposed to uprate this allowance to £11.95 in line with the Scheme unless Council explicitly agrees a resolution not to take that action.

Options

- 3.10 The Council have a number of options when considering what to do with the allowances scheme. These include, but are not limited to:
1. Agree to make no changes to the Scheme for this year (except for the Dependent Carers Allowance).
 2. Make no changes to Member Allowances but uprate the Co-optee Allowance by 4.04%
 3. Agree to uprate the Basic Member Allowance and the Co-optee Allowance by 4.04% but not uprate Special Responsibility Allowances.
 4. Uprate all allowances by 4.04%.
 5. Uprate all/some allowances by a different figure.
- 3.11 At the meeting of Council, Members are asked to propose at least one specific resolution setting out how the uplift (if any) should be managed for this year.
- 3.12 Should an uplift be agreed it will be backdated to 1 April 2022 and released with the next available monthly payments to Members.

4. EQUALITIES IMPLICATIONS

- 4.1 An appropriate Member Allowances Scheme supports those from all communities who wish to become Members of the Council.

5. OTHER STATUTORY IMPLICATIONS

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

5.2 None specific to this report.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 The 2022-23 budget for Members Allowances is £1.242m. An increase of 4.04% across all allowances as an example, would demonstrate an extra cost of circa £0.050m per annum to the council. Any increase would need to be funded through the pay inflation budget reviewed, and updated as required, as part of the council's medium term financial strategy.

7. COMMENTS OF LEGAL SERVICES

7.1 The Members' Allowance Scheme is set out in the Council's Constitution, and adopting or amending it is business reserved to the Council.

7.2 The requirement for a local authority to make a scheme for Members' allowances each year is set out in the Local Authorities (Members' Allowances) (England) Regulations 2003.

7.3 When adopting a scheme, the Council must consider its best value and public sector equality duties. The best value duty is to make arrangements to secure continuous improvement in the way in which the Council's functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The public sector equality duty requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.

7.4 The matters set out in this report comply with the above legislation and guidance.

Linked Reports, Appendices and Background Documents

Linked Report

- [Member Allowances Scheme – Council 16 March 2022](#)

Appendices

- None (full Member Allowances Scheme available through the above report).

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