

Non-Executive Report of the: Council 22 March 2017	 TOWER HAMLETS
Report of: Graham White, Acting Corporate Director, Governance and Interim Monitoring Officer	Classification: Unrestricted
Member Allowances Scheme 2017/18	

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; 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.
- 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 2017/18 is attached at Appendix 'A' to this report and is unchanged from the 2016/17 Scheme.

2. RECOMMENDATION:

The Council is recommended to:

- 2.1 Adopt the London Borough of Tower Hamlets Members' Allowances Scheme 2017 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 further report in 2014. 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 2017/18 as set out at Appendix 'A' to this report. The updated scheme from May 2016, has been further changed to update the amount of Dependant care, to bring this in line with the current London living wage. No other amounts have been changed for the 2017 scheme.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The scheme includes provision for indexing Members' Allowances in line with the local government pay settlement. Any costs arising from the indexing of allowances will be met from within existing budgets.

7. LEGAL COMMENTS

- 7.1 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.
- 7.2 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.

- 7.3 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.

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

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 2017. 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 £10,938 * 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 £10,938 shall be payable with effect from 1 April 2017.

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 2017.
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 £9.45* per hour 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 2017/18 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 £123* and a co-opted member who is appointed as Chair of the Standards Advisory Committee may claim a co-optee's allowance of £250*, 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 2017.

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:

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 Advisors	£7,000
Chair of Overview and Scrutiny Committee	£11,000
Chair of Scrutiny Sub-Committee (Health, Housing or Grants)	£8,000
Lead Member for Scrutiny	£8,000
Chair of Development Committee	£11,000
Chair 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.