

Non-Executive Report of the:  <b>Council</b>  23 May 2018	
<b>Report of:</b> Asmat Hussain, Corporate Director, Governance	<b>Classification:</b> Unrestricted
<b>Scheme of Members' Allowances 2018/19</b>	

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

## Executive 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 2018/19 was confirmed at Council on 21 March 2018.

Though there are variations between councils, Tower Hamlets currently has significantly lower Special Responsibility Allowances for Cabinet members than many comparable boroughs. To bring SRA levels closer to similar councils it is proposed that the Scheme of Members Allowances be amended.

Further changes also recommended include an allowance for the Chief Whip and the Opposition Leader, when their group has fewer than 10% of the Council.

## Recommendations:

The Council is recommended to:

1. Agree the updated Special Responsibility Allowances set out in Schedule 1 to this report be added to the London Borough of Tower Hamlets Scheme of Members' Allowances 2018/19 with any changes coming into effect from Thursday, 24<sup>th</sup> May 2018 or the appointment of a Councillor to the Relevant position, whichever is the later.

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

- 1.1 A benchmarking of the Special Responsibility Allowances (SRA) with comparable boroughs indicates that at £14,000 Tower Hamlets currently has significantly lower Special Responsibility Allowances for Cabinet Members than many other councils. For example in similar London authorities the SRA for Cabinet members is set at:
- Hackney - £ 34,279.82
  - Newham - £34,000 (proposed for agreement on 24<sup>th</sup> May)
  - Southwark - £35,033
  - Lambeth - £28,518
  - Islington – £29,712
  - Camden - £ 16,275
  - Lewisham - £ £15,298
- 1.2 Furthermore these allowances are substantially lower than the recommendations of the 2018 Independent Remuneration Panel which recommended an SRA of £36,917 to £43,460 for Cabinet members and £36,917 to £43,460 (deputy leader of the council) the closest equivalent to Deputy Mayor. In order to converge SRA levels with other councils, increases are proposed to the Cabinet and Deputy Mayoral SRAs.
- 1.3 Currently the Scheme of Members Allowances does not address the situation when the opposition consists of less than one-tenth of the Council. The political composition of the authority following the Council elections on 3<sup>rd</sup> May 2018 is:
- |  |   |                |
|--|---|----------------|
| Labour Group                                   | - | 42 Councillors |
| Conservative Group                             | - | 2 Councillors  |
| Ungrouped / People's Alliance of Tower Hamlets | - | 1 Councillor   |
- 1.4 To resolve this situation greater clarity will be added to the scheme to provide an allowance for the Leader of the Opposition, to include clarity regarding group size.
- 1.5 Tower Hamlets has historically not included an SRA for the Chief Whip position, however, in line with the recommendation of the 2018 Independent Remuneration Panel and comparable boroughs, the proposed scheme is amended to include this.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The current scheme could be retained.

## **3. DETAILS OF THE 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 must be subject to a full review at least every four years, taking into account the recommendations of an Independent Remuneration Panel.

3.2 The current scheme was agreed at Council on 21 March 2018 and it is proposed that the updated version attached at Schedule 1 to this report should replace the currently agreed scheme. The proposed changes to the scheme include:

- Amended SRA for the Deputy Mayor, Cabinet Member
- Clarification of the SRA for the Leader of the Opposition
- Introduction of an SRA for the Chief Whip

#### **4. EQUALITIES IMPLICATIONS**

4.1 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.

#### **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.

5.2 None specific to this report.

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

6.1 Member allowances comprise of a basic allowance per annum for each Councillor and a special responsibility allowance for those members with additional responsibilities. There are no changes proposed to the basic allowance.

6.2 There are a number of changes proposed to special responsibility allowances (SRA) and schedule 1 details the current rates agreed in March 2018 and the proposed new rates.

6.3 Taking into account that a number of SRAs which were not previously claimed (either because the positions remained empty or because constitutionally more than one SRA cannot be claimed) may now be claimed, the net budget

impact is estimated at £70k which can be accommodated within the overall democratic services budget.

## **7. COMMENTS OF LEGAL SERVICES**

- 7.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 ('the regulations') require the Council to operate a scheme in accordance with those Regulations. The overall Members' Allowances Scheme 2018/19 was considered and adopted by Council on 21 March 2018. This report proposes an amendment to that scheme.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- Members' Allowance Scheme 2018/19 – Council 21 March 2018

#### **Appendices**

- Schedule 1 – updated Special Responsibility Allowances Table

#### **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