

<p>Non-Executive Report of the:</p> <p>Council</p> <p>Wednesday, 16 March 2022</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</p>	

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

Executive Summary

Part C, Section 39 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; and an attendance allowance for co-opted members of the Standards Advisory Committee and the Overview and Scrutiny Committees.

The Council also operates a Maternity, Paternity, Adoption and Sickness Pay policy for Members.

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 2022/23 is attached at Appendix 1.

Recommendations:

The Council is recommended to:

1. Adopt the London Borough of Tower Hamlets Members' Allowances Scheme 2022/23 as set out at Appendix 1 to this report.
2. Agree that the Members Allowances Budget be adjusted as necessary to cover the costs following the uprating of the local government pay award as set out at 3.7 of the report.
3. To agree that the General Purposes Committee lead on any required engagement with the upcoming London Independent Remuneration Panel in-depth review of Member Allowances and that the Committee is delegated authority to consider the outcome of that review, reporting back to Council as required for decision.

1. REASONS FOR THE DECISIONS

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

2. ALTERNATIVE OPTIONS

- 2.1 None

3. DETAILS OF THE REPORT

- 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. 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, considering the recommendations of an Independent Remuneration Panel.
- 3.2 The London Councils Independent Remuneration Panel last issued a report in January 2022 and this is included at Appendix 2 to this report.
- 3.3 In general, the recommendations of the Panel are unchanged since their last report in January 2018. However, the Panel report that they are to undertake a more detailed review of member allowances over the next couple of years and the Council may wish to undertake a more detailed review of member allowances through the General Purposes Committee once that has been published.
- 3.4 In relation to allowance levels, the Council's basic allowance for Councillors is very similar but slightly lower than that proposed by the Panel. However, many Special Responsibility Allowances are significantly below those suggested in the report. Details of their recommended allowance levels and bands are set out in the report at Appendix 2.
- 3.5 Beyond allowances themselves the Panel report also recommended that Councils should provide:
- An effective member learning and development programme.
 - Appropriate administrative support.
 - IT equipment.
 - Dependent carer payments.
 - A sickness/maternity/paternity policy.
 - Travel and subsistence allowances for travel outside of the borough.
- 3.6 All of the above are provided by the Council.
- 3.7 Finally, the Panel recommend that the allowances scheme is updated every year in line with any local government pay settlement. This is also an agreed

arrangement with the Council's Member Allowances Scheme. The pay settlement for April 2021 has recently been agreed and Members will receive the uprated allowance payments soon and those figures are reflected in Appendix 1. In addition, the Scheme set out here for 2022/23 including basic, special responsibility and co-optee member allowances would also be updated in line with any April 2022 local government pay settlement.

- 3.8 The current scheme is included at Part C of the Council's Constitution. Given that the London Independent Remuneration Panel's recommendations are very similar to their previous report and that local elections are due imminently it is proposed that the current scheme should be re-adopted without change. Should a new administration wish to review the scheme in more detail, this can be presented to Council following the elections. The scheme to be readopted for 2022/23 is set out at Appendix 1 to this report.
- 3.9 The Dependents' Carers' Allowance will be increased in line with the current London living wage as required.

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 There are no other statutory implications to be considered.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 There is a specific budget for all member allowances and costs will be contained within this budget.
- 6.2 Allowances will be increased in line with the annual pay settlement funded from council's MTFs inflation allocation.

7. COMMENTS OF LEGAL SERVICES

- 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 2022/23 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 16 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.

Linked Reports, Appendices and Background Documents

Linked Report

- None.

Appendices

- Appendix 1 – Members' Allowance Scheme 2022/23
- Appendix 2 – London Independent Remuneration Panel report 2022

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