

Item No. 85.1	Classification: Open	Date: 30 th April 2003	MEETING NAME COUNCIL ASSEMBLY
Report title:		MEMBERS' ALLOWANCES	
Ward(s) or groups affected:		ALL	
From:		CHIEF EXECUTIVE (Borough Solicitor & Secretary)	

RECOMMENDATIONS

That Council Assembly

1. Notes
 - a. the 2002/03 Members' Allowances Scheme at Appendix 1.
 - b. the recommendations of Standards Committee
 - c. that new regulations have been made which will require a further review of Members' allowances before 30 September 2003.
 - d. that regulations are expected shortly making provision for pensions for members
 - e. that all members have previously received copies of the ALG Panel report of August 2001, that an executive summary of the report is attached at appendix 3 and that a new ALG Panel report is expected following the new sets of regulations.
 - f. That Members may only claim reimbursement for travel, childcare, and subsistence allowances where an expense is wholly, necessarily and exclusively incurred for the purpose of a member's approved duties, and that this means that Members may not claim from the council where the expense has been reimbursed elsewhere.

2. Agrees that:
 - a. **Basic Allowance:** That the Basic Allowance
 - i. Remains the same pending the review (and that therefore Council Assembly's previous decision to link the basic allowance to the increase in the average hourly rate of male non-manual worker (i.e. increases by 6.75%) not be implemented.

 - b. **Special Responsibility Allowances:**
 - i. That the SRA for Chairs of Community Councils be paid at £7,000
 - ii. That other SRAs remain at the same level pending the review

 - c. **Travel Allowances:** That the status quo remains on Travel allowances

 - d. **Childcare and Dependent Carer Allowance:**
 - i. That the current restriction limiting claims to one per week be removed.

 - e. **Subsistence Allowance:**
 - i. That the status quo remains for subsistence allowance.

f. Approved Duties

- i. That the revised approved duties list at Appendix 4 be agreed.

BACKGROUND INFORMATION

3. Decisions on Member Allowances are reserved by law to Council Assembly, following consideration by Standards Committee. In coming to a decision Members must take into account the recommendations of the Standards Committee, Government Guidance, and the advice of the ALG Independent Panel but is not bound to implement either the Committee's or the ALG Panel's recommendations
4. The ALG Independent Panel issued a report in August 2001 and there has been no further report since that date, although ad hoc guidance has been issued in response to various questions. A copy of the Executive summary is attached at Appendix 3. All Members of the Council and independent Members of the Standards Committee have in the past been sent a copy of the full 82 page report. Additional copies may be viewed on the Council's intranet (Democratic Process > Member Information).
5. The last major review was carried out at the start of the new administration in May 2002 and agreed at Council Assembly on 26 June 2002 to be effective from 1st July 2002, for the year 2002/2003. The current scheme is attached at Appendix 1.
6. Regulations have just been made which consolidate and amend allowance provisions. The regulations take effect on 1 May 2003, and will require the Council to review the allowances before 30th September 2003. Regulations have also been announced which will allow the council to decide that some members may join the Local Government Pension Scheme.
7. The ALG Panel has already been meeting to consider their recommendations on pensions. It is expected that the ALG Panel's recommendations on pensions and other allowances will be available shortly.
8. Before the regulations were available, Standards Committee considered allowances to apply for the financial year beginning 1 April 2003. Standards Committee's recommendations took into account the limited budget for member allowances, and largely recommended a stand-still scheme, given the limited budget available. Individual recommendations are referred to below.
9. The budget available for Members Allowances for 2003/04 is £935,640.00 including the increased cost of NI at 12.8%

KEY ISSUES FOR CONSIDERATION

Basic Allowance

10. On 26th June 2002, Council Assembly decided that the Basic Allowance should be adjusted on 1st April each year in line with the latest changes to the average hourly rate of male white-collar workers in London. The average hourly rate of male white-collar workers in London, has increased from £19.85 in 2001 to £21.19 in 2002, a percentage increase of 6.75%. This is based on the New Earnings Survey data collected in April and published in October each year.

11. Implementing Council Assembly's decision would increase the basic allowance from £8,000 to £8,540 per annum. Standards Committee considered whether, given the current budget, an increase should be made, and did not recommend an increase in the basic allowance at this time.

Special Responsibility Allowances – Banding

12. Since the allowances scheme was agreed, the delegations to Community Councils have been determined. This alters the workload of Planning and Licensing Committees and the workload of Chairs of Community Council Chairs (currently in Band 1 – not being paid in 2002/03) can now be better gauged.
13. Standards Committee considered comparative information about the workloads of Community Council Chairs, Planning and Licensing Committee Chairs, and recommended that Community Council Chairs should receive a Band 2 SRA.
14. Standards Committee decided to recommend that Community Council Chairs be awarded a Band 2 SRA, the additional cost to be met from savings arising from the expected rationalisation of numbers of committees (resulting in fewer SRA's) at Constitutional Council in May 2003 and the expected lower take up of SRA's by those Members who worked hours elsewhere.

Special Responsibility Allowances – Inflation adjusting

15. Special Responsibility Allowances are based on a percentage of the total of the Leader's Allowances. Currently, the Leader receives the Basic Allowance of £8,000 and a SRA of £42,000.
16. The ALG Independent Panel recommended that the Leader's total allowances (Basic plus SRA) should be based on a back bench Member of Parliament's salary. This was currently £55,118 as at 1st April 2002, and £56,358 as at 1 April 2003, and is linked to Senior Civil Service pay bands. Council Assembly elected to pay the leader at a lower rate of £50,000.
17. Standards Committee had previously recommended to Council Assembly that SRAs should be inflation adjusted on 1st April each year, to reflect the percentage increase in salary paid to a back bench member of Parliament. Council Assembly did not accept this recommendation, and no inflation adjustment for the Leader's SRA (and therefore other SRAs) is currently built into the scheme.
18. Standards Committee considered whether SRAs should be increased, and if so by what measure. Given the current budget restrictions, the Committee did not recommend changes to other SRAs.

Special Responsibility Allowances – Band 1

19. Council Assembly agreed that, due to budgetary constraints, only the Deputy Leader of the Majority Opposition within Band 1 should receive a SRA in 2002/03. Standards Committee made no recommendation to alter this.

Travel Allowances

20. On 26th June 2002 Council Assembly decided that the basic allowance should cover travel costs within the borough (but with the exception set out below concerning cabs). Members may therefore usually only claim travel expenses incurred in the performance of "Approved Duties" for meetings held outside the borough. On 22nd January 2003 Council Assembly further determined that councillors could not claim for the congestion charge.

On 26th June 2002 Council Assembly decided that the basic allowance should cover travel costs within the borough although Members could claim for cabs for meetings, which end after dusk or after 8.00 p.m. whichever is the earliest, but not for a mileage allowance.

Standards Committee made no recommendation to change the existing criteria.

Subsistence Allowance

21. On 26th June 2002 Council Assembly decided that the basic allowance should cover subsistence costs within the borough. The maximum rates for subsistence allowance relating to "Approved Duties" are set out in Appendix 1. This allowance is not payable where the Council has made arrangements for refreshments and/or accommodation.

Standards Committee did not recommend any change to subsistence allowances.

Carers Allowance

22. The maximum rate of Childcare and Dependant Carers Allowance claimable by Members is £6.00 per hour, this figure to be uplifted on an annual basis. This figure was agreed at Council Assembly on 30th October 2002.
23. A Member has expressed concern that other Members could be adversely affected by the limitation which allows this allowance to be claimed only once per week, particularly in a week where Council Assembly and another committee meeting are held.
24. Standards Committee recommended that this limitation be removed but Council Assembly will wish to note that the maximum allowance is capped at £200 per calendar month per member.

Approved Duties

25. The list of "Approved Duties" (Annexe C of Appendix 1) has been updated to take into account appointments to outside bodies made at Constitutional Council on the 29th May 2002. It has also been updated to remove the names of charities to which members may be appointed (as members are appointed in their personal capacity and not as Council representatives).
26. All claims for travel, carers allowances and subsistence must be made within two months of the meeting that the claim relates to. Any claims outside this period will be referred to Standards Committee for consideration.

Pensions

27. The Government has decided to give local authorities the power to determine, on the advice of their Independent Remuneration Panels, which councillors are eligible for membership of the Local Government Pension Scheme. Regulations have been announced, and the ALG Panel is considering them.

Performance Indicators

28. Standards Committee resolved: "That in line with government legislation for increased public accountability over the performance of members' duties and responsibilities, the practice adopted by councils elsewhere, and the Leader of the Council's own public statements, that it be agreed, in principle, that any new Members' Allowances Scheme should only be introduced in conjunction with performance indicators/ standards. The indicators/ standards should be

transparent and comprehensive, should be particularly demanding for Executive Members, and should be applied first to Executive Members after the May 2003 Constitutional Council meeting.

29. Officers are still preparing proposals on performance indicators for consideration. It is recommended that these be considered as part of the review of Members allowances that is required by 30th September 2003.

CONCURRENT REPORT OF THE BOROUGH SOLICITOR AND SECRETARY

Constitutional Position

30. Determining the scheme and amounts of Members' Allowances is a matter reserved to Council Assembly by law. The Constitution provides for Standards Committee to make recommendations as to allowance levels to Council Assembly.

Members' Interests

31. All Members have a personal interest in this matter, as defined by paragraph 8 of the Code of Conduct, and are required to disclose this interest to the meeting under paragraph 9 of the Code.
32. Ordinarily, Members would be required to consider whether the personal interest was also a "prejudicial interest". However, paragraph 10(2)(g) of the code applies: it provides that a member may regard himself or herself as not having a prejudicial interest in a matter if that matter relates to members' allowances. Members are therefore free to remain in the meeting and to vote on this item.

Basic provisions: making and amending an allowance scheme

33. The payment of Members' Allowances is governed by sections 173-178 of the Local Government Act 1972, section 18 of the Local Government and Housing Act 1989 and regulations made thereunder. The relevant regulations are the Local Authorities (Members' Allowances) Regulations 1991/351, as amended, in particular by the Local Authorities (Members' Allowances) Regulations 2001.
34. These provisions require the Council to make and to maintain an allowance scheme. Any scheme continues until revoked and replaced by a subsequent scheme. The scheme may be amended at any time, but may only be revoked with effect from the beginning of a year (for this purposes a year begins on 1 April and ends on 31 March). If an in-year amendment is made, the regulations require that the allowance is paid proportionately based on the number of days in the year.
35. In determining the level of allowances, Council Assembly is required to have regard to the ALG Panel report, and to statutory guidance (contained in Appendix 6 of the Panel's report). Council Assembly should also have regard to the recommendations of the Standards Committee, but is not bound to implement either the Committee's recommendations or the ALG panel's recommendations.
36. Members have previously received copies of the full report, which was published in August 2001. A summary of the report has been provided at Appendix 3. Members should consider the report carefully, before deciding to amend allowance levels. Members who have lost their copy of the report should ask for new copies. Although Members are required to have regard to the

recommendations and the guidance, they are not bound to follow them, provided the decision that they do come to is reasonable.

Basic Allowances

37. Members attention is drawn to the ALG Panel's advice, contained at paragraphs 18-25 of the Executive Summary, and in Chapter 5 of the full report.

Special Responsibility Allowances - Banding

38. Regulation 9 of the 1991 regulations (as amended) specifies the categories of Members of the Authority to whom special responsibility allowances may be payable as follows:

- (a) Acting as Leader or Deputy Leader of the political group
- (b) membership of an executive
- (c) Presiding at meetings of a committee or sub-committee or joint committee or sub-committee of a joint committee on which the authority is represented. (This would include area committees)
- (d) Representing the authority at meetings of or arranged by any other body.
- (e) Membership of a Committee or sub-committee which meets with exceptional frequency or for exceptionally long periods
- (f) Acting as a spokesman of a political group on at Committee or sub-committee
- (g) Such other activities in relation to the discharge of the Authority's functions as require of the Member an amount of time and effort equal to or greater than would be required of him or her by any one of the activities mentioned in subparagraphs (a)-(e) above.
- (h) Any duty for the purpose of, or in connection with, the discharge of the functions of an executive.

39. Regulations require that where there is a controlling political group (where half the authority's membership are of the same political group) an allowance must be paid to at least one person who is not a member of that group. However, as no political group has half the membership of the council, this section does not apply.

ALG Panel Recommendations - SRAs

40. Members attention is particularly drawn to paragraphs 29-38 of the ALG report's executive summary and Chapter 7 of the full report. In considering changes to bands Members should note the ALG Panel recommendation that special responsibility allowances should be payable only where there are significant differences in the time requirements and level of responsibility from those generally expected of a councillor. Government guidance is that they should be paid only to members who have "significant additional responsibilities" over and above the generally accepted duties of a councillor.
41. Members should note that the Panel recommends that the proportion of Councillors entitled to receive a Special Responsibility Allowance should not exceed 50 per cent of the total number of Councillors and that no individual Member should receive more than one Special Responsibility Allowance. The

panel stressed the importance of a general principle of limiting tightly, as a matter of good practice, the proportion of councillors entitled to SRAs.

Attendance Allowance and Financial Loss Allowance

42. Members will be aware that the Attendance Allowance has been abolished. Councillors cannot claim a Financial Loss allowance as they receive a Basic Allowance. The maximum amounts of Financial Loss allowance are prescribed by regulations. The Council's current scheme meets the legal requirements.

Childcare and Dependent Carer's Allowance

43. The Local Authorities (Members' Allowances)(England) Regulations 2001 set limits on the duties in respect of which Childcare and Dependants Carers allowances can now be paid. The duties listed in the current scheme reflect the regulatory limits. The amount payable is not set by regulation and may be determined by the Council, after having regard to the advice of the ALG Panel. Members attention is drawn to the panel's recommendations at paragraph 27 of the Executive Summary and Chapter 6 of the full ALG report.

Travel Allowances and Subsistence Allowances

44. Members are entitled to receive travelling and subsistence allowance where expenditure is necessarily incurred by them for the purpose of enabling the member to perform an approved duty.
45. The rate of the allowance is at the Council's discretion, subject to maximum levels set by the Secretary of State. The current scheme, in effect, sets the travel allowance rates at £0.00 for intra borough travel as, in accordance with the ALG Panel's recommendations, the basic allowance has been set at a level to cover basic out-of pocket expenses.
46. Members are advised that this is a reasonable approach, given the ALG Panel advice and the current level of basic allowance. If the basic allowance was reduced to a very low level, then it would not be reasonable to continue to zero rate the level of allowances for in-borough travel.
47. The rates for travel outside the borough are set out in Appendix B of Appendix 1. These rates reflect the decision of Council Assembly on 24th May 2000 that allowances be updated annually in line with the maximum amounts allowed by the then Department of Environment, Transport and Regions (DETR) as at 13th April 2000. Travel and Subsistence allowances have been the subject of consultation by the former Department for Local Government, Transport and the Regions (DTLR). The outcome of the consultation is not yet available from the Democracy and Local Leadership Branch of the Office of the Deputy Prime Minister (ODPM).

Approved Duties

48. Members should note that they cannot extend the duties for which Child Care Allowance is payable. Travel, Subsistence and Financial Loss are payable for the list shown in the current scheme, but members are able to add additional duties or classes of duties., provided that the duties are carried out for the purpose of or in connection with the discharge of the functions of the Council, or any of its committees or sub-committees. Allowances cannot be paid for attendance at political group meetings.

Pensions

49. Regulations will shortly be made to allow Councils to agree to admit some or all members to the Local Government Pension Schemes. Until the regulations are made and take effect, there is no power for the Council to fund pensions.

Tax

50. All Members have previously received a letter outlining LGIU advice on taxation. As a general rule, basic and SRA allowances are taxable as income, although Members can offset against that income expenses that have been wholly, exclusively and necessarily incurred in the performance of their duties as a councillor.

Publicity

51. Amendments to the scheme must be publicised as soon as practicable after any amendment is made. As soon as practicable after 31 March in any year, the Authority must publish the total sum paid by it to each member in respect of basic, special responsibility and dependent carer's allowances. There is no statutory requirement to publish the amount received by Members by way of travel, subsistence, financial loss, and telephone allowances.

RESOURCE IMPLICATIONS

52. The 2002/03 budget for Members' allowances was £884,000. This was sufficient to meet the cost in 2002/03 although a full-year budget for the 2002/03 scheme would have required £904,825.
53. The budget available for 2003/04 is £935,640 (this has been inflated to take account of the NI increase to 12.8%). This is insufficient to meet the full-year cost of a standstill scheme (£989,820 including 12.8% NI) in 2003/04. This is because the 2002/03 scheme did not commence until July 2002, was based on the assumption that certain Executive Members would not claim their full SRA whereas a standstill scheme is budgeted on the basis of full take up and because NI is now budgeted at 12.8%.
54. No budget provision has been identified to pay pensions to Members.
55. Council Assembly will wish to note that in 2002/03, some Members did not claim their full SRA allowances, either because they were eligible for two and only one can be claimed or because of hours being worked elsewhere. This resulted in a 93.36% take up of the total Members allowances budget.
56. Standards Committee decided to recommend that Community Council Chairs be awarded a Band 2 SRA of £7,000 p.a., the additional cost to be met from savings arising from the expected rationalisation of numbers of committees (resulting in fewer SRA's) at Constitutional Council in May 2003 and the expected lower take up of SRA's by those Members who worked hours elsewhere.
57. The full-year cost of a standstill scheme but also paying a Band 2 SRA to the eight Community Council chairs is £1,052,988 (see Appendix 2) which exceeds available budget by £117,448. Although Standards Committee expects savings to arise to help meet the additional cost, these are difficult to predict accurately. There are no resources in the existing budget to meet this shortfall and additional resources would need to be identified if this scheme were agreed.

Equal Opportunities Implications

58. An inadequate Members' Allowance Scheme creates too narrow a base from which to recruit Members and disadvantages certain sections of the community. The ALG recommends that the recruitment of Councillors should be drawn from across the social spectrum and not just be restricted to those people who can afford to give open-ended time commitment in return for no more than honorary remuneration. A realistic remuneration package would also assist those individuals with caring responsibilities to be able to make alternative arrangements and allow them to be active in Council business, thus helping to attract a wider spectrum of Councillors from all sides of the community and reinforce the ethos of public service. Similar considerations apply to co-opted Members.

Chief Financial Officers Comments

59. There are no specific resources to meet the extra costs of £117,348 identified in this report. The full costs however will depend on the further uptake of the Special Responsibility and Childcare and Dependent Carer Allowance which is difficult to estimate in advance.
60. If no alternative funding for the allowances can be identified, or savings made, then the costs will fall through to be met from balances during 2003/04 with the costs in future years being met from base budgets.
61. Currently balances at 31st March 2004 are anticipated to be £7,500,000 the Council's guideline level.

Background Papers	Held At	Contact
None		
Published Papers	Held At	Contact
ALG Panel Report 2001	Member Services Town Hall Peckham Road	Gillian Allwright 020 7525 7235
Standards Committee reports	Constitutional Support Town Hall Peckham Road	Tina Akumanyi 020 7525 7344

List of Appendices

Audit Trail

Appendix 1 – Current Members' Allowances Scheme

Annexe A - SRAs

Annexe B - Travel Allowance

Annexe C - Summary of Approved Duties

Appendix 2 – Suggested Members Allowances Scheme 2003/04 based on Standards Committee recommendations

Appendix 3 – Executive Summary, report of ALG Independent Remuneration Panel, August 2001

Appendix 4 – New List of Approved Duties

Audit Trail

Lead Officer	David Mearns, Head of Administrative Services	
Report Author	Gillian Allwright, Member Services Manager Rachel Prosser, Senior Legal Officer	
Version	Final	
Dated	15 April 2003	
Key Decision?	Not applicable	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	Yes	Yes
Chief Finance Officer	Yes	Yes
List other Officers here		
Executive Member		
Date final report sent to Constitutional Support Services	16 April 2003	

PART 6

**MEMBERS' ALLOWANCES
SCHEMES**

MEMBERS' ALLOWANCES SCHEMES – 2002/2003

1. Introduction

- 1.1 The Local Government & Housing Act 1989 and the Local Authorities (Members' Allowances) Regulations 1991 (as amended) require authorities to make a scheme for payment of allowances to Councillors. The regulations do not limit the amount that can be paid.
- 1.2 Before making, amending or reworking its allowances scheme, the Council is required to have regard to the recommendations of an independent remuneration panel. The Council is not, however, bound to adopt all or any of the panel's recommendations provided it has given them due consideration and is satisfied that it has justifiable reasons for not doing so.
- 1.3 In June 2002, the Council agreed a new Members' Allowances Scheme having considered the recommendations of the Standards Committee and having taken into account the Association of London Government Independent Remuneration Panel's report of August 2001 and the statutory guidance.

2. Basic Allowance

- 2.1 Each member of the Council is entitled to receive the annual Basic Allowance of £8,000. This is paid on a monthly basis rather than as a lump sum.
- 2.2 If a member of the Council does not serve for the whole of the 12 month period, or becomes disqualified, they will only be entitled to pro-rata payments for the period(s) during which they were actually a serving member of the Council.
- 2.3 If a Member wishes to waive their right to receive a Basic Allowance, or any other allowance under the scheme, they must notify the Borough Solicitor & Secretary in writing.

3. Special Responsibility Allowance

- 3.1 The Council has decided to pay special responsibility allowances (SRA) to those Members whom it considers to have special responsibilities for the discharge of the Council's functions. The list of SRAs payable is set out in Appendix A. This Allowance is in addition to the Basic Allowance. No Member may receive more than one SRA.
- 3.2 The level of Allowance paid to a Band 3 or Band 4 member is dependent on the number of hours per week the Member is employed elsewhere, as set out below:
 - less than 11 hours elsewhere, full SRA
 - 11 to 24 hours elsewhere, two thirds SRA
 - more than 24 hours elsewhere, one third SRA
- 3.3 SRA is paid monthly. Where a Member does not hold the post attracting the SRA for a complete calendar month, it will be paid proportionately for the number of days during which they held the post. If a Member of the Council does not serve as an elected Member for the whole of the 12 month period, or becomes disqualified, or if they cease to perform the duties for which the allowance is payable, they will only be entitled to pro rata payments for the period(s) during

which they undertake the duties. Similarly, if the scheme is amended so as to affect entitlement, the Allowance will be paid pro rata.

4. Travel Allowance

- 4.1 Normally, Members may only claim travel expenses incurred in the performance of “approved duties” (see paragraph 7 below) for meetings held outside the borough.
- 4.2 However, Members are able to claim for taxis home after Council meetings which end after dusk or after 8.00p.m., whichever is the earliest. Members with mobility disabilities are able to claim for taxi fares at any time whilst on Council business in the borough.
- 4.3 Other conditions applying and the approved rates are set out in Appendix B.

5. Subsistence Allowance

- 5.1 The maximum rates for subsistence allowance relating to “approved duties” are set out in Appendix B. This allowance is not payable where the Council has made arrangements for refreshments and/or accommodation.

6. Child-care and Dependant Carers Allowance Scheme

- 6.1 Members may claim this Allowance as reimbursement of costs they incur in arranging carers to look after dependants who cannot be left by themselves by reason of age or other special needs. The Allowance may only be claimed in respect of “approved duties”.
- 6.2 The maximum rate claimable is £6.00 per hour (as at October 2002), to be uplifted on an annual basis. The following criteria also apply:
- payments are subject to a maximum monthly payment of £200 (any claims in excess of this amount to be submitted to the Standards Committee for consideration);
 - payment is claimable in respect of children aged 15 or under or in respect of other dependants where there is medical or social work evidence that care is required;
 - only one weekly payment may be claimed in respect of the household of each Member, except in special circumstances agreed by the Standards Committee;
 - the Allowance will be paid as a reimbursement of incurred expenditure against receipts;
 - the Allowance is not payable to a member of the claimant’s own household;
 - the carer must be 18 or over (and not a spouse or partner/co-habitee of the member or a relative living at the same address); and
 - any dispute as to entitlement and any allegation of abuse will be referred to the Standards Committee for adjudication

7. Approved Duties

- 7.1 For a Member, an “approved duty” for the purpose of Travel, Subsistence and Child-care and Dependant Carers Allowances means:

- a) 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, provided they are a member of the body concerned;
 - b) 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 the Council, or a sub committee of such a joint committee, provided that it is a meeting to which members of at least 2 political groups have been invited;
 - c) attendance at a meeting of any association of authorities of which the Council is a member;
 - d) attendance at a meeting of the Executive or of any of its committees;
 - e) attendance at tender openings, where this is required by the Council's Procedure Rules;
 - f) performance of any duty in connection with the discharge of a function of the authority empowering or requiring the inspection of premises; and
 - g) performance of any duty in connection with arrangements made by the authority for the attendance of pupils at special schools
- 7.2 Travel and Subsistence (but not Child-care and Dependant Carers Allowance) can also be claimed in respect of:
- h) any other duty approved by the Council for the purpose of, or in connection with, the discharge of the functions of the Council, or any of its committees or sub-committees; and
 - i) any duty for the purpose of or in connection with the discharge of the functions of the Executive
- 7.3 No Allowances can be claimed in respect of political group meetings, Members' surgeries or attendance at college or school governing bodies.
- 7.4 A summary list of approved duties is set out in Appendix C. Some of the bodies listed pay allowances directly to Members. When claiming Allowances, Members cannot claim twice in respect of the same expenditure. Members are required to sign a statement that the Member has not made and will not make any other claim in respect of the matter to which the claim relates.

8. Claiming Allowances

- 8.1 Basic and Special Responsibility Allowances are paid automatically. Claims for all other Allowances must be submitted within two months of the duty undertaken and accompanied by relevant receipts. Claims submitted outside of the two-month period may be put forward to the Standards Committee for consideration.

9. Co-Opted Members

- 9.1 Co-Opted members, including Independent Members of the Standards Committee and education representatives on Overview & Scrutiny Committee and its Sub-Committees, may claim Travel, Subsistence and Child-care and Dependant Carers Allowances.
- 9.2 Co-Opted members only may also claim Financial Loss Allowance. This is in respect of any loss of earnings or loss of any individual expenses (other than

expenses on account of travelling or subsistence) necessarily incurred for the purpose of enabling the co-opted member to perform their duties.

9.3 Financial Loss Allowance is subject to the following prescribed maximum amounts, which are not currently subject to inflation uplift:

- for a period not exceeding 4 hours, £27.65
- for a period exceeding 4 hours but not exceeding 24 hours, £55.31
- for a period exceeding 24 hours, the aggregate of £55.31 and such amount specified above as is appropriate to the number of hours

10. Annual Review

10.1 The Council has decided that the level of Basic Allowance should be adjusted on 1 April each year in line with the latest changes to the average hourly rate of male white-collar workers in London.

10.2 The level of travel and subsistence payments as set out in Appendix B are raised in line with the maxima set by the Secretary of State.

November 2002

11. Special Responsibility Allowances

<u>Mayor</u>	£20,000 (40% of total allowance payable to Leader)
<u>Band 1</u>	£2,500 (5% of total allowance payable to Leader)
Leader of Minority Opposition Deputy Leader, Majority Opposition Chair of Community Council Vice-Chair, Scrutiny Sub-Committee Opposition Group Whip Vice-Chair, Planning Committee Vice-Chair, Licensing Committee	
Band 2	£7,000 (14% of total allowance payable to Leader)
Deputy Mayor Chair, Scrutiny Sub-Committee Chair, Planning Committee Chair, Licensing Committee Chief Whip Leader of Majority Opposition Vice-Chair, Overview & Scrutiny	
Band 3	£22,500 (45% of total allowance payable to Leader)
Deputy Leader Executive Member Chair, Overview & Scrutiny	
Band 4	£42,000
Leader	

Note:

Due to budget constraints for the Municipal Year 2002/2003, only the Deputy Leader of the Majority Opposition within Band 1 receives a SRA.

12. Travel Allowance

Members may claim the cost of public transport relating to “approved duties” outside the borough (receipts must be produced in respect of all claims). Members using their own transport may submit mileage claims. The maximum rates per mile are as follows:

	Rate per mile (not to exceed)
Motor cycle not exceeding 150cc	8.5p
Motor cycle exceeding 150cc but not exceeding 500cc	12.3p
Motor cycle exceeding 500cc	16.5p
Motor vehicle not exceeding 999cc	34.6p
Motor vehicle exceeding 999cc but not exceeding 1199cc	39.5p
Motor vehicle exceeding 1199cc	48.5p

13. Subsistence Allowance

Subsistence Allowance may be claimed in respect of “approved duties” if they involve an absence from the normal place of residence exceeding four hours in total which includes one hour travelling time. The current maximum amounts set by the Secretary of State are:

Breakfast allowance (before 11.00a.m.)	£4.92
Lunch allowance (between 12 noon and 2.00p.m.)	£6.77
Tea allowance (between 3.00p.m. and 6.00p.m.)	£2.67
Evening meal allowance (after 7.00p.m.)	£8.38

The amount to be reimbursed in respect of qualifying duties is the actual amount spent subject to the maximum figures quoted above. Receipts must be produced in respect of all claims.

In the case of an overnight absence from home, the maximum daily amount that may be claimed for accommodation and subsistence is £79.82 (if accommodation and/or meals have not been booked and paid for by the Council).

Summary List of Approved Duties

1. Attendance at Council, Committee or Sub-Committee meetings.
2. Attendance at Neighbourhood Forums that fall within the Member's Ward.
3. Attendance at Tenants' Council and Leaseholders' Council.
4. Attendance at Licensing or Development Control Committees as a Ward representative.
5. Attendance at a meeting of a body to which the Member has been nominated by the Council including the following:
 - Adoption Panel
 - Anti Homophobic Forum
 - Age Concern Greater London
 - ALG (Association of London Government)
 - ALG Area Environment Group
 - ALG Committees and Panels
 - Association of Direct Labour Organisations
 - Aylesbury Plus Community Forum
 - Aylesbury Plus SRB Partnership Board
 - Browning Estate Management Board
 - Business Link
 - Executive Best Value Panel
 - Camberwell Provident Dispensary
 - Capital Transport Campaign
 - Capital Working Group
 - Chartered Institute of Library and Information Professionals (formerly the Library Association)
 - Children and Young People Best Value Working Groups
 - Corporate Parenting Panel
 - Credit Union Development Agency
 - Cross River Partnership Board
 - Disabilities Forum
 - Early Years Development and Childcare Partnership
 - Education Action Zones
 - Elephant Links Partnership Board
 - Environmental Management Contract Working Party
 - Greater London Provincial Council
 - Greater London Employers' Association Ltd
 - Greater London Energy Efficiency Network (GLEEN) Greater London Enterprise Limited
 - Greater Peckham Alliance
 - Housing Partnership Board (formerly Tenant Participation Compact Project Team).
 - Joint Partnership Panel (Trade Union Consultation)
 - Lambeth and Southwark Housing Association Limited
 - Leaseholders Arbitration Panel
 - Lee Valley Regional Parks Authority
 - LGA (Local Government Association) General Assembly
 - Southwark Local Strategic Partnership

- London Arts Board/Local Authority Forum
- London Accident Prevention Council (LAPC)
- London and Quadrant Housing Trust – South West Thames Regional Committee
- London Boroughs Children’s Regional Planning Committee
- London Caribbean Partnership Group
- London Museums Agency
- London South East Valuation Tribunal
- National Association of Black, Asian and Ethnic Minority Councillors
- National Society for Clean Air and Environmental Protection
- North Southwark Environment Trust
- Pensioners’ Forum
- School Organisation Committee
- Secure Accommodation Panel
- Silwood Estate SRB Partnership Board
- South Eastern Museum Service
- South London Gallery Steering Group
- Southern Association of Direct Labour Organisations
- Southwark and Lambeth Archaeological Excavation Committee
- Southwark Community Leisure Ltd (Fusion) Management Board
- Southwark Council for Community Relations
- Southwark Groundwork Trust (Directors)
- Southwark Partnership Board
- Southwark Police & Community Consultative Group
- Southwark Women’s Aid
- Southwark Police and Community Consultative Group
- Stakeholder Forum – Housing Management and Support for Residential Involvement.
- Standing Advisory Council on Religious Education
- Standing Committee on Atmospheric Pollution
- Stephen Lawrence Strategic Advisory Group.
- Street Trading Consultative Forum
- Territorial Auxiliary and Volunteer Reserve Association for Greater London
- Tenancy Agreement Arbitration Panel
- Tenants Management Organisations Liaison Committee
- Traffic Petitions and Deputations Panel
- Unitary Development Plan Advisory Panel.
- Voluntary Bodies Appointments Panel
- Warwick Consortium

STANDSTILL POSITION ON MEMBERS ALLOWANCES – COMMUNITY COUNCIL CHAIRS IN BAND 2

Type	Recipients	Basic Allow 2002/03		Basic Allow 2003/04		SRAs 2003/2004
				Amount	No.	Total
Basic	All Members	£8,000		£8,000	63	£504,000.00
SRAs						
Band 1	Leader Min Opp		£2,500		0	£0
	Dep Leader Maj Opp		£2,500		1	£2,500
	Vice-Chair Scrutiny Sub-Committee - Community Safety		£2,500		0	£0
	Vice-Chair Scrutiny Sub-Committee - Education		£2,500		0	£0
	Vice-Chair Scrutiny Sub-Committee - Environment		£2,500		0	£0
	Vice-Chair Scrutiny Sub-Committee - Finance & General Purposes		£2,500		0	£0
	Vice-Chair Scrutiny Sub-Committee - Health		£2,500		0	£0
	Vice-Chair Scrutiny Sub-Committee - Housing		£2,500		0	£0
	Opp Group Whip		£2,500		0	£0
	Vice-Chair Planning		£2,500		0	£0
	Vice-Chair Licensing		£2,500		0	£0
	5% of Total Allowance Payable to Leader		Total Band 1			£2,500.00
Band 2	Dep Mayor		£7,000		1	£7,000
	Chair Scrutiny Sub-Committee - Community Safety		£7,000		1	£7,000
	Chair Scrutiny Sub-Committee - Education		£7,000		1	£7,000
	Chair Scrutiny Sub-Committee - Environment		£7,000		1	£7,000
	Chair Scrutiny Sub-Committee - Finance & General Purposes		£7,000		1	£7,000
	Chair Scrutiny Sub-Committee - Health		£7,000		1	£7,000
	Chair Scrutiny Sub-Committee - Housing		£7,000		1	£7,000
	Chair of Planning		£7,000		1	£7,000
	Chair of Licensing		£7,000		1	£7,000
	Chair of Community Council		£7,000		8	£56,000
	Chief Whip		£7,000		1	£7,000
	Leader Maj Opp		£7,000		1	£7,000
	Mayor		£20,000		1	£20,000

STANDSTILL POSITION ON MEMBERS ALLOWANCES – COMMUNITY COUNCIL CHAIRS IN BAND 2

	Vice-Chair Overview & Scrutiny		£7,000		1	£7,000
	14% of Total Allowance Payable to Leader		Total Band 2			£160,000.00
	40% of Total Allowance Payable to Leader (Mayor)					
Band 3	Deputy Leader		£22,500		1	£22,500
	Executive Member - Housing		£22,500		1	£22,500
	Executive Member - Regen & Econ Dev		£22,500		1	£22,500
	Executive Member - Social Services & Health		£22,500		1	£22,500
	Executive Member - Community Support & Safety		£22,500		1	£22,500
	Executive Member - Service Delivery		£22,500		1	£22,500
	Executive Member - Finance		£22,500		1	£22,500
	Executive Member - Education & Leisure		£22,500		1	£22,500
	Executive Member - Environment & Transport		£22,500		1	£22,500
	Chair Overview & Scrutiny		£22,500		1	£22,500
	45% of Total Allowance Payable to Leader		Total Band 3			£225,000.00
Band 4	Leader		£42,000			
			Total Band 4		1	£42,000
						£933,500.00
			On Costs			£119,488.00
	Total Allowance Payable to Members					£1,052,988.00
			budget available in 2003/04 is			£935,540.00
			including on costs			
	Leaders Basic Allowance		£8,000.00			
	Leaders SRA		£42,000			
	Total Allowance Payable to Leader		£50,000.00			

Making Allowances – August 2001

Executive summary

(1) Local government in London is being significantly reshaped by the modernisation agenda for councils and by the setting up of the Greater London Authority as a new capital-wide strategic authority.

(2) London councils (the 32 boroughs and the City Corporation) are at an advanced stage in the movement for modernisation of local government. Most have now moved from the traditional committee system of internal organisation, to a model which splits the executive and scrutiny roles of councillors, and which acknowledges the importance of the non-executive work of councillors as representatives of their community.

(3) Local government plays a central role in the social, economic and cultural life of the capital. Its councils employ more than 200,000 people and its councillors are responsible for overseeing budgets which total some £7bn a year and which provide a wide range of vital public services across the city.

(4) It is these London councils which oversee the delivery of the diverse range of everyday services which local people use and rely on, from street cleaning and schools to parks to old people's homes.

(5) Elected councillors are called on to undertake many different tasks on behalf of the communities that they represent.

(6) A fair system of allowances is an important part of the package of support and resources that councillors need in order to perform effectively.

(7) To be both efficient and effective, councillors increasingly need administrative and technology support in doing their work. Allowance schemes should recognise and provide for this, alongside training and development for their work as councillor.

(8) A fair and transparent system of allowances has a key role to play in ensuring that councillors are able to carry out their work.

(9) Widespread variations remain in the levels of allowances and other support for councillors among London councils.

(10) Allowance schemes need to be set at levels which are both realistic and fair, but which also reflect the high level of personal commitment and sense of public service that inspires people to serve as councillors.

(11) Changes are being made to the internal political management of London councils, but the process is still in transition.

(12) The Panel's recommendations for the current financial year need therefore to reflect the wide range of different practice that presently exists in London. Future reports will need to consider the actual implications, for allowances and other support, of the new executive structures now being introduced. This will become clearer with time as the structures settle down and councillors adjust to their new roles.

(13) The level of allowances should reflect the work done, responsibilities borne and the costs and time incurred by individual councillors as community representatives, members of a cabinet executive, scrutiny committee or as council leader or even directly elected mayor.

(14) Allowances should also recognise the particular importance now attached to councillors developing their role as community representatives, and should ensure that this is adequately resourced and supported.

(15) The advent of the Greater London Authority and the London Assembly with paid elected members (many of whom formerly served as London councillors) and the introduction of new political management organisation in London councils requires rational and realistic systems of allowances that reflect the different types of responsibility within local authorities.

(16) New allowances schemes need to be clear and easily understood by members of the public. Information on the organisation and working of local schemes should be freely available to all members of the public.

(17) Significant differences still exist between London councils in the way they support and compensate councillors, and there are also anomalies within councils. All London councils should set themselves the target of having new local schemes in place before the London council elections of 2002.

The basic allowance

(18) All councillors should receive a basic annual allowance which properly reflects the demands of their work on behalf of their communities and yet also retains a substantial element of voluntary public service.

(19) This should be calculated on the basis of an hourly rate for a reasonable commitment of time, discounted appropriately to reflect councillors' commitment to providing a significant element of their public service on a voluntary basis.

(20) Evidence suggests that councillors contribute a very large amount of time to their duties, and that this inevitably takes a heavy toll on their other employment and their family life.

(21) The role of a non-executive councillor should not be full-time, nor anything approaching it.

(22) It is unreasonable to expect non-executive councillors to put in more than 60 hours a month and we recommend that the first 20 hours of this should be seen as a voluntary commitment to the community. The basic allowance should therefore be based upon an assumed contribution of 40 hours per month.

(23) The most appropriate hourly rate is the average hourly rate of male non-manual workers in London, currently £17.43p per hour.

(24) We therefore recommend that the basic annual allowance for all councillors in London should be £8,500.

(25) The basic allowance should cover all of the contribution made by non-executive councillors, and also their reasonable out of pocket expenses such as intra-borough

travel. We propose to review broader issues relating to travel and subsistence following publication of further Government guidance on the issue. However, where there are some special cases where special expense is incurred going beyond the basic allowance, or a significantly heavier burden of responsibility is incurred by individual councillors, we accept that special supplementation may be necessary.

(26) We recommend that London councils which experience a sufficiently heavy workload of quasi-judicial hearings should set up a panel of non-executive councillors who are available and willing to serve in this capacity, and should make provision for payment of a special quasi-judicial allowance to all members of that panel. They should ensure that the level of the allowance bears a reasonable relationship to the anticipated volume of work, and that the work through the year is distributed as evenly as possible amongst the members of the Panel.

(27) We recommend that allowances for childcare and dependent care should be provided for in London councils' schemes, and that:

- (1) a maximum rate should be set locally to reflect local costs, not exceeding £4.50 per hour;**
- (2) payments should be subject to a maximum weekly payment of £30, equivalent to seven-and-a-half hours of care per week;**
- (3) payment should be claimable in respect of children aged 15 or under or in respect of other dependants where there is medical or social work evidence that care is required;**
- (4) only one weekly payment should be claimable in respect of the household of each member, except in special circumstances to be judged by the Council's Standards Committee;**
- (5) the allowance should be paid as a reimbursement of incurred expenditure against receipts;**
- (6) the allowance should not be payable to a member of the claimant's own household;**
- (7) any dispute as to entitlement and any allegation of abuse should be referred to the Council's Standards Committee for adjudication; and**
- (8) the scheme should be reviewed after not more than twelve months operation.**

(28) We do not feel able to make recommendations in relation to the payment of pensions until the new legislation is adopted, but propose to revisit it in the London context once the regulations have been made.

(29) The basic allowance for councillors is the fundamental element upon which local systems of allowances should be built. Additional payments for special responsibility should be paid only where they are justified by clear and significant differences in workload and responsibility. There should be a limit on the proportion of councillors entitled to draw special allowances, so as to ensure that do reflect such clear and significant differences.

(30) We recommend that the proportion of councillors entitled to receive a special responsibility allowance should not exceed 50 per cent. However, we stress again the importance of the general principle of limiting tightly, as a matter of good practice, the proportion of councillors entitled to SRAs.

(31) Allowances schemes should be kept simple. They need not, and should not, attempt to reflect all differences in time commitment and responsibility between

different posts. These will vary over time, and will reflect different levels of contribution by individuals and different levels of support by the council's employed officers.

(32) Five bands of special allowances should be sufficient to reflect different levels of responsibilities, but London councils will need to adapt the Panel's general recommendations to meet their local circumstances.

(33) Bands One, Two and Three are designed to reflect the many different duties and responsibilities undertaken by executive councillors. They should therefore be based on a sliding scale within the bands to give councils flexibility in establishing local schemes.

Special responsibility allowances: Band One

(34) Band One allowances should be payable to a group of office-holders that would include the leader of a minor opposition party, the deputy leader of major opposition group, the opposition spokesperson on a scrutiny committee, the vice-chairs of a major regulatory committee or the chairs and vice-chairs of area committees or area forums and the vice chair of council business. It should be set at a level where, taken with the basic allowance, it represents between 20%-30% of the total allowances payable to the council's leader.

This is made up as follows:-

Basic Allowance:	£8, 500
Band 1 Allowance:	<u>£1,900 to £7,100</u>
Total:	£10,400 to 15,600

Special responsibility allowances: Band Two

(35) Band Two allowances will reflect a higher level of responsibility and time commitment. Office holders falling within this band should include the chair of a scrutiny committee or panel, councillors who act as representatives on key outside bodies, the leader of the principal opposition group, the chair of a major regulatory (e.g. planning) committee, or the chair of council business. The special responsibility allowance should be set at a level where, taken with the basic allowance, it represents between 40% and 60% of the total allowances payable to the council's leader.

This is made up as follows:-

Basic Allowance:	£8, 500
Band 2 Allowance:	<u>£12,300 to £22,700</u>
Total:	£20,800 to £31,200

Special responsibility allowances: Band Three

(36) Band Three allowances are intended only for very senior posts. These would include, for example, the post of deputy leader of the council, cabinet member, or a councillor who has overall responsibility for overview or scrutiny as the chair of the main scrutiny committee. These posts bear heavy responsibility and a significant time commitment. In some councils they may be close to a full-time position. The special responsibility allowance should therefore be set at a level where, taken with the basic allowance, it represents between 70% and 80% of the total allowances payable to the council's leader.

This is made up as follows:-

Basic Allowance:	£8, 500
Band 3 Allowance:	<u>£27,900 to £33.100</u>
Total:	<u>£36,400 to £41,600</u>

Special responsibility allowances: Band Four

(37) This band is intended for the post of Council Leader. There will therefore be only one office holder in each council in this band. The duties and responsibilities of the leader of a London Council are at least as demanding as those of a backbench MP and this should be reflected within local allowance schemes. The post will normally be a full-time post.

(38) We therefore propose that the remuneration package for a council leader under Band Four of our scheme, should be set at the recently adopted salary level for a Member of Parliament, of £52,000.

This is made up as follows:-

Basic Allowance:	£8, 500
Band 4 Allowance:	<u>£43,500</u>
Total:	<u>£52,000</u>

Special responsibility allowances: Band Five

(39) No London borough council at the moment has a directly elected executive mayor. The only operative example in Britain at present is with the Greater London Authority. However, local government legislation now makes provision for a model of governance that includes a directly elected Mayor. In order to reflect the significant difference in personal responsibility between a directly elected Mayor and the post of Council Leader, it is necessary to introduce a fifth band.

(40) Band Five applies solely to a directly elected executive Mayor. The remuneration package should be set at a level that is 25% higher than that recommended for a Council Leader. This implies an annual salary of £65,000.

Revised List of Approved Duties

1. Attendance at Council, Committee or Sub-Committee meetings.
2. Attendance at Neighbourhood Forums that fall within the Member's Ward.
3. Attendance at Tenants' Council and Leaseholders' Council.
4. Attendance at Licensing or Development Control Committees as a Ward representative.
6. Attendance at a meeting of a body to which the Member has been nominated by the Council including the following:
 - Adoption Panel
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 - Age Concern Greater London
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 - ALG Area Environment Group
 - ALG Committees and Panels
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 - Credit Union Development Agency
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