

Item No. 6.1	Classification: Open	Date: 26 November 2003	Meeting Name: Council Assembly
Report title:		Members' Allowances	
Ward(s) or groups affected:		All	
From:		Chief Executive (Borough Solicitor and Secretary)	

RECOMMENDATIONS

That Council Assembly

1. Notes the responses to consultation from the statutory co-optees.
2. Reconsiders the recommendations of Standards Committee as to Co-optees allowances in light of the consultation responses.
3. Notes Standards Committee's recommendation that "given that the Association of London Government (ALG) Panel was formed specifically to make recommendations on allowance levels, and that considerable work went into research, their recommendations should be given significant weight."
4. Agrees the scheme of allowances to apply for Co-optees for 2003/2004, and in subsequent years.

Option : An option is set out below, and reflects Standards Committee views

a. **Co-optees Allowances:**

- i. Allowances should be paid to Statutory Co-optees only,
 - ii. The Chair of Standards Committee should receive a Band 2 SRA allowance (but not the basic allowance),
 - iii. That other Independent Members of the Standards Committee should be entitled to receive Band 1 SRA allowances (but not the basic allowance),
 - iv. Statutory co-optees on the Education Committee should receive Band 1 SRA allowances (but not the basic allowance)
 - v. That Statutory Co-optees receiving an allowance should be subject to the same travel and subsistence claim regime as Councillors (i.e. not able to claim for intra borough travel and subsistence except where one of the exceptions applies)
 - vi. Non-statutory co-optees should be able to claim reimbursement of travelling, and subsistence expenses.
5. **Electing to receive allowances:** Notes that co-optees would be in the same position as Members and may in writing elect not to receive allowances.
 6. **Backdating of Allowances:** Agrees the date at which the co-optees allowances should come into effect. The earliest date possible is 1 May 2003.

7. **Index Linking:** Agrees co-optees allowances should be subject to the same index as Members Allowances generally.

BACKGROUND INFORMATION

8. On 29 October 2003 Council Assembly considered a report reviewing Member Allowances, and agreed the scheme set out at Appendix 1. Members did not agree a co-optees allowance, but did agree “to consider the implementation in 2004/05 of an allowance, in consultation with independent and co-opted members”.
9. Officers were asked by the Leader of the Council to consult the Statutory Co-optees on their views as to allowances, before bringing Standards Committee’s recommendations back to Council Assembly.
10. Detailed background on the history of allowances, and the statutory scheme is in the report to Members of the 29 October 2003. In addition, all members were circulated with the recommendations of the ALG Panel.
11. The revised Members Allowances Scheme, showing the effect of the decisions of 29 October 2003 is attached at Appendix 2.

KEY ISSUES FOR CONSIDERATION

12. Previously, Co-optees were able to claim a financial loss allowance subject to maxima set by the Secretary of State, which were not subject to an inflation uplift. The amounts were as follows:
 - 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 hoursExperience indicates these levels may have been inadequate to reimburse for actual levels of financial loss incurred in performing the duties.
13. This provision has been replaced in the new regulations with provision for a co-optees allowance, and **the existing power to pay a financial loss cannot continue.**
14. Co-optees allowance must be paid on an annualised basis (and there is no power to pay it as an attendance allowance). The ALG panel considers that co-opted members have a different role from that of an elected member, and that it would have been more appropriate to allow for an attendance allowance. The ALG Panel, therefore recommend that the annualised allowance be calculated by reference to the expected number of meetings.
15. The ALG Panel recommended that boroughs adopt a standard sum per meeting, for which they suggest £100, and then multiply it by the anticipated meeting load for the year. The resulting allowance would cover not only attendance at the meetings of the committee concerned but also any related and incidental activity.
16. The regulations also provide that, where a co-opted education representative chairs a meeting, the SRA should be the same as it would be for a Councillor. Currently the chair of the Education scrutiny sub-committee is a Councillor, so this does not apply. There is no corresponding requirement for the chair of a Standards Committee.

17. Standards Committee considered advice from the Borough Solicitor that the ALG Panel may have overlooked the likelihood that some Standards Committee meetings (when considering references from the Standards Board) could take a half day, full day, or two days, and so a per meeting rate of £100 would be inappropriate.
18. Information about the Statutory and non-statutory co-optees is set out in the table below:

Committee	Standards Committee	Overview and Scrutiny, and Education and Leisure Scrutiny Sub-Committee
Number of co-optees and whether statutory	4 Statutory Co-optees – Independent Members	4 Statutory co-optees 2 Diocesan reps, and 2 Parent Governor Reps.
Estimated meetings per year	Difficult to estimate total meeting numbers. 4 Ordinary, 2 urgent for regular business. Unknown number of unknown duration of references from the Standards Board (requiring more preparation and time than ordinary meetings. Perhaps 4 full days for meetings – equivalent of 12 meetings, plus preparation.	OSC (10, of which members could be expected to attend when education matters are on the agenda – estimated as all or part of 4 meetings) E&L SSC (10, of which members could be expected to attend all meetings). Both education sub and O&SC also undertake occasional site visits and training, and the cooptees are encouraged to take part in them. This is estimated to add a further 3-4 days per year to their potential commitment. (Equivalent of 9-12 meetings in time commitment).
ALG rate of £100	£1800	£1400 p.a. for meetings, plus 3-f days training commitment (equivalent of £900-£1200) = £2,300-£2,600.
Standards Committee Recommendation	Chair – Band 2 (Band 2 was agreed by Council Assembly as £7,730) Other Independent Members – Band 1 (Band 1 was later agreed by Council Assembly as £2,615)	Band 1 (agreed by Council Assembly at £2,615)

19. **Standards Committee Recommendation:**
- a. Allowances should be paid to Statutory Co-optees only
 - b. The Chair of Standards should receive a Band 2 SRA allowance (but not the basic allowance)
 - c. That other Independent Members of the Standards Committee should receive Band 1 SRA allowances (but not the basic allowance)
 - d. Statutory co-optees on the Education Committee should receive Band 1 SRA allowances (but not the basic allowance)
 - e. That Statutory Co-optees receiving an allowance should be subject to the same travel and subsistence claim regime as Councillors (i.e. not able to claim for intra borough travel and subsistence except where one of the exceptions applies)
 - f. Non-statutory co-optees should be able to claim reimbursement of travelling and subsistence expenses.

20. Council Assembly Agreed Band 1 Allowances at £2,615 and Band 2 Special Responsibility Allowances at £7,730.

Backdating

21. The earliest date to which allowances can be backdated is 1 May 2003.

CONSULTATION

22. The views of Independent Members of the Standards Committee are reflected in the recommendations set out above. The Statutory Co-optees to Scrutiny were written to.

23. The Representative appointed by the Catholic Diocese, Mrs Josie Spanswick advised by telephone that as a general principle, she thinks it's a good idea for statutory co-optees to be able to receive an allowance, as it acknowledges people's time and willingness to serve in a civic manner, and acknowledges co-opted members status. She considers it could be helpful to encourage people to take up the commitment, which is considerable. It is hard to get people to take up the posts after her. Mrs Spanswick, does not personally feel the need to be paid as she has done it without payment for six years. However if people were paid it would encourage them to make the journeys and come in for meetings, and would assist in finding a replacement for her. Her only slight concern is that it should be clarified when people are appointed that accepting an allowance does not and should not compromise their independence on the Committee. As regards to the amount she thought it seemed reasonable

24. The Anglican Diocesan representative, the Venerable Douglas Bartles-Smith, advised that although he personally does not feel the need to claim, he considers his successor should have the opportunity.

25. The joint response of the two elected parent governor representatives, Sheila Simpson on behalf of Godson Aguomo is as follows:

“As part of National Parent Governor Representatives Network, we have always stated that 'allowances should be payable'. We are elected Representatives and have mandate to carry out duties to a high standard and this involves a lot of hard work. I am pleased that this has finally been recognised.

I strongly believe that as parent volunteers, elected by parent School Governors that we are more committed to the cause of children's education and welfare and would want to put in our best, but realistically we have to live and bear our financial responsibilities.

We agree to be paid the recommended allowances but to be backdated to when we took office in July 2002.

We would like to discuss other conditions of our duties/services to bring them in line with happenings other London Boroughs for example access to support services from council."

26. Mr Aguomo also sent a supplemental letter, which is attached at Appendix 3. It sets out some of the work he has done since being elected as a Parent Governor representative, and asks for support for their work. Officers from Governors Support and Scrutiny will be looking at the issues raised.

EQUAL OPPORTUNITIES IMPLICATIONS

27. 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. In England Councillors have disproportionately been drawn from the ranks of the retired, those with independent means, and the self-employed. Women, young people, and ethnic minorities have been proportionately underrepresented. Current members of the Standards Committee have either been retired or self-employed.
28. A realistic remuneration package also assists 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 people and reinforce the ethos of public service.

LEGAL IMPLICATIONS

29. Legal information is contained in the body of the report, and in the report of 29 October 2003. This advice summarises some additional information.

Basic provisions: making and amending an allowance scheme

30. The payment of Members' Allowances is now governed by the Local Authorities (Members' Allowances) (England) Regulations 2003, which took effect on 1 May 2003. The regulations initially required that Councils review existing schemes and establish new schemes of allowances under the regulations before 30 September 2003. That period has now been extended to 31 December 2003.
31. The previous scheme was revoked and replaced at the meeting of 29 October 2003, leaving a gap in respect of co-opted and Independent Members Allowances. Since that date they can no longer claim a financial loss allowance

Co-optees Allowance

32. Attendance Allowance was abolished by a previous regulatory amendment. Co-optees could claim Financial Loss allowance, but this has been replaced by

a provision, which enables the Council to pay to a co-optees allowance “for each year ” to “ a member of a committee or sub-committee of an authority who is not a member of the authority”.

RESOURCE IMPLICATIONS

33. A spreadsheet is attached showing the current costs of the allowances scheme (excluding Travel, Subsistence and Dependent Carer’s Allowances) (Appendix 4). If the chair of the Standards Committee is paid a Band 2 allowance of £7,730, and other members are paid a Band 1 allowance of £2,615, then the total budget for co- opted members allowances if all allowances were claimed would be £26,034, excluding oncosts. Including oncosts it would cost £29,366.35.

REASONS FOR LATENESS AND URGENCY

34. Members will note that this report is necessarily complex. There was not sufficient time between the Standards Committee meeting on Monday 13th October 2003 and the deadline for submission of Council Assembly reports, for this report to be written, consultation to be undertaken, financial implications researched, the necessary spreadsheets prepared, and for the report to be proof read. The report is urgent as the extended period for reviewing the Members’ Allowances scheme ends on 31st December 2003..

Background Papers	Held At	Contact
Correspondence from Co-opted members	Town Hall Peckham Road SE5 8UB	Rachel Prosser 020 7525 7678

Published Papers	Held At	Contact
ALG Panel Reports	Borough Solicitors’ Office Town Hall Peckham Road	Rachel Prosser 020 7525 7678
Standards Committee reports	Constitutional Support Town Hall Peckham Road	Paula Thornton 020 7525 4395

List of Appendices	
Appendix 1	Members Allowances Scheme
Appendix 2	Decisions of Council Assembly
Appendix 3	Letter from Mr Godson Aguomo
Appendix 4	Spreadsheet referred to in paragraph 33

Audit Trail

Lead Officers	Deborah Holmes, Borough Solicitor and Secretary
Report Author	Rachel Prosser, Senior Lawyer (Corporate)
Version	Final

Dated	20 November 2003	
Key Decision?	Not applicable – decision reserved to Council Assembly	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	N/a	N/a
Chief Finance Officer	Yes	
Executive Member	No	No
Date final report sent to Constitutional Support Services	20 November 2003	

Decision of Council Assembly of 29 October 2003-11-13

Council Assembly Agreed to:

1. Note the ALG Panel's reports of 2001 and 2003, copies of which have been provided to all Members.
2. Note Standards Committee's recommendation that "given that the Association of London Government (ALG) Panel was formed specifically to make recommendations on allowance levels, and that considerable work went into research, their recommendations should be given significant weight."
3. Further note however, that any decision to implement a new allowances scheme is necessarily constrained by the Council's budget.
4. Agrees the Members' Allowances scheme for 2003/04; and agrees
 - a. **Index Linking:** That the Members Allowances Scheme should be index-linked for the next 4 years to the Local Government Pay Settlement.
 - b. **The Basic Allowance:** That the basic allowance for the 2003/04 Municipal Year should be that recommended by the ALG Panel of £9,149.
 - c. **Special Responsibility Allowances:**
 - Leader's Allowance:** That the Leader's SRA, should be frozen at this year's level – approximately 91% of the total allowance (£55,973) recommended by the ALG. The Leader's total allowance will therefore be £51,149, including the basic allowance.
 - i. That other SRAs should be set by reference to percentages so that, taken together with the Basic Allowance, the Total Allowance paid to members in that band is set as a percentage of the Leader's Total Allowance.

The ranges should be within the ranges set by the ALG.
 - ii. That the Band 3 Allowance should be set at 73% of the Leader's Total Allowance i.e. £28,189 + £9,149 basic = £37,339.
 - iii. The Mayor's Allowance should be set at 55% of the total of the Leader's Allowance; i.e. £18,983 SRA + £9,149 basic = £28,132.
 - iv. That Band 1 allowance be set at 23% of the Leader's total allowance and the Band 2 Allowance be set at 33% of the Leader's total allowance:
 - i.e. *Band 1 SRA = £2,615 + £9,149 basic = £11,764*
 - Band 2 SRA = £7,730 + £9,149 basic = £16,879.*

- d. The level of Allowance paid to a Band 3 or Band 4 Member continues to be dependent on the average 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
- e. That the following posts should receive a Band 1 Allowance
- i. Leader of the Minority Opposition
 - ii. Deputy Leader of the Majority Opposition
 - iii. Opposition Group Whip (from 1 December 2003)
- f. That the following posts should be added to Band 2 SRA
- i. Chair of the Disciplinary Appeals Sub-Committee (from 1 December 2003)
 - ii. Chairs of Community Councils. (from 21 May 2003)
- g. That the following posts of Vice-Chairs not receive an SRA
- i. Overview and Scrutiny sub committees (removed from Band 1)
 - ii. Planning Committee (removed from Band 1)
 - iii. Licensing Committee (removed from Band 1)
- h. **Leader of the Majority Opposition:** That the Leader of the Majority Opposition's SRA should remain in Band 2 and be paid 33% of the Leader's Total Allowance.
- i. **Co-optees Allowances:** To consider the implementation in 2004/05 of an allowance, in consultation with independent and co-opted members.
- j. **Electing not to receive allowances:** To continue the current provision that Members may in writing elect not to receive allowances.
- k. **Pensions:** To consider whether pensions should be paid for members and how they should be paid, for implementation in 2005/06 at the earliest.
- l. **Withholding Allowances:** That Standards Committee should be able to withdraw allowances in whole or in part in the event of a member being suspended or partially suspended. All allowances should be withheld for the period of total suspension. In the case of partial suspension the basic allowance should continue to be paid (though Council Assembly would expect a member voluntarily to abate their claim according to the extent to which they were able to continue to fulfil the functions of a non-executive member). To the extent that the partial suspension made it impossible or impracticable for a member to undertake activities in respect of which a special responsibility allowance was payable, that allowance should be withdrawn.
- m. **Travel and Subsistence Allowances:** That the amounts and conditions for claiming should be the same for Members as officers who claim casual car or cycle user allowance, subject to the exceptions set out below.

- i. **Intra Borough Travel not claimable:** That the basic and special responsibility allowances paid to Councillors and allowances paid to Co-optees should be treated as covering intra-borough travel and subsistence with the following exceptions:
 - That Members with mobility difficulties are able to claim the cost of travel when on council business,
 - That Members be eligible to claim for taxis after 9.00pm in Summer (BST) and 7.00pm in Winter (GMT).
That Council Assembly agrees to continue the current conditions for subsistence allowance payments which 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.

i.e. Co-opted Members (including Independent Members) not receiving an allowance are therefore entitled to claim for travel and subsistence within the borough.

- n. **Childcare and Dependent Carer Allowance:** That the rate should continue to be £6.00 per hour but that it may be increased from time to time by the Chief Executive on the advice of the Strategic Director of Social Services.
- o. **Approved Duties** –That the Duties for which travel, subsistence and dependent carers allowance can be claimed should be the same, as set out in the draft Members Allowances Scheme at Appendix 1 (Paragraph 15).
- p. **Annual Reports/ Accountability.** To note that Standards Committee will receive a report on Annual Reports and that this will come to Council Assembly in due course.
- q. **Backdating of Allowances:** That changes in allowance levels take effect from 1st December 2003, except for Community Council Chairs – which should be backdated to the start of the municipal year 2003/04 (i.e. Constitutional Council on 21 May 2003), at the rate of the existing Band 2 level.

i.e. this means that:

- The alteration in the Mayor’s Special Responsibility allowance will take effect on 1 December 2003.
- The chair of DASC will begin receiving a band 2 allowance from 1 December 2003.
- The Opposition Group Whip will begin receiving a band 1 allowance from 1 December 2003.
- Community Council Chairs will have a band 2 allowance (at current levels) backdated to 21 May 2003, and at the new band 2 level from 1 December 2003.

- 5. Notes that Standards Committee have asked for the payments made to Members and representatives sitting on the Arbitration Tribunals to be reviewed.

6. Instructs the Chief Executive, in conjunction with the Chief Finance Officer, to find the appropriate resources to finance the additional cost of allowances for this year and notes that financial implications beyond 2003 will be considered as part of the 2004/05 business and budget planning process.
7. Agrees that the Members Allowances Scheme be revised to reflect the decisions taken on the items above.