

Item No. 6.2	Classification: Open	Date: 22 March 2017	Meeting Name: Council Assembly
Report title:		Member Allowances Scheme 2017-2018	
Ward(s) or groups affected:		All	
From:		Constitutional Steering Panel	

That council assembly considers the recommendations of the constitutional steering panel in respect of the proposals set out in this report.

RECOMMENDATIONS

1. That council assembly approve the Member Allowances Scheme for 2017-2018 with effect from 1 April 2017 (see Appendix 2).

BACKGROUND INFORMATION

Legal background

2. Under Section 18 of the Local Government and Housing Act 1989, the Secretary of State may make regulations authorising or requiring councils to make a scheme providing for the payment of allowances to members. The relevant regulations are the Local Authorities (Members' Allowances) (England) Regulations 2003 as amended. The council is to agree on an annual basis a schedule of allowances payable to members' for the following financial year. Under the regulations, when making or amending a scheme, the council is required to have regard to the recommendations of an Independent Remuneration Panel.
3. The council must publish its scheme of members' allowances, dealing with basic allowances and special responsibility allowances. Payments to members of the council may only be made in accordance with this.

Current scheme and process for review

4. Southwark's Member Allowances Scheme is comprehensive and includes basic allowances, special responsibility allowances (for posts which carry specific responsibilities) and other allowances and expenses that may be claimed.
5. The proposed scheme of allowances for 2017-18 does not change the current allowance rates, which were adopted by council on 21 January 2015. The following was agreed:
 - i) That the basic allowance and special responsibility allowances be increased in accordance with the Independent Remuneration Panel recommendation for allowances to be adjusted in line with the local government officer pay settlement and that the licensing sub-committee payment and co-opted member's allowance be increased on the same basis.
 - ii) That the member allowances scheme be amended so in future years the level of the childcare and dependent carers allowances for councillors is automatically reviewed in line with changes in the London Living Wage.

6. On 16 March 2016, the council agreed an addition to the Member Allowances Scheme to include payment to cabinet members for loss of office.
7. The constitutional steering panel and council assembly are under a statutory duty to have regard to the advice of the London Councils Independent Remuneration Panel Report when considering the council's own scheme for member allowances.
8. In Southwark, the constitutional steering panel considers and recommends any changes to the member allowances scheme to council assembly for final adoption. The approval of the member allowances scheme and the setting of allowances are matters reserved for decision by council assembly.

KEY ISSUES FOR CONSIDERATION

London Councils Independent Remuneration Panel Report 2014

9. The Local Authorities (Members' Allowances) (England) Regulations 2003 ('the Regulations') authorise the establishment by the Association of London Government (now London Councils) of an independent remuneration panel to make recommendations in respect of the members' allowances payable by London boroughs. Such a panel ('the panel') was established and reported in 2001, 2003, 2006, 2010 and June 2014. The regulations require a review of the scheme every four years as a minimum. The June 2014 report is the current review. A full copy of the report is set out in Appendix 1.

Basic and special responsibility allowances

10. The principle of pegging the basic allowance and special responsibility allowances in line with the annual local government pay settlement is already recognised in the council's Member Allowances Scheme following the council assembly decision of 21 January 2015. The Licensing Sub-Committee meeting payments and co-opted member allowance will be increased on the same basis.
11. The outcome of the 2016-18 local government pay settlement reported in May 2016 is for a 1% increase payable from 1 April 2016 to 31 March 2017 and a further 1% increase payable from 1 April 2017 to 31 March 2018.
12. The Scheme has been drafted on the basis that the council still wishes to pay the current basic and special responsibility allowances.

Community impact statement

13. No changes are proposed to the current member allowances scheme. Any changes to the scheme are published on the council's website.

Resource implications

14. The member expenditure budget makes provision for the basic allowance and special responsibility allowances. There is no proposed increase in allowances.

Legal implications

15. The council is under a duty to adopt a scheme of members' allowances by virtue of section 18 of the Local Government and Housing Act 1989 and relevant

regulations. It may only pay allowances in accordance with such a scheme. Members are reminded of the need to have regard to the guidance issued in relation to members' allowance, which is referred to in the report of the London Councils Remuneration Panel attached as Appendix 1.

16. There is a general rule that members may not usually vote on matters in which they have a disclosable pecuniary interest. However decisions relating to the member allowances scheme are an exception to this general principle, and members may vote on this issue. A dispensation has been granted by the monitoring officer.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Member Allowances Scheme, Southwark Constitution http://moderngov.southwark.gov.uk/documents/s65704/Member%20Allowances%20Scheme%20March%202016.pdf	Constitutional Team 160 Tooley Street, London SE1 2QH	Constitutional Team constitutional.team@southwark.gov.uk 020 7525 7055

APPENDICES

Appendix	Title
Appendix 1	London Council Remuneration Panel Report 2014
Appendix 2	Southwark's Member Allowances Scheme

AUDIT TRAIL

Lead Officer	Doreen Forrester-Brown, Director of Law and Democracy	
Report Authors	Chidilim Agada, Constitutional Manager (Acting)	
Version	Final	
Dated	9 March 2017	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	No	No
Date final report sent to Constitutional Team	9 March 2017	