

<b>REPORT TO:</b>	<b>6 December 2018</b>
<b>SUBJECT:</b>	<b>Members' ICT Provision and Scheme of Allowances</b>
<b>LEAD OFFICER:</b>	<b>Richard Simpson, Executive Director of Resources</b>
<b>CABINET MEMBER:</b>	<b>Councillor Simon Hall, Cabinet Member for Finance and Resources</b>
<b>WARDS:</b>	<b>ALL</b>
<b>FINANCIAL IMPACT:</b>	
The report will result in new ICT allowance costs of £8,700 a year, which can be funded from within existing Democratic Services budgets.	

## 1. RECOMMENDATIONS

Members are asked:

- 1.1 To consider the proposals detailed in the report and approve the adoption of the revised Scheme of Members' Allowances detailed in Appendix A;
- 1.2 To note in relation to these proposals, any adjustment to allowances will be by reference to the annual local government staff pay settlement as agreed in July 2018 (report to Council by Cllr Simon Hall entitled Scheme of Members' Allowances 2018); and
- 1.3 To authorise the Director of Law and Governance to comply with the necessary statutory publicity requirements arising from the approval of a revised Scheme of Members' Allowances.

## 2. EXECUTIVE SUMMARY

- 2.1 This report details proposals to amend the Scheme of Members' Allowances to make provision for allowance payments in relation to ICT costs.

## 3. BACKGROUND

- 3.1 At its meeting on 29 June 2016, the General Purposes and Audit Committee resolved to introduce a transitional allowance payment to Members in partial support of their ICT provision costs as part of a wider programme to reduce direct council ICT provision to Members.
- 3.2 The programme saw the cessation of telephone line, broadband line and laptop provision for Members, along with the cessation of support for those services, delivering direct savings of £58,000 per annum and further significant savings as a result of moving to paperless committee meetings.

- 3.3 At that time, the Committee agreed to introduce a one-off transition allowance of £800, with future consideration to be given to how Members' would be fairly remunerated for the increased costs they incur in providing their own direct ICT equipment.
- 3.4 On 9 July 2018, the Council, following consideration of the 2018 Independent Remuneration Panel (IRP) report, approved a revised Scheme of Member Allowances: Attached is a link to the IRP report:  
<https://www.londoncouncils.gov.uk/who-we-are/about-us/financial-information/leadership-and-expenses/remuneration-councillors-london>
- 3.5 A further review has now been undertaken in respect of Members' ICT requirements.

#### **4. PROPOSED INTRODUCTION OF NEW ALLOWANCE**

- 4.1 Following the changes made in the 2016 programme, direct provision of ICT to Members is now limited to a smartphone, office 365 account including council email address and a limited number of desktops contained within the Members' accommodation in the Town Hall.
- 4.2 As paperless committee meetings have been introduced, Members have been required to use their own ICT equipment to access formal council documents and the dependency on this channel of delivery is increasing, with access to Members' training materials and the Members' library now delivered through the Council's paperless software.
- 4.3 The proposed additional allowances are not designed to cover all ICT costs incurred by Members, rather to cover a portion of these costs in recognition that Members will incur increased costs in undertaking their duties as an elected councillor. As with all allowance payments to Members, these proposed payments will be subject to normal taxation and national insurance deductions.
- 4.4 In considering the proposals in this report, a number of issues have been considered. These have included:
  - That the 2016 transition payment was only offered to Councillors holding office at that time, meaning that any councillor newly elected since that date have not received any allowance in relation to their ICT costs;
  - That a long term scheme for ICT allowances would allow Members to have greater certainty in determining their ICT provision;
  - That Members will generally need to refresh their ICT equipment on a four year cycle and that £800 per four years remains an appropriate level of allowance;
  - That ideally, that refresh cycle would be co-terminus with the four year election cycle, normalising these allowance payments to Members and placing all Members on the same refresh schedule; and
  - The recommendations made in the 2018 Independent Remuneration Panel report.
- 4.5 To that end, the proposed additional one-off allowances to be offered to Members as part of the Basic Allowance are:

- (i) To offer a one off allowance payment of £800 to all Councillors newly elected in a by-election since January 2017;
- (ii) To offer an additional allowance payment of £400 to all Councillors re-elected in May 2018;
- (iii) To offer, for Councillors elected in a by-election after May 2018, a pro-rata amount of the £800, the amount being calculated as the remaining term divided by 4 years.
- (iv) To offer an allowance of £800 to all Councillors after the four yearly elections, the next one being scheduled for May 2022; and

- 4.6 The rationale behind these proposals is that they will make provision for newly elected Members to receive an ICT allowance and a refresh for all re-elected members. This will then bring all Members into the same schedule from 2022 onwards.
- 4.7 Following this further review, and having regard to the 2018 report of the Independent Remuneration Panel, the Scheme of Members' Allowance (Part 6A) will need to be amended to reflect this additional payment to be made as part of the Members' Basic Allowance.

## 5. CONSULTATION

- 5.1 Members of both political groups have been consulted on options detailed within the report.

## 5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

### Revenue consequences of report recommendations

	Current year 2018/19	Medium Term Financial Strategy – 3 year forecast		
		£'000 2019/20	£'000 2020/21	£'000 2021/22
<b>Revenue Budget available</b>				
Expenditure	8.7	8.7	8.7	8.7
Income				
<b>Effect of decision from report</b>				
Expenditure	8.7	8.7	8.7	8.7
Income				
<b>Remaining budget</b>	0	0	0	0

### 5.1 The effect of the decision

The proposal will commit the council to pay allowances of some £34,800 over the 4 year period, which is £8,700 per year. This cost will be absorbed within the existing Democratic Services expenditure budgets.

	Number	Rate £	Amount £
Newly elected Councilors	17	800	13,600
Re-elected Councilors	53	400	21,200
<b>Total over 4 year period</b>			<b>34,800</b>
<b>Amount per year</b>			<b>8,700</b>

## 5.2 Risks

None

## 5.3 Options

There are no options considered in this report other than not making the proposed allowance available to elected members.

## 5.4 Future savings/efficiencies

None anticipated, although the Democratic Services budget has already delivered direct savings of £58,000 associated with paperless agendas.

Approved by: Ian Geary, Head of Finance, Resources & Accountancy

## 6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 6.1 The Solicitor to the Council comments that the proposed Members' Allowance Scheme is required to comply with the relevant provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003; the Local Government and Housing Act 1989 and the Local Government Act 2000. In addition, there are separate provisions, namely sections 3 and 5 of the Local Government Act 1972 for the payment of allowances to the Mayor and the Deputy Mayor which Croydon has traditionally referenced as part of its Members' allowance scheme.
- 6.2 In particular Regulation 19 of the 2003 Regulations provides that the Council must have regard to the recommendations of the IRP before making or amending a Scheme of Allowances for its members. Regulations 16 and 22 set out the detailed publicity requirements both in relation to any making or amendment of a Scheme and the IRP report.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law for and on behalf of Jacqueline Harris Baker, Director of Law and Governance

## 7. HUMAN RESOURCES IMPACT

- 7.1 There are no direct or immediate Human Resources considerations arising from this report for Croydon Council staff or workers.

Approved by: Sue Moorman Director of Human Resources

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**CONTACT OFFICER**

Jacqueline Harris Baker, Director of Law and Governance

**APPENDICES TO THIS REPORT**

Amended Constitution of the London Borough of Croydon Part 6A – Scheme of Members' Allowances

**BACKGROUND DOCUMENTS**

None