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| REPORT TO: | GENERAL PURPOSE AND AUDIT COMMITTEE 11 JULY 2019 |
| SUBJECT: | SCHEME OF MEMBERS' ALLOWANCES 2019/20 |
| LEAD OFFICER: | Sean Murphy, Director of Law and Governance |
| CABINET MEMBER: | Simon Hall, Cabinet Member for Finance and Resources |
| WARDS: | ALL |
| CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON: | |
| The Committee is required by statute to review, publicise and maintain a Scheme of Allowances for its elected Members. | |
| FINANCIAL IMPACT | |
| The financial implications arising from the recommendations contained in this report will result in a 2% increase in the costs of Members' Allowances in 2019/20. This equates to £31,500. | |

1. RECOMMENDATIONS

Full Council has delegated to the Committee (Minute reference 22/17) the authority to make the decisions set out in the recommendations below:

- 1.1. To agree an amendment to the current Members' Allowance Scheme to provide for an increase in allowances in line with the annual local government staff pay settlement of 2% and therefore approve the revised Allowances for Members or 2019/20 as set out in Appendix A to this report.
- 1.2. To authorise the Director of Law and Governance to comply with the on-going annual publicity of the Members' Scheme of Allowances, which is required, and subject to Members' approval of recommendation 1.1 of this report, the approval of the revised Members' Allowance Scheme as detailed in this report.

2. EXECUTIVE SUMMARY

- 2.1 The committee is asked to consider an annual increase of Members' allowances of 2%, which is keeping with the annual local government staff pay settlement for 2019/2020.

3. BACKGROUND

- 3.1 In accordance with the Local Government Act 2000 and Local Authorities (Members' Allowances) (England) Regulations 2003, Local Authorities are required to undertake a formal independent review of the level of allowances for

their Members at least once every four years. In London, provision has been made for this review to be undertaken by an Independent Remuneration Panel (IRP) set up on behalf of all Boroughs by London Councils.

- 3.2 Before the authority makes or amends a scheme, the authority shall have regard to the recommendations made in relation to it by the IRP.
- 3.3 In relation to an inflationary uplift, the IRP in their 2018 report, which was considered at and is detailed fully in the July 2018 report to Full Council, which can be accessed here:

<https://www.londoncouncils.gov.uk/who-we-are/about-us/financialinformation/leadership-and-expenses/remuneration-councillors-london>

The IRP recommended that the allowances they had recommended for adoption by London Local Authorities should be updated annually in accordance with the headline figure in the annual local government pay settlement. The IRP report confirmed that it was necessary for any such annual updating to be formally authorised by the council each year.

- 3.4 The scheme of Members' Allowances was reviewed and amended by Full Council in July 2018 having due regard to the provisions of the IRP report. At that meeting, Council delegated to the General Audit and Purpose Committee authority to agree an annual adjustment of allowances by reference to the annual local government staff pay settlement where the only change made to the scheme in any year is that effected by such annual adjustment.
- 3.5 The annual staff pay settlement for 2019/2020 is 2% and the Committee is asked to agree an equivalent uplift in Members' Allowances as detailed in Appendix A. The total cost of this increase is £31,500.
- 3.6 The Local Authorities (Members' allowances) (England) Regulations 2003 ("the 2003 regulations") provide detailed statutory requirements in relation to publicity in relation to the making or amending of any Scheme of Allowances.
- 3.7 It is therefore also recommended that the Director of Law and Governance be authorised to comply with the on-going annual publicity of the Members' Scheme of Allowances, which is required, and subject to Members' approval of recommendations of this report, the approval of the revised allowances as set out in Appendix A.

4. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 4.1 The cost of implementing this proposed 2% increase in Members' allowances for 2019/20 is £31,500. This increase in costs will be contained within existing revenue budgets.

(Approved by: Lisa Taylor, Director of Finance, Investment and Risk)

5. LEGAL CONSIDERATIONS

- 5.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance 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.
- 5.2 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 on behalf of the Director of Law and Governance & Deputy Monitoring Officer)

6. HUMAN RESOURCES IMPACT

There are no HR issues arising from this report given that Members are not employees.

The recommendation to increase Members' allowances is in line with the local government staff pay settlement as outlined.

(Approved by: Gillian Bevan, Head of HR, Resources, on behalf of the Director of Human Resources)

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APPENDIX: Appendix A: Schedule of current and proposed allowances