

REPORT TO:	COUNCIL 8 MARCH 2021
SUBJECT:	SCHEME OF MEMBERS' ALLOWANCES 2021/22
LEAD OFFICER:	Katherine Kerswell, Interim Chief Executive
WARDS:	All

SUMMARY OF REPORT:

The report comprises a review of the Members' Allowance Scheme, in response to the significant financial pressures under which the Council is operating. The proposals contained in this report, as agreed at the Extraordinary Council meeting on 16 December 2020, will result in approximately £271,000 savings on Members' allowances for the financial year 2021/22.

The Council is asked to consider and adopt the updated Members' Allowance Scheme which sets out the allowances Members are entitled to receive for carrying out their responsibilities as set out in Appendix 1.

POLICY CONTEXT/AMBITIOUS FOR CROYDON:

The recommendations set out in this report respond to the first of four priorities set out in the Croydon Renewal Improvement Plan to 'live within our means, balance the books and provide value for money for our residents'.

FINANCIAL IMPACT:

The proposals in this report will deliver an annual saving of £271,000 on Members' special responsibility allowances compared to the current rate of allowances.

RECOMMENDATIONS:

- 1.1 To approve changes to the Council's existing Members' Allowance Scheme as set out in Appendix 1 to this report with effect from 1 April 2021.
- 1.2 To authorise the Monitoring Officer to comply with the necessary statutory publicity requirements in respect of 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.

1. BACKGROUND

- 1.1 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.
- 1.2 Croydon Council's Members' Allowance Scheme (which is included in the Council's Constitution at Part 6A and is published on the Council's website) was last formally reviewed and approved at Full Council in 2018 following publication of the last IRP report, albeit that annual adjustments have subsequently been authorised by General Purposes and Audit Committee, made by reference to the annual local government staff pay settlement. In considering the recommendations detailed in this report, Members are required to have regard to the recommendations of the IRP. The most recent IRP report was published in 2018 and can be found at <https://www.londoncouncils.gov.uk/who-we-are/about-us/financial-information/leadership-and-expenses/remuneration-councillors-london>.
- 1.3 Croydon Council is operating under significant financial pressure, which resulted in the declaration of the Council's first section 114 notice last November, stopping all non-essential spending. The Croydon Renewal Improvement Plan, which was approved by Full Council on 30th November 2020 set out a series of savings proposals for 2021/22, including undertaking a review of Members' Allowances, with a likely focus on scaling back Members' Special Responsibility Allowances (SRAs).
- 1.4 At an Extraordinary Meeting of Council on 16th December 2020, savings proposals were unanimously agreed totalling £271,000, which involve changes to a number of Members' special responsibilities/roles including Cabinet and Shadow Cabinet Members, and reductions in a number of SRAs that are currently paid on top of Councillors' Basic Allowances.

2. SUMMARY OF PROPOSED CHANGES

- 2.1 The changes proposed and agreed at Full Council on 16th December 2020 are detailed below:
 - a) Permanent deletion of the second non-statutory Deputy Leader post;
 - b) Reduction of Cabinet Membership from ten to nine (including Leader and Deputy Leader);
 - c) Deletion of separate role of Chair of the Health and Wellbeing Board – with function absorbed into the role of Cabinet Member for Families, Health and Social Care;

- d) Reduction of Deputy Cabinet Member roles to four;
 - e) As part of the Governance Review in setting up of Cabinet Member Advisory Committee's (CMAC's), introducing four new CMAC Chairs at the limited SRA rate of £5,000 each;
 - f) Reducing the SRA for the Chair of Scrutiny by £10,000;
 - g) Applying a 20% reduction on all SRA's that are not new or already reduced;
 - h) Mirroring changes to SRAs in the Shadow Cabinet to that in the Cabinet; and
 - i) Deferral of any inflationary increase in line with the annual local government staff pay settlement for 2021/22
- 2.2 There are no proposed changes to the Basic Allowance, Dependent Carers Allowance, Subsistence Allowances or the Travel Allowances.
- 2.3 A schedule of current and proposed allowances is attached as Appendix 1.

3. CONSULTATION

- 3.1 Both political groups represented on the Council have been consulted on the proposed changes detailed above, which were debated and agreed in principle at the Extraordinary Meeting of Council held on 16 December 2020.

4. PUBLICITY

- 4.1 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.
- 4.2 It is therefore recommended that the Monitoring Officer be authorised to comply with all necessary publicity requirements in respect of the approval of the updated Scheme as detailed in Appendix 1, subject to Members' approval of the recommendations in this report.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 The recommendations in this report will achieve an annual saving of £271,000 compared to the existing rates for Members' Special Responsibility Allowances.

- 5.2 Members have also foregone the annual inflationary rise, by reference to the annual local government staff pay settlement, in the 2020/21 financial year of 2.75%, which has avoided additional costs of £44,000.

(Approved by: Geetha Blood, Interim Head of Finance, Place and Resources)

6 LEGAL CONSIDERATIONS

- 6.1 The Head of Litigation and Corporate Law comments on behalf of the interim 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.

- 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 on behalf of the interim Director of Law and Governance.)

7 HUMAN RESOURCES IMPACT

- 7.1 There are no implications for Council staff arising from the report.

(Approved by: Sue Moorman, Director of Human Resources)

8 DATA PROTECTION IMPLICATIONS

- 8.1 The recommendations contained in this report will not directly involve the processing of personal data.

Approved by Elaine Jackson, Interim Assistant Chief Executive

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APPENDICES TO THIS REPORT:

Appendix 1: Schedule of Current and Proposed Allowances

Appendix 1

Council Members' Allowances

		Current (£)	Proposed (£)	Total cost saving
Basic Allowance	All Members	11,692	11,692	0
	Mayor's Allowance	19,875	15,900	3,975
	Deputy Mayor's Allowance	9938	7950.40	1,987.60
to include in the Basic Allowance the following one-off Members' ICT payment				
	Members elected in a by-election following May 2018 (a pro-rata amount based on the length of the remaining 4 year term)	800	800	0
	Members elected in local elections in 2022 and thereafter	800	800	0
Special Responsibility Allowances	Paid in addition to Basic Allowance			
	Leader of the Council	44,965	35,972	8,993
	Deputy Leader Statutory	37,941	30,352.80	7,588.20
	Deputy Leader (role deleted)	37,062	0	37,062
	Cabinet Members	34,379 x 7	27,503.20 x 7	48,130.60
	Deputy Cabinet Members (number reduced from 10 to 4)	10,335	8,268 x 4	70,278

	Non-Acting Cabinet Member (deleted)	20,627	0	20,627
	Chair - Scrutiny and Overview Committee	30,942	20,942	10,000
	Deputy Chair - Scrutiny and Overview Committee	10,732	8,585.60	2,146.40
	Majority Group Secretary	10,335	8,268	2,067
	Majority Chief Whip	15,151	12,121.80	3,030.20
	Chair - General Purposes & Audit Committee	10,308	8,246.40	2,061.60
	Chair - Licensing Committee	10,308	8,246.40	2,061.60
	Chair - Planning Committee	16,531	13,224.80	3,306.20
	Chair- Health and Wellbeing Board (role deleted)	34,379	0	34,379
	Member of Adoption Panel	4,604	3,683.20	920.80
	Chair - Pension Committee	9,210	7,368	1,842
	Cabinet Member Advisory Committee Chair (NEW)	0	5,000 x 4	20,000 GROWTH
	Largest Minority Group			
	Leader of the Opposition	22,445	17,956	4,489
	Deputy Leader (second role deleted)	9,400 x 2	7,520 x 1	11,280
	Shadow Cabinet Members	7,019 x 7	5,615.20 x 7	9,826.60
	Chief Whip	7,019	5,615.20	1,403.80
	Group Secretary	6,882	5,505.60	1,376.40

	Vice Chair - Scrutiny and Overview Committee	10,732	8,585.60	2,146.40
Total Savings Proposed:				£270978.40