

Appendix 7

Meeting:	Cabinet
Date:	17 February 2004
Subject:	Harrow Scheme for Members' Allowances 2004/2005
Key decision:	No
Responsible Chief Officer:	Chief Executive
Relevant Portfolio Holder:	Leader of the Council
Status:	Part 1
Ward:	All
Enclosures:	The Remuneration of Councillors in London: 2003 Review Proposed revised Members' Allowances Scheme for 2004/2005

1. Summary/ Reason for urgency (if applicable)

- 1.1 Regulations concerning members' allowances issued by the Office of the Deputy Prime Minister (ODPM) came into force on 1st May 2003. Following publication of those Regulations, the Association of London Government (ALG) independent remuneration panel issued a report in July 2003 making recommendations in relation to members' allowances for consideration by London Councils. The Council agreed on 23rd October 2003 to revise the scheme of allowances following consideration of the recommendations of the ALG panel report. Authorities are required to agree and publish details of their schemes annually.

2. **Recommendations for decision by Council**

2.1 **That Council:**

- 2.1.1 **Agree the scheme of allowances in Annex 2**
2.1.2 **agree to uprate the basic and special responsibility allowances in line with the Local Government Pay Settlement (LGPS) once the settlement level is known**
2.1.3 **agree that the Harrow Scheme should not include provision for members' allowances to be pensionable**

REASON: The Council is legally required to adopt a new scheme for members' allowances on or before 31st March 2004

3. **Consultation with Ward Councillors**

3.1 Not applicable

4. **Policy Context (including Relevant Previous Decisions)**

4.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 and the Local Government Pension Scheme and Discretionary Compensation (Local Authority Members in England) Regulations 2003 came into force last year.

4.2 The Regulations require authorities to approve schemes before the beginning of the year to which they relate. They allow for annual increases to allowances by reference to an index.

4.3 Members agreed to reconsider, in making the 2004/2005 scheme, whether or not to provide for members allowances to be pensionable.

5. **Relevance to Corporate Priorities**

5.1 No direct relevance.

6. **Background Information and options considered**

6.1 Councils must have regard to the recommendations of an independent remuneration panel prior to making any Members' Allowances Scheme. The ALG panel met to consider the implications of the new Regulations last year and made recommendations for London Boroughs to consider. In making the revised scheme in October 2003 the Council took into account the recommendations of the panel.

6.2 It is proposed that the allowances scheme adopted on 23rd October 2003 be approved without amendment for 2004/2005, save for agreement that the allowances will be uprated in line with the local government pay award once this is known.

6.3 It is not considered that there is member interest in making allowances pensionable and it is proposed that this option be rejected for the time being and considered only when the ALG next produce a review report.

Quasi-judicial work

The panel re-confirmed the recommendation of their earlier report, that Councils should consider setting up a panel of non-executive members to sit on bodies such as adoption and licensing panels, and pay an SRA to all members of the panel.

7. **Consultation**

7.1 There is no specific requirement for consultation in respect of the Regulations.

8. **Finance Observations**

8.1 None

9. **Legal Observations**

9.1 Are included in the body of the report

10. **Conclusion**

10.1 The Council is required to approve its Members' Allowances Scheme for 2004/2005 before 31st March 2004.

11. **Background Papers**

11.1 Guidance on consolidated regulations for local authority allowances – ODPM

11.2 Making Allowances – the first report of the Independent remuneration panel – 2001

11.3 The Remuneration of Councillors in London: 2003 Review
All available from the report authors.

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The draft budget as presented provides for an increase of 3% on the Budget for 2003-2004 as shown below:

Detail	2003-2004	2004-2005
	£	£
Basic and responsibility allowances	539,400	555,580
Travelling and subsistence etc	<u>9,710</u>	<u>10,020</u>
Total	<u>549,110</u>	<u>565,600</u>

This provision will need to meet the changes approved by the Council in October 2003 in respect of :

cost of the basic and special responsibility allowances uprated for the Local Government Pay Settlement still to be announced

the revised borough travel and subsistence allowances

the payment to co-optees and independent members

In addition the Cabinet is asked to consider whether it wishes to propose to Council the implementation of the recommendation in the report of the ALG independent remuneration panel of establishing a pool of non-executive members to take part in quasi judicial panels and to consider paying a special responsibility allowance to all members of the pool.

In Harrow the relevant bodies are:

1. Chief Officer Appointments Panel
2. Education Awards Appeal panel
3. Licensing Panel
4. NNDR: Discretionary Rate relief Appeal Panel
5. Pension Fund Investments panel
6. Personnel Appeals Panel
7. Social services Appeal Panel

Panels 1-3 have fixed memberships (totalling 11 members). Panels 4-7 have a pool of members willing to serve on them and a total of 29 members are identified as being within the pools for these four panels.

If the SRA were set at £250 per quasi-judicial pool member this would require budget provision of around £10,000 after allowing for some of the pool already being in receipt of allowances and not be able to claim the second one.

If the allowances were to be limited to members of fixed member panels but not to pool member panels this would reduce the number of payments to 11 members at a budget provision of £2,750.

ANNEX 2

HARROW COUNCIL

MEMBERS' ALLOWANCES SCHEME

1. This scheme shall have effect until 31st March 2005. It replaces all former schemes.

Basic Allowance

2. A basic allowance of £5,225 per annum shall be paid to each Councillor.

Special Responsibility Allowance

3. (1) A special responsibility allowance shall be paid to those Councillors who have the special responsibilities in relation to the posts specified in Schedule 1 to this scheme. No Member may receive special responsibility allowances in respect of more than one post.

(2) The amount of each such allowance shall be the amount specified against that special responsibility in that schedule.

Upating the Basic and Special Responsibility Allowances

4. The basic allowance and special responsibility allowances will be uprated annually in line with an index approved by the ALG Independent Panel. The index to be used will be the level of the Local Government Pay Settlement. When making the scheme for 2007/2008, the indexing arrangements will be reviewed.

Travel and Subsistence Allowances

5. The reimbursement of travel and subsistence expenses incurred in respect of **approved duties** (as set out in Schedule 2) **undertaken outside the Borough boundaries** can be claimed by Members, co-optees to formal Council committees and Independent Members of the Standards Committee at the rates paid and on the conditions specified in the officer scheme for travel and subsistence allowances.

Carers' Allowance

6. (1) The allowance shall only be paid for attendance at approved duties as listed in Appendix B.

(2) The maximum basic rate of pay is £2.61 per half hour for the duration of the meeting together with the Member's travel time between home and the place of the meeting and the carer's reasonable travelling time.

- (3) The allowance is claimable in respect of children aged 15 or under or where a professional carer is required to meet a specialist need (eg a nurse for an elderly person).
- (4) Actual costs will be paid **on production of an invoice or receipt**.
- (5) Where the length of the meeting cannot be predicted and payment to the carer is necessarily contractually committed then a payment of up to 4 hours will be made. (For day time quasi-judicial meetings, payment of up to 8 hours may be made if the estimated length of the meeting is for the whole day).
- (6) In addition, the reasonable travelling expenses of the person taking care of the dependent shall be reimbursed either at the appropriate public transport rate, or in cases of urgency or where no public transport is available, the amount of any taxi fare actually paid.
- (7) The allowance is not to be paid where the carer is a member of the Member's household.
- (8) Any dispute as to the entitlement and any allegation of abuse should be referred to the Standards Committee for adjudication.

Co-optees' Allowance

7. A basic allowance of £400 per annum shall be paid to co-optees to formal Council committees and Independent Members of the Standards Committee.

Claims and Payments

8. (1) A claim for allowances or expenses under this scheme shall be made in writing within two months of the date of undertaking the duty in respect of which the entitlement to the allowance or expense relates.
 - (2) Payment shall be made
 - (a) in respect of basic and special responsibility allowances, in instalments of one-twelfth of the amount specified in this scheme each month;
 - (b) in respect of out-borough travel and subsistence expenses and Carers' Allowance, each month in respect of claims received up to one month before that date.

Backdating

9. Any changes made to this scheme during the year may be backdated to 1st April 2003 by resolution of the Council when approving the amendment.

Pensions

10. Allowances paid under the Harrow Members' Allowances Scheme will **not** be pensionable for the purposes of the Superannuation Act.

Renunciation

11. A person may, by notice in writing given to the Borough Solicitor, elect to forego any part of his/her entitlement to an allowance under this scheme.

Withholding Allowances

12. (1) In the event that a Member is suspended from duties, that Member's basic allowance and special responsibility allowance (if any) will be withheld for the whole period of the Member's suspension.
- (2) In the event that a Member is partially suspended from duties, that Member's basic allowance will be paid but their SRA, if any, will be withdrawn for the period of the partial suspension.

Approved duties for Carers' Allowance

- A meeting of the Executive.
- A meeting of a committee of the executive.
- A meeting of the Authority.
- A meeting of a committee or sub-committee of the Authority.
- A meeting of some other body to which the Authority make appointments or nominations, or
- A meeting of a committee or sub-committee of a body to which the Authority make appointments or nominations.
- A meeting which has both been authorised by the Authority, a committee, or sub-committee of the Authority or a joint committee of the Authority and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the Authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups).
- A meeting of a Local Authority association of which the Authority is a member.
- Duties undertaken on behalf of the Authority in pursuance of any Procedural Rule of the Constitution requiring a member or members to be present while tender documents are opened.
- Duties undertaken on behalf of the Authority in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises.
- Duties undertaken on behalf of the Authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996.

(Band 2 created and posts revised 15/5/03 wef 16/5/03; Mayor and Deputy Mayor incorporated into Bands 3 and 1 respectively 23/10/03).

SCHEDULE 1

SPECIAL RESPONSIBILITY ALLOWANCES

There are five bands of SRAs:-

Band	Post	SRA - £/annum
1	Deputy Leaders of the Second and Third Minority Groups Chief Whips of all Political Parties One Assistant to each Cabinet Member Chair of the General Purposes and Licensing Committee Chair of the Standards Committee Deputy Mayor	992.75
2	Members of Cabinet that are not Portfolio Holders	2,978.25
3	Chair of the Overview and Scrutiny Committee Nominated Member of the largest party not holding the Chair of the Overview and Scrutiny Committee Chairs of the Scrutiny Sub-Committees (excluding Call-in): Environment and Economy Scrutiny Sub-Committee Health and Social Care Scrutiny Sub-Committee Lifelong Learning Scrutiny Sub-Committee Strengthening Communities Scrutiny Sub-Committee Chair of the Traffic Advisory Panel Nominated Member of the largest party not holding the Chair of the Development Control Committee Leader of the Second Minority Group Leader of the Third Minority Group The Mayor	6,426.75
4	Chair of the Development Control Committee Cabinet Portfolio Holders (excluding the Leader and Deputy Leader): Planning, Development, Housing and Best Value Education and Lifelong Learning Environment and Transport Social Services Finance and Human Resources and Performance Management Deputy Leader	12,853.50
5	Leader	19,280.25

N.B. See over for Explanatory Notes

NOTES

- (1) In the Council elected on 2 May 2002, the Groups are as follows:-
Largest Minority Group = Labour Group
Second Minority Group = Conservative Group
Third Minority Group = Liberal Democrat Group
- (2) Only one SRA is payable per Member

SCHEDULE 2

CLAIMS FOR OUT-OF-BOROUGH TRAVEL AND SUBSISTENCE EXPENSES

Duties Undertaken Out-of-Borough

Claims for travel and subsistence expenses incurred can normally only be paid in respect of approved duties undertaken at venues out of the Borough. Expenses will be reimbursed at the rates paid and on the conditions specified in the officer scheme for travel and subsistence allowances.

1. Members may claim travel and subsistence expenses in respect of the following **out-of-Borough** duties:-
 - (a) Attendance at any meeting which may be convened by the Authority provided that Members of at least two groups are invited and the meeting is not convened by officers.
 - (b) Attendance at a meeting of an outside body to which the Member has been appointed or nominated as a representative of the Council, where the Outside Body does not itself operate a scheme to reimburse travel and subsistence expenses.
 - (c)
 - (i) attendance at an appropriate out-of-Borough conference, seminar, meeting or other appropriate non-political event as a representative of an Outside Body to which that Member has been either nominated or appointed by Council to serve in a role with a specific pan-Authority remit;
 - (ii) attendance at meetings in the capacity of a direct appointee of a Local Authority Association, joint or statutory body or other London-wide or national body subject to the following proviso:

that the Member serves on the appointing body by virtue of an appointment made by Council to an authorised Outside Body;

subject in either case to the Outside Body/Bodies concerned themselves not making provision for any travel and subsistence expenses necessarily incurred.

 - (d) Attendance at a meeting of any association of local authorities of which the Authority is a member and to which the Member has been appointed as a representative.
 - (e) Attendance at a training session, conference, seminar or other non-political event, the attendance fees for which are being funded by the Council through a Departmental or a corporate budget.
 - (f) Attendance at any training session, conference, seminar or other non-political event for which there is either no attendance fee or any attendance fee is being met by the Member him/herself (or from the relevant political group secretariat budget) subject to the relevant Head of Service confirming that the content of the training, conference, seminar or event is relevant to the Member's

responsibilities in respect of the services provided by the Authority or to the management of the Authority.

2. Duties for which out-of-Borough travel and subsistence expenses may not be claimed include:-
 - (a) Political meetings or events.
 - (b) Any meetings of 'Outside Bodies' to which the Member has not been appointed or nominated by the Council as its representative.
 - (c) Meetings of the Governing Bodies of Schools.