

COUNCIL – 25 MAY 2022

Report title: Members' Allowance Scheme 2022-23

Wards: All

Report Authorised by: Raymond Prince, Director of Legal Services and Governance

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REPORT SUMMARY

Approval is sought to the Members Allowance Scheme 2022-23. The approved scheme will remain in place until otherwise amended. Lambeth's Members Allowance Scheme is set in accordance with the 2022 London Councils Independent Panel Report (appendix 3).

FINANCE SUMMARY

The annual costs of the Members' Allowances Scheme for 2022-23 (which includes both Basic and SRA Allowances) has been calculated at £1,144,946. This cost can be met from existing budget for Members' Allowances held within the Democratic Services.

RECOMMENDATIONS

To approve the appended Members' Allowances Scheme for 2022-23, with backdating of both Basic and Special Responsibility Allowances to Tuesday 10 May 2022 as set out in appendix 1.

1. CONTEXT

- 1.1 In approving the Members' Allowance Scheme, Council is required to have regard to the reports of the London Councils Independent Panel on Member Remuneration (IP Report). The IP report has been published in 2003, 2006, 2010, 2014, 2018 and most recently 2022. The latest report is attached at appendix 3.

2. PROPOSAL AND REASONS

- 2.1 The scheme (appendix 1) recommends that the basic allowance is set at £10,597 which is below the IP reports recommendation of £12,014. The basic allowance will be received by all 63 councillors. Councillors that undertake other duties will receive a "Special responsibility Allowance" the scheme also sets out these amounts which are in line with the IP report.
- 2.2 Government ended councillors' access to the Local Government Pension Scheme with effect from the end of their last term of office on Monday 26 May 2014. This is reflected in the proposed scheme for 2022-23.
- 2.3 As in 2018, the Administration wishes to back date both the Basic Allowance and Special Responsibility Allowances (SRAs) to apply from the first date of service for the new Council - Tuesday 10 May 2022, because:
- Basic Allowance: backdating to the first date of service of the new Council was agreed in 2002, 2006, 2010, 2014 and 2018. It is also recommended to be back dated to the 10 May in this report.
 - SRAs: postholders have been required to undertake their duties and receive the necessary training in preparation for forthcoming Cabinet and committee meetings.
- 2.4 The recommended scheme (appendix 1) means that 34 of 63 councillors (54% of the total) will receive an SRA in 2022-23. However, it is noted that four Councillors are part of job share arrangements and the allowance will be split.
- 2.5 The IP Report again recommend a job profile for councillors contained within Appendix 3. The Council's Constitution currently sets out key duties for Members and additional duties for Cabinet members (Part X and Part II). The Head of Chief Executive's Office and Democratic Services will discuss with the Chief Whip and opposition whip the IP recommendations in this regard.
- 2.6 The IP report also sets out that members' allowances schemes should allow the continuance of Special Responsibility Allowances in the case of sickness, maternity and paternity leave on the same terms that the council's employees receive. The current member allowance scheme has some provision however HR will be conducting a review and will look to improve the scheme and make it clearer.
- 2.7 The amended scheme will be advertised in the local press in June 2022 and published on the website. The approved scheme will remain in place until otherwise amended.

3. FINANCE

- 3.1 The Members Allowance budget in respect of Basic Allowance and Special Responsibility Allowances is £1,153,289 in 2022-23, and the recommended scheme can be accommodated within the budget. The budget is held within Democratic Services Business Unit.
- 3.2 The appended draft scheme has been vetted for Income Tax purposes.

3.3 There are no capital implications as a direct result of this proposal.

4. LEGAL AND DEMOCRACY

4.1 Section 18 of the Local Government & Housing Act 1989, as amended by section 99 of the Local Government Act 2000 makes provision for the payment of allowances and pensions for Members of local authorities. The relevant regulations made under this section are the Local Authorities (Members' Allowances) (England) Regulations 2003.

4.2 Regulation 10 provides for an allowances scheme to be amended at any time during the year but a scheme may only be revoked with effect from the beginning of any year (i.e. 1 April). Before making a new scheme, the Council must firstly revoke the current scheme and must ensure that the new scheme takes effect on the date of revocation. Regulation 10 also provides that a scheme may make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority and where the only change made to a scheme in any year is that effected by such annual adjustment in accordance with such index the scheme shall be deemed not to have been amended. Reliance cannot be placed on that index for longer than four years before seeking a further recommendation from the independent remuneration panel. In addition, regulation 10(6) provides that, where an amendment is to be made which affects an allowance payable for the year in which the amendment is made, the scheme may provide for the entitlement to such allowance as amended to apply with effect from the beginning of the year in which the amendment is made (i.e. 1 April).

4.3 Before making, amending or revoking its allowances scheme, the Council is required, by virtue of Regulation 19, to have regard to the recommendations of the independent remuneration panel. The Council is not, however, bound to adopt all or any of the panel's recommendations provided it has given them due consideration and is satisfied that it has justifiable reasons for not doing so. In addition, the Council must have regard to the statutory guidance relating to members' allowances which was issued in July 2003.

4.4 In considering the recommendations of this report and, in particular, the levels of SRA to be paid, members should have regard, inter alia, to the following extracts from the statutory guidance issued by the (then) ODPM:

"... authorities will wish to consider very carefully the additional roles of members and the significance of these roles, both in terms of responsibility and real time commitment before deciding which will warrant the payment of SRA ... New arrangements will mean that there are inevitable changes in the positions of responsibility on the council, both in terms of number and workload. Some councillors will be spending significantly more of their time on council duties than has ever previously been the case. On the other hand, changes to the traditional committee structure will mean that there are fewer committees and, as a consequence, fewer councillors engaged as chairs and vice-chairs of numerous committees.... Having determined which duties should be acknowledged as significant additional responsibilities, the authority will need to consider the levels of SRA which are attached to the post....." (extract from 'Guidance on Members' Allowances for Local Authorities in England').

4.5 The various categories of responsibility which may attract SRA are set out in regulation 5. In addition to discharging functions such as acting as leader or deputy leader of a political group, a Cabinet Member or Chair of a committee, an additional category is carrying out such other activities ... as require of the member an amount of time and effort equal to or greater than the other activities listed in the regulation.

4.6 Regulation 16 sets out the requirements for the Council to publish details, as soon as reasonably practicable after the making or amendment of a scheme, in one or more newspapers circulating in its area.

4.7 No additional comments from Democratic Services.

5. CONSULTATION AND CO-PRODUCTION

5.1 Not applicable.

6. RISK MANAGEMENT

6.1 Not applicable.

7. EQUALITIES IMPACT ASSESSMENT

7.1 An equality impact assessment was undertaken in respect of the new scheme introduced in 2006 and subsequent variation in 2010. One major premise of the approved scheme is to set allowances at a level to encourage a wider range of people to stand for election to the Council and to posts of responsibility once elected. Consideration was also given to the effects of the new scheme on Councillors receiving means-tested state benefits, as far as that was possible given that each individual Councillor's circumstances are different. Member equality monitoring will continue and a full EIA will need to be undertaken for any subsequent review or change of the Scheme

8. COMMUNITY SAFETY

8.1 Not applicable.

9. ORGANISATIONAL IMPLICATIONS

Environmental

9.1 None.

Health

9.2 None.

Corporate Parenting

9.3 None.

Staffing and accommodation

9.4 None.

Responsible Procurement

9.5 None.

10. TIMETABLE FOR IMPLEMENTATION

10.1 If adopted, the revised allowances scheme will take effect from 10 May 2022 and the necessary advertisement in the local press will be placed in June 2022.

AUDIT TRAIL

Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Raymond Prince, Director of Legal Services and Governance	Legal and Governance	19.05.22	19.05.22	4.3, 4.4, 7.1
Hamant Bharadia, Assistant Director of Finance	Finance and Property	19.05.22	19.05.22	1.1, 2.2., 10.1

REPORT HISTORY

Original discussion with Cabinet Member	Post-election discussions
Report deadline	13.05.22
Date final report sent	19.05.22
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	No
Date first appeared on forward plan	N/A
Key decision reasons	N/A
Background information	The Local Authorities (Members' Allowances) (England) Regulations 2003
Appendices	1: Members Allowance Scheme 2022-23 2. Councillors in receipt of a "Special Responsibility Allowance" 3: London Councils Independent Panel report 2022