

# READING BOROUGH COUNCIL

## REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

TO:	COUNCIL		
DATE:	24 MARCH 2020		
TITLE:	COUNCILLORS' ALLOWANCES SCHEME 2020/21 - 2022/23		
LEAD COUNCILLOR:	COUNCILLOR BROCK	PORTFOLIO:	LEADERSHIP
SERVICE:	COUNCILLOR SERVICES	WARDS:	BOROUGHWIDE
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### 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Further to Minutes 54, 9 and 18 of the Council's meetings held on 26 March, 22 May and 25 June 2019 respectively, this report sets out the recommendations of the Independent Remuneration Panel in relation to the scheme of Councillors' Allowances for the financial year 2020/21.
- 1.2 The Independent Remuneration Panel considers a scheme of allowances and makes recommendations to Council each year. In 2019/20, the Panel undertook a full review of the scheme. As part of that review, the Panel recommended the basic allowance and the Special Responsibility Allowances (SRAs) should be increased at the beginning of each new financial year in accordance with the Local Government Pay Settlement (LGPS). The Council accepted this recommendation.
- 1.3 On the basis of the Panel's full review in 2019/20, the Council adopted a revised scheme, which came into effect on 1 October 2020. The Panel has decided to recommend that the Councillors' Allowances scheme for 2020/21 should remain unchanged, with the expectation that the basic allowance and SRAs would be increased in line with the LGPS. This recommendation had been an important feature of the Panel's report to provide a safeguard to prevent councillors' allowances in Reading falling behind other comparable authorities again in the future.

### 2. RECOMMENDED ACTION

- 2.1 The Leader will move a motion.

### 3. POLICY CONTEXT

3.1 The Council on 25 June 2019 (Minute 18 refers) agreed a scheme for Councillors' Allowances for 2019/20, with the following features:

- (i) The total amount to be spent on Councillors' Allowances be £550,000;
- (ii) The level of basic allowance to be paid to each councillor be £8,220 per annum.
- (iii) That the remaining £171,875 be spent on special responsibility allowances (SRA) to be paid at the following levels to the office holders as specified below:

Office Holder	Level of SRA pa
Leader of the Council	£18,500
Deputy Leader of the Council	£11,300
Tier 1 to be paid to the Lead Councillors	£9,500
Tier 2 to be paid to the Leader of the main opposition group and the Chairs of Licensing Applications Committee and Planning Applications Committee	£6,076
Tier 3 to be paid to the Chairs of Committees (except the Chair of the Appeals Committee), and Group Leaders of the other political groups	£3,039
Tier 4 to be paid to councillors carrying out such other activities in relation to the discharge of the authority's functions as require the commitment of equivalent time and effort as for other categories of activity which would qualify for Special Responsibility Allowance under Paragraph 5(1)(i) of the Local Authorities (Members' Allowances) (England) Regulations 2003	£1,074

(iv) Councillors may claim for the cost of a carer to look after children or disabled or elderly dependant relatives whilst undertaking approved duties on behalf of the Council as follows:

- Up to £9 per hour for childcare, up to 15 hours per week;
- Up to £9 per hour for the carer of a disabled or elderly dependant relative (including a disabled child), up to 15 hours per week;

and provided that the above claims were supported by a signed receipt from the carer confirming the hours and amount claimed and that the carer was not a close relative. These allowances are taxable.

(v) An approved duty is defined as follows:

- 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 makes appointments or nominations

- a meeting of a committee or sub-committee of a body to which the authority makes 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 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 standing order 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
- any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

3.3 The Council, on 13 November 2001, set up an independent Remuneration Panel to review annually the Council's scheme for Councillors' Allowances and to make recommendations for a scheme of allowances to include:

- i) the amount of basic allowance to be paid to all Councillors;
- ii) the duties in respect of which Councillors should receive a special responsibility allowance, and the amount of such an allowance;
- iii) allowances for the care of children or dependants.

3.4 The Remuneration Panel was set up to include at least three and no more than five independent members appointed to represent stakeholders of the Council. Its current membership is:

- Francis Connolly - member with experience of the local voluntary sector and local business
- Linda Fort - member with experience of the local media
- Mick Pollek - member with experience of the local trade union movement
- Lady Audrey Durant - member with experience of the local voluntary sector

## 4. THE PROPOSAL

4.1 The Panel conducted a full review of the Councillors' Allowances Scheme, which was reported to the Council on 25 June 2019. The new scheme, which is attached to the report, came into effect on 1 October 2019. In view of the recent review of the scheme, the Panel has decided not to recommend any modifications to the scheme for 2020/21. As part of the scheme the basic allowance and the Special Responsibility Allowances set out above are set to be increased at the beginning of each new financial year in accordance with the Local Government Pay Settlement for the period of the scheme (ie

the subsequent three years to 1 April 2022). It is also recommended that the carers' allowance, which is available to councillors to cover the cost of looking after dependants, whilst they are undertaking approved duties on behalf of the Council, should be increased in line with the 'Real Living Wage' to £9.30.

## **5. CONTRIBUTION TO STRATEGIC AIMS**

- 5.1 The provision for the payment of allowances to Councillors gives local authorities the scope to set allowances schemes to suit local needs and to help ensure that Councillors are not financially disadvantaged in serving as elected Members.
- 5.2 Ensuring Councillors are recompensed fairly for their services will help to attract candidates of high calibre and help to retain them, thereby enhancing the stability and experience of Reading's elected Councillors.

## **6. COMMUNITY ENGAGEMENT AND INFORMATION**

- 6.1 South East Employers conducts an annual survey of members' allowances that provides benchmarking data and this has been used to compare the level of allowances in Reading with the Berkshire unitary and other comparable authorities.
- 6.2 During the recent Independent Remuneration Panel in 2019/20, the Panel found that Special Responsibility Allowances in Reading had fallen far behind those paid to councillors in the other Berkshire unitary authorities and its comparable group, 'statistical neighbours'. The Panel was of the view that Reading's councillors should be valued as much as their counterparts throughout Berkshire and recommended significant increases in the SRA for Reading's Councillors. The Council considered the Panel's recommendations and agreed to increase SRAs substantially, whilst generally keeping Reading's SRAs at the lowest level in Berkshire.

## **7. EQUALITY IMPACT ASSESSMENT**

- 7.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2 An Equality Impact Assessment (EIA) is not relevant to this decision.

## **8. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

- 8.1 Not relevant to this report.

## **9. LEGAL IMPLICATIONS**

- 9.1 The Local Government Act 2000 requires local authorities to set up and maintain an independent Remuneration Panel to make recommendations to the authority concerning the allowances to be paid to elected members.
- 9.2 The relevant regulations governing the payment of allowances to elected members are:

- The Local Authorities (Members' Allowances) Regulations 1991 No. 351
- The Local Authorities (Members' Allowances) (Amendment) Regulations 1995 No. 553
- The Local Authorities (Members' Allowances) (Miscellaneous Provisions) Regulations 2001
- Local Authorities (Members' Allowances) (England) Regulations 2001
- The Local Authorities (Members' Allowances) (England) Regulations 2003
- The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

9.3 The Local Government Act 2000 (Commencement No 6), made on 15 February 2001, brought into force from 19 February 2001 all the provisions of the Local Government Act 2000 which relate to allowances except the abolition of attendance allowance which was abolished from 28 July 2001.

9.4 The relevant regulations came into force on 4 May 2001 and from that date local authorities have been under a duty to set up an independent Remuneration Panel. Any decision to amend, revoke or replace an allowances scheme will have to be taken having regard to the recommendations of the Panel. This will apply to the Council's current scheme, which will expire on 31 March 2020.

9.5 Under Regulation 2(5) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, the adoption of the Councillors' Allowances scheme may not be the responsibility of the executive of the authority. Regulation 2(7) goes further and states that the Council may not delegate this function to a Committee or to an officer. The Council has to take all decisions relating to the adoption of its Scheme of Councillors' Allowances.

## **10. FINANCIAL IMPLICATIONS**

10.1 The 2020/21 budget for Members' Allowances is £550,000, subject to final confirmation of the Local Government Pay Settlement for 2020/21.

10.2 The MTFS includes a provision for the base budget to be increased in line with the Local Government Pay Settlement.

10.3 These costs will be reviewed annually as part of the Council's budget setting process.

## **11. BACKGROUND PAPERS**

11.1 None



READING BOROUGH COUNCIL

SCHEME FOR COUNCILLORS' ALLOWANCES - 2020-2021

FINDINGS OF REMUNERATION PANEL

Reading Borough Council has received recommendations from an independent Remuneration Panel in respect of the scheme of allowances to be paid by the authority to Councillors for the financial year 2020-2021.

RECOMMENDATIONS OF REMUNERATION PANEL

That, in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003, the Councillors' Allowances scheme adopted from 1 April 2020, be amended, in accordance with the provision set out in Regulation 10(3), as follows:

- (1) That, for 2020-21, the total sum for the payment of Basic and Special Responsibility Allowances to councillors be set at £550,000 (subject to confirmation of the Local Government Pay Settlement for 2020/21);
- (2) That, within this total sum, the provision for the payment of Basic Allowance to all councillors be set at £378,125 (subject to being increased in line with the Local Government Pay Settlement for 2020/21); and the Basic Allowance paid to individual councillors be set at £8,220 (subject to being increased in line with the Local Government Pay Settlement for 2020/21) a year;
- (3) That the Special Responsibility Allowances payments be set at the amounts set out, as follows:
  - (a) the amount paid to the Leader to be £18,500;
  - (b) the amount paid to the Deputy Leader to be £11,300;
  - (c) the amount paid to SRA Tier 1 to be £9,500;
  - (d) the amount paid to SRA Tier 2 to be £6,076;
  - (e) the amount paid to SRA Tier 3 to be £3,039;
  - (f) the amount paid to SRA Tier 4 to be £1,074.No councillor shall receive more than one Special Responsibility Allowance;
- (4) That the existing categorisation of tiers be as follows:
  - Tier 1 to be paid to the Lead Councillors;
  - Tier 2 to be paid to the Leader of the main opposition group and the Chairs of Licensing Applications Committee and Planning Applications Committee;
  - Tier 3 to be paid to the Chairs of Committees (except the Chair of the Appeals Committee), and Group Leaders of the other political groups;

- Tier 4 to be paid to councillors carrying out such other activities in relation to the discharge of the authority's functions as require the commitment of equivalent time and effort as for other categories of activity which would qualify for Special Responsibility Allowance under Paragraph 5(1)(i) of the Local Authorities (Members' Allowances) (England) Regulations 2003;
- (5) That the following persons shall be regarded as, or equivalent to, "other Councillors carrying out other activities in relation to the discharge of the authority's functions as require the commitment of equivalent time and effort as for other categories of activity which would qualify for Special Responsibility Allowance" at Tier 4 (and subject to no Councillor receiving more than one Special Responsibility Allowance):
- Vice-Chairs of Committees;
  - Independent Person appointed in accordance with Section 28 of the Localism Act 2011 to carry out the functions specified in that Act in relation to the Members' Code of Conduct and Local Standards Committee
- (6) That the 2020-21 arrangements for the payment of Dependant Carers' Allowance be raised by a cost of living increase of 2.8%, paid in line with the real living wage, as follows:
- (a) Up to £9.30 per hour for childcare for up to 15 hours a week
  - (b) Up to £9.30 per hour towards the cost of a care attendant for an elderly or disabled relative (including a disabled child) for up to 15 hours a week

The person providing the care may not be a close relative defined as spouse, partner (opposite or same sex cohabitantes), parents, children, brothers, sisters, grandparents and grandchildren. The paid care attendant must sign a receipt to show that they have cared for the dependant during the hours claimed for;

- (7) That, subject to (9) below, the level of subsistence allowances, with the exception of overnight subsistence, remain the same as officers receive. The allowances are currently:
- Subsistence
    - o Breakfast allowance                    £8.26
    - o Lunch allowance                         £11.41
    - o Tea allowance                             £4.52
    - o Evening meal allowance                £14.13
    - o Overnight subsistence                    £82.21 a day outside London  
£93.77 a day in London or at LGA Annual Conferences
- (8) That the level of travel allowances be set as the same as officers receive, as follows:
- Travel by councillor's own motor vehicle - 45 pence per mile
  - Travel by councillor's own bicycle - 37 pence per mile
  - Travel by councillor's own motorcycle - 40.9 pence per mile
  - Bus travel - cost of the ordinary fare, cheap fare or portion of any weekly ticket;

- (9) That the subsistence limits referred to in (7) above be exceeded in exceptional circumstances at the discretion of the Monitoring Officer, e.g. to enable a Councillor and an officer attending a conference to stay at the same accommodation, subject to there being sufficient budget provision;
- (10) That provision for Co-optees' Allowances are payable solely to non-councillor members of the Standards Committee attending meetings of the Committee or any Sub-Committee set up by the Committee as part of its process of assessing, investigating and hearing complaints about Councillors; the allowances to be paid at the daily rate equivalent of the Councillors' Basic Allowance; the Monitoring Officer to be authorised to settle the rate to be paid on each occasion;
- (11) That the salary sacrifice schemes available to Council staff also be made available to Councillors;
- (12) That the basic allowance and the Special Responsibility Allowances set out above be increased at the beginning of each new financial year in accordance with the Local Government Pay Settlement for the period of the scheme (ie the subsequent two years to 1 April 2022).