

**FREADING BOROUGH COUNCIL**

**REPORT BY EXECUTIVE DIRECTOR OF RESOURCES**

<b>TO:</b>	<b>COUNCIL</b>		
<b>DATE:</b>	<b>23 MARCH 2021</b>		
<b>TITLE:</b>	<b>COUNCILLORS' ALLOWANCES SCHEME 2020/21 - 2022/23</b>		
<b>LEAD COUNCILLOR:</b>	<b>COUNCILLOR BROCK</b>	<b>PORTFOLIO:</b>	<b>LEADERSHIP</b>
<b>SERVICE:</b>	<b>COUNCILLOR SERVICES</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
<b>LEAD OFFICER:</b>	<b>MIKE GRAHAM</b>	<b>TEL:</b>	<b>0118 9372153</b>
<b>JOB TITLE:</b>	<b>ASSISTANT DIRECTOR, LEGAL AND DEMOCRATIC SERVICES</b>	<b>E-MAIL:</b>	<b>michael.graham@reading.gov.uk</b>

**1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 The Council on 25 June 2019 considered a review of the Councillors' Allowance Scheme for the financial year 2020/21 which had been undertaken by the Independent Remuneration Panel (the Panel). As part of that review the Panel recommended that the Special Responsibility Allowances (SRAs) be increased to bring the rate broadly up to the Berkshire Average. It also recommended that the Basic Allowance (BA) and the SRAs be increased at the beginning of each new financial year in accordance with the Local Government Pay Settlement (LGPS) for the period of the scheme (ie the subsequent three years to 1 April 2022). In addition, the Panel recommended that Dependant 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'.
- 1.2 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 2019. In 2020 the BA and SRAs were increased by 2.75%, in line with the LGPS.
- 1.3 In Autumn 2020 the Panel was asked to consider offering payment of a Tier 4 SRA, or payment commensurate with just below Tier 4, to councillors who were members of the following Committees/Panels: Licensing Applications Committee(s), Planning Applications Committee and Fostering/Adoption/ Parenting Panel. This was a discrete area of the scheme and no other modifications to the scheme were sought.
- 1.4 The Panel's recommendations are attached at Appendix A. In summary, the Panel recommended that a Tier 4 SRA be paid to the Council's representative (currently one) on the Fostering Panel. It recommended no change in respect of the other committees set out above but did suggest that the possibility of appointing an additional vice-chair

to the Licensing Applications Committee(s), as they had recommended as part of the comprehensive review of allowances in 2019, could be reconsidered by the Council.

## 2. RECOMMENDED ACTION

- 2.1 That the Councillors' Allowances Scheme, as set out in Appendix B to the report, which included minor revisions recommended by the Independent Remuneration Panel, be adopted.

## 3. POLICY CONTEXT

- 3.1 The Council on 25 June 2019 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 the Vice-Chairs of Committees and the 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	£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. The scheme contains a list of approved duties.

3.2 In 2020 the allowances were increased by 2.75%, in line with the LGPS. The current rates payable are as follows:

Office Holder	Level of SRA pa
Basic Allowance	£8,447.08
Leader of the Council	£19,008.75
Deputy Leader of the Council	£11,610.75
Tier 1	£9,761.25
Tier 2	£6,243.09
Tier 3	£3,123.57
Tier 4	£1,103.54

3.3 The Council, on 13 November 2001, convened an independent Remuneration Panel to review the 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 met on 25 November 2020 and 16 December 2020. Its recommendations are set out in Appendix A. The Panel's recommendations are reflected in the updated scheme attached at Appendix B.

#### **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.

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

- 6.1 South East Employers conducts an annual survey of members' allowances that provides benchmarking data. The Panel was provided with a copy of South East Employers Members' Allowances Survey 2019-2020 which shows a comparison of the level of allowances in Reading with other comparable authorities.

## **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 councillors.
- 9.2 Any decision to amend, revoke or replace an allowances scheme will have to be taken by the Authority having regard to the recommendations of the Panel. This will apply to the Council's current scheme, which will expire on 31 March 2022.
- 9.3 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 2021/22 budget for Members' Allowances is currently £550,000, subject to final confirmation of the Local Government Pay Settlement for 2021/22.
- 10.2 The Medium-Term Financial Strategy 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