

# READING BOROUGH COUNCIL

## REPORT BY DIRECTOR OF RESOURCES

<b>TO:</b>	<b>COUNCIL</b>		
<b>DATE:</b>	<b>25 JUNE 2019</b>		
<b>TITLE:</b>	<b>COUNCILLORS' ALLOWANCES SCHEME 2019/20 - 2022/23</b>		
<b>LEAD COUNCILLOR:</b>	<b>COUNCILLOR BROCK</b>	<b>PORTFOLIO:</b>	<b>LEADER OF THE COUNCIL</b>
<b>SERVICE:</b>	<b>COUNCILLOR SERVICES</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
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### 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Further to Minutes 54 and 9 of the Council's meetings held on 26 March and 22 May 2019 respectively, this report recommends that the Council consider the findings of the Independent Remuneration Panel to amend the scheme of Councillors' Allowances for the financial year 2019/20.
- 1.2 The Independent Remuneration Panel considers a scheme of allowances and makes recommendations to Council. This year the Panel made an interim recommendation to the Council in March 2019, to retain the existing scheme, pending completion of its full review.
- 1.3 The Remuneration Panel's full review has now been completed and their report and findings are attached for consideration.

### 2. RECOMMENDED ACTION

- 2.1 A motion will be moved at the meeting.

### 3. POLICY CONTEXT

- 3.1 The Council on 26 March 2019 (Minute 54 refers) agreed an interim scheme for Councillors' Allowances for 2019/20, with the following features:
  - (i) The total amount to be spent on Councillors' Allowances be £448,597;
  - (ii) The level of basic allowance to be paid to each councillor be £8,220 per annum.
  - (iii) That the remaining £70,477 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	£7,004
Deputy Leader of the Council	£5,722
Tier 1 to be paid to the Lead Councillors and to the Leader of the main opposition Group	£3,816
Tier 2 to be paid to the Chairs of Committees and the Leader of the other political groups	£2,147
Tier 3 to be paid to Vice-Chairs of Committees and 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 under Paragraph 5(1)(i) of the Local Authorities (Members' Allowances) (England) Regulations 2003 and to 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 dependent relatives whilst undertaking approved duties on behalf of the Council as follows:

- Up to £8.75 per hour for childcare, up to 15 hours per week;
- Up to £8.75 per hour for the carer of a disabled or elderly dependent 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 has conducted a full review of the Councillors Allowances Scheme and the Panel's report setting out their findings is attached to the report.

#### **Pensions**

4.2 The changes made by the Government to the Local Government Pension Scheme (LGPS) for Councillors excluded any new membership from 1 April 2014 and access for existing Councillors ended with their current fixed term of office. All membership to the Local Government Pension Scheme by Councillors expired in May 2016.

#### **Information Commissioners Office (ICO)**

4.3 The Information Commissioners Office (ICO) wrote to all Councils explicitly asking that all Councillors checked and understood their obligations under the Data Protection Act, as the ICO felt there was a potential personal risk exposure for many Councillors of inadequate registration in context with information held at home from carrying out their role as a representative of the residents in a ward or as an independent councillor not affiliated with any political party that would not be covered by existing Council or Political Registrations.

4.4 Since May/June 2015 the Council has operated a bulk registration of all Councillors with the ICO on an 'opt out basis' rather than 'opt in'.

## 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 other Berkshire authorities (as set out in the table below). The Leader's SRAs ranged from £18,865 in West Berkshire to £28,954 in Bracknell; Deputy Leader's SRAs ranged from £11,319 in West Berkshire to £17,372 in Bracknell; and Lead Councillors' SRA ranged from £9,433 in West Berkshire to £15,926 in Bracknell. The average SRA allowances received across the Berkshire authorities (excluding Reading) are £11,695 for a Lead Councillor role and £22,414 for the Leader.

The basic Councillor allowance in Reading is broadly comparable at £8,220 with those of other Berkshire authorities, being just over £600 above the lowest (West Berkshire) and just under £500 below the highest figure (Bracknell).

	Basic Allowance	Leader's SRA	Deputy Leader's SRA	Lead Councillor's SRA
Bracknell Forest Council	£8,687	£28,954	£17,372	£15,926
Reading Borough Council	£8,220	£7,004	£5,722	£3,816
Royal Borough of Windsor and Maidenhead	£8,143	£24,428	£13,434	£12,215
Slough Borough Council	£7,626	£19,827	£13,878	£10,905
West Berkshire Council	£7,546	£18,865	£11,319	£9,433
Wokingham Borough Council	£7,784	£20,000	-	£10,000

## 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. LEGAL IMPLICATIONS**

- 8.1 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.
- 8.2 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.
- 8.3 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.
- 8.4 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 2018.
- 8.5 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.

## **9. FINANCIAL IMPLICATIONS**

- 9.1 The 2019/20 budget for Members' Allowances is £461,600.
- 9.2 If members choose to follow all the Remuneration Panel's recommendations to the scheme, the approximate cost will £561,000 for the full financial year.
- 9.3 The MTFS included a provision to the base budget of £100,000 on an ongoing basis, assuming that their salaries could be inflated by 2% per year, backdated from 2010/11.
- 9.4 These costs will be reviewed annually as part of the Council's budget setting process.

## **10. BACKGROUND PAPERS**

- 10.1 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