

COUNCIL	DATE 16 March 2022	ITEM NO 14
TITLE Members' Allowances Scheme 2022-23	WARD (S) All	
CHIEF OFFICER Director of Communities, Environment & Central	CABINET MEMBER Leader of the Council	
DECISION CLASSIFICATION <i>Non-exempt report</i>	IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING? Yes	

I. Decisions required

This report makes the following recommendations to the decision-maker: -

- I.1 Note that all Councils are required to make annually a scheme for the payment of allowances to Councillors and the scheme must include a basic allowance payable equally to all Councillors, and may include provision for special responsibility allowances.
- I.2 Agree to re-adopt the London Councils' Independent Remuneration Panel for the purposes of advising the Royal Borough of Greenwich in formulating its Members' Allowances Scheme for the next four municipal years (2022/23–2025/26) as each authority must have regard to the recommendations of such an independent panel.
- I.3 Note that a new report has been published by the London Councils' Independent Remuneration Panel and this is attached as Appendix B.
- I.4 Note that the Independent Remuneration Panel advises that the basic and special responsibility allowances should be increased in line with the local government pay settlement.
- I.5 Agree to freeze the Basic Allowance, regardless of the outcome of the annual local government pay settlement.
- I.6 Agree to freeze the Special Responsibility Allowances regardless of the outcome of the annual local government pay settlement.

1.7 Note that instead of waiting the usual four years, the Independent Remuneration Panel will be commencing another review in the summer of 2022 with the aim of concluding and publishing a further report in the latter half of 2023.

1.8 Subject to recommendations 1.5 and 1.6, agree the Members' Allowances Scheme for 2022-23 as attached at appendix 1 and agree that Part 6 of the Council's Constitution be updated accordingly.

2. Links to the Royal Greenwich high level objectives

2.1 This report relates to the Council's agreed high level objectives as follows:

- A Strong Vibrant and Well-run Borough

3. Purpose of Report and Executive Summary

3.1 This report seeks agreement to re-adopt the London Councils' Independent Remuneration Panel for the purposes of advising the Royal Borough of Greenwich in formulating its Members' Allowances Scheme for the next four municipal years (2022/23–2025/26) as each authority must have regard to the recommendations of such an independent panel.

3.2 This report also seeks agreement to the level of allowances payable to Councillors for the year 2022-23. The London Councils' Independent Remuneration Panel advises that the basic and special responsibility allowances should be increased in line with the local government pay settlement.

4. Introduction and Background

4.1 All Councils are required to make annually a scheme for the payment of allowances to Councillors. The scheme must include a basic allowance payable equally to all Councillors and may include provision for special responsibility allowances. In addition, every Council must appoint an independent remuneration panel and have regard to its recommendations before it makes or amends its scheme.

4.2 Where an authority has regard to an index for the purpose of annual adjustment of allowances, it must not rely on that index for longer than four years before seeking a further recommendation from its independent remuneration panel.

- 4.3 In November 2006, the Council first agreed to adopt the London Councils' Independent Remuneration Panel to advise the Authority on the level of basic and special responsibility allowances and the mechanism for up-rating in subsequent years. The Panel was re-adopted in 2010, 2014 and 2018 and has continued to inform the Authority's remuneration to Members.
- 4.4 This report seeks agreement to re-adopt the London Councils' Independent Remuneration Panel for the purposes of advising the Royal Borough of Greenwich in formulating its Members' Allowances Scheme for the next four municipal years (2022/23–2025/26) as each authority must have regard to the recommendations of such an independent panel.
- 4.5 The key recommendations from the Panel's 2022 report are as follows:
- The Panel continues to recommend that all allowances should be updated annually in accordance with the headline figure in the annual local government pay settlement. Due to the continuing financial challenges to council budgets including the impact from the Covid-19 pandemic, the Panel does not believe that now is the time to contemplate a general increase in Councillors' allowances.
 - However, given the unprecedented changes to the role of Councillors since the start of the Pandemic and the wider financial background, the Panel will, instead of waiting four years to undertake another review, commence a review in the summer of 2022 with the aim of concluding it in the latter half of 2023. As well as enabling them to reassess the situation, this timescale would enable them to undertake more detailed consultations and seek wider views as part of the evidence gathering that will be needed.
 - As part of the 2022-23 further review, the Panel intends to look at lobbying opportunities about the lack of pension provision to Councillors as it believes this is a factor that influences people not to run for Council office.
 - No more than fifty percent of councillors should receive an SRA. However, the SRA for Mayor and Deputy can fall under separate statutory provisions (ss3 and 5 of the Local Government Act 1972) rather than be included in the Members' Allowances Scheme.
 - No Member should receive more than one SRA.
 - Every borough should have an ongoing programme of Member training and development and Members should be expected to participate.
 - Members should be provided with logistical and clerical support to help them deal with their workload including appropriate IT equipment.

- Councillors should be entitled to claim an allowance for care of dependents at London Living Wage level.
- SRAs should continue to be paid in the case of sickness, maternity and paternity leave in the same terms that the Council’s employees enjoy such benefits.
- The basic allowance should cover out of pocket expenses incurred by Councillors travel costs and expenses within the borough.

5. **Available Options**

5.1 The options available to Council are: -

- 1- re-adopt the London Councils’ Remuneration Panel to advise the Council for the next four Municipal Years (2022/23 – 2025/26); or
- 2 - choose not to re-adopt the London Councils’ Remuneration Panel to advise the Council for the next four Municipal Years (2022/23 – 2025/26).
 - 1 - Agree the freeze in the Basic Allowance and in Special Responsibility Allowance as laid out in recommendations 1.5 and 1.6 above; or
 - 2 - Freeze the Basic Allowance and propose an increase in Special Responsibility Allowance; or
 - 3 - Increase the Basic Allowance and freeze the Special Responsibility Allowance; or
 - 4 - Increase the levels of both the Basic Allowance and the Special Responsibility Allowance.

6. **Cross-Cutting Issues and Implications**

Issue	Implications	Sign-off
Legal including Human Rights Act	Section 18 Local Government and Housing Act 1989 and the Local Authorities (Members’ Allowances) (England) Regulations 2003 govern the making of allowances for Members. The Council must make a scheme before 1 April each year: (a) Which provides for the amount and payment of a basic allowance to each member; (b) Which may provide for the	John Scarborough, Director of Legal & HR, 3 March 2022

	<p>amount and payment of a special responsibility allowance to such members as are specified in the scheme;</p> <p>(c) Which may provide for the amount and payment of a dependants' carers' allowance;</p> <p>(d) Which sets out which members are entitled to pensions and the amounts in respect of which pensions are payable.</p> <p>Before the Council makes a scheme, it must have regard to the recommendations of an independent remuneration panel, which in this case is the panel established by London Councils.</p> <p>Where a scheme provides for an annual adjustment of allowances by reference to a specified index, the Council must not rely on that index for longer than four years before seeking a further recommendation of its independent remuneration panel on the application of that index.</p> <p>Under the Council's Constitution, Full Council is authorised to make the decision requested in paragraph 1 of the report.</p>	
Finance and other resources	The proposal to freeze the level of Members Allowances will have no financial effect.	Damon Cook, Director of Finance, 25 February 2022
Equalities	The decisions recommended through this paper have a remote or low relevance to the substance of the	Veronica Johnson, Head of Corporate Governance &

	Equality Act. There is no apparent equality impact on end users. This report has no impact on the Council's Equality and Equity Charter or the Council's Equality Objectives 2020-2024.	Democratic Services 14.02.22
Climate change	This report has no impact on the Greenwich Carbon Neutral Plan agreed by Cabinet on 18 November 2020.	Veronica Johnson, Head of Corporate Governance & Democratic Services. 14.02.22

7. **Report Appendices**

7.1 The following documents are to be published with and form part of the report:

- *Appendix A: Royal Borough of Greenwich Members' Allowances Scheme 2022-23.*
- *Appendix B: The Remuneration of Councillors in London 2022 – Report of the Independent Panel.*

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