

**PROPOSED CHANGES TO THE COUNCIL'S MEMBERS' ALLOWANCES SCHEME**

**COUNCIL MEETING DATE**

**1<sup>st</sup> March 2017**

**CLASSIFICATION:**

**Open**

**If exempt, the reason will be listed in the main body of this report.**

**WARD(S) AFFECTED**

**All Wards**

**Tim Shields, Chief Executive**

## **1. INTRODUCTION**

- 1.1 The Council agreed its Members Allowances Scheme for 2016/17 at its meeting on 20<sup>th</sup> July 2016.
- 1.2 In February 2016 the Scrutiny Chairs Group agreed to carry out an independent review of the Council's overview and scrutiny arrangements.
- 1.3 One of the recommendations from the review is to set up a Scrutiny Panel to replace the Scrutiny Chairs Group.
- 1.4 The Scrutiny Panel will oversee the scrutiny work programme and co-ordinate the involvement of scrutiny in the budget process and identify matters of public concern and cross cutting reviews. The Scrutiny Panel is to come into effect from June 2017.
- 1.5 It is proposed that the Chair of the new Scrutiny Panel will be from the majority party. The Vice Chair will be a member of the larger opposition party to provide a transparent mechanism for holding the Mayor and Cabinet to account.
- 1.6 Council Officers have approached Sir Rodney Brooke CBE DL as the Council's Independent Adviser on Members Allowances to develop a report with recommendations on the proposed remuneration of the Chair and Vice Chair of the new Scrutiny Panel and to add the remuneration of the Chair and Vice Chair of the new Scrutiny Panel to the Members Allowance Scheme.
- 1.7 Sir Rodney Brooke's report with his recommendations on the remuneration of the Chair and Vice Chair of the Scrutiny Panel is appended for Council to consider.

## **2. RECOMMENDATIONS**

### **Council is invited to:**

- 2.1 Note the report of the Council's independent adviser on Members Allowances.
- 2.2 Agree to include the Chair and Vice Chair of the Scrutiny Panel in the Members Allowances Scheme from 2017/18
- 2.3 Agree the recommended Special Responsibility Allowance for the role of Chair of the Scrutiny Panel is set at £8,224.73.
- 2.4 Agree the recommended Special Responsibility Allowance for the role of Vice Chair of the Scrutiny Panel is set at £5,483.15.

### **3. RELATED DECISIONS**

- 3.1 The Council's Members' Allowances Scheme for 2016/17 was agreed by full Council on 20<sup>th</sup> July 2016. The related report can be found on the Council's website via the following link:

<http://mginternet.hackney.gov.uk/ieListDocuments.aspx?CId=112&MIId=3800>

- 3.2 Prior to the above, the Council's Members Allowances Scheme was also substantially reviewed in 2015. The related report from the Council meeting of 22<sup>nd</sup> July 2015 can be found on the Council's website via the following link:

<http://mginternet.hackney.gov.uk/ieListDocuments.aspx?CId=112&MIId=3227>

### **4. LEGAL COMMENTS**

- 4.1 The legal framework for Members' allowances is established by section 18 of the Local Government and Housing Act 1989. This gave the Secretary of State the power to make regulations authorising or requiring local authorities to pay a basic allowance to each councillor and special responsibility allowances to councillors with special responsibilities.

- 4.2 The section was amended by section 99 of the Local Government Act 2000 to allow the Secretary of State to make regulations providing for the payment of pensions, allowances and gratuities to Members and the payment of carers allowances.

- 4.3 The current Regulations governing Members' Allowances are the Local Authorities (Members Allowances) (England) Regulations 2003. These provide that before a local authority makes or amends a scheme for Members' Allowances, it must have regard to the recommendations made to it by an independent remuneration panel.

- 4.4 There are three options open to a local authority. It can establish its own IRP; it can establish one jointly with other authorities or, in the case of London boroughs, it can make use of the recommendations from the IRP established by London Councils. An authority can, however, only use one IRP.

- 4.5 It is the duty of the IRP to produce a report making recommendations on the following:

(a) the responsibilities or duties in respect of which the following should be available:

- special responsibility allowance;
- travelling and subsistence allowance; and
- co-optees' allowance.

(b) the amount of such allowances and as to the amount of basic allowance;

(c) whether carers allowance should be payable to members of an authority, and as to the amount of such an allowance;

(d) whether, in the event that the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated in accordance with regulations;

(e) whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed;

4.6 A copy of the report must be sent to the authority in respect of which recommendations have been made. Its existence must be advertised in the local press and copies made available for inspection by the public.

4.7 The Council's obligation is to have regard to the recommendations of the IRP. It does not have a duty to follow them although it would need to have good reasons to justify departing from them.

## **5. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES**

5.1 The reports seeks approval for the Chair and Vice Chair of the Scrutiny Panel to be included in the Members Allowances Scheme from 2017/18, with the recommended Special Responsibility Allowance set at £8,224.73 and £5,483.15 respectively.

5.2 The financial impact of the report is minimal as the cost arising will be funded from existing budget.

**Mr Tim Shields**  
**Chief Executive**

## APPENDICES

Appendix 1: Report of the Council's Independent Adviser on Members Allowances

### BACKGROUND PAPERS

No background papers have been relied upon the drafting of this report.

<b>Covering Report Author:</b>	Yinka Owa, Director of Legal 020 8356 6234  <a href="mailto:Yinka.Owa@hackney.gov.uk">Yinka.Owa@hackney.gov.uk</a>
<b>Legal Comments</b>	Yinka Owa, Director of Legal 020 8356 6234  <a href="mailto:Yinka.Owa@hackney.gov.uk">Yinka.Owa@hackney.gov.uk</a>
<b>Comments of the Head of Finance &amp; Resources</b>	Jackie Moylan, Director of Finance 020 8356 3032  <a href="mailto:Jackie.Moylan@Hackney.gov.uk">Jackie.Moylan@Hackney.gov.uk</a>