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Havering
LONDON BOROUGH

COMMITTEENAME MEETING

**MeetingTime MeetingDate
AT MeetingLocation**

Members of the Council of the London Borough of Havering are hereby summoned to attend a meeting of the Council at the time and place indicated for the transaction of the following business

**Acting Assistant
Chief Executive**

**For information about the meeting please contact:
MeetingContact
MeetingContact_2**



Please note that this meeting will be webcast.

**Members of the public who do not wish to appear
in the webcast will be able to sit in the balcony,
which is not in camera range.**

All Councillors are invited to join the Mayor in the saying of prayers in the Council Chamber, before the commencement of the meeting.

AGENDA



COUNCIL, 22nd FEBRUARY 2012

REPORT OF THE GROUP DIRECTOR FINANCE & COMMERCE

SUBJECT: MEMBERS' ALLOWANCES

SUMMARY

The Council is obliged to make a Members' Allowances scheme annually, before the 1st of April each year.

This report proposes no changes and that the existing scheme effectively continues and is adopted as the new scheme for 2012/13. In reviewing the scheme, regard was given to the May 2010 report of the Independent Remuneration Panel of London Councils' and the allowances in the scheme are set with regard to their bands of recommendations.

Approval of the recommendations by Council would mean that, for the 5th successive year, there will have been no increase in Special Responsibility Allowances.

It is the Administration's intention to continue with this approach for the remainder of the Administration's term, which would cover financial years 2013/14 and 2014/15..

RECOMMENDATIONS

It is recommended:

1. That Council notes this is the 5th successive year where there has been no increase in Special Responsibility Allowances..
2. That Council notes the Administration's intention not to increase allowances for the following two financial years.
3. That the Members' Allowances scheme becomes effective from 1st April 2012 and the existing scheme be revoked with effect from the same date.

4. That subject to the decision of Members with regard to recommendation 1, the total number of Special Responsibility Allowances may exceed the recommended 50%. In the event of this occurring, Council endorse the justification set out in the report.

REPORT DETAIL

1. BACKGROUND INFORMATION – THE CURRENT SCHEME

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 provides that a Local Authority shall make a scheme in accordance with these Regulations in respect of each year. Regulation 10 provides that such a scheme shall be made before the beginning of each year commencing on 1st April. Such a scheme may be amended during the year, but only revoked with effect from the beginning of a year.
- 1.2 In establishing the Members' Allowances scheme, regard has been given to the May 2010 report of the Independent Remuneration Panel of London Council's and the allowances in the scheme have been set with regard to their bands of recommendations.
- 1.3 The proposed list of members' allowances is as follows:

Category of Allowance	Amount Per Member £
<u>Basic Allowance</u>	10,208
Special Responsibility Allowances:	
Leader of the Council	51,191
Deputy Leader of the Administration	35,705
Cabinet Members	32,705
Leader of Principal Opposition	18,000
Leader of Principal Minority Opposition	6,390
Leader of Minority Opposition	2,227
Deputy Leader of Principal Opposition	3,825
Mayor	14,418
Deputy Mayor	7,650
Overview and Scrutiny Committees Chairmen	14,418

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Licensing and Regulatory Services Committee Chairmen	20,430
Audit, Pension, Highways, Governance Committee Chairmen	7,650

Note:

1. In accordance with paragraph 4(c) of the Members' Allowance scheme, when a Councillor would otherwise be entitled to more than one special responsibility allowance, then the entitlement shall be to only one, that being the one attracting the higher rate.

2. Basic Allowance

- 2.1 Each Member of the Council receives a Basic Allowance of £10,208. In accordance with the 2011/12 scheme, this is subject to an inflationary increase in line with the annual Local Government Pay Settlement of the Joint Negotiating Committee for Chief Officers of Local Authorities or its replacement. No increase has been agreed at this stage.
- 2.2 If a Councillor becomes entitled to any allowance during the year, he/she is entitled to the relevant proportion of that allowance as set out in the Constitution.

The basic allowance covers all intra-borough travel costs and subsistence.

- 2.3 Where a Member is suspended or partially suspended from their responsibilities or duties as a Member of the Authority in accordance with Part III of the Local Government Act 2000, or Regulations made under that part, the part of basic allowance payable to him/her in respect of the period for which he/she is suspended or partially suspended will be withheld by the Council.

3. Special Responsibility Allowance

- 3.1 When a Councillor would otherwise be entitled to more than one special responsibility allowance, then the entitlement shall be to only one, that being the one attracting the higher rate.
- 3.2 Where a Member is suspended or partially suspended from his responsibilities or duties as a Member of the Authority in accordance with Part III of the Local Government Act 2000, or Regulations made under that part, the part of Special Responsibility allowance payable to him in respect of the period for which he/she is suspended or partially suspended will be withheld by the Authority.

The Scheme provides that only basic allowances will be increased from 1st April in line with the annual Local Government Pay Settlement of the Joint Negotiating Committee for Chief Officers of Local Authorities or its replacement.

- 3.3 Statutory Government Guidance recommends that only a maximum of 50% SRAs should be paid. The scheme assuming single occupancy provides for 29 SRA's as compared to 54 Councillors (54%).

This exceeds the recommended level of 50% and whilst there may be some reduction in this proportion where a Member has two positions and can only receive a single SRA; this is unlikely to change the proportion so it is in line with the guidance recommendation. The Council justify this on the basis of:

- (a) the number of Overview and Scrutiny Committees;
 - (b) the number of political groups paid a Special Responsibility Allowance
 - (c) to facilitate a diverse and meaningful contribution to decision making and governance of the Council;
 - (d) to develop Member skills and roles to enable seamless succession into senior roles;
 - (e) maximise the skills, experience and contributions brought to the borough by its Members;
 - (f) to take account of the increasing functions of Local Government.
- 3.4 The Mayor and Deputy Mayor allowances cover the cost of all Mayoral activities such as clothing, personal expenses and sundry expenses - including items such as attendance at dinners, raffle tickets, sponsorship and donations.

The Mayor and Deputy Mayor are responsible for all such payments via the SRA which will be taxed. The Council meets the cost of:

- the Mayor's "At Home" and other Havering Civic receptions;
- award pins and certificates at the civic award ceremony;
- the medals, certificates and frames in the event of there being any ceremony associated with Honorary Alderman/Freeman of the Borough awards;
- gifts given on behalf of the Council in reciprocation or gifts initiated by the Council for promotional purposes;

- the cost of maintaining and provisioning the beverage machine in the Parlour;
- postage costs and all costs associated with the Mayoral transport, robes etc.

4. **Dependent Carers Allowance**

Any costs arising from being a Dependent Carer should be met by the Basic Allowance.

5. **Travelling and Subsistence Allowance**

Subject to the conditions set out below, Travelling and Subsistence allowances are only payable for official Council business outside of the Borough.

Travel and subsistence arrangements for key events, e.g. Town Twinning will be set in line with the above. However, taking account of the practicalities of arrangements, these will be set out and documented by the Group Director, Finance and Commerce prior to each event and be agreed with the Cabinet Member for Finance & Commerce.

The rules and entitlements for reimbursement of travel expenses outside of the Borough are the same for Officers, Members and co-opted Members and, hence, are currently as follows:

5.1 **Public Transport**

The rate for travel by public transport shall not exceed the amount of the ordinary (second class) fare or any available cheap fare.

5.2 **Private Motor Vehicle**

The current rates for travel in a Member's own private motor vehicle, or one belonging to a member of their family or otherwise used by the Member based on casual user rates of up to 8,500 miles per annum are:

Cylinder capacity up to 999cc 46.9p per mile
Cylinder capacity over 1,000cc 52.2p per mile

5.3 **Taxi/Mini-cabs**

The rates for travel by taxi or mini-cab shall not exceed:

- In cases of urgency or where no public transport is reasonably available the amount of the actual fare and any reasonable gratuity paid;
- In any other case, the amount of the fare which would have been paid for travel by appropriate public transport.

5.4 **Subsistence Allowance**

Under the Building a Healthy Organisation, a change agreed for subsistence is “to limit the entitlement to claims for meals under the subsistence allowance arrangement for staff undertaking duties away from their normal place of work to where those duties entail an overnight stay or working outside normal office hours”.

In respect of these subsistence allowances, the amounts payable shall not exceed the following rates, other than normal inflationary increases agreed as part of pay settlements:

Breakfast Allowance – More than 4 hours away from normal place of residence before 11 a.m.	£4.48
Lunch Allowance – More than 4 hours away from normal place of residence including lunchtime between 12.00 and 14.00 hours.	£6.17
Tea Allowance - More than 4 hours away from normal place of residence including the period 15.00 to 18.00 hours.	£2.43
Evening Meal Allowance – More than 4 hours away from normal place of residence after 19.00 hours.	£7.64
Overnight absence for the purpose of attendance at an annual conference (with or without an annual meeting) e.g. the Local Government Association or such other association of bodies as the Secretary of State may, from time to time, approve or other professional institute bodies	The full cost of accommodation as arranged and agreed by the Council and the reasonable cost of meals taken at the place of accommodation (where provision for meals is available).
Other overnight absence which arises from Council business will be based on the Officer rate as detailed here. If, however, in a particular case, accommodation cannot be found then other arrangements will be approved by the Group Director Finance and	£50.97

Commerce prior to booking and be in line with the above.	
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Allowances are payable on the basis of expenditure incurred and Members will be reimbursed actual expenditure incurred up to a maximum of the rates set out above. Receipts must be submitted to support claims for subsistence allowance and travel costs. Petrol receipts are required to support mileage claims.

6. **Co-Optees' Allowance**

In respect of Statutory Co-optees:

- (a) Reimbursement is based on £117 per meeting.
- (b) Reimbursing all travel costs whether within or outside the Borough but not paying subsistence.

7. **Pensions**

These are not available.

8. **Election to Forgo Allowances**

A person may, by notice in writing given to the proper officer of the authority, elect to forgo his/her entitlement or any part of his/her entitlement to allowances.

9. **Claims and Payments**

A time limit of three months exists for Havering in line with the rules for Officers for the making of claims.

10. **Other Requirements of a Scheme**

There are a number of other requirements of a scheme and Havering complies with these by:

- maintaining the scheme subject to any amendments agreed;
- publishing the scheme once approved or amended in a newspaper in the area and for copies to be available for inspection by the public;
- providing that if the Council amends the scheme mid year to change the amount of any allowance, a Councillor entitled to that allowance will receive the allowance at the new level from the date the

amendment takes effect;

- ensuring a further scheme is in place before any revocation of the scheme takes place;
- including the scheme provision to ensure that where a member is also a member of another authority, that member may not receive allowances from more than one authority in respect of the same duties;
- maintaining records of allowances and payments made and publishing these annually.

11. London Councils Report

The London Councils Independent Review Panel published a report, The Remuneration of Councillors in London 2010, in May 2010. The report is available on the London Council's website.

This discusses the role of Councillors and sets out recommended allowance levels. This includes the basic allowance and special responsibility allowances.

Special Responsibility Allowances are presented in 5 bands determined by the types of role a Member may have. The allowance levels for each band are shown in a range and as a percentage of the remuneration package for a Council Leader. This gives flexibility and takes into account the different level of complexity similar roles may have between Councils.

Due consideration of this report has been taken in determining the proposed scheme.

Financial Implications and Risks:

The gross cost of the existing scheme on the basis of single occupancy of SRA positions is £1,225k.

The draft 2012/13 budget provision is £1,178k and any fluctuations in year will need to be contained within existing budgets or met from central contingency.

Human Resource Implications and Risks:

None arising directly. Travel, subsistence and allowance increases are in line with those of Officers.

Legal Implications and Risks:

The 2003 Regulations provide for an allowance scheme to be made each year prior to and with effect from 1st April and the revocation of a scheme with effect from the same date. It is permissible to amend the scheme during a year but not to make a new scheme other than at 1st April.

The Regulations set out various detailed requirements in respect of:

- publicity
- categories of special responsibility allowances
- basic allowances being the same for all members
- co-optees' allowances etc.

In addition the Regulations provide that an Independent Remuneration Panel's report shall as soon as reasonably practicable after it is received, be made available for public inspection and the main features of the report be published in one or more newspapers circulating in its area.

Regulation 19 provides that before a local authority makes or amends a scheme, the authority shall have regard to the recommendations made to it by an independent remuneration panel. This does not mean that a local authority has to adopt only those recommendations but it does mean that if an authority is going to depart from those recommendations it should objectively justify those departures and the rationale for them so that if the decision making of the authority is called in to challenge there are both reasoned and reasonable grounds for its decision taking into account all the material factors in issue.

Payments for greater than 50% of Special Responsibility Allowances might be justified as set out in paragraph 3.3.

Staff Contact: Andrew Blake-Herbert

**Title: Group Director
Finance and Commerce**

Telephone: 01708 432218

**CHERYL COPPELL
Chief Executive**

Background Papers

None

Members' Allowances Scheme

Agreed at the meeting of the Council on 22nd February 2012. The new Scheme is agreed with effect from 1st April 2012 and the revocation of the Members' Allowance Scheme (2011) is effective from 31st March 2012.

The Council of the London Borough of Havering in exercise of the powers conferred by the Local Authorities (Members Allowances) (England) Regulations 2003 hereby makes the following scheme:

- 1 This scheme may be cited as the Havering London Borough Council Members' Allowance Scheme. The new scheme shall have effect from 1st April 2012.
- 2 In this scheme, "councillor" means a councillor of the London Borough of Havering and "year" means the period ending on 31st March 2013 and any period of 12 months ending on 31st March in any year after 2013.
- 3 **Basic allowance (Schedule 1)**

Subject to paragraphs 7 and 12, for each year a basic allowance of £10,208 shall be paid to each councillor.
- 4 **Special responsibility allowance (Schedule 1)**
 - (a) For each year a special responsibility allowance shall be paid to those councillors who hold the special responsibilities in relation to the Council that are specified in schedule 1 to this scheme.
 - (b) Subject to paragraph 7, the amount of each such allowance shall be the amount specified against that special responsibility in that schedule.
 - (c) When a councillor would otherwise be entitled under the scheme to more than one special responsibility allowance, then the entitlement shall instead be only to one of them, being the one attracting the higher rate.
 - (d) Where a member is also a Member of another Authority, that Member may not receive allowances from more than one Authority in respect of the same duties.

5 Child and dependent care allowance

These expenses are expected to be met from the Basic Allowance.

6 Renunciation

A councillor may by notice in writing given to the Group Director Finance and Commerce elect to forego any part of his/her entitlement to an allowance under this scheme.

7 Part-year entitlements

(a) The provisions of this paragraph shall have effect to regulate the entitlements of a councillor to basic and special responsibility where, in the course of a year, this scheme is amended or that councillor becomes, or ceases to be, a councillor, or accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable.

(b) If an amendment to this scheme changes the amount to which a councillor is entitled by way of a basic allowance or a special responsibility allowance, then in relation to each of the periods:

(i) beginning with the year and ending with the day before that on which the first amendment in that year takes effect, or

(ii) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year.

The entitlement to such an allowance shall be to the payment of such part of the amount of the allowance under this scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of the days in the period bears to the number of days in the year.

(c) Where the term of office of a councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that councillor to a basic allowance shall be to the payment of such part of the basic allowance as bears to the whole the same proportion as the number of days during which his/her terms of office subsists bears to the number of days in that year.

(d) Where this scheme is amended as mentioned in paragraph 7(b), and the term of office of a councillor does not subsist throughout the period mentioned in paragraph 7(b)(i), the entitlement of any

such councillor to a basic allowance shall be to the payment of such part of the basic allowance referable to each such period (ascertained in accordance with that paragraph) as bears to the whole the same proportion as the number of days during which his/her term of office as a councillor subsists bears to the number of days in that period.

- (e) Where a councillor has during part of, but not throughout, a year such special responsibilities as entitle him or her to a special responsibility allowance, that councillor's entitlement shall be to payment of such part of that allowance as bears to the whole the same proportion as the number of days during which he or she has such special responsibilities bears to the number of days in that year.
- (f) Where this scheme is amended as mentioned in paragraph 7(b), and a councillor has during part, but does not have throughout the whole, of any period mentioned in paragraph 7(b)(i) of that paragraph any such special responsibilities as entitle him or her to a special responsibility allowance, that councillor's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in accordance with that paragraph) as bears to the whole the same proportion as the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.

8 Travelling and Subsistence (Schedule 2)

- (a) Members can claim travelling expenses for travelling outside of the Borough on official Council business as set out in Schedule 2.
- (b) Members can claim subsistence expenses on official Council business when outside of the Borough as set out in schedule 2.

9 Claims and payments

- (a) Payments shall be made in respect of basic and special responsibility allowances, subject to paragraph 8(b), in instalments of one-twelfth of the amount specified in this scheme on the last working day of each month.
- (b) Where a payment of one-twelfth of the amount specified in this scheme in respect of a basic allowance or a special responsibility allowance would result in the councillor receiving more than the amount to which, by virtue of paragraph 7, he or she is entitled, then payment shall be restricted to such amount as will ensure that

no more is paid than the amount to which he or she is entitled.

- (c) Payments in respect of Travel and Subsistence shall be made to the Councillor on receipt of a claim form with supporting receipts/vouchers. Claims must be made within three months of the claim arising.

10 Pension Scheme

No Member in the scheme is entitled to apply for inclusion in the Pension Scheme.

11 Financial Limits

The Group Director Finance and Commerce will arrange for the budget for members Allowances to be monitored to ensure that budgetary issues are reported to Members.

12 Increases in Allowances

Basic Allowances as quoted will be updated for 2012/13 by the 2012/13 increases as agreed under the annual Local Government Pay Settlement of the Joint Negotiating Committee for Chief Officers of Local Authorities or its replacement under the local pay agreement. The amounts so calculated are to be rounded up to be divisible for payment purposes.

The amended basic allowance will be found on the Internet once any annual % uplifts have been agreed.

The Travelling and Subsistence allowances will be increased in line with the increase in officer rates.

13 Suspension of Basic and Special Responsibility Allowance

Where a Member is suspended or partially suspended from his responsibilities or duties as a Member of the Authority in accordance with Part III of the Local Government Act 2000, or Regulations made under that part, the part of Basic and Special Responsibility allowance payable to him in respect of the period for which he is suspended or partially suspended will be withheld by the Authority..

14 Mayor and Deputy

The Mayor and Deputy Mayor allowance covers the cost of all Mayoral activities such as clothing, personal expenses and sundry expenses -

including items such as attendance at dinners, raffle tickets, sponsorship and donations.

The Mayor and Deputy Mayor will be responsible for all such payments via the SRA, which will be taxed. The Council will meet the cost of:

- the Mayor's "At Home" and other Havering Civic receptions, award pins and certificates at the civic award ceremony;
- medals, certificates and frames in the event of there being any ceremony associated with Honorary Alderman/Freeman of the Borough awards;
- gifts given on behalf of the Council in reciprocation or gifts initiated by the Council for promotional purposes;
- maintaining and provisioning the beverage machine in the Parlour;
- postage costs and all costs associated with the Mayoral transport, robes etc.

15 Co-Optees Allowances

The standard rate of allowance for statutory co-optees is £117 per meeting attended.

Co-optees will be reimbursed for all travel costs in accordance with the above, whether the travel is within or outside the Borough, but co-optees should not be paid subsistence.

16 Note

- (a) The Council is required to keep a record of the payments made by it in accordance with this scheme.
- (b) The record is required to be available for inspection at all reasonable times free of charge by any local government elector for the borough who may make a copy of any part of it.
- (c) The Council is also required to arrange publication of the total sums paid in each year to each member in respect of basic and special responsibility allowances.
- (d) The Council is required to arrange publication of the Scheme when approved.

Schedule 1: Members' allowances

Category of Allowance	Amount Per Member £
Basic Allowance	10,208
Special Responsibility Allowances:	
Leader of the Council	51,191
Deputy Leader of the Administration	35,705
Cabinet Members	32,705
Leader of Principal Opposition	18,000
Leader of Principal Minority Opposition	6,390
Leader of Minority Opposition	2,227
Deputy Leader of Principal Opposition	3,825
Mayor	14,418
Deputy Mayor	7,650
Overview and Scrutiny Committees Chairmen	14,418
Licensing and Regulatory Services Committee Chairmen	20,430
Audit, Pension, Highways, Governance, Committee Chairmen	7,650

NOTES: The basic allowance will be uplifted each year in accordance with paragraph 12.

Schedule 2: Travel and Subsistence

Travelling expenses can only be claimed for travel outside of the borough on official Council business. The rules and entitlements for reimbursement of travel outside the Borough are the same as those for Officers

Subsistence allowances are only payable for official Council business outside the Borough where the duties entail an overnight stay or working outside 'normal office hours'. Members will be reimbursed actual expenditure incurred up to the maximum of the rates set for Officers

Allowances are payable on the basis of expenditure incurred and receipts must be submitted to support claims for subsistence allowances and travel costs

Travel and subsistence arrangements for key events, e.g. Town Twinning will be set in line with the above. However, taking account of the practicalities of

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arrangements, these will be set out and documented by the Group Director Finance and Commerce, prior to each event and be agreed with the Cabinet Member for Resources.

COUNCIL, 22 FEBRUARY 2012

7 MEMBERS' ALLOWANCES

Amendment on behalf of the Residents' Group

That the table of SRAs in paragraph 1.3 of the report (and Schedule 1 of the draft scheme), be deleted and that the following be inserted in its place:

Category of Allowance	Amount Per Member £
<u>Basic Allowance</u>	10,208
Special Responsibility Allowances:	
Leader of the Council	45,000
Deputy Leader of the Administration	30,000
Cabinet Members	24,900
Leader of Principal Opposition	17,000
Leader of Principal Minority Opposition	6,390
Leader of Minority Opposition	2,227
Deputy Leader of Principal Opposition	3,825
Mayor	14,418
Deputy Mayor	7,650
Overview and Scrutiny Committees Chairmen	10,000
Regulatory Services Committee Chairman	20,430
Licensing Committee Chairman	10,000
Audit, Pensions, Highways, Governance Committee Chairmen	10,000
Licensing Committee Vice-Chairmen	4,260

Amendment on behalf of the Labour Group

Amend Recommendation No 4 to read

The total number of Special Responsibility Allowances should not exceed the recommended 50%

Delete paragraph 3.3.of the report detail relating to Special Responsibility Allowance

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