

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE Members' Allowances Scheme 2022/23 – Amended	
REPORT OF Borough Solicitor	
FOR SUBMISSION TO Audit and Corporate Governance Committee Council	DATE 16 th June 2022 4 th July 2022
<p>SUMMARY OF REPORT</p> <p>The report invites the Audit and Corporate Governance Committee to recommend to Council an amendment to the Members' Allowances Scheme for the 2022/23 financial year. This follows the decision by Members in December 2021 and the fact that the pay award for officers for 2021/22 has now been agreed.</p> <p>LOCAL GOVERNMENT ACT 1972 – ACCESS TO INFORMATION No documents were used in this report that are required to be listed.</p> <p>CONTACT OFFICER Andrew Maughan Borough Solicitor Law and Governance 5 Pancras Square London, N1C 4AG Telephone: 020 7974 5656 Email: andrew.maughan@camden.gov.uk</p>	
<p>RECOMMENDATIONS</p> <p>Audit and Corporate Governance Committee is asked to recommend to Council:</p> <p>i) A Members' Allowances Scheme for the 2022/23 financial year as detailed in Appendix A with the payment to be backdated to the beginning of the financial year.</p> <p>Council is asked to:</p> <p>i) Agree the Members' Allowances Scheme for 2022/23 as recommended by the Audit and Corporate Governance Committee as detailed in Appendix A with the payment to be backdated to the beginning of the financial year.</p> <p>ii) Authorise the Borough Solicitor to take all necessary steps in relation thereto including amendments to the Constitution, and publication and operation of the Scheme.</p>	

Signed

A handwritten signature in blue ink, appearing to read "Andrew King". The signature is fluid and cursive, with a long horizontal stroke at the end.

Borough Solicitor

Date: 6th June 2022

1. Introduction

- 1.1. Before 1 April each year, local authorities are required under the Local Government and Housing Act 1989 to agree a scheme for the payment of allowances to councillors for the forthcoming financial year. This is known as the Members' Allowances Scheme ("the Scheme").
- 1.2. The Scheme must be approved by Council, with the Audit and Corporate Governance Committee – as the non-executive committee with the remit for matters relating to Members – making recommendations to Council.
- 1.3. In December 2021 the Committee and then the Council in January agreed that the members allowance scheme for 2022/23 remains at it is currently but that the Committee was to revisit members allowances as early as possible during the next financial year when the officer pay award and the results of the IRP review are known
- 1.4. The pay award for 2021/22 has now been agreed at 1.75%. The IRP review issued an interim report, but the final report is not expected until the end of this financial year. It is suggested that the Committee now recommend to Council an increase in Members allowances (across all allowances) of 1.75% but that they also review allowances when the final report of the IRP is issued.

2. Background

- 2.1. The scheme was last revised significantly in October 2019 by Council following the work of a cross-party panel of members.
- 2.2. In February 2021, Council agreed to the principle of increasing allowances in line with an agreed inflationary measure – the percentage increase in the cost of living for officers' pay for the previous financial year. This was in keeping with both independent recommendations and the recommendation of the Democratic Review Group.
- 2.3. When the Committee came to review this financial year's allowances in December the award for officers was at that time unknown. As it is now it is recommended that an increase at that rate is applied in order that members allowances do not again (as they did pre-2019) fall behind both inflation and rates paid in other London Boroughs.
- 2.4. As is usual for in year increases it is recommended that this is backdated to the beginning of the financial year.

3. Independent Panel on the Remuneration of Councillors in London

- 3.1. All local authorities must have regard to an independent remuneration panel's recommendations when adopting or amending their Scheme; Camden uses the Independent Panel on the Remuneration of Councillors in London ("the IRP") established by London Councils. The IRP's most recent report was issued in 2018 and is valid until 2022; this report is attached at **Appendix B**. The IRP has begun the process to update their report and some initial consultation has taken

place ahead of publishing a new report in 2022. As mentioned above other than a holding interim report the IRP are yet to issue a new report, and this is unlikely to happen until the end of this financial year.

- 3.2. The Democratic Review Group recommended, following its 2019 review, that the Council's long-term aim for allowance levels should be to meet the IRP recommendations; Camden's current allowances remain below the IRP recommendations.
- 3.3. The IRP also recommends that allowances be uplifted each year in line with the cost of living increase in pay for officers. This annual inflationary increase was also supported by the Democratic Review Group to ensure that allowances reflect inflationary pressures and do not start falling further behind IRP recommended allowances levels and other authorities as had been the case for a number of years. The recommendation in this report is that the Council do just that now that the officer pay award is known.

4. How the Scheme works

- 4.1. The Scheme at **Appendix A** sets out the agreed revised allowance levels for the 2020/21 Scheme. The Scheme has the following key components:

Element	Summary
Basic Allowance	Paid to all Members for as long as they continue to hold office and do not leave office or become disqualified.
Special Responsibility Allowances (SRAs)	<p>Paid in recognition of the additional time commitments and responsibilities of certain roles, such as the Leader of the Council, Cabinet Members, and chairs of committees.</p> <p>SRAs should reflect local conditions and under the current Scheme up to half of all councillors are eligible to receive an SRA; with Members only able to claim a single SRA. This conforms to the recommendations of the IRP.</p>
Travel and Subsistence	Members may claim for travel and subsistence costs when attending approved meetings outside the borough. The costs of travel and subsistence within the borough should be met from the basic allowance, in line with the recommendation of the IRP.
Cycle Allowance	An exception to the general rule on not being able to claim travel costs for travel within the borough, Members regularly cycling to the Town Hall and other parts of the Borough to undertake their duties can claim a cycle allowance.
Dependent Carers' Allowance	An allowance for councillors who, in order to undertake their official duties, incur costs in arranging care for dependent relatives living with them. This is payable at the same rate as the London Living Wage.
Maternity, Paternity, Shared Parental, Adoption and Sickness Leave	Members on maternity, paternity, shared parental, sickness and adoption leave may continue to claim both their basic allowance and any SRA for which they are eligible, with it permitted to pay a pro-rata SRA to a Member covering an eligible post during such a period of absence.

5. Next Steps

- 5.1. After the Council agrees or reviews a Scheme, it is required to publish details in at least one local newspaper as soon as practically possible afterwards. Camden uses the Camden New Journal for this purpose.

6. Finance Comments of the Executive Director Corporate Services

- 6.1. The cost of Members Allowances are met from the Council's General Fund and can be contained within the existing overall budget. The overall increased cost to the Council of the 1.75% uplift in Members Allowance will be £18,800 per annum including the cost of employer's national insurance contributions.
- 6.2. Alternative arrangements for Members' allowances can be recommended by the Committee. In this case it is suggested that the financial implications of any alternative proposals are confirmed before any decision is taken on alternative proposals for Members' allowances.

7. Legal Comments of the Borough Solicitor

- 7.1. This is a report of the Borough Solicitor and there are no further legal comments.

8. Appendices

Appendix A: 2022/23 Members' Allowances Scheme with an additional 1.75%

Appendix B: The Remuneration of Councillors in London 2018: Report of the Independent Panel

REPORT ENDS