

Committee: Policy and Resources	Date: 19 October 2017
Subject: Potential Remuneration of Members and Changes Timing of Meetings	Public
Report of: Town Clerk	For Decision
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Summary

1. At its meeting on 8 June 2017 the Policy and Resources Committee received an update on the work to enhance the diversity of the Court of Common Council. Two issues were discussed at length, the potential remuneration of Members and the timing of meetings both of which it was agreed should be discussed by all Members.
2. The Committee agreed to refer the matter of remuneration to the informal meeting of its Resource Allocation Sub-Committee for more detailed discussion and for it to recommend a way forward prior to the issue being raised informally. The Sub-Committee was also asked to consider whether the Member's Financial Loss Allowance Scheme should be reviewed.
3. The Sub-Committee concluded that currently the Financial Loss Scheme was not fit for purpose. It also felt that, given the implications, the views of all Members should be sought on remuneration before the issue was discussed more widely. The consultation exercise should take the form of a questionnaire, accompanied by a briefing paper giving some context. Details of the questions it is proposed should be asked are set out below.
4. To ensure that as many Members as possible are given the opportunity to contribute to the debate, the Sub-Committee has requested a series of informal meetings be arranged for all Members to attend, with the sessions taking place at different times of the day.
5. While the City Corporation does exercise a range of local authority functions, any discussion about the potential remuneration of Members must be subject to a suitable standard of comparison with external bodies, given that the City Corporation's local authority functions form only part of its overall functions, which include a significant charitable presence. Many trustees serving on charitable bodies receive no allowances.
6. The Policy Committee noted the concerns which had been expressed by some of the newly elected Members recently about the current timing of committees and other meetings. It also acknowledged the change in the proportion of new Members on the Court in the last few years and asked the Town Clerk to look at possible options for change.

7. The Sub-Committee recommended the following as a way forward:-
- i. a questionnaire be sent to all Members to ascertain their views on remuneration together with a briefing paper setting out the facts on remuneration and details of the Financial Loss Allowance Scheme and how to access it;
 - ii. the questions to be asked as part of the consultation exercise be as follows:-
 - Do you support the principle of whether Members should receive any payment for their services?.....YES/NO;
 - If yes, should that payment be in the form of an allowance or something else, such as a subsistence payment and /or expenses?
 - If you favour payment of an allowance, should the Chief Commoner and the Chairmen of the key committees including, Policy, Finance, Planning and Establishment receive a supplement?
 - Do you consider the Members' Financial Loss Allowance Scheme fit for purpose?
 - If not, why not or would you favour a more accessible, simpler Scheme run independently?
 - iii. that consideration be given, on this occasion, to a series of informal meetings being arranged, with the sessions taking place at different times of the day to enable as many Members as possible to contribute to the debate.
 - iv. subject to the approval of the above recommendations, it is further recommended that the supporting paper accompanying the questionnaire, which has been prepared in anticipation of discussion, be agreed as set out in Appendix 1 of this report.

Recommendations

8. Your view is now sought on the consultation to be undertaken with all Members on the introduction of remuneration and also on the timing of committee and other meetings.

Main Report

Background

1. At its meeting on 8 June, the Policy and Resources Committee received an update on the work being undertaken on its behalf to enhance the diversity of the Court of Common Council. As part of discussion, amongst other things, two issues were discussed, potential the remuneration of Members and the timing of meetings both of which it was agreed.

Remuneration and the Members Financial Loss Allowance Scheme

2. While the City Corporation is not a local authority, it does exercise a range of local authority functions. However, any discussion about the potential remuneration of Members must be subject to a suitable standard of comparison with external bodies, given that the City Corporation's local authority functions form only part of its overall functions, which include a significant charitable presence. Many trustees serving on charitable bodies receive no allowances. This includes many grant giving bodies, conservators of public open spaces and suchlike and governors of schools.
3. Whilst mixed views were expressed on the issue of remuneration, it was agreed that the matter should be referred to the informal meeting of the Resource Allocation Sub-Committee for more detailed discussion and for it to recommend a way forward. The Sub-Committee was also asked to consider the merits of the Member's Financial Allowance Loss Scheme.
3. The Sub-Committee concluded that currently the Financial Loss Scheme was not fit for purpose and that a better scheme was needed - one which allowed better participation and access, and which was possibly run independently. Mixed views were also expressed on the issue of remuneration generally and it was felt that, given the implications for all Members, consultation should take place more widely before the issue was discussed at an informal meeting of the Court.
4. The Sub-Committee was of the view that the consultation exercise should take the form of a questionnaire circulated to all Members, together with a briefing paper setting out the facts on remuneration. The briefing should also include details of the Financial Loss Scheme and how to access it.
5. Details of the briefing paper, prepared in anticipation of discussion, is attached as Appendix 1 and the questions it is suggested should be asked as part of the consultation exercise are set out in Appendix 2.
6. Given the level of Members' commitments, and to ensure that as many Members as possible were given the opportunity to contribute to discussion it was also suggested that on this occasion, a series of informal meetings should be held and take place at different times of the day.

Timing of Meetings

7. Historically, Members have favoured day-time meetings. However, the demographics of the Court have changed and concerns have been expressed by some Members recently, particularly some of those newly elected in March 2017, about the current timing of Committee and other meetings. In addition, the review undertaken by the Chief Executive of East Sussex County Council into some of the Corporation's working practices last year concluded that whilst it was important to maintain flexibility over the timing of meetings, a collective decision on the best arrangement for when to hold meetings was required.

8. It is important to note that a committee can, if it so chooses, alter the time of its meetings depending on the time chosen. There could however be wider implications. Some committees and sub-committees have already taken advantage of this such as the Planning and Transportation Committee and the Projects Sub-Committee which meet within 9am – 5pm working day. Notwithstanding this, and bearing in mind the concerns expressed recently about the current arrangements, a further consultation exercise could be carried out to examine a number of timing options.
11. Your views are now sought on this and in particular the draft questionnaire at Appendix 3.

Conclusion

12. A number of activities have been undertaken since last year to enhance the diversity of the Court of Common Council. The remuneration of Members and the timing of committee meetings are areas which have been identified as meriting further discussion and consultation with all Members of the Court.

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Allowances/Remuneration for Elected Members Briefing Paper

Introduction

1. As part of its work to enhance the diversity of the Court of Common Council the Policy and Resources Committee agreed that consideration should be given to the remuneration of Members and that the matter should be discussed more widely on an informal basis. To inform debate, the Committee has requested that all Members be canvassed for their views by way of a questionnaire accompanied by a briefing paper giving some context.
2. It is important to remember that the City of London Corporation is not a local authority; it is, in fact, a public body with certain local authority functions. Any discussion about the potential remuneration of Members must therefore ensure a suitable standard of comparison with external bodies. Many trustees serving on charitable bodies receive no allowances. This includes many grant giving bodies, conservators of public open spaces and suchlike and governors of schools.

Current Position

3. Currently the City Corporation does not remunerate its Members. It can however, lawfully pay allowances to its Members including from City Fund.
4. Members are currently entitled to be reimbursed for travel expenses incurred when traveling to and from Guildhall on official City Corporation business e.g. to an official meeting off-site. There is also a Financial Loss Scheme which exists to assist those who have suffered loss of earnings as a result of their City of London Corporation work. All Members are entitled to apply. However, since its inception it has been used rarely.
5. In summary, to qualify for the Financial Loss Scheme there is an income limit of £50,000. Applicants are required to submit documentary evidence of loss and payments are based on those paid to magistrates under the scheme operated by the Courts Service. For your information a copy of the Scheme can be accessed via the link below:-

<http://www.cityoflondon.gov.uk/about-the-city/how-we-work/corporate-governance/Documents/Members-Financial-Loss-Scheme.pdf>

6. In addition, Members are often provided with a committee lunch and most Grand Committees hold an annual Dinner as well as other occasions where similar refreshments are provided.

Allowances/Remuneration in Local Government

7. The payment of allowances in local government is in accordance with statute, the main features of which are as follows:-

- a basic allowance is payable to all councillors in recognition of the time they give and to cover their expenses in that role
 - in addition to the basic allowance, a special responsibility allowance (SRA) is payable to certain councillors (eg. Leader, Deputy Leader, Cabinet members, chairmen of certain committees, Opposition group leaders) to reflect their special responsibilities
8. The level of allowances paid to members of London local authorities is based on recommendations made by an Independent Panel. The Panel's report, a copy of which is attached, was last published in 2014. It should be noted that the Panel has been reconvened by London Councils recently and it is currently in the process of reviewing the recommendations for the payment of allowances. All London Boroughs, including the City Corporation, have been consulted on whether they believe the recommendations are still fit for purpose as well as on a number of associated matters such as whether the use of the salary of an MP is still a sound comparator to fix the remuneration of a borough leader and whether the job profile published in 2014 accurately reflects position of councillors today.
9. In the absence of more up to date information, the examples contained in this report are based on the Independent Panel's 2014 report. A copy of that report is attached as an Annex to this paper for your information. In summary, for 2014/15 the allowances recommended by the Panel for London boroughs are as follows:-

Payments	£pa
Basic Allowance	Up to 10,703
Special Responsibility Allowance	
Leader	54,769
Cabinet Member	35,128 to 41,675
Chair of Overview & Scrutiny	35,128 to 41,675
Chair of a major regulatory committee eg. Planning	15,486 to 28,581

NB. It is for individual councils to decide where to pitch the allowances within the recommended parameters.

10. The cost to the Council Tax payer of the schemes run in other authorities varies considerably. To give Members an idea of this, details of the allowances paid by four London boroughs, the actual amount paid under their scheme as well as the number of Members serving are as follows:-

Westminster

Basic Allowance - £9,000

SRA Leader - £35,000

SRA Cabinet Member - £10,000

Members – 60

Total Remuneration: £914,635.70 (2015/16)

Camden

Basic Allowance – £9,654

SRA Leader – £29,293

SRA Cabinet Member - £16,275

Members: 54

Total Remuneration: £801,942.62 (2015/16)

Southwark

Basic Allowance – £10,832

SRA Leader – £51,166

SRA Cabinet Member - £34,343

Members: 63

Total Remuneration: £1,247,087.94 (2015/16)

Croydon

Basic Allowance – £11,239

SRA Leader – £41,984

SRA Cabinet Member - £32,100

Members: 70

Total Remuneration: £1,474,059 (2015/16)

NB. Each leader and cabinet member receives the basic rate (BA) plus their Special Responsibility Allowance (SRA) and the total amount paid by each authority also includes any expenses claimed.

11. The City Corporation has more elected Members than any other authority, more than double the number of members of most London Boroughs. The introduction of a scheme based on the recommendations for London authorities in paragraph 9 would have significant cost implications. Using the 2014/15 Independent Panel's recommendations this would mean that:-
- applying the maximum basic allowance of £10,703 to the 125 Members of the Court of Common Council would, with full take-up, cost £1,337,875.
 - The cost of applying an SRA is dependent on which positions the special allowance would apply to and where on the recommended scale of allowances Members feel it should be pitched.
 - For illustrative purposes only, if the allowances used in say, the City of Westminster, were applied to the City Corporation the cost of remunerating for example the Chairmen of the Policy and Resources, Planning and Transportation and the Finance Committees would be as follows:-

Portfolio	Type of Payment	Payment	
Chairman of Policy	BA SRA Leader	9,000 35,000	
		Sub-total	44,000
Chairman of Finance	BA SRA Cabinet	9,000 10,000	
Chairman of Planning	BA SRA Cabinet	9,000 10,000	
Chief Commoner	BA SRA Cabinet	9,000 10,000	
		Sub-total	57,000
Remaining Members of the Court	BA	9,000 x 121	
		Sub-total	1,089,000
		Total	1,190,000

- If it were decided that the allowance should be pitched at the maximum of the recommended scale (see para 9 above), for the same positions, it would be as follows:-

Portfolio	Type of Payment	Payment	
Chairman of Policy	BA SRA Leader	10,703 54,769	
		Sub-total	65,472
Chairman of Finance	BA SRA Cabinet	10,703 41,675	
Chairman of Planning	BA SRA Regulatory	10,703 28,581	
Chief Commoner	BA SRA Cabinet	10,703 41,675	
		Sub-total	144,040
Remaining Members of the Court	BA	10,703 x 121	
		Sub-total	1,295,063
		Total	1,504,575

12. There are a number of variations which could be applied one of which would be to consider making a payment to key Chairmen and Members only such as those referred to the two examples set out above.

Alternative Allowance Scheme

13. Members have in the past considered the introduction of a basic allowance i.e. an expenses-based payment in recompense for any key expenses incurred as part of undertaking civic duties. For example, this could be set at a more modest sum of £2,000 per Member per annum which, with full take-up, would cost £250,000 plus any additional remuneration that might be considered for those Members with more senior portfolios.

Financial Implications

14. The extent of the financial implications of the introduction of a scheme of remuneration will be dependent on how Members wish to proceed but the facts set out above should give an indication of the sort of sums that might be involved.
15. There will of course be also other financial implications such as the cost of administering the Scheme as well as tax implications.

Consultation on the Introduction of Allowances for Members

- Do you support the principle of whether Members should receive any payment for their services?

YES	
NO	

- If yes, should that payment be in the form of an allowance or something else, such as a subsistence payment and /or expenses?

- If you favour payment of an allowance, should the Chief Commoner and the Chairmen of the key committees including, Policy, Finance, Planning and Establishment receive a supplement?

YES	
NO	

- Do you consider the Members' Financial Loss Allowance Scheme fit for purpose?

YES	
NO	

- If not, why not or would you favour a more accessible, simpler Scheme run independently?

Consultation on the Timing of Committee Meetings

Please give an indication of your preferred choice of meeting times:-

Options	1 st preference	2 nd preference	3 rd preference	4 th preference	5 th preference
A 8.30am – 10.00am					
B 9am – 10.30am					
C 12.45pm – 2.15pm					
D 3.30pm – 5pm					
E 5pm – 6.30pm					

Alternative suggestions:-
