

<b>Committee(s)</b> Civic Affairs Sub (Policy and Resources) Committee	<b>Date:</b> 31 March 2023
<b>Subject:</b> Members Financial Support Policy and Special Responsibility Allowance: Update on Implementation	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>3</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N/A</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> Deputy Town Clerk	<b>For Decision</b>
<b>Report author:</b> Ben Dunleavy	

### Summary

Officers have been pursuing two related pieces of work on financial support for Members – the Members' Financial Support Policy and a Special Responsibility Allowance. This report provides an update on the work being carried out on these areas, including a proposal to end acceptance of late payment claims by default.

### Recommendations

The Committee is asked to:

1. Agree to end acceptance of late payment claims by default under the Members' Financial Support Policy, with cases to be decided on an exceptional basis (such consideration delegated to the Town Clerk in consultation with the Chair and Deputy Chair); and
2. Note the ongoing work being undertaken on the Special Responsibility Allowance.

### Main Report

#### Background

1. In July 2021, the Court of Common Council approved an Extended Support Scheme as part of the Members' Financial Support Policy (MFSP), which introduced an optional annual flat rate allowance for Members based on the City Corporation's rate for inner-London Weighting.
2. When agreeing the MFSP, the Court also agreed that consideration would also be given to a Special Responsibility Allowance Scheme (SRA) once the general scheme was embedded.
3. Updates on the MFSP and the SRA were provided to the Civic Affairs Sub-Committee at its meeting in May 2022, with oral updates thereafter. At the May meeting, the Sub-Committee agreed to invite the London Councils Independent Remuneration Panel ('the Panel') to review options for introducing SRAs at the City Corporation, and to delegate authority for the final instructions and fee to the Town Clerk.

4. In the interim, the MFSP has continued to become embedded and take-up has steadily increased.

### **Current Position and Issues of Note**

#### *MFSP*

5. The MFSP was implemented in October 2021 and there are now 110 Members registered under the Policy. Since the end of the final quarter for 2022-23, claims have been processed for 104 Members.
6. At the Sub-Committee meeting in October 2022, Officers undertook to explore the option of changing the scheme so that Members could choose to claim payments on a monthly basis, as Members had raised issues with the quarterly payment scheme and its potential implications for those in receipt of Universal Credit or similar benefits.
7. Whilst it was originally understood that introducing a change to allow Members to opt-in to monthly payments would be achievable, it has subsequently transpired that enacting this change would require all participating Members to claim monthly payments. Further investigation also revealed that the change would cause corollary taxation implications, which needed to be understood in further detail. Discussions with the Chamberlain's office continue to take place; however, a prospective alternative solution has been identified in respect of the specific issue among impact on Universal Credit payments, which the Chamberlain has suggested might best be navigated through direct engagement with the DWP.
8. The Sub-Committee has also previously discussed the matter of late payment claims being submitted by Members, which incur costs for the City Corporation (due to the external administrator for the Scheme). Taking into account the newness of the policy, and the high number of new Members joining the City Corporation since the all-out elections in March 2022, the Sub-Committee indicated a willingness to allow late claims to be made for a year after those elections, while Members familiarised themselves with the process. Now that the scheme has been in place for six quarters (and four quarters since the March 2022 elections), Members of the Sub-Committee may feel that it now is an appropriate time to cease acceptance of late payment claims by default. Nevertheless, it is recognised that an element of discretion would remain appropriate to allow late claims in very exceptional circumstances, which would be subject to consideration and approval by the Town Clerk, in consultation with the Chair of the Civic Affairs Sub-Committee and the Chief Commoner.

#### *SRAs*

9. In agreeing the implementation of the MFSP, the Court also agreed to explore the potential for SRAs, particularly in relation to Chairs of Committees.
10. In May 2022, this Sub-Committee agreed to invite the London Councils Independent Remuneration Panel ('the Panel') to review options for introducing SRAs at the City Corporation, and to delegate authority for the final instructions and fee to the Town Clerk. Due to other commitments, all three Members of the Panel were not available to undertake this work as a collective, but the Chair of the Panel, supported by one of the two other Panel members, expressed their willingness to undertake this activity. This would be the same approach as taken in respect of the initial

Independent Review, which resulted in the implementation of the general Financial Support Policy. The Sub-Committee was supportive of this approach.

11. Following initial discussions around scoping and timescales, requested information has been collated and provided, and ongoing activity is underway to define specific aspects and timescales for final reporting. It should be noted that any proposed outcomes will also require review with the City Corporation's external tax advisers to ensure that any implications are fully understood prior to formal proposal and implementation.

### **Financial Implications**

12. As noted earlier in this report, whilst late payment claims have been accepted for the past year, there are ongoing budgeting costs associated with these for the City Corporation. Ceasing acceptance of payments by default will result in a modest element of savings.

### **Legal Implications**

13. The City Corporation is able to use the general power of competence under s.1 of the Localism Act 2011 to fund any proposed payments using City Fund. It can also use its private funds i.e., City's Cash for the same purpose. An assistance scheme provided by the authority itself is not a disclosable pecuniary interest.

### **Equality Impact Assessment and Public Sector Equality Duty**

14. Under the Equality Act 2010, all public bodies have a duty to ensure that when exercising their functions they have due regard to the need to advance equality of opportunity between people who share a protected characteristic and to take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people and encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low. An assessment of the people with protected characteristics was undertaken prior to the Scheme's approval (i.e., age, disability, gender transition, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sex orientation). It will be essential for a similar assessment to be undertaken in the event of any SRA implementation proposals.

### **Conclusion**

15. The MFSP has been in place since October 2021, and has had a high level of take-up from Members. This shows a good level of familiarity with the scheme, justifying an end to the acceptance of late payment claims by default. Officers are continuing to investigate the implications of switching to monthly payment claims, and work is also progressing on assessing the options available in introducing SRAs.