

<b>Committee(s)</b> Policy and Resources Committee Court of Common Council	<b>Date:</b> 26 September 2024 10 October 2024
<b>Subject:</b> Special Responsibility Allowance	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	Diverse engaged communities
<b>Does this proposal require extra revenue and/or capital spending?</b>	Y
<b>If so, how much?</b>	<b>£50,000 per annum</b>
<b>What is the source of Funding?</b>	<b>City Fund / City Estate (specific provision set aside within the budget)</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	Y
<b>Report of:</b> Town Clerk	<b>For Decision</b>
<b>Report author:</b> Ben Dunleavy	

### Summary

In July 2024, following receipt of an independent review and a series of informal consultation sessions offered to all Members on the subject, the Civic Affairs Sub (Policy and Resources) Committee considered proposals for the introduction of a Special Responsibility Allowance (SRA) for Committee Chairs. Through its deliberations, the Sub-Committee agreed that SRAs should not be introduced for all Committee Chairs, but felt that an exception should be made for the role of Chair of the Policy and Resources Committee, on the basis that it was deemed the only position which required a genuinely full-time commitment spanning multiple years. Whilst this was the only role for which there was any level of substantive support demonstrated, it was felt that the £90k allowance proposed within the independent review was not an appropriate sum, taking into account the various nuances of the role and the City Corporation, and other aspects of support available to the postholder. The Sub-Committee accordingly instructed officers to bring forward to the Policy & Resources Committee a proposal for an SRA for this position, with a revised sum taking into account the considerations of the Sub-Committee. This report, therefore, asks Members to consider the adoption of a voluntary SRA of £50k per annum, for the role of Chairman of Policy and Resources Committee.

It should be noted that, as part of the same debate, the Civic Affairs Sub-Committee asked officers to pursue changes to the broader Member Financial Support Policy; these are being progressed through a separate report, also presented on the agenda for this meeting.

### Recommendations

That Members recommend to the Court of Common Council that the City of London Corporation introduce a voluntary Special Responsibility Allowance of £50,000 per annum for the role of Chair of the Policy and Resources Committee.

## **Main Report**

### **Background**

1. In July 2021, the Court of Common Council introduced a new Members' Financial Support Policy. As part of this decision, the Court also directed that consideration should be given to the prospective introduction of a Special Responsibility Allowance (SRA) scheme, particularly in relation to Chairs of Committees.
2. The Civic Affairs Sub-Committee subsequently commissioned an independent review, which recommended that all Chairs should be able to receive an SRA. The Sub-Committee proceeded to hold a consultation exercise with all Members as to the proposals. The results of the consultation exercise were presented to the Sub-Committee at its meeting in July 2024, where they were the subject of comprehensive debate.
3. Just over half of the Court took the opportunity to contribute to the consultation, either by joining the consultation sessions or by responding to the feedback form. Overall, the results demonstrated a range of opinions on the issue. Some Members opposed the introduction of an SRA in any form, while those who supported the introduction of an SRA differed in their view on what form the provision of SRAs might take, or who the appropriate recipients might be. It was, therefore, not possible to provide the Sub-Committee with a single clear recommendation on the question of SRAs. The results of the survey did demonstrate that there was no significant support for the introduction of SRAs to all Chairs in general, as had been recommended in the independent review, and the Sub-Committee agreed that consideration of this broader application should not be pursued.
4. One role which Members felt might be appropriate to receive an SRA was that of the Chair of the Policy and Resources Committee. Several Members, including a previous post-holder, felt that the role and requirements of this role were of a different nature to other Committee Chairs. This included the extensive time-commitments which, unlike almost any other, made it akin to a full-time position and, in effect, precluded someone without independent financial means from considering standing for the role. The Independent Review, using comparators such as the independent London Panel's recommended remuneration for elected mayors of London boroughs (£92,613) had recommended that this role receive a sum of £90,000 per annum.
5. A report was accordingly submitted to the Sub-Committee at its meeting in July 2024 which presented Members with a range of options and sought agreement on a way forward. The report set out in detail the responses to the consultation and the themes from the engagement sessions.
6. It should be noted that the question of an uplift in the Extended Member Support Scheme (which is available to all elected Members) was also raised during the consultation process. Options on this were also presented to the Sub-Committee and are being pursued through a separate report elsewhere on today's agenda.

### **Current Position**

7. The Sub-Committee, having discussed the options presented in the report, agreed there should be no further work on introducing an SRA for all Committee Chairs.

However, Members did agree that, as the only role for which there was substantive support was that of Chair of the Policy and Resources Committee, officers should progress proposals to consider in respect of this role.

8. At the meeting, Members noted that the role of Policy Chair was the only full-time multi-year Member position lasting over a year, and expressed concern that without an allowance, the position would be restricted to people of independent means only. Responding to queries raised during the process, the report presented to Members highlighted research indicating that unpaid positions were viewed as damaging to social mobility, as those with financial security can take unpaid or low-paid job opportunities which others cannot. It was felt important that some steps should be taken to ensure that those without independent means of income were not precluded from being able to serve in these full-time positions.
9. During the meeting, a number of considerations relating to the level of allowance and method of payment were discussed. Suggestions from Members included offering the allowance based on any gap between gross taxable income and the level of allowance, providing a standard allowance and the payment of any gap between this and salary for loss of earnings, and paying direct to an employer for loss of time for their employee.
10. Whilst there was some discussion on the possibility of means-testing, it is recognised that this would be challenging to administer and is likely to result in the same issues that Members recognised as problematic in respect of the Financial Loss Scheme, whereby people were reluctant to claim from a sense of embarrassment or reluctance to have officers or fellow Members pore over their personal financial circumstances. Given that the intent of the scheme is to encourage those who might otherwise be dissuaded from standing, the forensic examination of personal circumstances is likely to have the opposite effect and cause concern to potential applicants, whilst also adding costs in respect of administration and operation / monitoring of personal circumstances.
11. There was also some discussion on how the introduction of SRAs could reasonably warrant some form of appraisal process for the incumbent(s). The establishment of an appraisal process for all committee chairs is, coincidentally, a recommendation arising from the Local Government Association's Review into Member Behaviour, and also features elsewhere on today's agenda.
12. Members of the Civic Affairs Sub-Committee agreed that any SRA scheme needed to be voluntary. They also felt that the figure proposed by the Independent Reviewers of £90,000 for the role of Policy Chair was too high, and that a figure around half this amount would likely be the appropriate level at which, taking into account the costs of living in the City and committing to the role on a full-time basis, an individual without alternative means of income would be able to undertake the office without detriment to their personal circumstances. It was also felt that some of the assistance associated with the role (for instance, accommodation at the Guildhall) should be taken into account in calculations.
13. The Sub-Committee accordingly instructed officers to progress proposals for the implementation of an SRA for the post of Chair of the Policy and Resources Committee only, to be introduced at the beginning of the next Civic Year (April 2025).

## **Next steps**

14. In reflecting on an appropriate figure, officers have considered the baseline sum of £90,000 as recommended by the Independent Reviewers and deducted amounts arising from particular elements of assistance that the role of Chair of Policy & Resources already receives through virtue of their office.
15. For example, the role is entitled to use of a one-bedroom flat at Guildhall. The average annual cost of privately renting a one-bedroom flat in the Square Mile is £25,656 (based on the Mayor of London's London Rents Map, which is produced Office of National Statistics data). This is broadly consistent with the accommodation allowance afforded to Members of Parliament across London, which is £22,920. The average annual energy bill costs for a property of this size are £1,589 (using statistics from British Gas) and, adding other utility bills and council tax costs which would otherwise apply to accommodation, incidental expenses for fittings and fixtures therein, and travel support available through the Member Transport Protocol, an overall figure of £40,000 is a reasonable approximation. The reasoning employed by the Civic Affairs Sub-Committee, therefore, in proposing a suitable figure of £50,000, has a reasonable basis.
16. This sum is close to the average median salary in London generally, which was assessed by the Office of National Statistics as £44,370 in 2023. Recognising the equivalent full-time nature of the post, and the impact on any incumbent's pension arrangements and considerations around contributions, gives a further indication of £50,000 as a reasonable figure.
17. Should Members be satisfied that the above represents an appropriate figure, it is recommended that the proposals are taken to the Court of Common Council for final approval, to be implemented at the beginning of the 2024/25 civic year.

## **Corporate and Strategic Implications**

### **Financial Implications**

18. In respect of longer-term financial implications, the total cost of the recommendations of the Reviewers, if fully implemented, would have been £769,000 per annum. Noting that the outcome of this review was still pending, provision for this amount was included in the agreed 24/25 Budgets. The Civic Affairs Sub-Committee has agreed that the recommendations should not be fully implemented, but that options to introduce an SRA for the role of Chair of the Policy and Resources Committee should be further explored.
19. The Reviewers recommended an annual rate of £90,000 for the latter role, but the Sub-Committee felt that a lower rate would be more appropriate. The 'Next Steps' section of the report recommends £50,000 as an appropriate figure.
20. If Members decide not to proceed with the introduction of an SRA, the provisional allocation would be accounted for as a saving in the budget-setting process, to be reallocated by the Chamberlain. Equally, it is anticipated that any decision to uplift the general MFSP allowance would be met from this allocation.
21. Whether the recommendation is carried or lost, there could be some £700k annual allocation remaining from this budget provision. This report does not seek any

approvals on how this may then be spent. It is, however, worth noting that as part of the consultation process, Members reflected that further investment in other areas (such as Member Learning and Development opportunities) might prove effective in removing barriers, or perceived barriers, to public office and/or leadership positions.

### **Legal Implications**

22. An assistance scheme provided by the authority itself is not a disclosable pecuniary interest and therefore there is nothing to prevent Members from speaking and voting on this proposal (as outlined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2021).

### **Equality Implications**

23. The Equality Act 2010 imposes a duty on all public bodies 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 to encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low.
24. A request was made at June's Court of Common Council meeting that an Equality Impact Assessment (EQIA) be undertaken to support consideration of the SRA review. Officers completed an initial impact assessment, assessing the initial proposals, noting that there is currently no data monitoring of social mobility indicators or protected characteristics for existing membership of the Court of Common Council (including Committee Chairs), or of eligible candidates who may wish to stand for election to the Court and, in turn, to positions which may be granted an SRA. The last demographic survey of the Court was undertaken in October 2017 and was limited in nature (i.e. to gender and ethnicity). Noting that only 60% of Members responded at the time and, furthermore, there has been a considerable turnover in Membership since then, this data is no longer accurate or sufficiently useful.
25. Notwithstanding this, however, the initial impact assessment identified that there is a widely accepted principle that inadequate remuneration can serve as a potential barrier to participation in public life, which may thus impact the diversity of the field of Members and electoral candidates. The principle that providing an alternative means of support can serve to alleviate this barrier is one that has been articulated by a wide range of reviews considering remuneration for those serving in local authority (or similar) positions. The report considered by the Sub-Committee referenced reviews by the Local Government Association in England, the Scottish Government and the Senedd, as well as the principles of the London Council's Remuneration Panel, all of which raised levels of remuneration as a barrier to increasing the diversity of elected representation.
26. It should be noted that this premise was accepted by the Court in introducing the Member Financial Support Policy for all Members in 2021. It would therefore follow that any roles which require a full-time commitment would be even more challenging to do without independent means of support, which risks embedding specific roles as being only for those who can afford to do them for free. This was a point made

by several Members during the consultation exercise, and Members of the Sub-Committee at its meeting.

### **Conclusion**

27. Following the receipt of an independent review and a consultation exercise to canvass the views of Members on the proposal to introduce an SRA scheme, the Civic Affairs Sub-Committee has agreed that proposals to introduce a voluntary SRA for the role of Chair of the Policy and Resources Committee only should be pursued, to be introduced at the start of the next civic year.
28. In line with the wishes of the Sub-Committee that the figure should be lower than that recommended by the Reviewers, it is recommended that the claimable figure should be £50,000.

### **Appendices**

Appendix 1 – Extract from the draft minutes of the Civic Affairs Sub-Committee meeting of 24 July 2024

### **Background Papers**

Special Responsibility Allowance – Civic Affairs Sub-Committee – July 2024

Ben Dunleavy  
Governance and Member Services Manager  
Governance and Member Services Team  
[Ben.dunleavy@cityoflondon.gov.uk](mailto:Ben.dunleavy@cityoflondon.gov.uk)