

## **Committee: Council**

**Date: 1 February 2017**

Wards: All

## **Subject: Approval of Pay Policy Statement and re-adoption of the Members' Allowances Scheme**

Lead officers: Kim Brown, Interim HR Lead; Paul Evans, Assistant Director of Corporate Governance and Monitoring Officer

Lead member: Councillor Mark Allison, Deputy Leader and Cabinet Member for Finance

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### **Recommendations:**

- A. That Council approve publication of the Pay Policy Statement for 2017/18;
  - B. That Council reconfirm the Members' Allowances Scheme for 2017/18 with a minor change to the section on approved duties, with effect from 1 April 2017.
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## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 The Localism Act 2011 requires the Council to publish a pay policy statement and for the statement to be re-approved by Council each year.
- 1.2 The existing pay policy statement for 2016/17 was approved by Council on 3 February 2016.
- 1.3 The only amendments from the last year's version are to update the pay ratio data, and to add some commentary in relation to pending legislative changes. It is therefore proposed that the pay policy statement attached as Appendix A should be approved for 2017/18.
- 1.4 The report also recommends re-adopting the Members' Allowances Scheme with no change for 2017/18.

## **2 DETAILS**

- 2.1. The pay policy statement for the year 2016/17, approved by Council, is currently published on the Council's website.
- 2.2. Council is required to re-approve the pay policy statement each year.
- 2.3. There has been no change in the council's pay policy, and the only changes in Chief Officers' pay has been as a result of the 1% national pay award from 1

April 2016, with a further 1% increase due on 1 April 2017. The only amendments from last year's version are to update the pay ratio data, and to add some commentary in relation to pending legislative changes.

- 2.4. A draft Pay Policy Statement for 2017/18 is attached at Appendix A.
- 2.5. In relation to the Members' Allowances Scheme the Council is required further to the Local Authorities (Members' Allowances) (England) Regulations 2003 to re-adopt its scheme of members allowances for the year 2017/18 and in doing so give due regard to the recommendations made by the report of the Independent Panel on the Remuneration of Councillors in London whose latest report was published in 2014.
- 2.6. The Independent Panel did not recommend any significant changes to the Scheme of Allowances which it approved in its report in 2006 and again in 2010. It recommended that members' allowances be pegged to the annual local government pay settlement.
- 2.7. Council is recommended to make a minor change to the section on approved duties within the Members' Allowances Scheme. At present there is a list at paragraph 8.12 setting out the bodies to which Council makes appointments. This list is out of date. In order to future-proof this section of the constitution, it is recommended to replace the list with text to read "Attendance at meetings outside the Borough, of committees, outside bodies and consultative groups to which Members are appointed annually by Council". The current and proposed text is set out in full in the legal implications section of this report.
- 2.8. Subject to the minor change set out in the preceding paragraph, Council is recommended to confirm its existing scheme of Member Allowances for 2017/18 and to retain the same level of allowances for 2017/18, thereby agreeing to not apply the local government pay settlement.

### **3 ALTERNATIVE OPTIONS**

- 3.1. Publication of a Pay Policy Statement and member allowances are statutory requirements.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. Any changes to the pay policy statement would be considered by the Council's Senior Remuneration Panel prior to submission to Council.

### **5 TIMETABLE**

- 5.1. The Pay Policy Statement must be approved by Council for publication from 1 April 2017 on the Councils website.

## **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. There is provision in the draft MTFS for 2017-21 for an increase in the budgeted cost of salaries and Members' Allowances. These provisions will be kept under review each year.

## **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. Publication of the Pay Policy Statement and annual re-approval by a meeting of the full council is a statutory requirement under the Localism Act 2011.
- 7.2. Guidance was issued to authorities in 2011 to accompany the Localism Act, and revised 'final supplementary guidance' was issued by the DCLG in late February 2013. The required changes were addressed in the 2013/14 Pay Policy Statement and in subsequent years.
- 7.3. Regulation 10 of the Local Authorities (Members' Allowances) (England) Regulations 2003 requires re-adoption of the scheme. Before making or amending its allowances scheme, the Council is required, by Regulation 19, to have regard to the recommendations of an Independent Remuneration Panel.
- 7.4. Section 8 of the Members Allowance Scheme on Approved Duties currently has a list of outside bodies at paragraph 8.1.2 that is out of date, with some defunct bodies and included and other bodies to which Council appoints Members not included. Section 8 currently reads:

### **APPROVED DUTIES**

8.1 Approved duties for the purposes of claiming travelling or subsistence allowances are defined below:

8.1.1 Representing the Council outside the borough in response to a formal invitation for member attendance.

8.1.2 Attendance at meetings of the following bodies, outside the Borough:

Association of London Government

Ethnic Minority Centre

Greater London Authority, or properly constituted organisations affiliated to the GLA where the Member is the Merton representative

Greater London Joint and Whitley Councils

Housing organisation, mobility and exchange services

Local Authorities Mutual Investment Trust

Local Government Association

Local Accident Prevention Council

London and South East Library Region

London Recycling Forum

London Research Committee

London Waste Regulation Authority

London Youth Games

Merton and Morden Guild of Social Services

Merton Arts Council

Merton Association for Disabled People

Merton and Sutton Joint Cemetery Board  
Merton Voluntary Service Council  
National Joint Councils  
National Playing Fields Association  
North East Surrey Crematorium Board  
South West London Probation Committee  
Standing Conference on Racial Equality in Europe  
Territorial Auxiliary and Volunteer Reserve Association for Greater London

- 7.5. In order to future-proof this section it is recommended that Council agree to replace paragraph 8.1.2 with the following wording – “Attendance at meetings outside the Borough, of committees, outside bodies and consultative groups to which Members are appointed annually by Council”

## **8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1 The intention of the pay policy measures in the Localism Act is to improve transparency of decision making, particularly in relation to top earners in the organisation.

## **9. CRIME AND DISORDER IMPLICATIONS**

- 9.1 None

## **10.0 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 10.1 None. .

## **11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

Appendix A – draft pay policy statement for 2017/18.

## **12 BACKGROUND PAPERS**

- 12.1 None