

## ANNUAL ASSEMBLY

27 April 2021

<b>Title:</b> Members' Allowances Scheme 2021/22	
<b>Report of the Leader of the Council</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
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<b>Accountable Strategic Leadership Director:</b> Fiona Taylor, Strategic Director of Law and Governance	
<b>Summary:</b>  This report sets out proposals in relation to Members' allowances for the 2021/22 municipal year.  Following a review of the Members' Allowances Scheme in 2018, which resulted in allowance levels increasing for the first time in 10 years, it is proposed that all basic and special responsibility allowances (SRAs) continue to remain at the levels agreed by the Assembly on 18 July 2018.	
<b>Recommendation(s)</b>  The Assembly is recommended to:  (i) Agree that no increase be applied to Members' basic and special responsibility allowances for the 2021/22 municipal year; and  (ii) Adopt the Members' Allowances Scheme 2021/22 at Appendix A to the report, to be effective from 28 April 2021.	
<b>Reason(s)</b>  To accord with the Local Authorities (Members' Allowances) (England) Regulations 2003.	

### 1. Introduction and Background

- 1.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require local authorities to make an annual scheme of allowances.
- 1.2 In setting its annual scheme, the Council must have regard to any recommendations of an independent remuneration panel (IRP). The exceptions to this requirement are where allowances are to be increased in accordance with an

approved index or where no increase is proposed, subject to a review every four years.

- 1.3 In June 2014, the Council disbanded its own IRP due to a number of the Panel Members stepping down and the decision was taken that, from that point, the Council would have regard to the London Councils Independent Remuneration Panel (LCIRP) recommendations when considering its annual allowances. The LCIRP was established by London Councils in 2001 to exercise the function on behalf of London Boroughs and produces a report every four years, the latest being its 2018 report.
- 1.4 At the Annual meeting on 23 May 2018, the Assembly agreed an interim Members' Allowances Scheme for 2018/19 which kept the majority of allowances at the same levels since 2008/9. The changes to the Scheme were confined, at that time, to the SRAs relating to those roles that were revised / introduced as a direct result of the new Council governance and committee structure arrangements that had been approved by the Assembly at its 28 February and 23 May 2018 meetings.
- 1.5 It was also noted at the Annual meeting that a further review of allowances would be carried out during the year. The purpose of the review was to properly assess the impact of the new governance arrangements, Members' new responsibilities under those arrangements and the appropriate level of allowances having regard to the recommendations of the LCIRP Report 2018 and benchmarking against all other London Boroughs' allowances.
- 1.6 That review report was presented to an extraordinary meeting of the Assembly on 18 July 2018. The Assembly acknowledged that the basic allowance paid to all councillors had remained frozen since 2008/09 at £10,006 and SRAs were also at the same levels as they were 10 years previously, except for the interim changes agreed at the 23 May 2018 meeting. With that in mind and having regard to the LCIRP recommendations and the benchmarking data, the Assembly agreed to increase the basic allowance from £10,006 to £11,000 and to increase the SRAs payable to a range of Chair and Deputy Chair positions, Cabinet Members and the Leader and Deputy Leader positions. The combined effect of the changes resulted in an increase of £149,000 to the Members' Allowances budget, giving a total budget of £987,000.
- 1.7 The Members' Allowances Scheme forms part of the Council Constitution (Part 6).

## **2. Proposal and Issues**

- 2.1 Following the 2018 detailed review of the Members' Allowances Scheme, it is proposed that the basic allowance and SRAs continue to remain at those levels for the foreseeable future. It is anticipated that the next review will be undertaken in 2022, following the publication of the next LCIRP report.
- 2.2 Furthermore, there are no proposed changes to the positions that shall qualify for a special responsibility allowance or the rates applicable to travelling, subsistence and other allowances.
- 2.3 The proposed Members' Allowances Scheme for 2021/22 is set out at **Appendix A**.

### **3. Options Appraisal**

- 3.1 As the detailed review of the Scheme was only undertaken in 2018 and the intention is for the existing Scheme to continue until at least 2022, no alternative options have been considered for 2021/22.

### **4. Consultation**

- 4.1 The proposals in this report have been discussed with relevant Cabinet Members and officers.

### **5. Financial Implications**

Implications completed by: Katherine Heffernan, Head of Service Finance

- 5.1 The Members' Allowances budget for 2021/22 is £987,000 and is sufficient to meet all projected costs during the year. Any proposed increase in allowances would need to be funded within the current budget through other efficiencies, such as reducing the number of positions attracting an SRA, or via an approved growth bid or additional funding.

### **6. Legal Implications**

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

- 6.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require local authorities to make an annual scheme of allowances, which must be approved by the Assembly.

### **Public Background Papers Used in the Preparation of the Report:**

- London Councils Independent Panel Report "The Remuneration of Councillors in London 2018" (<https://www.londoncouncils.gov.uk/who-we-are/about-us/financial-information/leadership-and-expenses/remuneration-councillors-london>)
- "Members' Allowances Scheme 2018/19" report to Assembly 23 May 2018 (Minute 10) (<https://modgov.lbbd.gov.uk/Internet/ieListDocuments.aspx?CId=179&MId=9404&Ver=4>)
- "Revised Members' Allowances Scheme 2018/19" report to Extraordinary meeting of the Assembly 18 July 2018 (Minute 19) (<https://modgov.lbbd.gov.uk/Internet/ieListDocuments.aspx?CId=179&MId=10257&Ver=4>)

### **List of appendices:**

- **Appendix A** – Proposed Members' Allowance Scheme 2021/22