

# ASSEMBLY

15 May 2024

<b>Title:</b> Members' Allowances Scheme 2024/25	
<b>Report of the Chief Executive</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 Director:</b> Deirdre Collins, Head of Legal and Monitoring Officer	
<b>Accountable Executive Team Director:</b> Fiona Taylor, Chief Executive	
<b>Summary:</b> <p>This report sets out proposals in relation to Members' allowances for the 2024/25 municipal year covering both the Basic Allowance payable to all councillors and Special Responsibility Allowances (SRAs) for those councillors appointed to specific positions.</p> <p>At last year's Annual Assembly meeting (Minute 13, 17 May 2023 refers), it was agreed that in line with the recommendations of the 2022 London Councils Independent Remuneration Panel (LCIRP) report, the Council would apply the rates for allowances agreed as part of the Local Government Services Pay Agreement for the preceding year (ie. applying the rate increase for 2023/24 to 2024/25 allowances). The increase would apply to Members' Basic Allowances and SRAs going forward, as a way of ensuring that councillors' remuneration kept in line with that received by staff, albeit a year in arrears.</p> <p>The allowances agreed as part of the Local Government Services Pay Agreement for 2023/24 were increased by 3.88%. There are no other proposed changes to Members' Basic Allowance or SRAs for 2024/25.</p> <p>At last year's Annual Assembly meeting, it was further agreed that the Dependants' Carers' Allowance be increased in line with the effective date of any uplift to the London Living Wage (LLW). The LLW was increased from £11.95 to £13.15 per hour with effect from 24 October 2023.</p> <p>Appendix A to the report reflects the 3.88% increase to the Basic Allowance and SRAs and the Dependants' Carers' Allowance increase, and represents the proposed LBBB Members' Allowances Scheme for 2024/25.</p>	
<b>Recommendation(s)</b> <p>The Assembly is recommended to adopt the Members' Allowances Scheme 2024/25 at Appendix A to the report, to be effective from 16 May 2024.</p>	

## Reason(s)

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 2022 report.
- 1.4 By Minute 9 of its meeting on 25 May 2022, the Assembly approved the first set of changes to the LBBDD Members' Allowances Scheme since 2018. Those changes included an increase to the Basic Allowance in line with the London Councils Independent Remuneration Panel (LCIRP) recommendations in its 2022 report which, to all intents and purposes, represented an increase to the Basic Allowance equivalent to the local government staff pay awards since 2018. With regard to SRAs and particularly the roles of Leader, Deputy Leader, Cabinet Member and Chair of Overview and Scrutiny Committee, consideration was given to the levels recommended in the 2022 LCIRP report and officers also conducted a benchmarking exercise against other London Boroughs' schemes to provide a comparison (based on allowance levels in 2021/22). Stemming from that, although it was agreed not to increase SRAs to the LCIRP recommended levels due to the ongoing pressures on the Council's finances, the Assembly did agree specific increases to some of those posts referred to above as well as an 'inflationary' increase to all SRAs, again equivalent to the local government staff pay awards since 2018.
- 1.5 By Minute 13 of its meeting on 17 May 2023, the Assembly agreed that, also in line with a recommendation of the 2022 London Councils Independent Remuneration Panel (LCIRP) report, the Council would, going forward, apply the rates for allowances agreed as part of the Local Government Services Pay Agreement for the preceding year (ie. applying the rate increase for 2023/24 to 2024/25 allowances) to Members' Basic Allowances and SRAs, as a way of ensuring that councillors' remuneration kept in line with that received by staff received by staff, albeit a year in arrears.

1.6 It was further agreed at that meeting that the Dependants' Carers' Allowance be increased in line with the effective date of any uplift to the London Living Wage (LLW). The LLW was increased from £11.95 to £13.15 per hour with effect from 24 October 2023.

1.7 The Members' Allowances Scheme forms part of the Council Constitution (Part 6).

## 2. Proposal and Issues

### 2.1 Basic and Special Responsibility Allowances

2.1.1 As referred to in paragraph 1.5 above, it has been agreed that the Council shall increase the Members' Basic and Special Responsibility Allowances in line with the increase to the rates for allowances agreed as part of the Local Government Services Pay Agreement for the preceding year.

2.1.2 Under the Local Government Services Pay Agreement for 2023/24, the rates for allowances were increased by 3.88%.

2.1.3 There are no other proposed changes to the Basic Allowance or SRAs, or shall be eligible to receive them, for 2024/25.

2.1.4 The table below shows the cumulative cost of the Basic and SRAs for 2023/24 and 2024/25.

	<b>2023/24 Allowances</b>	<b>2024/25 Allowances (increased by 3.88%)</b>
Basic Allowance (x51)	£653,157	£678,504
Leader SRA (x1)	£53,833	£55,922
Deputy Leader SRA (x2)	£63,960	£66,442
Cabinet Member SRA (x7)	£154,210	£160,195
Deputy Cabinet Member SRA (x1)	£7,995	£8,305
Chair O&S SRA (x1)	£13,858	£14,396
Deputy Chair O&S SRA (x1)	£6,929	£7,198
Chair Planning SRA (x1)	£10,660	£11,074
Deputy Chair Planning SRA (x1)	£5,330	£5,537
Other Chair's SRA (x7)	£40,579	£42,154
Other Deputy Chair's SRA (x7)	£20,286	£21,070
Opposition Leader SRA (x0)	0	0
Mayor's Purse (x1)	£13,913	£14,453
<b>Total costs (excl. on-costs)</b>	<b>£1,044,710</b>	<b>£1,085,250</b>

2.1.5 The net effect equates to an additional cost of £40,540 per annum (excluding on-costs).

## 2.2 Other Allowances

- 2.3.1 The Members' Allowances Scheme also includes allowances in relation to co-opted (and other) members, travelling, subsistence and dependants' carers' allowances.
- 2.3.2 It is proposed that those allowances remain unchanged for 2024/25 with the exception of the dependants' carers' allowance, which may be claimed towards the cost of care for children or other dependants within the household who have a recognised need for care when councillors are undertaking 'approved duties'.
- 2.3.3 The Council's Pay Policy Statement reflects that the Council is committed to pay its staff, including apprentices, no less than the "London Living Wage", which was set at £13.15 per hour with effect from 24 October 2023. Although the dependants' carers' allowance is not linked to the Council's Pay Policy, the Assembly has agreed that it is appropriate for that allowance to be increased annually from the effective date of the new London Living Wage. The increase to the dependants' carers' allowance has a minimal impact on the overall Members' Allowances budget and can be contained within the annual budget.
- 2.4 The proposed Members' Allowances Scheme for 2024/25 is set out at **Appendix A**.

## 3. Options Appraisal

- 3.1 The two most apparent options would be (i) freezing allowances for 2024/25, and (ii) applying an alternative increase to the Basic Allowance and/or SRAs.
- 3.2 The Assembly agreed last year to increase the Members' Basic and Special Responsibility Allowances in line with the increase to the rates for allowances agreed as part of the Local Government Services Pay Agreement. This was considered an appropriate balance between the cost-of-living pressures affecting all while being mindful of the impact on the Council's finances of an increase to the Members' Allowances budget.

## 4. Consultation

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

## 5. Financial Implications

Implications completed by: Kenny Leshi, Finance Business Partner

- 5.1 The Members' Allowances budget for 2023/24 is currently £1,041,315. The cumulative impact of the proposals in this report would amount to an additional £76,493 in payments to Members. Together with the increased rate of National Insurance contributions the budget requirement is expected to increase to £1,117,808. This increase will be funded from the pay and prices inflation provision included in the budget as part of the MTFs.
- 5.2 It should be noted that the pay award for Local Government staff was based on a flat rate of 3%. It has been agreed to use this percentage for members allowances

for simplicity and fairness – however in practice this will result in slightly different increases (some higher, some lower) than staff on equivalent salaries.

## **6. Legal Implications**

Implications completed by: Dr Paul Feild, Principal Governance Lawyer

- 6.1 The legal basis for the payments is section 18 of the Local Government and Housing Act 1989 and regulations made by the Secretary of State being the Local Authorities (Members Allowances) (England) Regulations 2003 require local authorities to make an annual scheme of allowances.
- 6.2 Agreeing the scheme is specifically not a Cabinet function by virtue of paragraph 2(5) of the Local Authorities (Functions and Responsibilities) Regulations 2000 as amended, and so it 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 2022” (<https://www.londoncouncils.gov.uk/who-we-are/about-us/financial-information/leadership-and-expenses/remuneration-councillors-london>)
- “Members’ Allowances Scheme 2022/23” report to Assembly 25 May 2022 (Minute 9) <https://modgov.lbbd.gov.uk/Internet/ieListDocuments.aspx?CId=179&MId=11188&Ver=4>
- “Members’ Allowances Scheme 2023/24” report to Assembly 17 May 2023 (Minute 13) <https://modgov.lbbd.gov.uk/Internet/ieListDocuments.aspx?CId=179&MId=12602&Ver=4>

### **List of appendices:**

- **Appendix A** – Proposed Members’ Allowances Scheme 2024/25