



Annual Council Meeting 14 May 2018

Report from the Chief Executive

For Action

Members' Allowance Scheme - Review

Wards Affected:	All
Key or Non-Key Decision:	Non-key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	2
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	James Kinsella, Governance Manager, Executive & Members Services email: james.kinsella@brent.gov.uk or Tel: 020 8937 2063

1. Summary

- 1.1 Council, on 26 February 2018, agreed the initial adoption of Brent Council's Members Allowance Scheme for 2018/19 from 1 April 2018. In presenting the initial proposals it was, however, agreed that a more detailed review of the Members' Allowance Scheme should be undertaken following the local borough elections in May 2018 in order to reflect any subsequent constitutional changes to the Council's political management arrangements, with the outcome of that review reported back to the Annual Council Meeting.
- 1.2 The report presents the outcome of this review, with Council now being asked to consider and adopt the amended Members' Allowance Scheme (the Scheme).

2. Recommendations

Full Council is asked:

- 2.1 To approve the amendments to the 2018/19 Members' Allowance Scheme in the proposed terms set out in this report, which will become effective from 15 May 2018;
- 2.2 To authorise the Director of Legal and HR Services to comply with the statutory requirements to publicise the amended Members' Allowance Scheme.

3. Detail

Background

- 3.1 Brent Council's Members' Allowance Scheme (which is included in the Council's Constitution at Part 6 and is published on the Council's website) was subject to formal review by Council back in February 2018. This included reference to the outcome of the most recent independent review undertaken on behalf of London Boroughs by an Independent Remuneration Panel (IRP) established through London Councils. This review was undertaken in accordance with the requirements in the Local Government Act 2000 and Local Authorities (Members' Allowances) (England) Regulations 2003, and was designed to meet the need for each local authority to conduct a formal independent review of the level of allowances for their Members at least once every four year.
- 3.2 The results of the independent review were published in January 2018 and the report entitled "The Remuneration of Councillors in London 2018 – Report of the Independent Panel" has been attached as Appendix 1, given the need for Members to have regard to it when making or considering any amendments to a Scheme. Prior to this, the outcome of the 2014 independent review had been used as a basis for Members to consider the application of any uplifts on an annual basis and other changes such as the payment of expenses for attending conferences outside of the borough and the introduction of maternity, paternity and sickness pay.
- 3.3 Whilst the Council is required to have regard to the recommendations made in the independent review, and these have been taken into account as part of this review, it will ultimately be for Full Council to decide on its final scheme and any changes in the payment of allowances to its Members. In undertaking any review, there is a need for the Council to specify the amount of entitlement by way of basic allowance (which is mandatory) and other allowances such as special responsibility and dependants' carers' allowances (which are discretionary).

Basic Allowances

- 3.4 In February 2018, it was agreed that the basic allowance for Members in Brent should be retained as £10,201, pending the outcome of this subsequent review. That level of basic allowance was originally set below the level recommended through the independent review in 2014, although the Scheme has allowed for Council to apply an annual uplift equal to any inflationary pay award agreed as part of the Local Government Pay Settlement in the previous financial year. In 2017/18 a 1% uplift was applied. Other than any annual uplifts being applied the last major review of the level of basic allowance was undertaken in September 2014
- 3.5 Having reviewed the basic allowance recommended as a result of the 2018 independent review (£11,045) and taken account of the increased workload and responsibilities now placed on Members, it is proposed that the level of basic allowance for Members in the 2018/19 Scheme should be increased to £12,000. It is felt this will better reflect the increasingly complex nature of the role Members are required to fulfil alongside the increased demands on their time and expectations in relation to their representational role.
- 3.6 The current Scheme also includes provision for an annual uplift to be applied to all basic, special and civic allowances with effect from April by a percentage equal to the inflation pay award agreed as part of the Local Government Pay settlement in the previous financial year, unless otherwise determined by the Council. The Scheme stated that this uplift should cease to apply after 31 March 2018. As part of this review, however, it is proposed that the provision to allow an annual uplift should continue to be applied and as a result it is recommended that the Scheme be amended as follows:

Annual Uplift

11. Basic, special and civic allowances under this Scheme shall be increased with effect from each April by a percentage equal to the inflation pay award agreed as part of the Local Government Pay settlement in the previous financial year, unless otherwise determined by the Council. ~~This annual uplift shall cease to apply after 31 March 2018~~
- 3.7 The uplift for 2018/19 has already been applied in relation to the revised level of basic allowance recommended in the report so any further uplift will apply from 2019/20 onwards.

Special Responsibility Allowance

- 3.8 The payment of Special Responsibility Allowances (SRA) are included within the Scheme. These are payments made to councillors, over and above their basic allowance to reflect the fact they have special responsibilities in relation to specific roles they undertake. The Scheme specifies the amount of each SRA against the special responsibilities they are applied to with no Member entitled to receive more than one SRA.

- 3.9 The 2018 independent review also included a review of payments in relation to Special Responsibility Allowance (SRA), with no changes made to existing SRA payments in February 2018, pending the outcome of the more detailed review now undertaken. Members were, however, advised that the independent review had again reiterated that as a guide no more than 50% of all councillors in an Authority should receive an SRA. The percentage of members to whom SRAs are currently payable in Brent is currently above this level.
- 3.10 The SRAs currently payable in Brent have therefore been subject to further review and as a result a number of changes have been proposed to the Schedule, as detailed in Appendix 2 of the report. These have been designed to better reflect the guidance within the independent review and also the accompanying increase proposed in the level of basic allowance.

Other Proposed changes to current scheme

- 3.11 In addition to the changes proposed in basic allowance and SRAs an additional change is also proposed in the level of allowance payable to the Independent Chair of the newly constituted Audit and Standards Advisory Committee in order to reflect the change in the remit of this body, as well as the special responsibilities as Chair (which has not previously been the case). The change proposed is to increase the allowance from £427 to £1,500. In addition it is also proposed to introduce an SRA for the Chair of the Audit and Standards Committee (who is also Vice-Chair of the Audit and Standards Advisory Committee) of £1,500 again reflecting the enhanced remit of these bodies.
- 3.12 These changes will be in addition to those already agreed in February 2018 relating to the payment of SRAs and attendance at Mandatory Member & Development Training sessions for Planning Committee, Licensing, Adoption and Permanency and Fostering Panels and also in terms of travel and subsistence allowances for Members with disabilities, which have already been applied.

Publicity

- 3.13 As soon as reasonably practicable after the making or amendment of a Scheme, copies of the Scheme (as amended) have to be made available for inspection at the Civic Centre and a notice has to be published in a local newspaper. It is recommended that the Director of Legal and HR Services be authorised to comply with these requirements.

4. Financial Implications

- 4.1 Whilst the report is proposing an increase in level of basic allowance for all Members this is offset by a significant reduction in the number of Special Responsibility Allowances (SRA) payable for specific roles.
- 4.2 The actual overall cost of the payment of allowances depends on which Members are appointed to the roles which receive an SRA, as only one such

allowance is payable irrespective of the number of roles held. At the end of each financial year, the payments made to each Member are published in accordance with statutory rules. For the 2017/18 Financial Year, the actual accounted amount for Members Allowances was £1,135,111.91.

- 4.3 Members' allowances are currently met out of the Executive and Members Services budget and any associated costs arising from changes to the Scheme will be contained within that budget.

5. Legal Implications

- 5.1 The proposed Members' Allowance Scheme complies with the relevant provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003; the Local Government and Housing Act 1989 and the Local Government Act 2000. In addition, there are separate provisions, namely sections 3 and 5 of the Local Government Act 1972 for the payment of allowances to the Mayor and the Deputy Mayor.
- 5.2 A scheme may be amended at any time but may only be revoked with effect from the 1 April of that financial year.

6. Consultation with Ward Members and Stakeholders

- 6.1 As part of the independent review all Boroughs were invited to make submissions to the Panel on the operation of the existing scheme. The Chair of the Panel also attended the London Council's Leaders Committee on 5 December 2017 to present the draft report.
- 6.2 The changes being recommended in this report were also subject to consideration by the Constitution Working Group in May 2018.

7. Equality Implications

- 7.1 Under section 149 of the Equality Act 2010, the council has a duty when exercising its functions to have "due regard" to the need to eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act and advance equality of opportunity and foster good relations between persons who share a protected characteristic and persons who do not. This is the public sector equality duty. The protected characteristics are age, disability, gender reassignment, marriage and civic partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2 "Due regard" is the regard that is appropriate in all the circumstances. The weight to be attached to the effect is a matter for the council. As long as the council is properly aware of the effects and has taken them into account, the duty is discharged. Depending on the circumstances, regard should be had to the following:
- the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision;

- the need to remove or minimise disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic;
- the need to take steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes taking account of disabled persons' disabilities. There can be a positive duty to take action to help a disabled person. What matters is how they are affected, whatever proportion of the relevant group of people they might be;
- the need to encourage persons who share a protected characteristic to participate in public life (or in any other activity in which participation by such persons is disproportionately low); and
- the need to tackle prejudice and promote understanding.

7.3 In terms of the outcome of the 2018 independent review, the Panel have continued to advocate the setting of allowances at a level that enables people to undertake the role of councillor, whilst not acting as an incentive to do so. The recommended change in relation to members with disabilities is a further example of how the scheme can be used to remove barriers for those wishing to stand and to ensure any disadvantages are removed or minimised.

8. Human Resources/Property Implications (if appropriate)

None.

Report sign off:

Peter Gadsdon

Director of Policy, Performance and Partnerships