



Council
8 September 2014

**Report from the Director of Legal
and Procurement**

For Action

Wards affected:
ALL

Members Allowances

1.0 Summary

- 1.1 The Council is required to review allowances to elected Members on a regular basis and is required to take account the recommendations of the Independent Remuneration Panel for London (prepared by London Councils), which reported in June 2014. The report also takes into account the updated guidance and the 2003 regulations produced under the Local Government and Housing Act 1989 and the Local Government Act 2000.

2.0 Recommendations

Members are asked to

- 2.1 Agree the proposed Members Allowance Scheme attached as Appendix 1,
- 2.2 Agree that any additional payments for Members' allowances and special responsibility allowances arising from the new scheme take effect from 1st June 2014,
- 2.3 Agree which is to be the Principal Opposition Group for the purposes of Appendix 1.

3.0 Detail

- 3.1 This review is the first significant consideration of the Members' Allowances for over 4 years and, and following the Local Elections in May 2014, a number of changes to update the Brent scheme were needed to make the scheme fit for purpose.

The proposals take into account the recommendations from the Remuneration Panel for London. This is the Independent Panel that reported in June 2014 from London Councils chaired by Sir Rodney Brooke. The report is attached as Appendix 2.

The legislation requires that a report is prepared through an independent panel, and London has the benefit of a panel that covers all London Boroughs. The panel concurred with the Councillors Commission appointed by the Government that *'Allowances should be set at a level that enables people to undertake the role of Councillor'* and whilst being *'important that there should not be a financial incentive to be a councillor there should not be a financial disincentive'*. The panel emphasised *'the importance of local democracy and the role of councillors within it'*.

The panel report highlighted, that since April 2013, London Boroughs had assumed the major new responsibility for health and wellbeing. The report also noted that the current financial challenges for local authorities and demand for social care, *'increases the demands made on elected members'*.

- 3.2 The basic allowance in Brent is one of the lowest across London, and the recommendation is to increase the allowance to £10,000. This is still lower than the basic rate that is recommended by the panel. Given the financial climate and the budget challenges for Brent, this report is not recommending increasing all the allowances in line with the panel's recommendations. The allowances will be managed within the current budget for member services.

The Panel recognised the difficulty in increasing allowances for Councillors given the current financial austerity. However the Panel stated that, in the future, it hoped that London Authorities would be able to increase allowances in line fully with their recommendations.

- 3.3 In respect of Special Responsibility Allowances (SRA), it should be recognised that Brent only pays one SRA for each member entitled to receive one.

A number of changes are recommended and the following points are made:

- i) In respect of the Cabinet, the number of Members in the Cabinet has reduced by two and the proposal is that the budget allocated to these positions is distributed between the Members of the Cabinet. This will not increase the cost to the Council of the Cabinet. The allowances would still remain below those identified in the panel recommendations.

The panel noted that as part of the consultation with Boroughs there was consensus that the Borough Leader's Allowances should be on a comparator with MP's salaries. What is recommended continues to be below that level but the increase in allowance for individual members of the Cabinet recognises the additional responsibilities of Cabinet members.

The Chairs of both the Health and Wellbeing Board, and the Corporate Parenting Committee are Cabinet members, thus requiring no extra SRA to be paid.

- ii) There has been a reduction in the number of overview and scrutiny committees. In establishing one, major, co-ordinating Scrutiny Committee, in recognition of the importance of scrutiny, and in line with the panel's recommendations, the allowance for chairing the Scrutiny Committee will be increased to a little below that of Cabinet members. An allowance is to be created for the Vice Chair (who is to be from the principal Opposition Group) and an allowance for membership of the Scrutiny Committee. This acknowledges the increased importance of the scrutiny function, and the frequency of meetings.
- iii) Currently, a review of the consultative forums and Brent Connects meetings is underway. This may include a change in the number of forums and, perhaps, the chairing arrangements. The review is due to start in September and until it is concluded, it is not proposed to review the allowances for chairing these meetings.
- iv) It is proposed to reduce the number of allowances for the Opposition Group Leaders to one for the principal Opposition Group, and to have one further allowance for the principal Opposition Group. This is in addition to the role of Vice Chair, Scrutiny Committee. It is proposed that the other allowances are deleted. Currently there are two opposition groups: the Conservative Group and the Brondesbury Park Conservative Group who each have three members. In accordance with the proposals in Appendix 1, the Council needs to determine which of the two opposition groups is considered to be the principal Opposition Group for the purposes of the allowance scheme.
- v) It is proposed to add two allowances for Deputy Whips for the majority group. These take into account the changes in numbers for the Majority Group, following the election in May.
- vi) A small increase is proposed for the Mayor and Deputy Mayor in recognition of the importance and workload related to these civic roles.
- vii) The Regulations authorise the payments to Councillors of a Dependant Carers Allowance which has not been utilised previously at Brent. The panel received representations that an allowance, if paid, should not be less than the living wage. The panel stated 'they strongly believed' a dependant carers allowance should be paid to enable a wide range of people to serve on the Council. It is proposed to change the allowance scheme to allow for a Dependant Carers allowance in accordance with the recommendations of the panel.
- viii) It is proposed that following these changes, and in acknowledgement of the increases made to the allowances within the scheme, that the travel allowance and other expenses currently provided for within the scheme be deleted.

4.0 Financial Implications

- 4.1 The scheme proposed for basic and special responsibility allowances has been compared to the recommended scheme from the Independent Remuneration Panel for London. This suggests a basic level of allowance for all councillors and proposes an allowance for councils, such as Brent, that have adopted the 'strong leader and Cabinet' form of governance. It also sets out ranges of proposed allowances for special responsibilities, grading these from level one, for example membership of the licensing committee, to level three, for example Cabinet membership. In each case an upper and lower level of allowance proposed is set out.

Brent's proposed scheme will provide for allowances to be paid worth approximately £180,000 less than those that would be paid if the council had adopted the independently recommended scheme at the lower end of each banding.

Brent's proposed scheme will provide for allowances to be paid worth approximately £570,000 less than those that would be paid if the council had adopted the independently recommended scheme at the higher end of each banding.

The allowances will be met out of Member Services budget which cover Members Learning and Development, Expenses and Allowances.

5.0 Legal Implications

- 5.1 The Allowance scheme is in accord with the Local Authorities (Members Allowances) Regulations 2003, Local Government Housing Act 1989 and the Local Government Act 2000.

6.0 Diversity Implications

- 6.1 The inclusion of Dependant Carers allowance will enable a wider range of members to fully participate as councillors. The scheme dovetails with the authority's responsibilities under the Equality Act and ensures that relevant provision is made for members in accordance with the authority's duties.

Background Papers

The Remuneration of Councillors in London 2014 – report of the independent panel
Brent's existing constitution

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