



Full Council
13 September 2010

Report from the Borough Solicitor

For Action

Wards Affected:

ALL

The Members' Allowances Scheme

1.0 Summary

- 1.1 This report sets out recommended changes to the Brent Members' Allowances Scheme, following consideration by the Constitutional Working Group.

2.0 Recommendations

That members:

- 2.1 Note the report from the Independent Remuneration Panel dated May 2010 attached as **Appendix 1**,
- 2.2 Delete the allowance for the Chair of the General Purposes Committee,
- 2.3 Delete the allowance for the Vice Chair of Planning Committee,
- 2.4 Make available an allowance for the co opted non voting member of the Audit Committee,
- 2.5 Agree to retain the indexation provisions by reference to the Local Government Pay Settlement for a further 4 years,
- 2.6 Adopt the Members' Allowances Scheme as set out in **Appendix 2**,
- 2.7 Agree that the amendments take effect from 1st October 2010.

Meeting

Version no.

Date

Date

3.0 Detail

The Legislative Framework

- 3.1 The legal framework for members' allowances is established by section 18 of the Local Government and Housing Act 1989 and the The Local Government (Members' Allowances) (England) Regulations 2003, as amended.
- 3.2 Every local authority must have a scheme providing for payment of a basic allowance of the same amount to every councillor. A scheme may also provide for special responsibility allowances to be paid to councillors for certain types of roles specified in the regulations.
- 3.3 An allowance scheme may make provision for an annual adjustment of allowances by reference to an index. Where an index is relied upon, it must be reviewed not less than once every 4 years. Members last considered the application of the index to the Council's scheme in May 2007.
- 3.4 Allowances schemes can be amended at any time but may normally only be revoked with effect from the start of a financial year. Whether changes amount to a revocation or are just an amendment is a question of fact and degree. It is the Borough Solicitor's view that the changes being recommended would not constitute a revocation but merely an amendment to the existing scheme. Any new or amended scheme must be published in the local press together with details of the recommendations of the Independent Panel and certain other specified information

The Independent Panel

- 3.5 Since 4th May 2001 local authorities have had to have regard to the recommendations of an independent remuneration panel in respect of the allowances payable to their members when making or amending an allowances scheme, and when reviewing the index used for an annual adjustment of the allowances. The Regulations provide for the Association of London Government (now "London Councils") to establish an independent remuneration panel to make recommendations to London borough councils on their allowances schemes. The Council decided some time ago to adopt this panel as its independent remuneration panel.
- 3.6 The independent remuneration panel has published a number of reports, the most recent having been published in May 2010. The previous report was December 2006. In reaching its conclusions on members' allowances the panel has taken into account the increasingly demanding role of Councillors and also the current economic climate. The report is attached to this report at **Appendix 1**. The recommendations contained in that report must be taken into account by members when determining the members' allowances scheme or amendments to it, and when deciding to include an index for

annual update, but the recommendations should not be regarded as binding.

Members Allowances and the Banding Scheme

3.7 The independent remuneration panel report recommends an amount for the basic allowance in respect of each member and a banding scheme for special responsibility allowances. The panel recommends 4 bands, band 4 being the highest paid. Each band attracts a particular range of allowance. The bands are designed to reflect the demands of the various roles. In the vast majority of cases the allowances paid by the Council to members are less than those recommended by the independent remuneration panel; the basic allowance paid to members is lower than the independent remuneration panel recommends and in most cases those members with special responsibility (as defined in the Regulations) are allocated a lower band of allowance than that suggested by the panel.

3.8 The differences in the bandings recommended by the panel and those in the Brent scheme are set out in Table A below:

TABLE A

| Office | Panel Recommendation | Brent |
|---|-----------------------------|---------------|
| Basic Allowance | £10,597 | £7,974 |
| Leader | Band 4 | Band 3 |
| Deputy Leader | Band 3 | Band 2 |
| Executive member | Band 3 | Band 1/2 |
| Chairs of overview and scrutiny | Band 2 | Band 1 |
| Chairs of Council Committees | Band 2 | Band 1/2 |
| The Mayor | Band 2 | Band 1 |
| Leader of principal opposition | Band 2 | Band 1 |
| Leader of minority opposition | Band 1 | Band 1 |
| Chairs of Sub Committees and ACFs | Band 1 | Band 1 |
| Members of Planning Committee and Alcohol and Entertainment Licensing | Band 1 | Band 1 |

| | | |
|----------------------|-------------------------------|----------|
| Group leaders | No recommendation / Band 1 | Band 1/2 |
| Deputy group leaders | No recommendation | Band 1/2 |
| Group whips | No recommendation/Band 1/2 | Band 1 |

- 3.9 There is mention in the independent remuneration panel report of government guidance that there should not be more than 50% of members in receipt of a special responsibility allowance. However, the panel comments that this should not be applied rigidly and it recognises that in practice this figure (which was promulgated in 2003) is now regularly exceeded for a number of reasons, including legislative changes to the committee structure and responsibilities of members, and to allow for local arrangements. For example in Brent there are 15 members of Alcohol and Entertainment Licensing Committee who each receive a band 1 allowance.
- 3.10 The Brent scheme provides that no member shall be paid more than one special responsibility allowance which is consistent with the independent remuneration panel recommendations.
- 3.11 The independent remuneration panel also comments on elements of the scheme that are at the discretion of the Council such as payment for temporary absences. The Council's scheme does not prevent payment for such periods. The report also comments on pension arrangements. Members have previously considered this and rejected the proposal.
- 3.12 In relation to the independent members of the Standards Committee, members are advised that since May 2010 (after the panel report was produced) the future plans for the standards regime are uncertain and a review of the allowance should be conducted when the position is clearer.
- 3.13 Having regard to the recommendations of the independent remuneration panel in relation to the basic and special responsibility allowances and the matters left to local discretion members are advised no changes are proposed at this time.

Allowances to be deleted

- 3.14 Members of the cross party Constitutional Working Group recommended that the special responsibility allowance for the Chair of General Purposes Committee be deleted. The reason for this is that the position is usually held by a member of the Council who is already in receipt of a special responsibility allowance.
- 3.15 It is proposed that the allowance for the post of Vice Chair of Planning Committee be deleted since it is not utilised. There is a special responsibility

allowance made to planning committee members which exceeds the amount payable to the Vice Chair. Under the allowance scheme members are only paid one special responsibility allowance. Where a member performs more than one role which attracts a special responsibility allowance they are paid the higher of the allowances.

- 3.16 The changes shown to the Chairs of Overview and Scrutiny Committee are incidental changes arising from the constitutional changes report which is also before members at this meeting of Council.

Audit Committee

- 3.17 The Constitutional Working Group recommended that there be an independent member appointed to the Audit Committee. It is recognised that an experienced independent person could offer expertise in this area. In order to reflect this expertise and attract high calibre applicants, members are recommended to agree a small allowance.

Index Linking

- 3.18 Where a scheme provides for annual adjustment by reference to an index, the use of the index must be reviewed every 4 years by reference to the independent remuneration panel recommendations. The Council's current scheme provides for the index link to May 2011. The independent remuneration panel report is now available and accordingly a review of the index arrangements is required. The panel recommends the continued linking to the Local Government Pay Settlement ('LGPS') which effectively means uprating by reference to the annual officer pay settlement. Members are recommended to retain the reference to the LGPS for another 4 years. The practical effect of this is there will be no increase in members' allowances in May 2011, nor in future years where there is no Local Government Pay Award.

Role descriptions For Members

- 3.19 The Independent Remuneration Panel recommends that there should be job profiles for members. The members of this Council have role descriptions. Some of the role descriptions are specific, others are generic.
- 3.20 Attached as **Appendix 2** is the revised Members Allowance Scheme which members are recommended to agree.

4.0 Financial Implications

- 4.1 The budget for member's allowances under the proposed scheme is £930,556 which covers only the allowances and does not cover the payroll, travel and other costs which are budgeted for separately and are not addressed here as they remain unchanged as a result of the recommendations in this report.

5.0 Legal Implications

5.1 These have been addressed in the body of the report

6.0 Equality and Diversity Implications

6.1 There are none which arise in relation to this report.

Background Papers

- The Local Authorities (Members Allowances) (England) Regulations 2003
- The Local Authorities (Members Allowances) (England) (Amendment) Regulations 2003
- The report of the Independent Panel to London Councils May 2010

Contact Officer:

Fiona Ledden, Borough Solicitor's Office, Room 16, Brent Town Hall, Forty Lane, Wembley, HA9 9HD, Tel: 020 8937 1292.

Fiona Ledden
Borough Solicitor

Meeting

Version no.

Date

Date