

# Brighton & Hove City Council

**Council**

**Agenda Item 105**

**Subject: Members' Allowances 2022-2023 - update**

**Date of meeting: 30<sup>th</sup> March 2023**

**Report of: Executive Director Governance, People & Resources**

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**Ward(s) affected: All**

**For general release**

## **1. Purpose of the report and policy context**

- 1.1 Under the existing Members' Allowances Scheme 2019-2023, there is an expectation that members' basic and special responsibility allowances will be uplifted by the national percentage inflation applied to salaries each year.
- 1.2 For the financial year 2022-2023, the national pay award was agreed in November 2022 at a flat rate rather than a percentage increase. Therefore it is necessary to consider what approach to take in relation to members' allowances for the year 2022-2023.
- 1.3 This report is addressing the current in-year position for 22/23 only. Proposals for 2023/2024 were addressed in the 2023/2024 budget report. The approach for 2023/2024 will be subject to recommendations from the Independent Remuneration Panel when they complete their Scheme Review in the summer, reporting in September 2023.

## **2. Recommendations**

- 2.1 That Full Council notes the review undertaken by the Independent Remuneration Panel in relation to an inflationary increase to members' allowances for 2022-2023.
- 2.2 That Full Council agrees that no inflationary increase should be applied to members' allowances for the year 2022-2023.

## **3. Context and background information**

- 3.1 In view of the nature of the approach to salary pay rises applied nationally this year (2022-2023), officers consulted the Council's Independent Remuneration Panel (IRP) to seek their views as to the recommended approach to take for the annual uplift to members' allowances.

- 3.2 Officers also reviewed data from other Councils and identified that a range of approaches has been taken. Some Councils have taken an approach of applying a 4-5% increase to members' allowances, calculated by taking a median average increase for all employees or by looking at the most prevalent Spinal Column Point and taking the % increase that the flat rate would be for that salary. In some Councils there have been decisions not to take any increase and in others a full flat rate increase has been applied.
- 3.3 Having reviewed this data, the IRP have taken the view that a 4.04% increase to members' basic and special responsibility allowances would be their recommended approach. This is the % increase applied to other allowances (such as Sleep In and Stand By rates) referenced in the 2022/2023 NJC pay award circular. In lieu of a fixed NJC % increase on basic pay this year, the IRP considered that a 4.04% increase which aligns with the percentage increase used for other allowances would be appropriate. This in their view was consistent with the intention of the Members' Allowances Scheme to provide an annual inflationary uplift for members' allowances.
- 3.4 The IRP makes recommendations and any changes to the Scheme must be agreed by full Council. The proposal was discussed at Leaders' Group in February 2022 and a consensus view was indicated that the Groups would not wish to take any inflationary uplift for 2022-2023 in view of the Council's significant budgetary constraints.
- 3.5 Members are free to choose not to receive an inflationary uplift for the year 2022-2023. This will not bind decisions in relation to future years which will be reported to full Council as part of the review of the Members' Allowances Scheme in September 2023.

#### **4. Analysis and consideration of alternative options**

- 4.1 These are set out in the body of the report. Members are free to choose to receive no inflationary increase.

#### **5. Community engagement and consultation**

- 5.1 Leaders' Group was consulted in February 2023 and proposed the recommendation as set out in Recommendation 2.2.

#### **6. Conclusion**

- 6.1 The recommendation in the report not to award an inflationary uplift to members for 2022-2023 reflects the views taken from the Political Groups represented on the Council.

## **7. Financial implications**

- 7.1 For 22/23 a 1.5% increase was budgeted for at a cost of £0.015m. If a 4.04% increase was applied, that would cost £0.040m creating a budget pressure of £0.025m for 2022/2023 onwards.
- 7.2 The 2023/24 Budget approved at Budget Council on 23 February 2023 included proposals to reallocate savings totaling £0.054m from freezing members allowances for both 2022/23 and 2023/24 to support the Mayors Office and the Employability Service, subject to Full Council's approval with the benefit of the Independent Remuneration Panel's recommendations.
- 7.3 If the recommendations of this report are approved, then this will achieve £0.015m of the £0.054m recurrent savings in 2023/24 and provide a £0.015m underspend in 2022/23 to support the council's overall financial position.

Name of finance officer consulted: James Hengeveld Date consulted 20/03/2023

## **8. Legal implications**

- 8.1 There are no legal implications arising from the recommendations in this report.

Name of lawyer consulted: Elizabeth Culbert Date consulted 20/02/23

## **9. Equalities implications**

- 9.1 There are no equalities implications identified in relation to the recommendations in this report which relates to the members' allowances scheme and has not been identified as having an adverse impact on those with protected characteristics.

## **10. Sustainability implications**

- 10.1 None

## **Supporting Documentation**

**None**

