

Subject:	Interim Review of Members' Allowances		
Date of Meeting:	14th December 30 th November 2017 – Policy, Resources & growth Committee		
Report of:	Executive Lead for Strategy, Governance & Law		
Contact Officer:	Name:	Mark Wall	Tel: 01273 291006
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Following the decision at the Budget Council meeting on the 23rd February, 2017 savings of £43k were set against the Members Allowances budget. In order to implement any changes to the Members Allowances Scheme it is necessary to consult with the Independent Remuneration Panel (IRP) and to receive their recommendations.
- 1.2 The IRP have undertaken an interim review and their recommendations are outlined in appendix 1.

2. RECOMMENDATIONS:Policy, Resources & Growth Committee

- 2.1 That the report of the Independent Remuneration Panel is noted and referred to full Council for decision.

Full Council

- 2.2 That the report of the Independent Remuneration Panel is noted and a decision taken on the Panel's recommendations.
- 2.3 That the Chief Executive be authorised to publish the Brighton & Hove Members' Allowances Scheme in accordance with the regulations following council approval.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The saving of £43k to be found from the Members Allowances Scheme has been split into a savings target of £33k for 2017/18 and £10k for 2018/19. Whilst the overall Members Allowances budget for 2017/18 was reduced by £33k at the start of the financial year, the current TBM projection shows a potential overspend of £24k.

- 3.2 The budget savings agreed were to be attributed to the allowances paid to councillors and as such are dependent on a review of the level of allowances by the IRP. The recommendations of the IRP have to be considered by full Council and it is then for the Council to decide whether to accept the Panel's recommendation(s) or decide on an alternative level of allowances.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 There is a need for the IRP to review any changes to the Members Allowances Scheme and for the full Council to take the recommendations of the Panel into consideration.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The IRP have met with the Leaders of the Groups and senior officers.

6. CONCLUSION

- 6.1 The IRP have put forward their report and recommendations which are outlined in appendix 1 to the report and these need to be referred to the full Council for consideration.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The Members Allowances Budget of £0.921m includes a budget of £0.904m to cover the cost of the basic and special responsibility allowances and national insurance contributions; with the remainder set aside to cover supplies & services. Following the decision of Budget Council in February 2017, a saving of £0.043m has been built into the budget for Members' Allowances. If the IRP recommendations in Appendix 1 are approved, then there will be a budget pressure of £0.043m from 18/19 onwards that will need to be funded.

Finance Officer Consulted: James Hengeveld: 10/11/17

Legal Implications:

- 7.2 The proposals in this report comply with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003 and associated guidance.
- 7.3 There are no adverse Human Rights Act implications arising from this report.

Lawyer Consulted: Abraham Ghebre-Ghiorghis

Date: 08/11/2017

Equalities Implications:

- 7.4 The proposal to retain the current Members Allowances Scheme provides an equal benefit to all councillors.

Sustainability Implications:

7.5 There are no sustainability implications arising directly from the report.

Any Other Significant Implications:

7.6 There are no other significant implications associated with the report.

SUPPORTING DOCUMENTATION

Appendices:

1. Report of the Independent Remuneration Panel

Background Documents

1. Members Allowances Scheme
2. Report of the Independent Remuneration Panel 2014

Documents in Members' Rooms

1. None

**Members' Allowances
Scheme 2017-2019
For
Brighton & Hove City Council**

**An Interim Report by the
Independent Remuneration Panel**

**Mr Ken Childerhouse (Chair)
Mr Martin Andrews
Mr John Bateman
Ms Rachel Potter**

1 November 2017

Brighton & Hove City Council Independent Members' Remuneration Panel

Chair's Foreword

The role of the Panel, under the Local Authorities (Members' Allowances) (England) Regulations 2003, is to make recommendations to the City Council as to the responsibilities or duties in respect of which allowances should be available and the amount of those allowances. In doing so we are able to look at various elements of the Members' Allowances Scheme (the Scheme).

Our review in 2014 concentrated on putting forward a scheme of allowances that would inform and encourage prospective candidates to stand for election in 2015 so as to enable them to understand the financial support available should they be elected. The intention being that the new Members Allowances Scheme would be operative from May 2015 and remain in place for the four-year term of the Council.

In being requested to undertake an interim review following the Budget Council decision, we have endeavoured to gather some evidence as we are mindful of the need to have a sound evidence base for our recommendations. We have therefore reviewed the recent South East Employers report on Members Allowances and also met the Leaders of the three Groups to understand their views on the level of allowances where any potential changes could be made.

The recommendations we have outlined in our report therefore take into consideration that the Scheme agreed in 2014 was to run until 2019 so as to provide a clear basis for all councillors in regard to any roles that they may hold and that we have endeavoured to retain a degree of evidence to support those recommendations.

We feel that the remit given to the Panel has been to put forward an open and transparent Scheme of Allowances. The approved Scheme provides a clear indication of the available resources and potential impact of being an elected Member and office holder and how that may impact on an individual's circumstances. In undertaking an Interim Review, it is felt that the Scheme should remain as approved and a full review undertaken during 2018, in order to put forward a new 4-year Scheme to come into effect from May 2019 and inform prospective candidates who may be considering standing for election.

Finally, on a personal note I would also like to take this opportunity to thank my fellow members of the Panel and the officers involved for their valuable contributions to its work.

Ken Childerhouse

Chair

1 November 2017

1. The Context for the Interim Review and the Role of the Independent Remuneration Panel

- 1.1 In reviewing its Members' Allowances Scheme, the Council is required to obtain the advice of its Independent Remuneration Panel, and to have regard to the Panel's recommendations.
- 1.2 The Panel has met 3 times during September and October and undertaken a 'light-touch' review of the Scheme of allowances. In order to be as consistent as possible with previous reviews, it has considered evidence from the Group Leaders and taken into account the latest South East Employer's Survey of allowances paid by local authorities.
- 1.3 The Panel maintains that the agreed set of principles which it considers should form the basis of any scheme adopted by the council:

The Council's Objectives:

- Provide appropriate support for people from all walks of life, enabling those with a wide range of skills and from different backgrounds to serve as councillors without financial disadvantage.
- Recognise the changing roles of elected members in their community councillor roles as well as in meetings, to ensure that changes to the democratic process are reflected and supported where possible.
- Incorporate into any scheme a voluntary service element which reflects the nature of the role and recognises the concept of civic duty.
- Recognise the significance of co-opted members in the operation of the authority.
- Provide role profiles for each of the positions set down in the Members' Allowances Scheme to support the recruitment and retention of councillors, to reinforce the aims of the council and to assist in future Independent Remuneration Panel reviews.
- Provide a sustainable travel scheme which encourages the use of bicycles and public transport throughout the city.
- Expect receipts/tickets to be attached to all claims submitted by both councillors and co-opted members to entitle the applicant to reimbursement.
- Approve a scheme which is open and transparent, which is available for public scrutiny and which meets audit requirements.
- Demonstrate value for money.

Expectations:

Councillors should:

- Recognise that there is a voluntary aspect to the role;
- Accept that where they are taking on significant additional responsibilities, these will require a full or near full-time commitment and that this may be detrimental to career activity;
- Consider maintaining a reasonable work/life balance when undertaking their council duties;

- Submit claims for travel or subsistence, child or dependent care within two months of attending an approved duty – any claims received outside that time limit to be paid at the discretion of the Monitoring Officer in exceptional circumstances only;
- Submit accurate claims in accordance with the Members' Allowances Scheme;
- Provide all appropriate documentation requested of them such as driving licence, birth certificate, insurance etc.

2. The following recommendations are put before the Full Council:

- 2.1 The Panel recommends that no changes are made to the approved Scheme which was agreed in 2014 and came into effect from May 2015 as it is felt it should remain for the full-term of the Council i.e. until May 2019;

3. The Members Allowances Scheme

- 3.1 The Panel believes that the council should provide a package of financial support which is reasonable, that it goes some way towards addressing the disincentives from serving in local politics, and that it does not disadvantage people from all walks of life who wish to enter the political arena in this way.
- 3.2 The Panel remains firmly of the view that all the allowances and expenses and any methodology applied must be open, transparent and accountable.
- 3.3 The Panel remain committed to support a move towards the better retention and support of as wide a cross-section of the community as possible if they wish to stand and remain as elected members. Hence the need to have an agreed Scheme that is set prior to taking up office and remains in place so that individual councillors are able to manage their financial commitments. In this respect, the Panel cannot support a change to the approved scheme of allowances as these would have been made clear to prospective candidates and then elected representatives, who will have based their decisions on the level of remuneration that would be available for their term of office.
- 3.4 It is hoped that the views we have expressed in this report demonstrate our belief that the proposed Scheme is reflective of the changing roles and responsibilities of all councillors and that appropriate recognition and support is provided to undertake public duty.

4. Financial Information

- 4.1 The Members' Allowances budget for 2017/18 was set at £920,950 having been reduced by £33k in line with the budget decision in February. However, the current TBM forecast shows a potential overspend of £23,371 and the Panel have been informed that this can be met from within the overall budget for Strategy, Governance & Law for the current year.
- 4.2 The Panel are mindful that any reductions to the Members Allowances Scheme in the current year would now have a negative impact on councillors and

therefore in identifying the options in paragraph 5.2 have assumed that these would come into effect from April, 2018.

- 4.3 The specific options listed in paragraph 5.2. and how they impact on each of the special responsibility allowances and basic allowance are shown in the tables below (see appendices A and B):

5. Conclusion

- 5.1 The Panel are of the firm view that the Members Allowances Scheme should remain in place as previously approved until 2019 and notes that it will undertake a full review during 2018; in order to make recommendations on a new scheme that would help to inform prospective candidates for the elections in May 2019.

- 5.2 Should the Council decide that the decision taken at the February Budget Council to reduce Members Allowances by £43k must be implemented; then the Panel has assumed this would be from April 2018 to prevent any hardship for Members in the current financial year. The Panel would also suggest that either of the options outlined below and detailed in appendices A and B to the report could be used to achieve the savings target:

- (i) a 19.46% pro-rata reduction across all the Special Responsibility Allowances, including the Mayor's Allowances be made; or
- (ii) a 10% pro-rata reduction across all the Special Responsibility Allowances, including the Mayor's Allowances and a 3.3% reduction to the Basic Allowance.

- 5.3 The Panel would also refer Members to their previous full report which was approved by the Council in October 2014.

Take the entire £43K from Special Responsibility Allowances (including Mayor's allowances) to be shared pro-rata. The percentage reduction would be 19.46% of the current allowance. Indicative figures are shown on the table below.

		Current SRAs £	New SRA £	Loss £
1	Leader of the Council	31,512	25,380	6,132
2	Deputy Leader of the Council	22,058	17,766	4,292
	Chairs of Policy Committees			
	<i>Policy, Resources & Growth</i>			
3	Children, Young People & Skills	11,029	8,883	2,146
	<i>Environment, Transport & Sustainability</i>			
4	Housing & New Homes	11,029	8,883	2,146
5	Neighbourhoods, Inclusion, Communities & Equalities	11,029	8,883	2,146
6	Tourism, Development & Culture	11,029	8,883	2,146
7	Health & Wellbeing Board	11,029	8,883	2,146
	Chairs of Regulatory Committees			
8	Planning	11,975	9,645	2,330
9	Licensing (dual role)	11,975	9,645	2,330
10	Audit & Standards	6,302	5,076	1,226
11	Health Overview & Scrutiny	6,302	5,076	1,226
	Lead Member Roles:			
12	Adult Social Care	9,454	7,614	1,840
13	Mental Health	2,206	1,777	426
	<i>Finance & Resources</i>			
	<i>Private Rented Sector</i>			
	<i>Rough Sleepers</i>			
	<i>Schools</i>			
	Deputy Chairs			
14	Policy, Resources & Growth (Finance)	9,454	7,614	1,840
	<i>Children, Young People & Skills</i>			
15	Environment, Transport & Sustainability	2,206	1,777	426
16	Housing & New Homes	2,206	1,777	426
17	Neighbourhoods, Inclusion, Communities & Equalities	2,206	1,777	426
	<i>Tourism, Development & Culture</i>			
18	Planning	3,939	3,172	767
19	Licensing (dual role)	3,939	3,172	717
	Opposition Leadership			
20	Leader of the Official Opposition	11,029	8,883	2,146
21	Deputy Leader of the Official Opposition	6,302	5,076	1,226
	Deputy Leader of the Official Opposition			
22	Convenor/Leader of Minority Groups	6,302	5,076	1,226
		204,512		
	Mayor's Allowance	12,825	10,329	2,496
	Deputy Mayor's Allowance	3,590	2,891	699
		220,927		42,992

Those shown in italics are currently covered by "doubling up."

Reduce SRA and Mayor's allowance by 10 % and Basic Allowance by 3.3% (£7.50 per week.)

		Current SRAs £	New SRA £	Loss £
1	Leader of the Council	31,512	28,361	3,151
2	Deputy Leader of the Council	22,058	19,852	2,206
	Chairs of Policy Committees			
	<i>Policy, Resources & Growth</i>			
3	Children, Young People & Skills	11,029	9,926	1,103
	<i>Environment, Transport & Sustainability</i>			
4	Housing & New Homes	11,029	9,926	1,103
5	Neighbourhoods, Inclusion, Communities & Equalities	11,029	9,926	1,103
6	Tourism, Development & Culture	11,029	9,926	1,103
7	Health & Wellbeing Board	11,029	9,926	1,103
	Chairs of Regulatory Committees			
8	Planning	11,975	10,778	1,198
9	Licensing (dual role)	11,975	10,778	1,198
10	Audit & Standards	6,302	5,672	630
11	Health Overview & Scrutiny	6,302	5,672	630
	Lead Member Roles:			
12	Adult Social Care	9,454	8,509	945
13	Mental Health	2,206	1985	221
	<i>Finance & Resources</i>			
	<i>Private Rented Sector</i>			
	<i>Rough Sleepers</i>			
	<i>Schools</i>			
	Deputy Chairs			
14	Policy, Resources & Growth	9,454	8,509	945
	<i>Children, Young People & Skills</i>			
15	Environment, Transport & Sustainability	2,206	1985	221
16	Housing & New Homes	2,206	1985	221
17	Neighbourhoods, Inclusion, Communities & Equalities	2,206	1985	221
	<i>Tourism Development & Culture</i>			
18	Planning	3,939	3,545	394
19	Licensing (dual role)	3,939	3,545	394
	Opposition Leadership			
20	Leader of the Official Opposition	11,029	9,926	1,103
21	Deputy Leader of the Official Opposition	6,302	5,672	630
	Deputy Leader of the Official Opposition			
22	Convenor/Leader of Minority Groups	6,302	5,672	630
		204,512		
	Mayor's Allowance	12,825	11,543	1,283
	Deputy Mayor's Allowance	3,590	3,231	359
		220,927		
	Basic allowances x 54 (11,880x54=641,520)	641,520	11,488	392
		862,447		43,263

Those shown in italics are currently covered by "doubling up."