

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE
COUNCIL

Date: 14 February 2013
27 February 2013

Decision Type: Non-Urgent Non-Executive Non-Key

Title: MEMBERS' ALLOWANCES SCHEME 2013/14

Contact Officer: Graham Walton, Democratic Services Manager
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Chief Officer: Mark Bowen, Director of Resources

Ward: N/A

1. Reason for report

1.1 The regulations governing Members' allowances require that, before the beginning of each financial year, the Council shall make a scheme of allowances for that year and this report details the proposed allowances for 2013/14, recommending that the current allowances remain frozen. The report also provides an update on the Government's announcement that it intends to withdraw the right of Councils to allow Councillors to participate in the Local Government Pension Scheme.

2. **RECOMMENDATION(S)**

(1) **General Purposes and Licensing Committee are recommended to agree that the Members' Allowances Scheme 2013/14 be submitted to Council for approval; this would include the recommendations to -**

- (i) **freeze the current allowances in the light of the current economic circumstances;**
- (ii) **amend the scheme to replace the reference in paragraph 16 to the PE Inbucon scheme with reference to the Council's arrangements for localised pay;**
- (iii) **agree the Mayoral and Deputy Mayoral allowance at the same rate as last year.**

(2) **Members are requested to note the Government's proposal, subject to statutory consultation, to withdraw the right of Councils to allow their Councillors to contribute to the Local Government Pension Scheme from April 2014.**

Corporate Policy

1. Policy Status: Existing Policy: The proposed scheme for 2013/14 is based on the existing scheme for 2012/13.
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: Estimated Cost:
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Democratic Representation – Members' Allowances
 4. Total current budget for this head: £1,112,380 (2012/13)
 5. Source of funding: 2013/14 Revenue budget
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement: Sections 18 and 19 of the Local Government and Housing Act 1989, Section 100, Local Government Act 2000, The Local Authorities (Members' Allowances) (England) Regulations 2003
 2. Call-in: Not Applicable: Making and varying the Members' Allowances Scheme is reserved to full Council and is not an executive decision.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All 60 members of the Council
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 Every local authority is expected to have a basic, flat rate allowance which is payable to all Members. The basic allowance recognises the time commitment of Councillors, including meetings with Council managers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of Councillors' homes. It must be the same for each Councillor and may be paid either as a lump sum or in instalments through the year. Bromley has always paid allowances by monthly instalment.
- 3.2 The regulations governing Members' allowances require that, before the beginning of each financial year, the Council shall make a scheme of allowances for that year. The regulations also provide that before the Council makes or amends a scheme it shall have regard to the recommendations made in relation to it by an independent remuneration panel report. This requirement does not apply if the only change is the application of an annual indexation increase. Paragraph 16 of the existing 2012/13 scheme provides for annual indexation of allowances every year by the same percentage increase as the market movement change for officers under the PE Inbucon scheme. It is proposed that this is replaced by a reference to the Council's new arrangements for locally-determined pay.
- 3.3 Following a detailed review in 2008 Members' allowances were scrutinised by a specially formed Member working party which reported through to the Council. As a result certain allowances were upgraded to reflect current Member duties and remuneration adjustments were recommended and agreed having regard to the previous independent review, the work of the working party and comparative allowances paid by other London Authorities. No further changes were recommended after the review published in 2010 by the Independent Panel chaired by Sir Rodney Brooke covering all London boroughs. Although Bromley's basic allowance is slightly above the level suggested by the Panel in 2010 (which was £10,597pa), Bromley's special responsibility allowances are substantially below the recommended levels.
- 3.4 **Appendix 1** shows the scheme and the proposed allowances for 2013/14 in schedule 1 which will remain the same as last year, if frozen, depending on the Members' decision.
- 3.5 The Mayoral and Deputy Mayoral allowance can also be approved by Council and this is included in the budget for 2013/14. The allowance is recommended to stay at the same level for 2013/14, at £15,697 and £2,093 respectively, making a total of £17,790.
- 3.6 On 19th December 2012, in a written statement, Brandon Lewis MP, Parliamentary Under Secretary of State for Communities and Local Government, announced the Government's intention to withdraw the right of Councillors to participate in the Local Government Pension Scheme as of April 2014. It is proposed that those Councillors already in the scheme would have their accrued rights up to April 2014 fully protected, but would not be able to accrue any further benefits after that date in the existing scheme. The statement also declares that there is no justification for putting up Member's Allowances to compensate for the loss of this pension provision. These proposals are subject to statutory consultation which will commence in due course as part of the planned consultation on the wider reform of the Local Government Pension Scheme. Should they be implemented 34 Bromley Councillors who currently make contributions to the Scheme will be affected.

4 FINANCIAL IMPLICATIONS

- 4.1 Provision has been made for the outlined allowances in the revenue budget to be approved by Council of £1,112,380 and £17,790.

5 LEGAL IMPLICATIONS

- 5.1 The statutory provisions relating to Members' allowances are contained in The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 2003/1021).

Non-Applicable Sections:	Policy/Personnel
Background Documents: (Access via Contact Officer)	Report from the Independent Panel on Remuneration of Councillors in London (2010) - http://www.londoncouncils.gov.uk/londonfacts/londonlocalgovernment/remunerationofboroughcouncillors.htm Ministerial Statement on abolition of taxpayer funded pensions for Councillors - https://www.gov.uk/government/speeches/local-government-pension-scheme

London Borough of Bromley

Members Allowances Scheme

From 1st April 2013, in exercise of the powers conferred by the Local Authorities (Members Allowances) (England) Regulations 2003 (2003 No. 1021) [as amended by SI 2003 No. 1692], the London Borough of Bromley will operate the following Members Allowances Scheme.

1. This Scheme is known as the London Borough of Bromley Members Allowances Scheme and will operate from 1st April 2013 until amended.
2. In this Scheme:
 - “Councillor” means a member of the London Borough of Bromley who is an elected Member;
 - “Member” for the purposes of this Scheme shall mean elected Councillors;
 - “year” means the 12 months ending 31st March.
3. The Council in agreeing this Scheme has considered the recommendations of the Independent Panel commissioned by the Association of London Government on the remuneration of Councillors in London entitled “The Remuneration of Councillors in London 2010 Review” report published February 2010.

Basic Allowance

4. A basic annual allowance of £10,872.02 shall be paid to each Councillor.

Special Responsibility Allowances

5. (1) An annual Special Responsibility Allowance will be paid to those Members who hold special responsibilities. The special responsibilities are specified in Schedule 1 (attached).
- (2) During periods after an election when any position of special responsibility is unfilled, the relevant Special Responsibility Allowance shall be payable to the new holder of the position from the day after the previous holder ceases to be responsible.
- (3) The amount of each Special Responsibility Allowance is specified against that special responsibility in Schedule 1. The conditions set out in paragraphs 5(2), 5(4) and 14 apply.
- (4) Where a Member holds more than one position of special responsibility then only one Special Responsibility Allowance will be paid. Subject to sub-paragraph (5), Members may be paid quasi-judicial allowances in addition to a Special Responsibility Allowance.
- (5) All Members of the Plans Sub-Committees, Adoption Panel and Licensing Sub-Committee will be paid a quasi-judicial allowance at an annual rate £669.99 per annum.

Where a Member has membership of only one Plans Sub-Committee, the allowance will be set at half that amount, £335.

Childcare and Dependent Carers Allowance

6. The Council has agreed that no allowance will be paid for childcare or dependent carers.

Co-optees Allowance

7. The Council has agreed that no allowance will be paid for co-optees.

Pensions

8. All Councillors under the age of 75 are entitled to apply for membership of the Local Government Pension Scheme. Both Basic Allowance and Special Responsibility Allowance, including quasi-judicial allowances, will be treated as amounts in respect of which pensions are payable.

Travel and Subsistence Allowance

9. The Basic Allowance covers all intra-Borough travel costs and subsistence. All other necessarily incurred travel and subsistence expenses for approved duties as set out in the Regulations (Regulation 8(a) to (h)) will be reimbursed under the same rules and entitlement as applies to staff. Travel by bicycle will also be paid at the same rates as applies to staff. Claims for reimbursement are to be made within one month of when the costs were incurred.

Ability to Decline an Allowance

10. A Member may, by writing to the Director of Resources, decide not to accept any part of his entitlement to an allowance under this Scheme.

Withholding of Allowances

11. The Standards Committee may withhold all or part of any allowances due to a Member who has been suspended or partially suspended from his/her responsibilities or duties as a Member of the Authority. Any travelling or subsistence allowance payable to him/her for responsibilities or duties from which they are suspended or partially suspended may also be withheld.
12. Where the payment of an allowance has already been made in respect of a period in which a Member has been suspended or partially suspended, the Council may require the allowance that relates to that period of suspension to be repaid.

Members of more than one Authority

13. Where a Member is also a member of another authority, that Member may not receive allowances from more than one authority for the same duties.

Part-year Entitlements

14. If during the course of a year:
 - (a) there are any changes in the Basic and/or Special Responsibility Allowances,
 - (b) a new Member is elected,
 - (c) any Member ceases to be a Member,

- (d) any Member accepts or relinquishes a post in respect of which a Special Responsibility Allowance is payable, or
- (e) the Standards Committee resolves to withhold any allowances during the suspension of a Member,

the allowance payable in respect of the relevant periods shall be adjusted pro rata to the number of days.

Payments

- 15. Payments shall so far as is reasonably practicable normally be made for Basic and Special Responsibility Allowances in instalments of one-twelfth of the amount specified in this Scheme.

Inflation Increase

- 16. The allowances set out in this Scheme may be increased annually by the same percentage increase as the market movement change for officers under the Council's scheme, such increase to take effect from the start of the Municipal Year. This inflation index will apply until further notice unless the Scheme is revised after consideration of any new Independent Panel report. Where the only change to the Scheme in any year is that effected by such an annual adjustment in accordance with this index, the new uprated allowance rates will apply without further consideration by an Independent Panel.

Notification Fee to Information Commissioner

- 17. The Council shall reimburse, or pay on their behalf, the annual fee payable by all Councillors to the Information Commissioner.

Schedule 1

Allowances for the year ending 31st March 2014

	£
Basic Allowance	10,872.02
Posts of Special Responsibility Allowance	
Leader of the Council	30,600.00
Portfolio Holders (x6)	20,400.00
Executive Members without Portfolio	3,573.22
Executive Assistants (x5)	3,573.22
Chairman of Portfolio PDS Committees (x6)	7,140.00
Chairman of Development Control Committee	9,179.61
Vice-Chairman of Development Control Committee	1,971.47
Chairman of Plans Sub-Committees (x4)	2,772.35
Chairman of General Purposes and Licensing Committee	9,179.61
Vice-Chairman of General Purposes and Licensing Committee	1,971.47
Chairman of Audit Sub-Committee	1,971.47
Chairman of Pensions Investment Sub-Committee	1,971.47
Leader of Main Opposition Party	7,577.78
Leader of Minority Opposition Party	3,673.53
Quasi-Judicial Allowances	
Members of two Plans Sub-Committees	669.99
Members of one Plans Sub-Committee	335.00
Members of Adoption Panel	669.99
Members of Fostering Panel	669.99
Members of Licensing Sub-Committee	669.99