

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE

Date: Wednesday 26 September 2018

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

Title: REVIEW OF MEMBERS ALLOWANCES SCHEME

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Corporate Services

Ward: N/A

1. Reason for report

- 1.1 The regulations governing Members' Allowances require that full Council approves a Members' Allowances Scheme each year before 1st April for the following financial year. In Bromley, the Scheme is recommended to the full Council's annual budget meeting by this Committee following consideration at its meeting in January or February. At its meeting on 29th May 2018 this Committee asked for an early report on the Members' Allowances Scheme to allow more scope for discussion and research. This report sets out the current scheme and examines some of the issues that Councillors may wish to review prior to recommending the 2019/20 scheme.
-

2. **RECOMMENDATION**

The Committee is requested to consider the current Members' Allowances Scheme and recommend changes that should be reviewed and included as potential proposals for the Scheme in 2019/20.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Excellent Council:
-

Financial

1. Cost of proposal: Estimated Cost: £Up to £1.045m for Member Allowances and up to £23.6k for Mayoral Allowances
 2. Ongoing costs: Recurring Cost: £1.069m
 3. Budget head/performance centre: Democratic Representation/Mayor & Civic Hospitality
 4. Total current budget for this head: £1.069m
 5. Source of funding: Existing Revenue Budget for 2018/19
-

Personnel

1. Number of staff (current and additional): Not applicable
 2. If from existing staff resources, number of staff hours: Not applicable
-

Legal

1. Legal Requirement: Statutory Requirement: The Local Authorities (Members' Allowances)(England) Regulations 2003 (SI 2003/1021)
 2. Call-in: Not Applicable: This report does not involve an executive decision.
-

Procurement

1. Summary of Procurement Implications: Not applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All sixty Councillors receive at least the basic allowance.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not applicable

3. COMMENTARY

- 3.1 Every local authority is required to have a basic, flat rate allowance payable to all Members. This 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 and general expenses such as the use of Councillors' homes and equipment. Bromley has always paid allowances by monthly instalment, but the allowance can be paid as a lump sum. In addition, allowances can be paid to reflect particular posts (Special Responsibility Allowances) or membership of particular committees that meet frequently to determine applications (referred to as Quasi-Judicial Allowances).
- 3.2 The regulations provide that before the Council makes or amends a scheme it shall have regard to the recommendations made by an independent remuneration panel report, although this requirement does not apply if the only change is the application of an annual indexation increase. London Councils set up an Independent Panel chaired by Sir Rodney Brooke CBE DL which meets every four years and has just reported in January 2018, and this should be taken into account in determining the level of allowances each year. The Panel recommends an amount for the basic allowance for Councillors in London, and suggests amounts in five bands for positions of additional responsibility. A summary of the Panel's recommendations is set out in **Appendix 1**, alongside representative figures for the six London authorities which share boundaries with Bromley. This shows a considerable variety of allowances across South East London
- 3.3 **Appendix 2** shows Bromley's current scheme, with the allowances for 2018/19 at the end in schedule 1. The Mayoral and Deputy Mayoral allowance is not part of the Member's Allowances scheme, but is usually considered alongside it; the Mayoral Allowance is currently £15,698 and the Deputy Mayoral Allowance is £3,575.
- 3.4 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 Member duties at the time. The scheme has remained largely unchanged since then, with allowances frozen since 2009, until in 2016 a Member Working Group suggested some minor changes within the existing budget which were implemented for the 2016/17 Scheme, including rounding the allowances up or down as appropriate to the nearest £5. The 2018/19 Scheme is largely unchanged from previous years, with all allowances frozen for a further year. The main elements of the Scheme are considered in the following paragraphs.

The Basic Allowance

- 3.5 Bromley's basic allowance has remained at £10,870 pa since 2009 (other than a small rounding down from £10,872.) This is the fifth highest in London, reflecting the high value put on the ward councillor role, but is still below the level recommended by the London Councils Independent Panel - £11,045. Across London, the highest Basic Allowance is LB Croydon at £11,239, the average is about £10,060 and the lowest is RB Kingston upon Thames at £7,849.

Special Responsibility Allowances

- 3.6 Bromley's special responsibility allowances are generally lower than in most other boroughs and considerably lower than the recommendations of the London Councils Independent Panel.
- 3.7 Members may wish to consider whether the differentials between these allowances are appropriate, and whether the allowances could be simplified (for example by unifying the allowances currently at £3,575 and £3,570.) The allowance for Executive Members without Portfolio has not been used for several years, but remains in the scheme and potentially available should the Leader decide to make any such appointments.

3.8 There are a number of roles that are not included in the Scheme, but which Members may want to consider. These include the Chairmen of PDS Sub-Committees and some GP&L Sub-Committees, party whips and members of Appeals Sub-Committees (as a quasi-judicial appeal).

Quasi-judicial Allowances

3.9 Quasi-judicial allowances are intended to recognise the additional work on particular applications and cases carried out by Councillors serving on Plans Sub-Committees, Licensing Sub-Committees and Fostering and Adoption Panels. For 2018/19, a change was introduced for the quasi-judicial allowances for Licensing Sub-Committee and the new Fostering and Adoption Panel (which amalgamated the previous Fostering Panel and Adoption Panel.) As the number of Licensing hearings had reduced considerably in recent years it was decided to recognise this by replacing the flat rate allowance with a per-meeting allowance (£50 per meeting). A similar £200 per meeting allowance was introduced for the Fostering and Adoption Panel. It should be noted that Licensing Sub-Committees each comprise of three Members from this Committee, whereas there are three Members on the rota for Fostering and Adoption Panel meetings, but usually only one of them will attend each meeting. The allowances for Plans Sub-Committees were unchanged at £335 for membership one Sub-Committee, and £670 for membership of two. Assuming each Sub-Committee meets six times a year, this is about £56 per meeting.

3.10 These new per-meeting allowances have now been in place for five months (April to August 2018.) During this time, there have been four Licensing hearings, resulting in the payment of twelve £50 allowances - a total of £600. There have been eleven Fostering and Adoption Panel allowances paid, a total of £2,200. The following tables show the effect of the new allowances so far and projected to the end of 2018/19 - it is likely that there will be a very small increase in spending on Fostering and Adoption Panel meetings, but a saving on Licensing Sub-Committee meetings. If the projections are correct there would be an overall saving of £3,275.

Fostering and Adoption Panel

2017/18	2017/18	2018/19	2018/19	2018/19	2018/19	2018/19
Number of meetings	Fixed £670 Allowances Paid (5)	No. of meetings - first 5 months	Allowances Paid - first 5 months	Anticipated number of meetings for 12 months	Anticipated allowances for 12 months	Anticipated costs/savings over 12 months
17	£3,350	8	£2,200	18	£3,600	-£250

(An annual limit of £3,575 per member (representing up to 18 attendances) was set for Fostering and Adoption Panel.

Licensing Sub-Committee

2017/18	2017/18	2018/19	2018/19	2018/19	2018/19	2018/19
Number of meetings	Fixed £335 Allowances Paid (15)	No. of meetings - first 5 months	Allowances Paid - first 5 months	Anticipated number of meetings for 12 months	Anticipated allowances for 12 months	Anticipated costs/savings over 12 months
11	£5,025	4	£600	10	£1,500	£3,525

4. FINANCIAL IMPLICATIONS

- 4.1 The revenue budget for 2018/19 includes £1.045m for the Members' Allowances Scheme and £23.6k for Mayoral Service allowances.
- 4.2 For information, during 2017/18, £997k was spent on Member allowances including training, with £22k being spent on Mayoral allowances.

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:	Impact on Vulnerable Adults and Children/Policy/Personnel/Procurement
Background Documents: (Access via Contact Officer)	Report to General Purposes and Licensing Committee 6 th February 2018 and Council on 26 th February 2018. Remuneration of Councillors in London Boroughs 2018 - London Councils