



Council

Report title: Members' Allowances

Date: 18 January 2023

Key decision: No.

Class: Part 1

Ward(s) affected: N/A

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Monitoring Officer

Outline and recommendations

The purpose of this report is to make proposals in relation to members' allowances based on the recommendations of London Councils' remuneration panel and the specific recommendations of Sir Rodney Brooke as to its fit with the local circumstances in Lewisham.

Recommendations

Having regard to the advice of the London Councils remuneration panel and the advice of Sir Rodney Brooke, and to the guidance issued under the Local Government Act 2000 and further to discussions with the Mayor, it is recommended that Council:

1. Notes the findings of the Independent Remuneration Panel and agrees with the principles of the Panel's report;
2. Notes that Lewisham councillors' allowances are well below recommended levels;
3. Implements the recommended basic allowance of **£12,014** with effect from May 2022;
4. Agrees that all Special Responsibility Allowances (SRAs) for councillors are increased by £1,021 thereby ensuring that no councillor receives an increase in the total allowances received that is greater than the 2022/23 staff pay award of £2,355 and that such increase is to take effect from May 2022;
5. Agrees to consider the matter of SRAs again at the 2023 AGM of the Council against the Council structure in place at that time;
6. Instructs the Monitoring Officer to take any steps necessary to implement this decision.

1. Summary

- 1.1. The purpose of this report is to make proposals in relation to members' allowances based on the recommendations of London Councils' remuneration panel and the specific recommendations of Sir Rodney Brooke as to its fit with the local circumstances in Lewisham.

2. Recommendations

- 2.1. Having regard to the advice of the London Councils remuneration panel and the advice of Sir Rodney Brooke, and to the guidance issued under the Local Government Act 2000 and further to discussions with the Mayor, it is recommended that Council:
- a) Notes the findings of the Independent Remuneration Panel and agrees with the principles of the Panel's report;
 - b) Notes that Lewisham councillors' allowances are well below recommended levels;
 - c) Implements the recommended basic allowance of £12,014 with effect from May 2022;
 - d) Agrees that all Special Responsibility Allowances (SRAs) for councillors are increased by £1,021 (thereby ensuring that no councillor receives an increase in the total allowances received that is greater than the 2022/23 staff pay award of £2,355 and that such increase is to take effect from May 2022;
 - e) Agrees to consider the matter of SRAs again at the 2023 AGM of the Council against the Council structure in place at that time;
 - f) Instructs the Monitoring Officer to take any steps necessary to implement this decision.

3. Context

- 3.1. Under Section 18 Local Government and Housing Act 1989, the Secretary of State may make regulations authorising or requiring Councils to make a scheme providing for the payment of allowances to members. The relevant regulations are the Local Authorities (Members' Allowances) (England) Regulations 2003 as amended. The Council must publish its Scheme of Members' Allowances, dealing with basic allowances and special responsibility allowances and payments to members of the Council may only be made in accordance with this scheme.

4. Background

- 4.1. In 2010, 2014 and 2018 the Council agreed to have regard to the recommendations of the independent remuneration panel established by London Councils in deciding on the level of members' remuneration in Lewisham for the new administration elected in those years. On both occasions, it was also agreed that the Council engage the services of Sir Rodney Brooke, the Chair of the London Councils remuneration panel to advise about the extent to which the recommendations in the London wide report would be appropriate in the local Lewisham circumstances.
- 4.2. In 2018, the Council resolved as follows: -
- a) *The Basic Allowance for Councillors should be increased by the headline National Joint Council (NJC) 2018 local government pay settlement of 2% with effect from the beginning of the 2018-19 municipal year;*
 - b) *The freeze on members' basic allowances should be ended and these allowances increased during the next four municipal years by the headline figure in the NJC local government pay settlements;*
 - c) *Where Cabinet portfolios are shared between members, both should receive half the remuneration of a Cabinet member;*
 - d) *The Scheme should continue to make provision for payment of a dependants' carer's allowance and that in special circumstances (eg for care of a severely disabled person) the Council should reimburse a higher cost where this can be justified;*
 - e) *The Mayor and councillors should be entitled to claim for travel outside the borough and subsistence allowances outside Greater London at the same rates as those prescribed for staff of the authority; and 4*
 - f) *The date of implementation of recommendations should be the commencement of the 2018-2019 municipal year.*

- 4.3. There had also been no increase in those members' allowances since 2014, and no inflation increase since 2010.
- 4.4. Prior to the election in May 2014, regulations provided the potential for all members to be eligible to join the Local Government Pension Scheme and many members of the Council opted to do so. However, further regulations abolished the right to join the LGPS with effect from the May 2014 elections.
- 4.5. In considering the question of members' allowances, the Council is under a statutory duty to have regard to the advice of the Independent Remuneration Panel. A copy of the Report of the Independent Remuneration Panel of London Councils now appears at Appendix 1.

5. The findings of the Independent Remuneration Panel

- 5.1. The recommendations from the IRP may be summarised as follows:-

Basic allowance £12,014

Special responsibilities – beyond the basic allowance

The case for special allowances

The reasons for payment of additional special responsibility allowances should be clearly set out in local allowances schemes. Special allowances should come into play only in positions where there are significant differences in the time requirements and levels of responsibility from those generally expected of a councillor.

Calculation of special allowances

The proposed amounts for each band are a percentage of the figure suggested for a council leader depending upon levels of responsibility of the roles undertaken and are explained below. We believe that the SRA, which the previous panel recommended for the leader of a London council (updated), continues to be appropriate.

Categories of special allowances

The regulations specify the following categories of responsibility for which special responsibility allowances may be paid:

- Members of the executive where the authority is operating executive arrangements
- Acting as leader or deputy leader of a political group within the authority
- Presiding at meetings of a committee or sub-committee of the authority, or a joint committee of the authority and one or more other authorities, or a sub-committee of such a joint committee
- Representing the authority at meetings of, or arranged by, any other body
- Membership of a committee or sub-committee of the authority which meets with exceptional frequency or for exceptionally long periods
- Acting as spokesperson of a political group on a committee or sub-committee of the authority
- Membership of an adoption panel
- Membership of a licensing or regulatory committee
- Such other activities in relation to the discharge of the authority's functions as require of the member an amount of time and effort equal to or greater than would be required of him by any one of the activities mentioned above, whether or not that activity is specified in the scheme.

Local discretion

It is for the councils locally to decide how to allocate their councillors between the different bands, having regard to our recommendations and how to set the specific

remuneration within the band. They must have regard to our recommendations. We believe these should have the merits of being easy to apply, easy to adapt, easy to explain and understand, and easy to administer.

BAND ONE

The posts we envisage falling within band one, include:

- Vice chair of a service, regulatory or scrutiny committee
- Chair of sub-committee
- Leader of second or smaller opposition group
- Service spokesperson for first opposition group
- Group secretary (or equivalent) of majority group
- First opposition group whip (in respect of council business)
- Vice chair of council business
- Chairs, vice chairs, area committees and forums or community leaders
- Cabinet assistant
- Leadership of a strategic major topic
- Acting as a member of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods
- Acting as a member of an adoption panel where membership requires attendance with exceptional frequency or for exceptionally long periods
- Leadership of a specific major project.

Remuneration

We propose that band one special responsibility allowances should be on a sliding scale of between 20 – 30 per cent of the remuneration package for a council leader. This would be made up as follows:

Basic allowance: £12,014

Band One allowance: £2,807 to £10,218

Total: £14,821 to £22,232

BAND TWO

The types of office we contemplate being within band two are:

- Lead member in scrutiny arrangements, such as chair of a scrutiny panel
- Representative on key outside body
- Chair of major regulatory committee e.g. planning
- Chair of council business (civic mayor)
- Leader of principal opposition group
- Majority party chief whip (in respect of council business).

Remuneration

We propose that band two allowances should be on a sliding scale between 40 – 60 per cent, pro rata of the remuneration package for a council leader. This is made up as follows:

Basic allowance £12,014

Band two allowances: £17,628 to £32,450

Total: £29,642 to £44,464

BAND THREE

We see this band as appropriate to the following posts:

- Cabinet member
- Chair of the Health and Wellbeing Board
- Chair of the main overview or scrutiny committee
- Deputy leader of the council

Remuneration:

We propose that band three allowances should be between 70 – 80 per cent pro rata of the remuneration package for a council leader. This is made up as follows:

Basic allowance: £12,014
Band three allowance: £39,860 to £47,271
Total: £51,874, to £59,285

BAND FOUR - Leader of cabinet

This is a full-time job, involving a high level of responsibility and includes the exercise of executive responsibilities. It is right that it should be remunerated on a basis which compares with similar positions in the public sector, while still retaining a reflection of the voluntary character of public service.

Remuneration:

We propose that the remuneration package for a council leader under band four of our scheme should be £74,106. This is made up as follows:

Basic allowance: £12,014
Band four allowance: £62,092.
Total: £74,106

BAND FIVE - Directly elected mayor

A directly elected mayor has a full-time job with a high level of responsibility and exercises executive responsibilities over a fixed electoral cycle. It is right that it should be remunerated on a basis which compares with similar positions in the public sector, while still retaining a reflection of the voluntary character of public service. However, we believe this post remains different to that of the strong leader with cabinet model. The directly elected mayor is directly elected by the electorate as a whole. The strong leader holds office at the pleasure of the council and can be removed by the council. We believe that the distinction is paramount and this should be reflected in the salary level.

Remuneration:

We propose that a directly elected mayor should receive a remuneration package of 25 per cent higher than that recommended for a council leader and that it should be **a salary set at £92,633.**

6. Conclusion

- 6.1. As stated in the IRP's Report, the Council must have regard to the IRP's recommendations but can take into account relevant local circumstances. **It is clear that the current SRAs in some circumstances fall well below the band levels recommended by the IRP.**
- 6.2. The recommendations in this report take into account a steer from the administration, a recognition that allowances are currently too low and that a further review should take place at or following the AGM in 2023 against the structure in place at that time.
- 6.3. The recommendations are calculated as follows: -
 - The current 2021/22 SRAs payable are the baseline;
 - The recommended increase in all councillor SRAs is £1,021. This will ensure that no councillor receives an increase in the total of allowances received which is greater than the 2022/23 staff pay award of £2,355.
- 6.4. A table showing the current SRAs payable and the proposed revised SRAs (if the recommendations in this report are approved) is attached as Appendix 2. Also shown, where direct comparisons are possible, are the recommended SRAs contained in the IRP Report – clearly demonstrating how far below recommended levels many of the

Council's SRAs currently are.

7. Financial implications

- 7.1. The proposed increases in Members Allowances for the year as set out in the recommendations of this report will cost £99k more than the current arrangements.
- 7.2. This will be a pressure on the 2022/23 Members Allowances budget of £1.1m held in the Chief Executive's Directorate. In addition to allowances, the budget includes spend on training, travel and technology for Members. The cost of these proposals will be met from corporate provisions in the first instance. For 2023/24 and future years this increase will be recognised when setting the Budget in March and need to be funded from the corporate growth and pressures monies anticipated in the Medium Term Financial Strategy.

8. Legal implications

- 8.1. All relevant legal matters are addressed in the body of the report.

9. Equalities implications

- 9.1. There are no specific equalities implications arising out of this report.

10. Climate change and environmental implications

- 10.1. There are no specific climate change and environmental implications arising from this report.

11. Crime and Disorder implications

- 11.1. There are no specific crime and disorder implications arising from this report.

12. Health and wellbeing implications

- 12.1. There are no specific health and wellbeing implications arising from this report.

13. Report author(s) and contact

- 13.1. For further information about this report please contact:

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Appendix 1
Report of the Independent Remuneration Panel

Appendix 2

Proposed Members' Allowances

Review of Members Allowances					
London Borough of Lewisham Member Allowances proposals Jan 2023					
	Current	Likely Band if the IRP Report recommendations implemented	Basic Allowance increase (£10,680 to £12,014)	Capped SRA increase so no councillor receives a total increase in excess of £2355 (staff pay award)	New SRA level w.e.f. 1st April 2022
	£				
Mayor (*includes basic allowance)	78,404	92633	N/A	80,759	80,759
Special Responsibility Allowances					
Deputy Mayor	40,600	39860 to 47271	1,334	1,021	41,621
Executive Member	15,298	39860 to 47271	1,334	1,021	16,319
Council Speaker	6,130	17628 to 32450	1,334	1,021	7,151
Chair of Overview & Scrutiny	12,260	39860 to 47271	1,334	1,021	13,281
Scrutiny Committee Chair	6,130	17628 to 32450	1,334	1,021	7,151
Planning Committee Chair	6,130	17628 to 32450	1,334	1,021	7,151
Strategic Planning Committee Chair	9,195	17628 to 32450	1,334	1,021	10,216
Licensing Committee Chair	6,130	17628 to 32450	1,334	1,021	7,151
Political Group Leader >15	5,275	17628 to 32450	1,334	1,021	6,296
Political Group Leader >3<15	3,165	2807 to 10218	1,334	1,021	4,186
Majority Group Whip	5,275	17628 to 32450	1,334	1,021	6,296
Standards Committee Chair	1,000	2807 to 10218	1,334	1,021	2,021
Co-optee Allowance	600	N/A - TBC		N/A	