



Council

Report title: Members' Allowances

Date: 27 March 2024

Key decision: No.

Class: Part 1

Ward(s) affected: N/A

Contributors: Jeremy Chambers
Director of Law & Corporate Governance
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' Independent Remuneration Panel (the "IRP") in its report, The Remuneration of Councillors in London (the "Report").

Recommendations

Having regard to the advice of the London Councils remuneration panel and to the guidance issued under the Local Government Act 2000 and further to directions from 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. Agrees that the basic allowance is increased by 3.88% to £12,480 with effect from 1st April 2023;
4. Agrees that all existing Special Responsibility Allowances (SRAs) are increased by 3.88% with effect from April 2023;
5. Agrees to the creation of 4 Cabinet Advisor posts as detailed in Section 5 of this report and that the SRA for this role be set at £7,428.
6. Agrees to the creation of tiered SRAs for Cabinet Members as set out in Section 6 of this report with the Cabinet Member for Finance, Resources and Performance and the Cabinet Member for Better Homes, Neighbourhoods and Homelessness being paid a Special Responsibility Allowance of 43,236;
7. Instructs the Monitoring Officer to undertake a review of the basic allowance and SRAs against comparable London mayoral councils as soon as possible after those councils have considered the IRP Report.
8. 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' IRP.

2. Recommendations

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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. On 18th January 2023, the Council resolved as follows: -
 1. Note the findings of the Independent Remuneration Panel and agree with the principles of the Panel's report;
 2. Note that Lewisham councillors' allowances are well below recommended levels;
 3. Implement the recommended basic allowance of £12,014 with effect from May 2022;
 4. Agree 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. Agree to consider the matter of SRAs again at the 2023 AGM of the Council against the Council structure in place at that time;

6. Instruct the Monitoring Officer to take any steps necessary to implement this decision.

4.2. On 29th March 2023, the Council resolved as follows: -

The Chair of the Audit & Risk Management Committee be paid Special Responsibility Allowance of £7151 in recognition of the remit of the committee and a Special Responsibility Allowance of £7151 be paid to the Chair of Pensions Investments Committee.

4.3. 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 is included at Appendix 1.

5. Cabinet Advisors

5.1. The Mayor has given a steer that the Council ought to create 4 Cabinet Advisors. The law does not allow for members of the Cabinet to sit on an overview and scrutiny committee or any of its subcommittees. With regard to those members that hold less formal executive positions, e.g. Cabinet Advisors, the Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities, is clear that such members are able to sit on overview and scrutiny committees provided that they do not sit on scrutiny committees looking at portfolios to which their less formal executive positions relate.

5.2. Obviously, even adhering to the statutory guidance would not remove all risk of conflict arising from having Cabinet Advisors sitting on scrutiny committees and from time-to-time interest may arise that require declaration. This is not unusual, and it is something officers are used to advising on.

5.3. With regard to the creation of these roles and the level of SRA payable for them, it will require the Council's Member Allowances Scheme to be revised to include the new role and the appropriate SRA.

5.4. The term of office will run from one AGM to the next.

5.5. A draft role description is attached as Appendix 2, which provides the rationale for the creation of the role and the appropriate SRA.

5.6. The suggested SRA for the role is a comparable allowance to that of a chair of a Scrutiny Select Committee, i.e. £7,428.

6. Cabinet Members' SRAs

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 and I have been asked to specifically look at the SRA payable to Cabinet members.

6.2. Currently, there is a payment of £80,759 for the elected Mayor, £41,621 for the Deputy Mayor and £16,319 for all other members of the Cabinet. Applying the 3.88% uplift to these figures will increase them to £83,892, £43,236 and £16,952 respectively.

6.3. It will be recommended that the backdated element of this increase will be paid with effect from 1 April 2023.

6.4. With effect from the date of the AGM, the following is proposed by the Mayor. For the elected Mayor and the Deputy Mayor there will be no change to that outlined in the paragraph 6.2. The remaining eight members of the Cabinet will be placed in one of two tiers based on which two areas the Mayor wishes to prioritise and to focus upon. Set out below is an example of how this will work. It shows a Level 1 SRA at the top (the SRA for the Deputy Mayor) and a Level 2 at the bottom (which is the Cabinet member SRA).

Band

SRA

Level 1	43,236
Level 2	16,952

- 6.5. The Mayor is required to announce their Cabinet and the portfolios at every AGM of the Council. It is proposed at the same time that the Mayor also confirms which Cabinet members are sat at which level for the year ahead and seeks Council approval for this.

7. Further Review and Benchmarking

- 7.1. Should Council approve the recommendations contained in this report, the Monitoring Officer will undertake a review as quickly as possible of the Council's overall allowances scheme compared to other London mayoral authorities and a report will be brought to a meeting of Council as soon as possible after the comparator councils have determined their allowances.

8. Financial implications

- 8.1. The retrospective uplift to these allowances for 2023/24 will have a once off cost impact of £39k in 2024/25, which will be funded from corporate resources.
- 8.2. The ongoing financial impact of the changes for 2024/25 is growth of £122k. This will in part be funded by approved growth in the 2024/25 budget of £100k, meaning that in 2024/25 £22k will be funded from corporate resources with this pressure feeding into the Medium Term Financial Strategy (MTFS) pressures for building into the 2025/26 base budget.
- 8.3. In setting the MTFS it is likely that these pressures (and any others arising which need funding) will form part of the savings target for the Council for 2025/26.
- 8.4. The detail of these are set out in Appendix 3.

9. Legal implications

- 9.1. This report has been prepared by the Council's Monitoring Officer and all relevant legal matters are addressed in the body of the report.

10. Equalities implications

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

11. Climate change and environmental implications

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

12. Crime and Disorder implications

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

13. Health and wellbeing implications

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

14. Report author(s) and contact

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

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Appendix 1
Report of the Independent Remuneration Panel

Appendix 2

Cabinet Advisor – Role Description

Cabinet Advisors (CAs) will be appointed by the Mayor and assigned specific portfolio areas that they will drive forward on behalf of the Mayor and Cabinet. For matters within their portfolio CAs will be responsible for providing political oversight to ensure that: -

- Council Corporate priorities are being delivered;
- Council services are working well for our residents;
- The Council is identifying new and/or innovative ways of working to improve outcomes for residents;
- The Council is working well with our community to develop our polices and design and deliver our services;
- That the Council has strong relationships with key stakeholders and partners, including those in the Lewisham Strategic Partnership (LSP)
- The Cabinet Member who holds responsibility for matters within the CA's portfolio is fully briefed on the above, and that where appropriate the Mayor and Cabinet are also briefed.

In order to meet these responsibilities within their portfolio CA's may: -

- Hold regular briefings with departments;
- Have input into the drafting of Cabinet reports;
- Attend and present reports to Cabinet meetings as required;
- Attend and report to relevant meetings of Scrutiny where their portfolio is under discussion;
- Represent the Council at external meetings and meetings with residents.

Key parameters of CAs: -

- **CAs are not decision-makers.**
- Whilst a CA may be a member of a committee, scrutiny committee or scrutiny select-committee, they will not be permitted to scrutinise anything that falls within the area to which their CA role relates.

Appendix 3
Financial Information

Member Allowances (excl. co-optees)	Current 23/24			Revised 23/24			New 24/25	3.88%	for SRAs	
	Posts	Allowance	Cost	Allowance	Change	Backdated cost	Posts	Allowance	Cost	Change
	No	£	£	£	£	£	No	£	£	%
Basic Allowance	54	12,014	648,756	12,480	466	25,164	54	12,480	673,920	3.88%
SRAs										
Standards Chair	1	2,021	2,021	2,099	78	78	1	2,099	2,099	3.88%
Whip	1	6,296	6,296	6,540	244	244	1	6,540	6,540	3.88%
Group Chair	1	6,296	6,296	6,540	244	244	1	6,540	6,540	3.88%
Cttee Chair (incl. Scrutiny)	11	7,151	78,661	7,428	277	3,052	11	7,428	81,713	3.88%
Chair of O&SC	1	13,281	13,281	13,796	515	515	1	13,796	13,796	3.88%
Speaker	1	7,151	7,151	7,428	277	277	1	7,428	7,428	3.88%
Cabinet advisor	0		0	7,428	7,428	0	4	7,428	29,712	
Cabinet member - Level 2	8	16,319	130,552	16,952	633	5,065	6	16,952	101,713	3.88%
Cabinet member - Level 1	0		0	0	0	0	2	43,236	86,472	
Deputy Mayor	1	41,621	41,621	43,236	1,615	1,615	1	43,236	43,236	3.88%
Mayor	1	80,759	80,759	83,892	3,133	3,133	1	83,892	83,892	3.88%
Total	80		1,015,394				84		1,137,063	
				Once off backdated cost		£39,390	Permanent Growth		£121,669	
									12%	

Key

New roles

