

# Brighton & Hove City Council

## Council

## Agenda Item 13

**Subject:** Review of the Member Allowances Scheme 2024-2028

**Date of meeting:** 16 May 2024

**Report of:** Corporate Director of Corporate Services

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**Ward(s) affected:** All

**For general release**

### **1. Purpose of the report and policy context**

1.1 In order to pay allowances to councillors all local authorities must have an agreed Members' Allowances Scheme outlining the levels of allowances available to all councillors and the roles that attract an allowance. The Scheme, once approved, forms part of the Council's Constitution (Part 4H).

1.2 The current Members Allowances Scheme was approved by full Council in December 2018. In accordance with the council's recommendations, the Independent Remuneration Panel (IRP) has undertaken a review of the Scheme and the Panel's report is attached as Appendix 1.

### **2. Recommendations**

2.1 That Council is recommended to adopt a new Members Allowances Scheme for the payment of allowances with effect from the Annual Council Meeting on 16 May 2024 in accordance with the IRP recommendations as set out at Appendix 1;

2.2 That the Chief Executive is authorised to issue the Brighton & Hove Members' Allowances Scheme for 2024-28 in accordance with the IRP recommendations at Appendix 1 following Council approval;

2.3 That the Monitoring Officer is authorised to amend the Constitution to reflect the new Members Allowances Scheme accordingly;

2.4 That where there are any changes to any role listed as attracting a Special Responsibility Allowance under the Scheme, and the revised role is substantially the same as the previous role in terms of the nature or level of responsibility, the Special Responsibility Allowance shall continue to apply to the new role. This is subject to the Independent Remuneration Panel being consulted and agreeing that it is substantially the same role.

2.5 That full Council note that an early review of the new Scheme will be undertaken and a report brought back to full Council in the first quarter of 2025.

### **3. Context and background information**

- 3.1 In February 2024, the Independent Remuneration Panel (IRP) undertook their review of the current Members' Allowances Scheme. In addition to reviewing the existing Scheme, the Panel considered benchmarking data and conducted interviews with Group Leaders and met with current Policy Chairs.
- 3.2 The IRP's recommendations are set out in their report attached as Appendix 1. The proposals are recommended to take effect from 16 May 2024 to align with the adoption of a Leader and Cabinet system.

#### **Basic Allowance**

- 3.3 The IRP report sets out the Panel's recommendation for a clear formula to be adopted in calculating the Basic Allowance. The formula proposed is based on:
- an estimation of the average number of hours necessary per week to undertake the role of a councillor (with no special responsibilities);
  - a public service discount set in the mid range of those applied by councils in the South East region; and
  - a remuneration rate based on the average (median), full-time gross wage per hour for the Brighton and Hove Council area (£18.55 per hour).
- 3.4 The formula is set out in detail at pages 4-5 of the IRP report at Appendix 1. The report states that the formula proposed for the Basic Allowance is intended to ensure that the level of Basic Allowance does not constitute a barrier to candidates from all sections of the community standing, or re-standing, for election as councillors.

#### **Special Responsibility Allowances**

- 3.5 In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations"), Special Responsibility Allowances (SRAs) are identified for those roles where significant additional responsibilities are performed over and above the roles and expenses covered by the Basic Allowance.
- 3.6 Appendix 1 sets out at paragraph 4.2.3 those roles where SRAs have been identified as offices which bear significant additional responsibilities. SRAs are calculated based on a multiplier of the Basic Allowance and these are summarised at paragraph 4.2.8 of the report. The rationale for each proposed SRA is set out by the IRP in the report.

#### **Other allowances**

- 3.7 No changes are proposed to the Travelling and Subsistence Allowance arrangements.

- 3.8 The Child and Dependent Carers' Allowance has been reviewed and an increase proposed to the hourly rate for Child Care from £9.00 to £12.00 per hour (linked to the Real Living Wage). The IRP have further recommended that specialist care is reimbursed at actual cost and that the current £1,800 maximum annual cap is removed. The IRP have proposed that the travel and hand over time is increased to 60 minutes for each journey and that councillors be provided with up to three months to submit any claims relating to approved councillor duties (in place of the current two months timescale).
- 3.9 The IRP intended that the above proposals would ensure that potential candidates are not deterred from standing for election and that current councillors would be enabled to continue despite any change in their personal circumstances.

### **Parental Leave**

- 3.10 The IRP have also made recommendations that the Council considers adopting a Parental Leave Policy and this has been progressed through a separate report on the agenda for this meeting.

## **4. Analysis and consideration of alternative options**

- 4.1 The Panel has reviewed the Members' Allowances Scheme in line with the Local Authorities (Members' Allowances) (England) Regulations 2003).
- 4.2 In order to revise its Members' Allowances Scheme, the Council is required to have regard to the recommendations of the Independent Remuneration Panel.
- 4.3 The Panel took account of the latest regional and national earnings information in relation to any increase in allowances and made comparisons with the council's own salary inflation rate, public sector pay awards and comparable authorities.
- 4.4 The Panel also took on board the views of Group Leaders and best practice across other authorities.
- 4.5 The Council is required to consider the IRP's recommendations, but is not bound to adopt them and can, provided it acts reasonably, take decisions on allowances which are not in accord with such recommendations.

## **5. Community engagement and consultation**

- 5.1 The Panel met with all Group Leaders and Policy Chairs before putting forward its recommendations. The Panel has proposed an early review of the Scheme on the basis that the new governance arrangements are not yet in place and that the Panel is not able to survey all Members on the impact of the new arrangements until they have been in operation for a period of time. Therefore a full review once the new arrangements have been in place for 6 months is proposed. All members will have the opportunity to take part in this review.

## **6. Conclusion**

- 6.1 The Panel have recommended a new Members Allowances Scheme to be effective from the 2024 municipal year, which includes an increase to the Basic Allowance; a revised level of SRA's and changes to the child /dependent care allowances.

## **7. Financial implications**

- 7.1 The estimated cost of the revised Members Allowance Scheme is £1.051m; the current scheme cost is estimated at £0.949m and therefore this represents an increase of £0.102m, or 10.7%. Member allowances were frozen in 2022/23 and 2023/24. Over the same period average staff pay increased by 12.7%.
- 7.2 The increased cost of Members allowances will be reflected in Targeted Budget Management Reports during 2024/25 and included in budget setting for 2025/26.

Name of finance officer consulted: James Hengeveld Date consulted :07/05/24

## **8. Legal implications**

- 8.1 The proposals in this report and Appendix 1 comply with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2005 and associated guidance.

Name of lawyer consulted: Elizabeth Culbert Date consulted 060524

## **9. Equalities implications**

- 9.1 The proposed increase to the Basic Allowance provides an equal benefit to all councillors.
- 9.2 The recommendations explicitly seek to encourage a wider cross-section of the community to become councillors and reduce the financial disincentives from serving as councillors.

## **10. Sustainability implications**

- 10.1 There are no sustainability implications arising directly from the report.

## **Supporting Documentation**

### **1. Appendices**

1. Report of the Independent Remuneration Panel 2024