

# Brighton & Hove City Council

## Council

## Agenda Item 11

**Subject:** Review of the Member Allowances Scheme 2025

**Date of meeting:** 22 May 2025

**Report of:** Director of Governance & Law

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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 report details the recommendations of the Independent Remuneration Panel (IRP) following its early review of the Members Allowances Scheme 2024 – 2028 which was approved by full Council on 16 May 2024.

#### 2. Recommendations

- 2.1 That Council is recommended to adopt a new Members Allowances Scheme for the payment of allowances in 2025/26 with effect from the Annual Council Meeting on 22 May 2025 in accordance with the IRP recommendations as set out at Appendix 1;
- 2.2 That the Chief Executive is authorised to issue the updated 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.

#### 3. Context and background information

- 3.1 In February 2024, the Independent Remuneration Panel (IRP) undertook a full review of the Members' Allowances Scheme. The review and recommendations were presented to Full Council at its annual meeting and took effect from 16 May 2024, aligning with the adoption of a Leader and Cabinet system.
- 3.2 Since the new governance model had not yet been implemented at the time of the review, it was not possible to interview all postholders. The Council requested an additional interim review to enable the IRP to sense check its recommendations from the 2024 review and determine if any amendments were necessary after the new system had been in operation for a period of time.
- 3.3 The IRP were keen to hear from Members and to look at the impact of the Cabinet system on their roles. The Panel also wanted to gain a greater understanding of the roles that attributed a Special Responsibility Allowance.
- 3.4 The Panel determined from the evidence they received that there was a justification for the following:

#### **Basic Allowance**

- 3.5 The Scheme currently provides that all councillors are each entitled to a total basic allowance of £14,218 per annum, with effect from May 2024. No changes are proposed to the Basic Allowance payable to all Members of Brighton and Hove City Council per annum subject to any indexation that may apply.

#### **Special Responsibility Allowances**

- 3.6 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.
- 3.7 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.
- 3.8 The Panel felt that from the evidence received that there was a justification for an increase in the Special Responsibility Allowance payable to Cabinet Members to reflect the increased level of time commitment and also the complexity and overall impact of the role.
- 3.9 The Panel noted that during the 2024 review, the Cabinet Member allowance was set at the same percentage of the Leader's allowance as that of the former Committee Chairs. However, the Panel concluded during their review that the role of a Cabinet Member carries more responsibility than

that of a previous Committee Chair, as it includes significant delegated decision-making responsibilities across their portfolio.

- 3.10 The Panel has recommended that the Special Responsibility Allowance for a Cabinet Member should be increased from 35% to 40% of the Leader's Allowance to better reflect the additional responsibilities, resulting in an allowance of £14,787. The Panel noted that the current 35% is relatively low compared to other comparable Councils, where the average percentage of the Leader's Allowance for a Cabinet Member ranges between 40% and 50%.
- 3.11 No changes are proposed to the other Special Responsibility Allowance which are recommended to continue to be paid as outlined in Appendix 1 of the IRP report.
- 3.12 The Panel also considered if a Special Responsibility Allowance should be paid for the Deputy Leader of the Opposition and Chief Whip of the Majority Group.
- 3.13 The Panel had the view that the Deputy Leader of the Opposition role did not meet the criteria and recommended the allowance should not be reintroduced into the scheme.
- 3.14 The Panel acknowledged that several Councils, especially Boroughs in London, provided an allowance for the Chief Whip of the largest Group. However, they did not recommend a new Special Responsibility Allowance should be created for this role.

#### **Other allowances**

- 3.15 No changes are proposed to the other allowances set out the Scheme.

#### **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 comparable authorities.
- 4.4 The Panel also took on board the views of Group Leaders, Members 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 Before making its recommendations, the Panel surveyed all Members to assess the impact of the new arrangements on their roles, receiving 28 responses out of 54. The Panel also met with Group Leaders, individual pos holders and held a workshop session open to all members. The Panel were grateful for the input from all members who contributed to this process.

## **6. Financial implications**

- 6.1 The estimated cost of the revised Members Allowance Scheme is £1.062m; the current scheme cost is estimated at £1.048m and therefore this represents an increase of £0.014m, or 1.41%. Member allowances were frozen in 2022/23 and 2023/24. Over the same period average staff pay increased by 12.7%.
- 6.2 The increased cost of Members allowances will be reflected in Targeted Budget Management Reports during 2025/26 and included in budget setting for 2026/27.

Name of finance officer consulted: Ishemupenyu Chagonda Date consulted (14/05/25):

## **7. Legal implications**

- 7.1 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 12/05/25

## **8. Risk implications**

- 8.1 There are no risk implications arising directly from the report.

## **9. Equalities implications**

- 9.1 The recommendations seek to encourage a wider cross-section of the community to become councillors and reduce the financial disincentives from serving as councillors by ensuring that the roles are remunerated sufficiently, whilst maintaining a recognition that these are public service roles. The Scheme continues to incorporate a public service discount set in the mid range of those applied by councils in the South East region.

## **10. Sustainability implications**

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

## **11. Conclusion**

- 11.1 The Panel recommend the revised SRA for Cabinet Members be effective from the 2025 municipal year.

### **Supporting Documentation**

#### **1. Appendices**

1. Report of the Independent Remuneration Panel 2025

