Council	Agenda Item 28(a)
21 October 2010	Brighton & Hove City Council

Subject:		**Review of Members' Allowances**		
Date of Meeting:		**21 October 2010** 18 March 2010 Council 9 March 2010 Governance Committee		
Report of:		**Acting Director of Strategy & Governance**		
Contact Officer:	**Name:**	**Mark Wall**	**Tel:**	**29-1006**
	E-mail:	**mark.wall@brighton-hove.gov.uk**		
Wards Affected:	**All**			

For general release

1. SUMMARY AND POLICY CONTEXT:

1.1 At its last meeting in March the Council decided to defer consideration of this item pending further consultation with the Independent Remuneration Panel (the IRP) and Group Leaders.

1.2 The Panel have taken on board the comments made at the Governance Committee meeting in March (see appendix 1), as well as the views expressed by the Leader and the Leader of the Opposition. However, the Panel believe that its report should remain unchanged having completed the intended review.

1.3 The Panel were mindful that a proposed Members Allowances Scheme for 2011/12 should be brought to the Council in March 2011 and therefore the issues raised in relation to their current recommendations could be considered and where appropriate form part of any scheme that was put forward. The Panel therefore recommended that the report be submitted to the council in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003.

2. RECOMMENDATIONS:

2.1 That having regard to (a) the concerns raised at the Governance Committee and (b) the Panel's willingness to take the concerns into consideration as part of their next review, the Council determine whether:

(i) to approve the IRP's recommendations as set out in Item 28(b) in relation to the Members Allowances Scheme for 2010/11; or

(ii) to note the IRP's recommendations and agree that the existing Members Allowances Scheme be adopted for the payment of allowances in 2010/11.

2.2 That the Independent Remuneration Panel be thanked for their work and it be noted that the Panel will be reporting again in March 2011;

2.3 That the Chief Executive be authorised to issue the Brighton & Hove Members' Allowances Scheme in accordance with the regulations following council approval;

2.4 That the allowance payable to each of the members of the Independent Remuneration Panel be increased by the council's salary inflation of 1% in 2009 with effect from 14 May 2010, (i.e. the day after the Annual Council meeting and in line with the effective date recommended by the Panel for increases in Members' Allowances), in recognition of their time commitment and their important role.

3. RELEVANT BACKGROUND INFORMATION / CHRONOLOGY OF KEY EVENTS:

3.1 This is the eighth report of the Panel to the Council on the level of allowances and expenses it feels are appropriate. Once again the Panel has considered basic, special responsibility, travel and subsistence allowances and also payments to carers and co-optees.

3.2 The Panel's report was deferred at the March Council meeting, in order to allow for the Leaders of the various Groups to have further discussions with the Panel following concerns raised at the Governance Committee meeting. The Leader of the Council and the Leader of the Opposition have since met with Panel.

3.3 In order to revise its Members' Allowances Scheme, the Council is required to have regard to the recommendations of the Independent Remuneration Panel.

3.4 The Panel took the view that in line with the Local Authorities (Members' Allowances) (England) Regulations 2003 and the introduction of the new governance arrangements in May 2008, it would undertake a comprehensive review the Members' Allowances Scheme and make recommendations to the Council on :

(a) The level of Basic Allowance to be paid to all councillors;

(b) The responsibilities for which Special Responsibility Allowances (SRA's) should be payable (only one Special Responsibility Allowance is payable per councillor);

(c) The levels of SRA payable;

(d) The payment of Travel & Subsistence Allowances and appropriate mileage and subsistence rates payable to councillors undertaking approved council duties;

(e) The payment of a Co-optee's Allowance;

(f) The payment of Childcare & Dependant Carer's Allowances, the level of such payments, any upper limits and capping that should apply.

3.5 The Panel has received and analysed evidence from a range of local authorities, including the council's family tree identified by the Audit Commission, in order to maintain as much consistency as possible. The move to the new executive arrangements has dictated the style of the Panel's current review, which also included surveying all Members and having one to one meetings with the Group Leaders, Chairmen, Deputy Chairmen and Backbench Members.

3.6 The Panel has completed an 18-month review following the introduction of the new executive arrangements, and their recommendations are contained within the Annual Report for 2008/10 which is listed as Item 28(b) on the agenda.

3.7 The Panel has looked at the levels of responsibility for each and every role that is set down in the new Scheme of allowances, and has revised its formula for setting the Leader of the Council's Special Responsibility Allowance (SRA). It has then used the 'core' element of the SRA as the basis for the other Special Responsibility Allowances listed in the scheme, whilst looking at the roles of the Cabinet Members, Chairmen and Deputy Chairmen of the Regulatory Committees and Overview & Scrutiny Committees. The Panel also noted that the roles and portfolios of the Cabinet members may be changed by the Leader at any time and has sought to acknowledge that possibility without requiring further amendment to the Members' Allowances Scheme.

3.8 Once again the Panel has taken account of the latest regional and national earnings information in relation to any increase in allowances and has made comparisons with the council's own salary inflation rate for 2009.

3.9 In taking into account the concerns raised at the Governance Committee and noting the Panel's willingness to incorporate these as part of their next review for the approval of a Members' Allowances Scheme for 2011/12, the Council is asked to determine which of the two options listed in paragraph 2.1 it wishes to adopt.

4. CONSULTATION

4.1 The Panel has met with the Group Leaders and the majority of other Members, including post holders within the new executive arrangements and also received written feedback from those that could not attend meetings.

4.2 The recommendations of the Independent Remuneration Panel were reported to the Governance Committee where all party groups are represented, before being submitted to Full Council on 18 March 2010.

4.3 Following the deferral of the Panel's report in March, the Leaders Group has considered the matter and agreed to the Panel meeting with the Leaders to discuss the areas of concern before taking the report to the Council in October. The Panel has since met with the Leader of the Council and the Leader of the Opposition. The Convenor of the Green Group and Leader of the Liberal Democrat Group indicated that whilst they had some reservations they were happy with the Panel's report overall and therefore did not need further discussion.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 The Members' Allowances revenue budget for 2010/11 has been set at £1,054,900 assuming the current level of take up of the superannuation scheme.

5.2 Under the current Members' Allowances Scheme:

- If a 1% inflationary rise is attributed to both the Basic and Special Responsibility Allowances of the current Members' Allowances Scheme for 2010/11, the total cost based on current take up of allowances and the superannuation scheme is estimated at £1,044,000 (including on-costs).

- If no increase was awarded to the Basic Allowance and Special Responsibility Allowances currently paid, the total cost based on current take up of allowances and the superannuation scheme is estimated at £1,038,000 (including on-costs).

5.3 Under the Panel's proposed new scheme:

- It allows for an inflationary increase of 1% to the Basic Allowance making a total of £625,000 plus on-costs for the full year.

- It contains provision for 25 SRA's, with the likelihood that a maximum of 24 could be paid in 2010/11 based on the current make-up of the council. The total payment of SRA's is estimated at £254,000 plus on-costs.

- Provides for a total estimated cost of £1,037, 000 including superannuation and national insurance on-costs based on current take up which can be accommodated within the budget for 2010/11.

5.4 The Members' Allowances budget has previously resulted in an underspend because of the lower take-up in the local authority pension scheme. Under the options above a small increase in take up of the pension scheme could be managed within budget.

Finance Officer Consulted: *Anne Silley* *Date: 06/10/10*

Legal Implications:

5.5 The proposals in this report comply with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003 and associated guidance.

5.6 There are no adverse Human Rights Act implications arising from this report.

Lawyer Consulted: *Abraham Ghebre-Ghiorghis* *Date: 15/02/10*

Equalities Implications:

5.7 The recommendations explicitly seek to encourage a wider cross-section of the community to become councillors, and reduce the financial disincentives, which deter a broader spectrum of people from serving as councillors.

Sustainability Implications:

5.8 None arising directly from this report

Crime & Disorder Implications:

5.9 None arising directly from this report.

Risk and Opportunity Management Implications:

5.10 None arising directly from this report.

Corporate / Citywide Implications:

5.11 None arising directly from this report.

SUPPORTING DOCUMENTATION

Appendices:

Extract from the Governance Committee meeting held on the 29th March 2010.

Documents in Members' Rooms

None

Background Documents:

(a) Independent Remuneration Panel's Annual Report
(b) Members' Allowances Scheme 2009/10