

London Borough of Hammersmith & Fulham

Report to: Full Council

Date: 26 February 2020

Subject: Members' Allowances Scheme 2020-21

Report of: The Leader of the Council - Councillor Stephen Cowan

Responsible Director: Hitesh Jolapara – Strategic Director of Finance & Governance

Summary

This report performs the statutory annual review of Members' allowances for the 2020/21 financial year. The annual review takes into account the recommendations made in the Independent Remuneration report to London Councils (January 2018).

Recommendation

That the Members' Allowances Scheme 2020/21 as set out in Appendix 1 be adopted.

Wards Affected: All

H&F Priorities

Our Priorities	Summary of how this report aligns to the H&F Priorities
Creating a compassionate council	Freezing the allowance will ensure that scarce resources are spent on other key priorities such as meeting the needs of the most vulnerable in society.
Being ruthlessly financially efficient	In line with administration's priorities, the Council agreed in June 2014 to reduce the Special Responsibility Allowance by 10% and freeze the basic allowance at the 2014/15 level, both allowances will continue to be frozen in 2020/21.
Taking pride in H&F	H&F is one of the few London authorities to continuously freeze its allowances.

Financial Impact

Every councillor is entitled to a basic allowance of £8,940. Due to the responsibilities undertaken by some Councillors, they are also entitled to a Special Responsibility Allowance (SRA) ranging from £2,700 to £32,186.70. No councillor can claim two

SRAs even if they hold two SRA posts. Expected costs for 2020/21 are set out below.

The forecast cost of Member allowances in 2020/21 is listed below.

	Total
Basic Allowance	£411,240.00
Special Responsibility Allowance	£373,013.10
TOTAL	£784,253.10

There is sufficient provision in the existing budget to fund the costs of Member allowances as contained in this report.

Legal Implications

Under Regulation 5 of the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council has the powers to agree the amount it pays its members. The proposals contained within the report are in line with the Local Government Act 2000 and appropriate regulations.

Contact Officer(s):

Name: Kayode Adewumi
Position: Head of Governance
Telephone: 07899661869
Email: Kayode.adewumi@lbhf.gov.uk

Name: Andre Mark
Position: Finance Business Partner
Telephone: 020 8753 6729
Email: Andre.mark@lbhf.gov.uk
Verified by Emily Hill, Assistant Director Corporate Finance, 07826 531 849
Emily.Hill@lbhf.gov.uk

Name: Rhian Davies
Position: Borough Solicitor
Telephone: 07827 663794
Email: Rhian.davies@lbhf.gov.uk

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Proposals and Analysis of Options

1. In June 2014, the Administration agreed to reduce the Special Responsibility Allowance (SRA) paid to Members by 10% and that under the scheme only one SRA will be paid to a Councillor in respect of duties undertaken. In line with Administration's priorities, it is recommended that the basic and special responsibility allowances are frozen for the 2020/21 financial year and remain the same as the 2014/15 scheme. The dependent carers allowance would be adjusted in line with the London living wage. The new scheme will take effect from 1 April 2020.

Independent Remuneration Panel's Report

2. The Council is formally required to undertake a review of its members' allowances scheme each financial year. Any changes in allowances are required to take into account the recommendations of a local independent panel on remuneration for Councillors. Where a scheme includes a provision for an automatic uplift, the operation of this provision may only be relied on for a period of four years before reference must again be made to a local independent remunerator's report and recommendations.
3. The Local Authorities (Members' Allowances) (England) Regulations 2003 ('the Regulations') authorise the establishment by the London Councils independent remuneration panel to make recommendations in respect of the members' allowances payable by London boroughs. Such a panel ('the Panel') was established and reported in 2001, 2003, 2006, 2010, 2014 and in January 2018. The Regulations requires a review of the scheme every four years as a minimum. A summary of their recommendations is attached at Appendix 2.
4. The Council has formally taken into account the recommendations of the Panel issued in January 2018. It was decided that the Council would continue to set its own Special Responsibility Allowance (SRA) in line with local conditions and retain its own basic rate allowance.
5. In line with the Panel's recommendations:
 - only one SRA is paid to a councillor in respect of duties with the same authority. Where a Councillor is entitled to two SRAs, he or she will be paid the highest allowance.
 - the Council recognises the need for Dependent Carers payments to have regard to local circumstances and the nature of specialist care. The carer should be remunerated at not less than the London living wage hourly rate and payment should be made at a higher rate when specialist skills or care is required in order for the Member to attend and take part in meetings.

- The Council has an ongoing programme of member training and development and members are expected to participate.
6. Although the Panel did not recommend a Councillor allowance increase, it continued to recommend that members' allowances be pegged to the annual local government pay settlement. Such pegging will ensure that councillors can receive annual increases which are in line with those received by staff.
 7. The Panel recommended that Leaders should receive an allowance approximating the salary of a Member of Parliament but this recommendation has not been accepted by the Council. In 2014, the administration reduced SRA allowances by 10% and have frozen them each year since.

Assistant to the Cabinet

8. At Full Council in January 2020 the Council approved the creation of an additional Assistant to the Cabinet position and backdated the allowance to July 2019 when Councillor Rebecca Harvey was first appointed as the Lead Member for Child Refugees and undertook the duties.

Review of Other Allowances

9. The current scheme has provision for a wide range of other allowances (see paragraphs 10 to 13 below).

Dependent Carer Allowance

10. Dependent carer allowance is payable in respect of expenses incurred for the care of a Councillor's children or dependants in attending meetings of the authority, its Executive, Committees and Sub-Committees and in discharging the duties set out in paragraph 7 of the Regulations. The Panel had recommended payment to be set at the London living wage, and (on presentation of proof of expense) payment should be made at a higher rate when specialist nursing skills are required.
11. In line with the Panel's recommendation, the Council recognises the need for dependent carers payments to have regard to local circumstances and the nature of specialist care. The carer should be remunerated at not less than the London living wage of £10.75 per hour and payment should be made at a higher rate when specialist skills or care is required to attend meetings.

Travel & Subsistence

12. Travel allowances are payable (at the same rates as employees) for duties undertaken away from the Town Hall when discharging duties under paragraph 8 of the Regulations. There will be no payment for intra-borough travel under this scheme, for example the use of public transport, car mileage or payment of a cycle allowance, unless a member requires assistance to discharge his or her duties due to ill health, disability or any other circumstances approved, in advance, by the Monitoring Officer. Taxis can be

taken by Members who attend approved outside bodies and committee meetings out of the borough.

Sickness, Maternity and Paternity Allowance

13. Where a Member is entitled to a Special Responsibility Allowance, it will continue to be paid in the case of sickness, maternity and paternity leave on the same terms as employees.

Reasons for Decision

14. The Council is required under the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003 to undertake an annual review of its Members' Allowances scheme and approve any amendments to the scheme.

Equality Implications

15. The equalities implications of this decision have been considered to be neutral.
16. *Implications verified by: Fawad Bhatti, Social Inclusion and Policy Manager – Tel: 07500103617*

List of Appendices:

Appendix 1 – Members' Allowances Scheme 2020-21

Appendix 2 – Report of the Independent Panel - Recommendations of the Remuneration of Councillors in London 2018