

London Borough of Hammersmith & Fulham

Report to: Full Council

Date: 24/02/2022

Subject: Members' Allowances Scheme Annual Review 2022/23

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

Report Author: Kayode Adewumi – Assistant Director - Democratic, Registration and Coroner's Services

Responsible Director: Rhian Davies – Director of Resources

Summary

This report performs the statutory annual review of Members' allowances for the 2022/23 financial year. The annual review takes into account the recommendations made in the Independent Panel report on the remuneration of councillors (January 2022).

Recommendations

1. That the recommendations of the Independent Panel on the remuneration of Councillors in London (January 2022) be noted.
 2. That the Members' Allowances Scheme 2022/23 as set out in Appendix 1 be adopted.
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Wards Affected: All

H&F Values	Summary of how this report aligns to the H&F Values
Creating a compassionate council	Freezing the basic and special care responsibility 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 2022/23.
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 2022/23 are set out below.

The forecast cost of Member allowances in 2022/23 is listed below.

	Total
Basic Allowance	£447,000.00
Special Responsibility Allowance	£373,013.10
TOTAL	£820,013.10

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

Andre Mark, Finance Business Partner, Andre.mark@lbhf.gov.uk dated 17 January 2022.

Verified by Emily Hill, Director of Finance, Emily.Hill@lbhf.gov.uk dated 25 January 2022.

Legal Implications

Under Regulation 4 of the Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations), the Council has the powers to make a scheme to provide for the payment of a basic allowance and any other allowance permitted by the Regulations. The proposals contained within the report are in line with the Regulations, Local Government Act 2000 and appropriate regulations.

Adesuwa Omoregie, Assistant Director Legal Services,
adesuwa.omoregie@lbhf.gov.uk , 18 January 2022

Background Papers Used in Preparing This Report

The Remuneration of Councillors in London 2022 - Report of the Independent Panel

DETAILED ANALYSIS

1. In June 2014, the Administration agreed to reduce the Special Responsibility Allowance (SRA) paid to Members by 10%. 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 2022/23 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 2022.

Independent Remuneration Panel's Report – January 2022

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 Association of London Government (now London Councils) of an 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 2018. It now comprises Mike Cooke (Chair), Sir Rodney Brooke CBE DL and Anne Watts CBE. The Regulations require a review of the scheme every four years as a minimum. The current Panel has therefore completed a review of remuneration for councillors in London. A summary of their recommendations is attached at Appendix 2.
4. The Council is asked to formally take into account the recommendations of the Panel issued in January 2022. Previously, the Council had decided to continue to set its own Special Responsibility Allowance (SRA) in line with local conditions and retain its own basic allowance rate. In 2014, the administration reduced SRA allowances by 10% and has frozen both the Basic and Special Responsibility Allowances each year since.
5. Having considered the Panel's report, the Council agrees with the following 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 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.
 - That the allowances schemes should allow the continuance of Special Responsibility Allowances in the case of sickness, maternity and paternity leave in the same terms that the council's employees enjoy such benefits (that is to say, they follow the same policies).
 - The Council has an ongoing programme of member training and development and members are expected to participate.

6. The Council does not agree with the following recommendations:
- that the Basic Allowance be set at £12,014 pending the outcome of the 2021-22 award.
 - the special responsibility allowance for a Leader should be in accordance with their former recommendation (£57,085), plus the subsequent local government staff pay awards (including an indicative uplift of 1.75% for 2021-22 which is still the subject of negotiation), i.e. £62,092.
 - members' allowances increase should be updated annually in line with the local government pay settlement.
7. It is noted that the Panel no longer recommends that no more than 50% of councillors should receive a special responsibility allowance.

Review of Other Allowances

8. The current scheme has provision for a wide range of other allowances (see paragraphs 9 to 12 below).

Dependent Carer Allowance

9. 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.
10. 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 £10.85 per hour and payment should be made at a higher rate when specialist skills or care is required to attend meetings.

Travel & Subsistence

11. 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

12. 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

13. 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.

List of Appendices:

Appendix 1 – Members' Allowances Scheme 2022-23

Appendix 2 – Summary of the Recommendations of the Remuneration of Councillors in London 2022 (Report of the Independent Panel)