

## LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Full Council

**Date:** 23/02/2023

**Subject:** Members' Allowances Scheme Annual Review 2023/24

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

**Responsible Director:** David Tatlow – Strategic Director of Corporate Resources

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### Summary

This report performs the statutory annual review of Members' allowances for the 2023/24 financial year. The annual review takes into account the recommendations made in the Independent Panel report on the remuneration of councillors (January 2022).

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### 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 2023/24 as set out in the report and attached as Appendix 1, be approved.
  3. That changes for 2023/24 to Members' Allowances are made in line with any changes to the national local government pay award, be approved.
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**Wards Affected:** All

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H&F Values	Summary of how this report aligns to the H&F Values
Creating a compassionate council	The council froze the basic and special care responsibility allowance for eight years to ensure that scarce resources have been spent on other key priorities such as meeting the needs of the most vulnerable in society.
Being ruthlessly financially efficient	The proposed basic allowance of £9,744.60 is lower than the £12,014 recommended by the Independent Remuneration Panel.

## Financial Impact

Every councillor is entitled to a basic allowance. Due to the responsibilities undertaken by some Councillors, they are also entitled to a Special Responsibility Allowance (SRA). It is Administration policy that no councillor can claim two SRAs even if they hold two SRA posts. Expected member allowance costs for 2023/24 are set out below.

	<b>Total</b>
<b>Basic Allowance</b>	£487,230
<b>Special Responsibility Allowance</b>	£436,417
<b>TOTAL</b>	£923,647

The combined cost for basic allowances and special responsibility allowances is £923,647. In addition, employers' national insurance will cost an estimated £64,700 giving a total cost of £988,347. Costs will be funded by the Members' Allowances pay budget which for 2023/24 is set at £988,600.

It is recommended that any 2023/24 financial impact, as a result a decision to uplift allowances in line with changes to the national local government pay award, is mitigated by corporate provision set aside for pay inflation in 2023/24.

It is proposed that any ongoing financial impact as a result of the changes recommended in this report be included as part of the Council's Medium Term Financial Strategy and budget setting process.

Alex Pygram, Head of Finance (Corporate Services), 24th January 2023 and verified by Andre Mark, Head of finance (Strategic planning and investment), 24<sup>th</sup> January 2023

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## 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.

Grant Deg - Assistant Director Legal Services, [Grant.Deg@lbhf.gov.uk](mailto:Grant.Deg@lbhf.gov.uk) 25/01/23

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## Background Papers Used in Preparing This Report

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

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## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options**

1. This report seeks approval of the 2023/24 Members' Allowances Scheme as set out in the report and attached as Appendix 1, be approved. It proposes that any uplift to the 2023/24 Members' Allowances is made in line with any changes to the national local government pay award.

#### **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, 2018 and 2022. 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.

### **Annual Lift**

4. The Independent Panel for the Remuneration of Councillors in London in its recent report reiterated its previous recommendation that members allowances should be uplifted annually in line with the pay settlement for employees. Therefore, this is what we are implementing for our members in 2023/24. Once the figure has been agreed and communicated by the Greater London Provincial Council, it will be backdated for all Members to 1 April 2023.

### **Review of Other Allowances**

5. The current scheme has provision for a wide range of other allowances (see paragraphs 6 to 8 below).

### **Dependent Carer Allowance**

6. 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.

### **Travel & Subsistence**

7. 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**

8. 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**

9. The Council is required under the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003 to approve any amendments to the approved scheme.

### **List of Appendices:**

Appendix 1 – Members' Allowances Scheme 2023/24

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