



# Report to Council

29 FEBRUARY 2012

**LEADER**

*Councillor Stephen Greenhalgh*

**COUNCILLORS' ALLOWANCES SCHEME:  
ANNUAL REVIEW AND REVISION**

**WARDS  
All**

**SYNOPSIS**

This report performs the statutory annual review of Councillors' allowances for the 2012/13 financial year and contains a revision to the 2011/12 Councillors' Allowance Scheme. The annual review takes into account the recommendations made in the Independent Remunerator's report to London Councils (May 2010).

**CONTRIBUTORS**

EDFCG  
ADLDS

**RECOMMENDATION:**

**That the revision to the Councillors' Allowance Scheme for 2011/12 as set out in paragraph 1.3 of the report and Appendix 1 be approved.**

**That the Councillors' Allowances Scheme 2012 – 13 as set out in the report, be adopted.**

## **1. BACKGROUND**

- 1.1 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.

### **Revision to the Allowance Scheme**

- 1.2 The appointment of six Cabinet Assistant posts was approved by Council on 23 February 2011. Cabinet Assistants to the Cabinet Members do not have a Cabinet vote, nor act as deputies or substitutes for Cabinet Members, nor are they able to take executive decisions on behalf of the Cabinet Member. Each Cabinet Assistant appointed has a specific area of strategic policy input into the Administration's priority area:-

- Councillor Frances Stainton (Parks) (NB Member has agreed to forego their SRA in relation to this appointment)
- Councillor Michael Adam (Asset Management) (NB Member has agreed to forego their SRA in relation to this appointment)
- Councillor Adronie Alford (Housing)
- Councillor Georgie Cooney (Education)
- Councillor Belinda Donovan (Crime)
- Councillor Jane Law (Street Scene)

- 1.3 Due to the strategic importance of Housing in the Administration's policy agenda, Council is asked to create a Lead Member for Resident Involvement (Housing) SRA entitled post. This role will assist the Cabinet Member for Housing in the following areas:-

### **Lead Member for Resident Involvement (Housing)**

- Responsibility for chairing the Borough Forum and setting the Forum's agenda in consultation with the Cabinet Member for Housing.
- Responsibility for overseeing the review of the structure of the Area Forums and lead liaison between the Housing and Regeneration Department and the Forums in conjunction with the Cabinet Member for Housing.
- Responsibility for leading the Council's engagement, in its role as a social landlord, with registered Tenants' and Residents' Associations and associated organisations to drive forward resident satisfaction and improve service delivery.
- Responsibility for leading on the liaison between the Housing and Regeneration Department and leaseholders in Hammersmith & Fulham-owned property, including overseeing the function of the Leaseholder Forums and the Leaseholder Conference, in conjunction with the Cabinet Member for Housing.
- Responsibility for ensuring the effective delivery of the Council's new Resident Involvement Strategy and oversight of the Resident's Involvement Panel and the Repairs Working Group.
- To lead on engagement with other Registered Providers of social housing within Hammersmith and Fulham in respect of resident involvement, and

to assist the Cabinet Member for Housing in the discharge of functions relating to the social regulation aspects of the Localism Act 2011.

- 1.4 A special responsibility allowance of £6183 shall therefore be paid to the post. Councillors only receive an allowance for the period of their term of office in cases where it is less than the whole financial year. A Special Responsibility Allowance would cease where the SRA entitled post ceases to exist during the year. The nominated post holder for this new role currently acts as the Cabinet Assistant (Housing). The Cabinet Assistant role shall cease with effect from 1 March 2012 when the new Lead Member role shall take effect. The amended scheme is set out at **APPENDIX 1** to this report.

### **Annual Review**

- 1.5 The Council's proposed Scheme for the financial year 2012/13 remains the same as the revised scheme for 2011/12 with no additional Special Responsibility Allowance (SRA) being recommended. This will take effect from 1 April 2012. The Council has taken into account the independent remunerator's recommendation issued in May 2010 but has decided to retain its own basic rate allowance.
- 1.6 In 2009, due to the economic conditions, it was recommended that all allowances be frozen at the 2008/9 levels. In years prior to this decision being taken, an automatic uplift in line with the previous year's Local Government Pay Settlement was made. The pay award for 2011/12 was 0%. Due to the current economic conditions, it is recommended that all allowances continue to be frozen for a third year at the 2008/9 levels.

## **2. INDEPENDENT REMUNERATOR'S REPORT**

- 2.1 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.
- 2.2 In the case of London, there is a standing report produced by the local remuneration panel appointed by London Councils which is applicable to all London Borough Councils. The Local Authorities (Members' Allowances) (England) Regulations 2003 authorises the establishment by London Councils of an Independent Remuneration Panel to make recommendations in respect of the members' allowances payable by London Boroughs. Such a Panel was established and has reported in 2001, 2003 and 2006. The Panel was re-constituted in 2009 comprising Sir Rodney Brooke CBE (Chair), Professor Drew Stevenson and Jo Valentine. The Panel findings were agreed by London Councils Leaders' Committee in May 2010. The report has 12 recommendations which are attached at **APPENDIX 2**.

2.3 Having considered the proposals contained within the report, the Council once again notes that the current scheme is broadly consistent with the independent remunerator's report and recommendations, with the following significant differences:-

- Allowances to be updated in line with local government pay awards;
- Role descriptions should be developed for councillors for all their areas of work;
- The role descriptions should be placed on council websites;
- Councils should consider the introduction of an appraisal system for members;
- Councillors who, without reasonable cause, fail to discharge their duties should not claim the basic allowance. The legislation requiring only an attendance at a council meeting every six months should be tightened.
- Only one SRA should be paid to a councillor in respect of duties with the same authority.
- Rationalisation in the tax treatment of expenses borne by councillors and recommend that the Local Government Association be asked to pursue that at the national level, or failing that, London Councils attempt to achieve rationalisation on behalf of London.

2.4 The Council has taken into account the independent remunerator's recommendation but has decided to retain its own basic rate allowance frozen at the 2008 – 09 level. The basic role of a councillor is enshrined in the constitution which is already published on the Internet. In particular there are detailed provisions in relation to the Mayor and Cabinet. The political parties rather than officers are in a better position to introduce and administer an appraisal system for members. This is a matter for the parties to undertake and administer at their discretion.

The Council agrees that Councillors who, without reasonable cause, fail to discharge their duties should not claim the basic allowance and that legislation requiring only an attendance at a Council meeting every six months should be tightened. The Council does not agree that only one SRA should be paid to a councillor in respect of duties with the same authority. Each local authority should be able to look at its own local circumstances due to the profile and size of its membership. The Council consists of 46 members with a high proportion of young councillors and people in active employment. The removal of the Cabinet, Mayor and Deputy Mayor from participating in committees reduces the number of people who would be available to sit on committees which meet with an exceptional frequency.

The Council also agrees that there should be a rationalisation in the tax treatment of expenses borne by councillors and support that the Local Government Association be asked to pursue this at the national level, or failing that, London Councils should attempt to achieve rationalisation on behalf of London.

2.5 Council is requested to adopt the Scheme set out at Appendix 1 effective from 1 April 2012 subject to any changes which might arise.

**3. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)**

3.1 The proposals contained within the report are in line with the Local Government Act 2000 and appropriate regulations.

**4. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE**

4.1 The Executive Director of Finance and Corporate Governance can confirm that the proposed action is cost neutral and that sufficient provision in the existing budget to fund the costs as contained in this report.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext. of Holder of File/Copy</b>	<b>Department/ Location</b>
1.	The Remuneration of Councillors in London: 2010 Review (May 2010)	Kayode Adewumi, ext 2499	FCS, Room 133a, Hammersmith Town Hall
2.	Members' Allowance Scheme report 2011/12	Kayode Adewumi, ext 2499	FCS, Room 133a, Hammersmith Town Hall

## Members' Allowances Scheme 2011-12 (Revision) Members' Allowances Scheme 2012-13 (Annual Review)

[Revision effective from 1<sup>st</sup> March 2012]

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This scheme is made in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations") for 2012 –2013 and subsequent years. The allowances scheme has been prepared having regard to the report of the Independent Panel on the Remuneration of Councillors in London established by London Councils on behalf of all London Councils, co-authored by Rodney Brooke, Drew Stevenson and Jo Valentine, and published in May 2010.

### 1. BASIC ALLOWANCE

- 1.1 The independent remunerator's report suggests a flat-rate basic allowance be paid to each member of the authority of £9964 per annum to be paid in 12 monthly instalments on the 15<sup>th</sup> of each month.
- 1.2 The Council has taken into account the independent remunerator's recommendation but has decided to retain its own basic rate allowance frozen at the 2008 – 09 level.

The basic rate allowance for all LBHF Councillors will therefore be:

£8,940 - to be paid in 12 monthly instalments on the 15<sup>th</sup> of each month.

Councillors only receive an allowance for the period of their term of office in cases where it is less than the whole financial year.

### 2. SPECIAL RESPONSIBILITY ALLOWANCES

- 2.1 Regard has been had to the recommendations in the independent remunerator's report for differential banding in relation to the payment of Special Responsibility Allowances (SRAs), but in the interest of maintaining a low Council Tax and the current economic conditions, it has been decided to freeze the Council's own scheme of SRAs at the same level approved for 2008 - 9 and not to follow the independent remunerator's recommendations which would have proved considerably more costly to local council taxpayers.
- 2.2 The following Special Responsibility Allowances shall therefore be paid to Councillors holding the specified offices indicated:

The Leader	£35,763
Deputy Leader	£29,796
Other Cabinet members (6)	£23,838
Chief Whip (where not a member of Cabinet)	£23,838
Deputy Chief Whip	£5,000
Chairmen of Overview & Scrutiny Committees/Select Committees (4)	£6,183

Leader of the Opposition	£17,874
Deputy Leader of the Opposition	£6,183
Opposition Whip	£6,183
Chairmen of Planning Applications Committee, Audit and Pensions Committee, Licensing Committee & councillor member on Adoption Panel, Lead Member for Resident Involvement (Housing)	£6,183
The Mayor	£11,922
Deputy Mayor	£6,183
Cabinet Assistants (6)	£3,000

Councillors only receive an allowance for the period of their term of office in cases where it is less than the whole financial year. A Special Responsibility Allowance would cease where the SRA entitled post ceases to exist during year.

### 3) OTHER ALLOWANCES

#### a) Dependent Carer Allowance

Dependant carer allowance is payable in respect of expenses incurred for the care of a member'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.

- (1) £4.18 per half hour before 10 p.m.; £5.31 per half hour after 10 p.m. (not payable in respect of a member of the councillor's household).

#### b) Travel & Subsistence

Allowances are payable (at the same rates as employees) for duties undertaken away from the Town Halls when discharging duties under paragraph 8 of the Regulations. In addition, the cost of travel after late evening meetings from the Town Hall would be paid.

##### (1) Public Transport

Actual travel costs (second class only) will be reimbursed.

##### (2) Car mileage

45 pence per mile.

##### (3) Cycle allowance

£36.93 per month – where this is claimed, no other travel claims are permissible.

##### (4) Subsistence

Allowance payable at same rates and conditions as employees. Payment is only made for expenses incurred outside the Borough, and is subject to a maximum of £5.00 per claim.

**c) Sickness, Maternity and Paternity Allowance**

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 in the same way as employees.

**4) ANNUAL INCREASE**

The allowances in this scheme apply to the financial year 2012-13. All allowances have been frozen at the 2008 – 9 level.

**5) ELECTION TO FOREGO ALLOWANCES**

In accordance with the provisions of regulation 13, a Councillor may, by notice in writing to the Chief Executive, elect to forego any part, or all, of his or her entitlement to an allowance under this scheme.

**6) TIME LIMIT FOR CLAIMS**

The majority of allowances are payable monthly, but where allowances are the subject of claims, these claims should be made in the agreed form with the appropriate declaration within six months of the duty to which they relate.

**7) WITHHOLDING OF ALLOWANCES**

In the event of a Councillor being suspended or partially suspended, the Standards Committee shall have the power to withhold the allowances payable to that Councillor either in whole or in part for the duration of that suspension.

**8) MEMBERS' PENSIONS**

Previously, Councillors could only join the authority's pension scheme if they were aged under 70 and could only pay contributions and accrue benefits until their 70<sup>th</sup> birthday. However, under new pensions regulations, the situation has changed, and the independent remunerator's report now recommends all Councillors under the age of 75 years be entitled to join the London Borough of Hammersmith & Fulham Pension Scheme, and have their basic allowance and special responsibility allowances treated as pensionable. This recommendation has accordingly been adopted.

**9) MEMBERSHIP OF MORE THAN ONE AUTHORITY**

A member may not receive allowances from more than one authority (within the meaning of the regulations) in respect of the same duties.

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## **ALLOWANCES FOR CO-OPTED MEMBERS AND INDEPENDENT MEMBERS OF STANDARDS COMMITTEE**

### **Co-optees**

The independent remunerator's report recommends a rate of allowance for co-opted members of £117 per meeting, to be calculated on an annualised basis by the number of meetings. This recommended figure has not been adopted. The Council's own figure of £504.00 p.a. is payable by equal monthly instalments of £42.00 on the 15<sup>th</sup> of each month.

Co-opted members shall be entitled to the same travel allowances as Councillors, but shall not be entitled to subsistence payments

### **Standards Committee Independent Members**

The independent remunerator's report also recommends the independent Chairman and Committee Members of a Standards Committee be paid an allowance of £256 and £127 per meeting respectively, calculated on an annualised basis by the number of meetings, to reflect not just attendance at meetings, but related and incidental additional activity carried out by the postholders. This recommendation has not been adopted. The Council's own figure of £252.00 p.a. is payable by equal monthly instalments of £21.00 on the 15<sup>th</sup> of each month.

In all cases, the allowances given in this scheme shall not be uprated by the same percentage rate of increase as the previous years national Local Government Pay Settlement but frozen at the 2008 – 9 levels.