



Report to Council

24 FEBRUARY 2010

LEADER

*Councillor Stephen
Greenhalgh*

**COUNCILLORS' ALLOWANCES SCHEME:
ANNUAL REVIEW**

**WARDS
All**

This report performs the statutory annual review of Councillors' allowances for the 2010/11 financial year, and takes into account the recommendations made in the Independent Remunerator's report to London Councils (December 2006).

CONTRIBUTORS

DFCS
ADLDS

RECOMMENDATION:

That the Councillors' Allowances Scheme 2010/11, as set out in Appendix 1, be approved with all allowances frozen at the levels agreed in May 2008.

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.
- 1.2 The Council's proposed Scheme for the financial year 2010/11 is set out at **APPENDIX 1** to this report. The Council's Scheme broadly remains the same as agreed in May 2009 with no additional SRA being recommended. The Council has taken into account the independent remunerator's recommendation issued in December 2006 but has decided to retain its own basic rate allowance.
- 1.3 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 uplifted in line with the previous year's Local Government Pay Settlement was made. The pay award for 2009/10 was 1%. Due to the current economic conditions it is recommended that all allowances continue to be frozen for a second 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 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 was established and reported in 2001, 2003 and 2006. The Panel was re-constituted in 2009 comprising Sir Rodney Brooke CBE (Chair), Professor Drew Stevenson and Anne Watts CBE. The Panel reported to the London Councils Leaders' Committee on 9 February which considered the current Independent Panel's Remuneration Report. The Leaders made some comments which the Panel was asked to address. Due to the timing, the final report will not be considered by the Leaders until after the elections.
- 2.3 In accordance with the Members' Allowances Regulations, the Council must have regard to the independent remunerator's report but is not required to adopt its recommendations. The last report was issued in December 2006. The Council is therefore free to determine its own levels of allowances payable to members. The proposals contained within this report are broadly consistent with the independent remunerator's report and recommendations with the following significant differences:-

- The Council's basic allowance will be £8940 rather than £9964 as recommended by remunerator report.
- The Council will retain its scheme of Special Responsibility Allowances as opposed to the more costly Scheme recommended by the remunerators.

2.4 The Local Government and Public Involvement in Health Act 2007 ("the Act") requires all Councils to change their decision making arrangements by May 2010. At the last Council meeting, the new style Leader and Cabinet executive model was adopted with effect from the third day after the local elections in May 2010. In conjunction with new arrangement, the Council is currently reviewing its governance structure particularly looking at the scrutiny function. The outcome of the review will require the Allowance Scheme to be looked at again in May.

3. COMMENTS OF THE ASSISTANT DIRECTOR OF 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 DIRECTOR OF FINANCE AND CORPORATE SERVICES

4.1 The Director of Finance and Corporate Services can confirm that sufficient provision exists in the 2010/11 budget to fully fund the costs as contained in this report.

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

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	The Remuneration of Councillors in London: 2010 Review (January 2010)	Kayode Adewumi, ext 2499	FCS Room 202a, Hammersmith Town Hall
2.	Previous Members' Allowances reports	Kayode Adewumi, ext 2499	FCS Room 202a, Hammersmith Town Hall