

Item No. 6.3	Classification: Open	Date: 20 March 2024	Meeting Name: Council Assembly
Report title:		Adjustment of member allowances in line with the national local government officer pay settlement and Member Allowances Scheme 2024-2025	
Ward(s) or groups affected:		All	
From:		Constitutional Steering Panel	

RECOMMENDATIONS

1. That council assembly approve with immediate effect the adjustment of member allowances in line with the national local government officer pay settlement and allowances for officers as detailed in paragraph 20 of this report.
2. That council assembly approve, with effect from 1 April 2024, the member allowances scheme for 2024-2025 as detailed in paragraphs 20 to 26 and Appendix 2 of this report, having had regard to the advice of the London Councils Independent Remuneration Panel Report 2023 (see Appendix 1).

BACKGROUND INFORMATION

Legal background

3. Under Section 18 of the Local Government and Housing Act 1989, the Secretary of State may make regulations authorising or requiring councils to make a scheme providing for the payment of allowances to members.
4. The council is required under the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) to agree on an annual basis a schedule of Allowances payable to members for the following financial year. Under section 19 of the Regulations, when making or amending a scheme, the council is required to have regard to the recommendations of an Independent Remuneration Panel (IRP).
5. The council is required, if it wishes to pay such allowances, to adopt a Member Allowances Scheme on an annual basis with effect from 1 April each year.
6. The council must publish its scheme of members' allowances, dealing with basic allowances and special responsibility allowances. Payments to members of the council may only be made in accordance with this.

Current scheme and process for review

7. Southwark's member allowances scheme (see Appendix 2) is comprehensive and includes basic allowances, special responsibility allowances (for posts which carry specific responsibilities) and other allowances and expenses that may be claimed.

8. The proposed member allowances scheme for 2024-2025 is based on the current scheme, which was adopted by council assembly on 22 March 2023 for 2023-2024. The council agreed its scheme, having considered the recommendations of the constitutional steering panel and having taken into account the London Councils Independent Remuneration Panel's 2023 report. The IRP usually produces a report every 3 to 4 years. The attached Appendix 1 was produced in 2023.
9. The proposed scheme for 2024-2025 maintains the following allowance arrangements previously agreed:
 - On 13 July 2022, council assembly agreed a revision to the scheme with regard to setting out members' entitlement to maternity, adoption and shared parental leave and relevant allowances.
 - On 12 July 2017, council assembly agreed a revision to the scheme with regard to arrangements for payment and leave made during periods of absence for members in receipt of special responsibility allowances.
 - On 21 January 2015, council assembly agreed the following:
 - i) That the basic allowance and special responsibility allowances be increased in accordance with the Independent Remuneration Panel recommendation for allowances to be adjusted in line with the local government officer pay settlement and that the licensing sub-committee payment and co-opted member's allowance be increased on the same basis.
 - ii) That the member allowances scheme be amended so in future years the level of the childcare and dependent carers allowances for councillors is automatically reviewed in line with changes in the London Living Wage.
10. The constitutional steering panel and council assembly are under a statutory duty to have regard to the advice of the London Councils Independent Remuneration Panel Report when considering the council's own scheme for member allowances.
11. The council is not, however, bound to adopt all or any of the panel's recommendations provided it has given them due consideration and is satisfied that it has justifiable reasons for not doing so.
12. In Southwark, the constitutional steering panel considers and recommends any changes to the member allowances scheme to council assembly for final adoption. The approval of the scheme and the setting of allowances are matters reserved for decision by council assembly.

KEY ISSUES FOR CONSIDERATION

London Councils Independent Remuneration Panel Report 2022

13. 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, 2022 and 2023. The regulations require a review of the scheme every four years as a minimum. The 2023 report is the current review. A full copy of the report is set out in Appendix 1.

Basic and special responsibility allowances

14. The principle of pegging the basic allowance and special responsibility allowances (SRA) in line with the annual local government pay settlement is already recognised in the council's Member Allowances Scheme following the council assembly decision of 21 January 2015. The Licensing Sub-Committee meeting payments and co-opted member allowance will be increased on the same basis.
15. The member allowances scheme, paragraph 38, provides that allowances will be adjusted in line with the national local government officer pay settlement and allowances for officers¹. This includes basic allowance, SRA levels, licensing payments and co-opted member allowances
16. For 2022-2023, the local government pay settlement offer was a fixed sum rather than a percentage increase. London Councils advised all London Boroughs that it had been appraised by the Head of London Regional Employers Organisation that the fixed sum equates to an uplift of 4.04% across all allowances. London Councils recommended that boroughs also use the 4.04% uplift for their member allowances for 2022-23.
17. For 2022-23, Southwark Council agreed to:
 - Increase the total budget for all councillor allowances by 5.95%, equal to the staff pay settlement increase
 - Uplift the basic allowance for all councillors by 5.95%; also to be applied to licensing sub-committee payment and co-optees' annual allowance
 - Increase the total budget for special responsibility allowances (SRAs) by 5.95%
 - Use this to fund both a 2.91% increase to all SRAs, and the proposed revaluing of some SRAs (as detailed in paragraphs 27 and 28 of the 2023-24 report).
18. This scheme has been drafted on the basis that the council still wishes to pay the current basic and special responsibility allowances.

¹ Index linking is to the general settlement rather than any special provision for particular groups of staff such as the low paid.

PROPOSED CHANGES TO CURRENT SCHEME

Local government pay settlement

19. The 2023-24 pay settlement increase equates to a 5.73% percent increase across all Southwark Council officer grades.
20. It is proposed that changes be agreed as follows:
- Increase the total budget for all councillor allowances by 5.73%, equal to the staff pay settlement increase.
 - Use this total budget solely to increase the basic allowance for all councillors, for an 8.09% increase in the basic allowance, and a 0% increase in the SRAs.
 - Per-meeting payments for attendance at licensing sub-committees be increased by 5.73%.
 - Independent persons and statutory co-optees' allowance be increased by 5.73%.

Basic allowance

21. A basic allowance is paid to all councillors in recognition of their commitment to attend formal meetings of the Council as well as meetings with officers and constituents. The basic allowance is intended to cover any incidental costs which may arise.
22. Each councillor will be entitled to claim a basic allowance of £13,766 per annum (this includes the 8.09% uplift), which is payable monthly via the Council's payroll.

Special responsibility allowance

23. A special responsibility allowance (SRA) is payable in addition to the basic allowance to those councillors that are given significant additional Council duties.
24. It is recommended that no changes are made to the current SRAs.
25. The revised member allowances payments for 2024-2025 (i.e. from 1 April 2024) are as follows:

Basic allowance	
All councillors	£13,766

Licensing sub-committee	
Per meeting	£148.62

Independent persons and co-optees (i.e. statutory co-optees to the education committee)	
Annual allowance (paid monthly)	£1,348

Band 1a	SRA
Vice-chair overview & scrutiny committee	£3,235
Vice chair of planning committee	£3,235
Deputy leader majority opposition	£3,235
Leader minority opposition	£3,235
Opposition whip	£3,235
Band 1b	
Community champion	£6,495
Deputy Mayor	£6,495
Chair audit and governance committee	£6,495
Band 1c	
Scrutiny commission chair	£9,753
Planning sub-committee chair	£9,753
Deputy cabinet member	£9,753
Band 2a	
Chief whip	£16,866
Leader majority opposition	£16,866
Band 2b	
Mayor	£24,025
Chair overview & scrutiny committee	£24,025
Chair planning committee	£24,025
Chair licensing committee	£24,025
Band 3	
Cabinet member	£39,218
Deputy leader	£39,218
Band 4	
Leader	£58,427

26. Our current member allowances payments (1 April 2023 to 31 March 2024):

Basic allowance	
All councillors	£12,736

Licensing sub-committee	
Per meeting	£140.57

Independent persons and co-optees (i.e. statutory co-optees to the education committee)	
Annual allowance (paid monthly)	£1,275

Band 1a	SRA
Vice-chair overview & scrutiny committee	£3,235
Vice chair of planning committee	£3,235
Deputy leader majority opposition	£3,235
Leader minority opposition	£3,235
Opposition whip	£3,235
Band 1b	
Community champion	£6,495

Deputy Mayor	£6,495
Chair audit and governance committee	£6,495
Band 1c	
Scrutiny commission chair	£9,753
Planning sub-committee chair	£9,753
Deputy cabinet member	£9,753
Band 2a	
Chief whip	£16,866
Leader majority opposition	£16,866
Band 2b	
Mayor	£24,025
Chair overview & scrutiny committee	£24,025
Chair planning committee	£24,025
Chair licensing committee	£24,025
Band 3	
Cabinet member	£39,218
Deputy leader	£39,218
Band 4	
Leader	£58,427

Policy framework implications

27. This report is not considered to have direct policy implications.

Community, equalities (including socio-economic) and health impacts

28. SRAs are paid to compensate members for their special responsibilities in addition to their role as ward councillors (for which a separate basic allowance is payable). SRAs are not deemed as salary, as members are not employees of the council. This report is not considered to have direct community, equalities (including socio-economic) and health impacts.

Climate change implications

29. There are no immediate climate change implications arising from this report.

Legal implications

30. The council is under a duty to adopt a scheme of members' allowances by virtue of section 18 of the Local Government and Housing Act 1989 and relevant regulations. It may only pay allowances in accordance with such a scheme. Members are reminded of the need to have regard to the guidance issued in relation to members' allowance, which is referred to in the report of the London Councils Remuneration Panel attached (Appendix 1).

31. There is a general rule that members may not usually vote on matters in which they have a disclosable pecuniary interest. However, decisions relating to the member allowances scheme are an exception to this general principle, and members may vote on this issue. The monitoring officer has granted a dispensation.

Financial implications

32. The member expenditure budget makes provision for the basic allowance and special responsibility allowances. Additional costs arising from the local government pay settlement will be met from existing base budget and will not result in a budget pressure for the council.

Consultation

33. Consultation has been undertaken with the group whips.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Member Allowances Scheme, Southwark Constitution: Members Allowances Scheme_June 2023.pdf (southwark.gov.uk)	Constitutional Team 160 Tooley Street, London SE1 2QH	Constitutional Team constitutional.team@southwark.gov.uk 020 7525 7055

APPENDICES

Appendix	Title
Appendix 1	London Council Remuneration Panel Report 2023
Appendix 2	Amended Southwark's Member Allowances Scheme

AUDIT TRAIL

Lead Officer	Doreen Forrester-Brown, Assistant Chief Executive - Governance and Assurance	
Report Authors	Chidilim Agada, Head of Constitutional and Member Services Virginia Wynn-Jones, Principal Constitutional Officer	
Version	Final	
Dated	8 March 2024	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive - Governance and Assurance	Yes	Yes
Strategic Director of Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	8 March 2024	