

London Councils

Remuneration of Members

Report of the Independent Panel on Members' Allowances

Introduction

1. 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.
1. In autumn 2004 we, acting under Regulation 6 of the Local Authorities (Members' Allowances) (England) Regulations 2003, made recommendations on the allowances to be paid to the elected officers of the ALG. With only slight amendment, our recommendations were accepted.
2. The Panel has been re-constituted and now comprises Sir Rodney Brooke CBE (Chair), Professor Drew Stevenson and Anne Watts CBE to consider whether any change of circumstance warrants a change to the remuneration scheme and we issue the present report.

Principles

3. We still base our conclusions on the principles enunciated in 2004:
 - that those who contribute as London councillors to the work of *London Councils* should be remunerated along the same lines and in accordance with the same principles as members of London boroughs
 - the level of special responsibility allowances should be such as will properly reflect the time commitment and expertise required properly to fulfill these roles
 - *London Councils* remains an important representative body
 - that financial reward is not the motivation for service on *London Councils*, but equally its scheme of allowances must make it economically possible for the organisation to draw on a wide range of councillors across the political spectrum.

4. We are mindful of the current economic climate and the constraints it places on the finances of government, both local and national, and have sought to ensure that the total budget envelope for remuneration is not enlarged. Indeed, if the panels' recommendations are accepted there should be a reduction. We consulted the party groups in coming to our recommendations and have concluded that the system proposed in 2006 remains appropriate with only minor amendments being necessary.
5. One area where amendment is felt to be necessary is in the number of remunerated members on each forum; this was thought to be excessive. The forums follow the pattern of office-holders set out in Standing Orders¹ in a way that ensures that officer-ships are balanced amongst the party groups².

Experience has shown that the key role on each forum is far less to do with taking the chair at a meeting in the absence of the portfolio-holder/chairman and far more to do with ensuring that each of the party groups has a lead member who can articulate that party's case and take the lead for their party in policy formulation.

To that end we propose that the arrangement for the forums³, (this does not affect the three joint committees)⁴ is that there will be a portfolio-holder/chairman and two vice chairs such that each party takes one of these positions. These forums have limited decision-making powers and the need for a deputy-chair as a 'number two' to the portfolio-holder/chairman is otiose. If the portfolio-holder/chairman is unable to attend a meeting they can request one of the two vice-chairs to step in and chair the meeting in their absence.

Finally, we are concerned that portfolio-holders should have the flexibility to deliver on their brief in whatever way they see fit so we propose that, in certain circumstances where there is a clear practical necessity, portfolio-holders can propose to the Executive that they should – with its consent – be able to appoint a deputy-chair.

6. We were asked in 2006 to make recommendations on whether remuneration for work for London Councils should be pensionable. We

¹ 2.10 The following shall be the Elected Officers of ALG:

2.10.1 Chair

2.10.2 Deputy Chair

2.10.3 up to three Vice Chairs

the overall balance of which shall be such as to ensure proportional representation of party political groupings on the ALG.

² Each set of officers contain two Conservative and one each for Labour and the Liberal Democrats with the exception of Culture and Tourism which is a special case.

³ Children and Young People, Crime and Public Protection, Culture, Tourism and London 2012, Economic Development, Greater London Employment, Health and Adult Services, Housing.

⁴ Leaders' Committee, Grants and TEC

recommended that it should be, but the necessary statutory provision was not in place to enable those allowances to be pensionable and efforts have been, and continue to be made, to change the regulations, which we support.

7. Finally, other previous recommendations remain in place – no member can receive more than one allowance and allowances are to be up-rated annually in line with the officers' pay settlement.

1. Recommendations

3.1 We therefore recommend the following allowances:

Executive

Chairman £20,997⁵

Deputy Chairman £10,499

Vice-Chair x 3 £10,499

Other Executive members with portfolios £10,499; without portfolio £5,250

Grants Committee

Chairman £10,499

Grants Deputy Chairman £5,250

Grants Vice-Chair (3) £2,625

Transport and Environment Committee

Chairman £10,499

Deputy Chairman £5,250

Vice-Chair (3) £2,625

Forums

Vice-Chair (2) £2,625

Greater London Employers' Forum

Chairman £10,499

Vice-Chair (2) £2,625

Audit

Committee Chairman £5,250

Lead member for **Equalities** £5,250

Whips (3) £5,250

Sir Rodney Brooke CBE DL (Chairman)

Prof. Drew Stevenson

Anne Watts CBE

⁵ These figures have been increased annually by the local government national pay award since first being set in 2006, except in 2009/10 when the award was not taken up by members.