

**Report for** Standards Committee 25 January 2022

**Title:** Members Allowances Scheme for 2022-23

**Report**

**Authorised by:** Head of Legal and Governance - Fiona Alderman

**Lead Officer:** Ayshe Simsek - Democratic Services and Scrutiny Manager

**Ward(s) affected** N/A

**Report for Key/**

**Non Key Decision:** Non key decision

**1. Describe the issue under consideration**

1.1 Each year before 31<sup>st</sup> March, full Council is required by the Local Authorities (Members Allowances) (England) Regulations 2003 to adopt a Members Allowances Scheme for the following financial year.

**2. Cabinet Member Introduction**

N/A

**3. Recommendations**

3.1 To discuss and comment on any changes required to Appendix 1, Members Allowance Scheme, to be taken forward and considered at the 28 February 2022 Standards Committee meeting.

**4. Reasons for decision**

4.1 The Council has a legal duty to approve a Members Allowances Scheme before the end of each year to cover the following year. The Council can amend a scheme any time during the year but can only revoke a scheme with effect from the beginning of the year. The scheme must make provision for basic allowances and, if they are to be paid, special responsibility, dependents' carers, travelling and subsistence and co-optees allowances.

**5. Alternative options considered**

5.1 No alternative options were considered, as there is a duty to adopt a members' allowance scheme annually.

**6. Background information**

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- 6.1 This report asks Standards Committee to consider the scheme proposed for 2022- 23 and comment on any changes required prior to approval by full Council, in accordance with Article 14.03 of the Council's Constitution.
- 6.2 Before it can adopt a Members Allowances Scheme, the Council has a duty to consider the recommendations of an Independent Remuneration Panel in relation to the payment of Members Allowances.
- 6.3 The Local Authorities (Members Allowances) (England) Regulations 2003 allow London Boroughs to use an Independent Remuneration Panel set up for the purpose of making recommendations across London. London Councils set up a panel for this purpose in 2001 and its most recent report has just been published on the 14<sup>th</sup> of January 2022 and is attached at Appendix 2.
- 6.4 The report recognises the increased profile of councillors as elected representatives and the need to have in place a system of support for Councillors that further recognises the full scale of their responsibilities. The challenges, expectations and demands on Councillors have significantly increased in the last 4 years. The key issues highlighted are:
- Financial decision-making will be more complex due to financial pressures caused by the impact of covid, leading to heightened responsibility for financial decision-making. Budget decisions will have far-reaching implications and councillors will face more pressure on making the right decisions.
  - Making difficult budget choices with increase in demand: for social care, housing
  - Greater public awareness of need for local authority's effective partnership working with police, public health and the voluntary sector on welfare support.
  - Increase in contact between Councillors and constituents through social media and online platform, with expectations of immediate response.
- 6.5 The report highlights the challenges to recruiting and attracting new councillors and the difficulties in London with higher living costs. The report discusses reaching a good balance on the level of allowances. This is aiming to ensure that the Basic Allowance and Special Responsibility Allowances are not acting as an incentive to undertake these roles but equally not becoming a financial disincentive. The key issue highlighted is the lack of access of councillors to the local government pension scheme. This can be particularly financially challenging to councillors who take on leadership and portfolio roles for a long period to the detriment of their own careers. This issue will be explored in the 2022/23 review.
- 6.6 The 2022 IRP report continues to recommend that the Basic Allowance should be updated in line with the Local Government Pay awards and overall recommendation is that the Basic Allowance is up to £12,014. The report does not increase the bandings for special responsibility allowances from the 2018 report. However, there will be more detailed analysis of the demands and work patterns of councillors in the 2022/23 review.

- 6.7 The IRP report highlights consideration of a package of support for councillors including continued member training and development, access to digital support, childcare support, and carer financial support to enable attendance at meetings, councillors with disabilities access to travel support. Overall, travel and subsistence reimbursement with additional focus on ensuring female councillors have access to safe travel to get home after meetings.
- 6.8 The Independent Review Panel makes a commitment to undertake a further detailed review, commencing in the summer of 2022 and a report by the end of 2023 with recommendations on the remuneration of Councillors in London.
- 6.9 Although the IRP 2022 makes recommendations, it is for each individual Council to decide the level of remuneration and for which roles. The 2018 recommendations were also previously considered in the 2019/20 independent review carried out by the Standards Committee.
- 6.10 A reminder that in March 2020, when considering the Members' Allowances Scheme, the Council gave due regard to the recommendations of the report of an Independent Adviser to the Standards Committee who had completed a review of the Member's Allowance scheme. The Adviser put forward proposals for increases to certain SRAs as well as recommending index linking the Basic Allowance to the local government staff pay award with increases taken forward in the proceeding financial year.
- 6.11 In March 2020, and March 2021, it was not felt appropriate to adopt the proposed increases to SRAs in the current economic climate and it was agreed that the SRAs remained at the levels agreed in 2018.
- 6.12 However, one recommendation from the independent review agreed at Council meeting on the 19th of March 2020, was that the Members Basic Allowance percentage increase be index linked to the local government officer pay percentage increase, capped at 2% to be reduced if a lesser percentage is agreed, and to be paid in the 2020/21 municipal year once the staff pay award had been finalised. This was implemented for the 2020/21 year.
- 6.13 The index link was not continued in March 2021 as Members agreed that the 2021/22 scheme be unchanged and to not include any local government pay increases. This was in view of the ongoing pandemic and Council spend on Covid measures.
- 6.14 The Independent Adviser report is attached for information and the IRP report also continues to recommend an annual uplift in line with the local government annual pay increase. Comment is sought on whether Committee members are continuing to recommend that the Allowances scheme continue unchanged for the 2022/23 year. Alternatively, indicate if considering an index link to Basic Member Allowance increases to the local government Officer Pay percentage. Current indications are that local government officers are being offered a 1.75% pay increase (2.75% to those on the lowest pay point). To note that this increase is being contended by trade unions and a higher increase being sought to cover the full cost of inflation. The current Basic Allowance is £11,247

and the 1.75% increase would be £197, meaning the Basic Allowance would be £11,444. This would be paid over 12 months. The attached IRP report continues to support the uplift to Basic Allowance in line with the local government pay award.

## **7. Contribution to strategic outcomes**

7.1 Members of the Council are directly responsible for the setting and oversight of all strategic priorities.

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **8.1 Finance**

The cost of the scheme unchanged is within the allocated budget envelope and to increase the Members Basic Allowance by £197.00 per councillor would be £11,229 with on costs and would need to be met within the overall Budget envelope of Democratic and Scrutiny services.

### **8.2 Head of Legal and Governance**

The proposed Members' Allowance Scheme complies with the relevant provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003; the Local Government and Housing Act 1989 and the Local Government Act 2000.

In addition, there are separate provisions, namely sections 3 and 5 of the Local Government Act 1972 for the payment of allowances to the Mayor and the Deputy Mayor.

### **8.3 Equality**

The decision to approve allowances to members does not have a direct impact on the equality duty of the council, other than that the scheme includes provision for payment for parent/carers allowances to facilitate the attendance of parents and carers at meetings and in relation to carrying out the general responsibilities of councillors.

## **9. Use of Appendices**

Appendix 1: Members Allowances Scheme 2021/22

Appendix 2: The remuneration of Councillors in London 2022– report of the Independent panel

Appendix 3 – Haringey Review of Member Allowances 2019/20

## **10. Local Government (Access to Information) Act 1985**

None

