

Report for: Standards Committee 24 January 2023

Title: Members Allowances Scheme for 2023- 2024

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 31st 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 2023/24.
- 3.2 To consider a final report at the meeting on the 21st of March 2023.

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

- 6.1 This report asks Standards Committee to consider the scheme proposed for 2023/24 municipal year and recommend the final scheme for approval by full Council on the 27 of March 2023, 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 was published on the 14th of January 2022 and considered by the Committee on 25th of January 2022 and subsequently in March 2022, it was not felt appropriate to agree any increases to Member's Allowances given the current economic climate together with steep increases in the cost of living being faced by residents.
- 6.4 The report at appendix 2 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.
- 6.5 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.
- 6.6 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.
- 6.7 The Independent Review Panel is undertaking a detailed review, with recommendations on the remuneration of Councillors in London expected at the end of 2023.
- 6.8 Mike Cooke, the Chair of the Independent Panel for Member Remuneration in London, is currently collecting information from councils on councillors' roles,

responsibilities and how workload pressures have changed over the past 12 months following the end of Covid19 Pandemic restrictions. This information will help inform the research that the Independent Panel is currently undertaking.

- 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 The cost-of-living crisis continues this year with increased energy bills and there is not an indication provided of an increase to Member's basic allowance or the special responsibility allowances.
- 6.11 Agreement is sought on whether Committee members are continuing to recommend that the Member's Allowances scheme continue unchanged for the 2022/23 year as set out at Appendix 1. In previous years the Committee discussed if the Basic Allowance should be index link to the proposed increases to the local government officer pay percentage. The National Employers agreed in June 2022 that all local government staff would be offered a £1,925 pay rise, equating to a 10.5% rise for the lowest paid staff and 4% for the highest paid. The rise will be backdated to 1 April 2022.
- 6.12 The independent review of Members Allowance commissioned by the Committee in 201/20 indicated 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. This was not taken forward by the Committee as a recommendation in 2021 or 2022 due to the national and local economic conditions.
- 6.13 To note that a 2% increase to the Basic Allowance for the 2023/24 municipal year , would mean the current Basic Allowance would increase to £11,471.94 To note that no indication has been given by the political groups of this increase being considered, in line with information set out at paragraph 6.3, and the economic situation. This is included to provide an understanding of previous decisions and the costs that could be incurred.

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 £224.94 per councillor would cost an additional £12,821.58 and this could not be contained within the set 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 2022/23

Appendix 2: The Remuneration of Councillors in London 2022– report of the Independent Panel

10. Local Government (Access to Information) Act 1985

Haringey Review of Member Allowances 2019/20