

**Report for:** Standards Committee 30 January 2024

**Title:** Members Allowances Scheme for 2024- 2025

**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 consider the current Member's Allowance Scheme and key findings of the remuneration of Councillors in London 2023 attached at Appendix 1 and put forward any comments on recommended changes for consideration at the March meeting of Standards Committee.

3.2 To comment on the carers claim form attached at appendix 3.

**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 2024/25 municipal year and recommend the final scheme for approval by full Council on the 14 of March 2024, 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 5<sup>th</sup> of January 2024 following a detailed review, with recommendations on the remuneration of Councillors in London.
- 6.4 The 2023 report continues to focus on to increasing challenges and complex role of councillors and how in London this is becoming more seismic with inclusion of national and international changes are directly impacting communities. The report reiterates the wide-ranging responsibilities of local councillors, the time commitment needed and ensuring that the role remains attractive to local residents that have skills, knowledge of the communities and also reflect the demographics of the borough. The report makes some strong recommendations for changes to the basic allowance of councillors, and to the SRA for the Leader and Mayors of Councils. This year's report recommendations are supported by research, which has been compiled from canvassing members and holding focus groups with the public to provide Councils with some assurance that the recommendations have been tested and to limit the anxiety around reputational risk.
- 6.5 The report argues strongly that the salaries for councillors are considerably lower than those in Scotland, Wales and Northern Ireland and workers in London. The Panel are recommending that the basic allowance should be **£15,960** and the approach and calculations are listed at paragraph 7.9 of the attached report. The Panel have included comments from their research and focus groups to help to provide assurance on how this may not be negatively perceived. The Panel also want to convene later in the year to understand how London Councils have taken this recommendation forward. The issue with this, is that many London Councils will be at the end of the budget setting process when the report was published and difficult to add significant increases to the Member budget allocation. The Panel strongly recommend that all authorities implement the recommendations on the next year. They advise that members allowances make up a small percentage of around 0.4- 0.5% of the Council's general fund net budget.
- 6.6 With regards to Leader, Cabinet Members the report details how these are in reality full time positions. There is further information in section 9 of the

attached report on the Leader SRA and the responsibility of the role in comparison to other public roles and other roles with financial responsibilities.

- 6.7 The report discusses, sickness, paternity and maternity leave and this is already incorporated in the Member Allowance scheme. There has been some work to simplify the process for claiming childcare and carer payments and this form is attached for comment at appendix 3. This can be better publicised as part of this report to Council in March.
- 6.8 The report addresses the issue of councillor retention and reflects on the removal of the right of councillors to access the local government pension scheme which has had an impact on recruitment of councillors. The rationale for this decision in 2014 is not clear. England is at odds with the Scotland, Wales and Northern Ireland where councillors still access the local government pension scheme.
- 6.9 Although the IRP 2023 makes recommendations, it is for each individual Council to decide the level of remuneration and for which roles.
- 6.10 The independent review of Members Allowance commissioned by the Committee in 2019/20 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. In 2023/ 2024, the Standards Committee agreed to keep to this principle and recommended a 2% increase in the basic allowance. The local government officer pay percentage increase, for 2023/24 is 3.88% on all pay points above the maximum of the pay spine but graded below deputy chief officer. The current basic allowance is **11,472** and if a **2% increase was agreed this would rise to by £229.44 to £11,701.44 (rounded to (£11, 701.00)). This would require additional budget spend of around £13, 053.00.**
- 6.11 There has been discussion with the Chair of Standards to have a light touch consideration of the SRAs in particular arising from the recent changes to the non-executive committees agreed in 2023. There would need to be a wider consultation with members if any changes were proposed and reasoning provided. There is provision in the 2003 legislation for the Council to amend the Member's Allowance scheme any time during the year and changes would not need to be completed by March 2024.

## **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. The cost of increasing the basic allowance £13, 053.00 would need to be met within the budget envelope for Democratic 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 2023/24

Appendix 2: The Remuneration of Councillors in London 2023– report of the Independent Panel

Appendix 3 – Draft expenses form

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

Haringey Review of Member Allowances 2019/20