

Report for: Standards Committee 10th of March 2025

Title: Members Allowances Scheme for 2025-2026

Report authorised by : Assistant Director 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 consider the changes to the Members' Allowances Scheme set out at section 6 and reflected at Appendix 2 to the report.
- 3.2 To recommend that the Members' Allowances Scheme 2025/26 attached at Appendix 2, and any further changes agreed by the Committee be adopted by Full Council on 24 March 2025.

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 2025/26 municipal year and recommend the final scheme for approval by full Council on the 24 of March 2025, 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. As of the 28th of February, there had been no further update to the report of the Independent Remuneration Panel and the 2023 report continues to be appended for consideration.
- 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 5th of January 2024 following a detailed review, with recommendations on the remuneration of Councillors in London.
- 6.4 The 2023 report was considered by the Standards Committee in January 2024 and they noted that it highlighted the 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 reiterated the wide-ranging responsibilities of local councillors, the time commitment needed and ensuring that the role remained attractive to local residents that have skills, knowledge of the communities and who also reflected the demographics of the borough. The report made some strong recommendations for changes to the basic allowance of councillors, and to the SRA for the Leader and Mayors of Councils. The report recommendations were 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 argued 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 had included comments from their research and focus groups to help to provide assurance on how this may not be negatively perceived.
- 6.6 Although the IRP 2023 makes recommendations, it is for each individual Council to decide the level of remuneration and for which roles. As a reminder in March 2024, the Standards Committee considered the 2023 report and did not put forward recommended changes to the SRA's.
- 6.7 To note that previous Haringey independent review of Members Allowance commissioned by the Standards 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 March 2024, there had been a local government officer pay percentage increase award and the Standards Committee recommended, and Council agreed, a 2% increase in the basic allowance and saw this as a reasonable adjustment for the increase in volume of casework, increased communications through emails and taking account that Councillor colleagues were spending on additional resources.

- 6.8 To note that in March 2024, the Committee discussed that going forward, there should be a regularisation of increases to the Basic Allowance to link with the local government pay increase, capped at 2% but noted the legal requirement to consider the Members' Allowance Scheme on an annual basis. In November 2024, there was a local government pay award of an increase of £1290 on all NJC pay points 2 – 43 and an increase of 2.5 % on all pay points above the maximum of the pay spine but graded below deputy chief officer.
- 6.9 There was discussion at the Standards Committee in February on continuing with the 2% increase and Committee noted that this would be an £13,338 additional budget cost. There was a need to consider the increases of the officer pay awards and noting that the reasoning applied to increases to officer pay could be applied to councillor basic pay, however, there was also a need to consider the financial situation of the Council. It was agreed that these issues were discussed further at political group meetings later in the month.
- 6.10 There was further consideration of the presentation of the Member Allowances SRA's at Appendix 1 Table A and it was noted that the Chair of General Purposes was also noted in the table to be Vice Chair of Appointments Panel and the Vice Chair of Disciplinary, Grievance and Dismissal Panel. There was comment made that this provided the impression that SRA's were applicable to vice Chair roles and agreed that this be deleted from the table and added as a separate note in the scheme
- 6.11 The Chair of Standards also indicated at the February meeting having a light touch consideration of the SRAs in 2025/2026, keeping within the allocated budget envelope and prior to the forthcoming local elections in 2026. 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 2026.
- 6.12 Since this meeting, it has been noted that neighbouring boroughs and some other London boroughs have taken forward a 2.5% increase to councillor basic allowance in line with the local government pay award and further to feed back an updated Member's Allowances Scheme with this consideration is attached at Appendix 2. To note that the cost has been worked out as follows:

$\pounds 11,701/100 \times 2.5 (\pounds 292.52 \text{ rounded to } \pounds 293)$ with new basic Allowance as $\pounds 11,994$

$\pounds 293 \times 57 = \pounds 16,701$ additional budget cost.

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 increasing the Members Basic Allowance by £293 per councillor is £16, 701. A budget pressure of £16,701 is not a significant sum in the context of the Council's overall budget and will have to be managed through the in-year monitoring process for 2025/26 and addressed formally in the next MTFS round and considered earlier by the Committee in November 2025 and Feb 2026.

8.2 Assistant Director 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 2025/26 unchanged
Appendix 2 Members Allowance Scheme 2025/26- 2.5% increase

Appendix 3: The Remuneration of Councillors in London 2023– report of the Independent Panel

10. Local Government (Access to Information) Act 1985

Haringey Review of Member Allowances 2019/20