

Report for: Standards Committee 3rd of February 2026

Title: Members Allowances Scheme for 2026-2027

Report authorised by : 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 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.

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 2026/27 municipal year and recommend the final scheme for approval by full Council on the 16 of March 2026, 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 20 of January 2026, 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 most recently in January 2025 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 were considerably lower than those in Scotland, Wales and Northern Ireland and workers in London. The Panel recommended 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. They noted that Member 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 addressed the issue of councillor retention and reflected 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 was not clear. England was at odds with the Scotland, Wales and Northern Ireland where councillors still access the local government pension scheme.

6.8 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 2025, the Standards Committee considered the 2023 report and did not put forward recommended changes to the SRA's.

6.9 The 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 2025, there had been a local government officer pay percentage increase award and the Standards Committee noted that neighbouring boroughs had all implemented a 2.5% increase in their basic allowance. The Standards Committee noted that by not making incremental increases to the basic allowance could mean larger increases in the future. They noted that the allowance was not a salary payment and the need to consider the support the allowance provides with the day-to-day activities of a ward Councillor and with attending evening meetings. The proposed basic allowance of £11,994 would still be well below the recommended basic allowance of £15, 960. Following the Standards Committee Report, Full Council in March 2025 continued to approve the 2.5% increase in the Basic Allowance.

6.10 In November 2025, there was a local government pay award of an increase of 3.2% for local government officers. If members were minded increasing their basic allowance by 2% the cost would be as follows:

$\text{£11,994/100} \times 2 = \text{£239.88}$ (rounded to £240.00) with new basic Allowance as £12,234.00.

£240x57=£13,680 additional budget cost.

6.11 Neighbouring Boroughs have also been contacted to obtain an understanding on current intentions for their Member Allowance Scheme to help inform the Committee.

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 managed within the budget envelope for Democratic services. The £13,680 cost of increasing the basic allowance is a budget pressure that, in the absence of specific funding in the MTFS, would similarly need to be met from within the wider Service budget.

8.2 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

Appendix 2: 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