

# Members' Allowance Scheme 2024/25



**Report to:** Full Council

**Date:** 17 July 2024

**Lead Officer:** Yvonne Rees, Interim Chief Executive (01279) 446004

**Contributing Officer:** Jacqueline Van Mellaerts, Assistant Director – Finance (01279) 446051

## Executive Summary

**A** This report asks Full Council to set the allowances paid to Councillors. This follows a review by the Independent Remuneration Panel (IRP) in 2023.

## Recommended that Full Council:

- A** Adopts the Members' Allowance Scheme, (attached as Appendix C) with effect from 2 May 2024.
- B** Member Allowances are updated annually in line with the annual percentage pay increase given to Harlow Council employees (and rounded to the nearest £) as agreed for each year by the National Joint Council for Local Government Staff.

## Reason for decision

**A** Full Council approval is required for the Allowance Scheme to be adopted.

## Other Options

- A** To keep the scheme unchanged.
- B** To approve an alternative scheme.

## **Background**

1. The IRP carried out a review of members' allowances in late 2023. It made a recommendation to Full Council, which was considered at the meeting on 14 December 2023. A copy of the original report is attached as Appendix A.
2. Full Council decided to defer considering the report until after the all-out local elections in May 2024.

## **Issues/Proposals**

3. Following the IRP review. The IRP has amended its recommendation so that allowances are back-dated to 2 May 2024 (the date of the local elections).

## **Benchmarking following IRP recommendations**

4. Since the IRP making its recommendations in December 2023, other councils have adopted revised allowance schemes. Many saw large increases due to high inflation rates. Benchmarking data from the council's approved peer group is attached as Appendix B to the report.
5. The average Basic Allowance within the council's designated peer groups was £7,413.81. It is noted that Stevenage Council's basic allowance is significantly high compared to the peer group.
6. The IRP proposed that the basic allowance calculation should be based on 50 hours multiplied by the Real Living Wage of £12 per hour. Removing the Public Sector Discount equates to £7,200 per annum.
7. Taking the IRP's report into account regarding the basic allowance calculation, in line with the Real Living Wage (with no Public Sector Discount) alongside the benchmarked data. It is considered that £7,000 is therefore a realistic Basic Allowance to be included within the members allowance scheme, which is slightly below the current peer group average and in line with the IRP proposals.

8. For the Special Responsibility Allowances (SRAs), the multipliers have been reviewed alongside the IRP report and the benchmarked average peer group data, included within Appendix A and B are amended below.
9. The IRP report regarding individual multiplier concepts have been applied to the table below. But the value's are now in line with the councils peer group benchmarked data.

SRA	Multiplier	SRA Amount (£)
Leader of the Council	2.8	19,600
Deputy Leader of the Council	1.8	12,600
Cabinet Portfolio Holder	1.6	11,200
Chair of the Council	1	7,000
Vice Chair of the Council	0.2	1,400
Chair of 'Other' Committees	1	7,000
Leader of Main Opposition Group	1.6	11,200
Leader of other political groups	0.16 times the Basic Allowance multiplied by the number of Councillors in the group (up to a maximum of 10 group members)	

10. Upon reviewing the benchmarked data from the peer group, it was also established that a number of other councils review their member allowances alongside staff pay increases from the National Joint Council, therefore it is recommended that member allowances are updated in line with National Joint Council for Local Government Staff on an annual basis.
11. The Panel will fully review the allowance scheme in three years' time in line with legislation.
12. If Councillors agreed to adopt the table above, the total cost of the scheme would be £378,000 plus NI employer contributions. Creating an in-year budget pressure of approx. £183,550 in 2024/25.

Allowance	Multiplier	£	No.	Costs	
Basic allowance	1	£7,000	33	£231,000	
Leader of the Council	2.8	£19,600	1	£19,600	
Deputy Leader of the Council	1.8	£12,600	1	£12,600	
Chair of the Council	1	£7,000	1	£7,000	
Vice Chair of the Council	0.2	£1,400	1	£1,400	
Cabinet Portfolio Holders	1.6	£11,200	6	£67,200	Leader/Deputy Leader only receives one SRA
Chair of "Other Committees"	1	£7,000	4	£28,000	Leader only receives one SRA
Leader of main opposition group	1.6	£11,200	1	£11,200	
<b>Total costs</b>				<b>£378,000</b>	

13. It should be noted that there are 8 cabinet portfolio holders, but the Leader/Deputy Leader only receive one SRA each, so do not receive the cabinet portfolio SRA.
14. There are also 5 Committees in total, but as the Leader chairs the Personnel Committee, the Leader does not receive the “Other Committee” SRA.

## **Implications**

### **Equalities and Diversity**

Set out in the original report.

### **Climate Change**

Set out in the original report.

### **Finance**

If the recommendation from the report are agreed and allowances are increased from 2 May 2024 there will be an in year pressure for 2024/25 and will be reported through usual budget monitoring processes. There will also be a base budget pressure for 2025/26 which will be captured in the budget setting cycle.

Author: Jacqueline Van Mellaerts, Assistant Director – Finance and Deputy Section 151 Officer

### **Governance**

Under the Local Authorities (Members’ Allowances) (England) Regulations 2003, Full Council must have regard to the recommendations of the Panel when determining the levels of remuneration.

The Panel has considered the views of Councillors, and the purpose of allowances when determining its recommendations. If Full Council is minded to make an alternative resolution to the Panel’s recommendations, it should have a clear rationale for doing so.

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## **Appendices**

Appendix A – Report from Independent Remuneration Panel from Full Council meeting on 14 December 2023

Appendix B – Benchmarking data

Appendix C – Constitution – Part 6 – Members Allowance Scheme

## **Background Papers**

None

## **Glossary of terms/abbreviations used**

IP – Independent Person

IRP – Independent Remuneration Panel