



## London Borough of Enfield

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<b>Report Title</b>	Members Allowances Scheme 2024/25
<b>Report to:</b>	Council
<b>Date of Meeting:</b>	15 <sup>th</sup> May 2024
<b>Directors:</b>	Terry Osborne Director of Law & Governance
<b>Report Author:</b>	Claire Johnson
<b>Ward(s) affected:</b>	N/A
<b>Key Decision:</b>	Non-Key
<b>Classification:</b>	Part I

### Purpose of Report

1. This report details the statutory annual review of Members' allowances for the 2024/25 Municipal year and seeks member approval of the scheme for the coming municipal year

### Recommendations

- I. To note the recommendations of the London Councils report for the Remuneration of Councillors in London 2023.
- II. To agree an annual uplift to members allowances as described in paragraph 8 of this report of 4.04%.
- III. To agree the SRA for Chairs and Vice Chairs of the Overview & Scrutiny Committee and the Scrutiny Panels.
- IV. To agree the Members Allowances scheme for 2024/25, subject to the uplift and other changes described in this report and to delegate authority to the Director of Law & Governance to make any necessary consequential amendments to the scheme.

## **Background and Options**

2. The Local Authorities (Members' Allowances) (England) Regulations 2003 provide that a Local Authority shall make a member allowance scheme in accordance with these Regulations in respect of each year. Regulation 10 provides that such a scheme shall be made before the beginning of each year, and may be amended during the year, but only revoked and replaced with a new scheme with effect from the beginning of a year. The scheme must be adopted each year, whether or not it includes provision for an annual uplift. The scheme was last agreed at the Annual Meeting in 2023.
3. The existing LBE Members Allowance Scheme specifies the Basic Allowance that will be paid to all members on the Council and the Special Responsibility Allowances ("SRAs") that will be paid to those members who hold additional roles such as Group Leaders, Cabinet members and committee chairs.

## **London Councils Remuneration Panel Report**

4. The regulations make specific provision for London Councils to establish a panel, which could exercise the functions of an independent remuneration panel on behalf of London borough councils and provides that regard must be had to the report of that Panel. The London Councils Panel established for this purpose produced a report in January 2023 and members must have regard to that report. The report is listed as a Background Paper to this report and is available for members to see.

## **Basic Allowance**

5. The IRP recommends a Basic Allowance of £15960, which is significantly higher than the current Basic Allowance paid to Enfield councillors. This higher figure is **not** being recommended for adoption in this report to members.

## **Annual Uplift**

6. The Enfield allowances scheme contains an uplift linked to Average Earnings (6.1% Feb 2024) whereas the IRP recommends that allowances should be updated annually in accordance with the percentage pay award agreed by the National Joint Council (NJC) for Local Government Services staff.
7. There is currently no settlement nationally. The NJC are asking for 10% or a flat rate of £3000 per annum.
8. The proposal for members allowances 2024/25 is to implement an annual uplift based on last year's pay settlement figure of 4.04%.
9. The costings are dealt with in the financial implications section of this report.

## **Changes to Special Responsibility Allowances**

10. If changes to the Scrutiny function and deletion of the Environment Forum are agreed then there will be a decrease in the total number of Chairmans SRA's from 9 to 5.
11. The Chair of OSC and the Chairs of the 4 Scrutiny Panels would continue to receive an SRA of £7915 on the same basis as they do under the current arrangement (subject to the recommended inflationary increase).
12. It is proposed that a new SRA based at 75% of the Chairs SRA be allocated to the Vice Chairs of OSC. Members will note that it has been suggested elsewhere on the agenda that the Vice Chair of the main OSC will also chair one of the Panels so no allowance will be paid for Vice Chair of the main OSC.

## **Preferred Option and Reasons For Preferred Option**

13. There is a requirement to approve the members allowances scheme annually. For the reasons mentioned in the body of the report, suitable remuneration for the role is important. Other alternatives to the scheme, could be considered.

## **Relevance to Council Plans and Strategies**

14. The workload and responsibilities of councillors continues to increase, and their role has become more complex. Allowances should be set at a level that enables people to undertake the role of councillor, while not acting as an incentive to do so. If it is important that there are no financial incentives to being a councillor, it is equally important that there should not be a financial disincentive. It is clearly desirable that service as a councillor is not confined to those who have retired or with independent means.

## **Financial Implications**

15. The IRP recommends that boroughs apply an uplift updated annually in accordance with the percentage pay award agreed by the National Joint Council (NJC) for Local Government Services staff. For the reasons stated in paragraph 8 of this report, the proposal is to use the figure of 4.04% to member allowances which reflects the pay increase for employees last year. By way of illustration, the effect would raise the basic allowance by £444 each. The cost of applying the uplift to all basic and special responsibility allowances would be £42,102. The additional cost of implementing this decision will be met from existing budgets.

## **Changes to the Scrutiny and Committee structure**

16. The proposed changes to the scrutiny structure and the affect on the SRA's achieves a saving as detailed in the table below (using uninflated figures for these purposes):

Current Scheme Costs	£
Chair of OSC	7,915
7 x Scrutiny Panel Chairs @7915	55,405
Chair of Environment Forum	7,915
Total	71,235

Proposed New Scheme Costs	£
Chair of OSC	7,915
4 x Scrutiny Panel Chairs @7915	31,660
4 x Vice Chairs of OSC and Scrutiny Panels @5936	23,744
Total	63,319
Proposed Savings	(7,916)

### Legal Implications

17. The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) are made under the provisions of section 18 Local Government and Housing Act 1989 and require local authorities to make a scheme of allowances for their members and to establish and maintain an independent remuneration panel to make recommendations to the Council about the scheme. The London Council's Independent Remuneration Panel fulfils this role.

### Equalities Implications

18. The report of the Panel felt that it was important that obstacles to becoming a councillor should be removed wherever possible and that, for example, care costs could be a significant deterrent to service as a councillor. Their strong view was that in appropriate cases when they undertake their council duties, councillors should be entitled to claim an allowance for care of dependents. The Enfield Scheme already includes provision for maternity, parental and adoption leave and dependent carer allowances.

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**Background papers:** The IRP report January 2023 published by London Councils