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**The report of the Independent Remuneration Panel  
appointed to review the allowances paid to Councillors  
of Milton Keynes Council**

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November 2021

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1. INTRODUCTION AND BACKGROUND

- 1.1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations"), as amended, require all local authorities to appoint an independent remuneration panel (IRP) to advise on the terms and conditions of their scheme of councillors' allowances.
- 1.1.2 Milton Keynes Council formally appointed the following persons to undertake this process and make recommendations on its future scheme.

Stewart Bailey – Local resident and Managing Director, Virtual Viewing
Ruby Parmar- Local Resident and Former PWC Director
Mark Palmer – Development Director, South East Employers (Chair)
Clive Parker- Local Resident and former Local Government Officer, provided administrative support to the Panel

- 1.1.3 Our terms of reference were in accordance with the requirements of the 2003 Regulations, together with "Guidance on Consolidated Regulations for Local Authority Allowances" issued jointly by the former Office of the Deputy Prime Minister and the Inland Revenue (July 2003). Those requirements are to make recommendations to the Council as to:

- (a) the amount of basic allowance to be payable to all councillors.
 - (b) the level of allowances and whether allowances should be payable for:
 - (i) special responsibility allowances.
 - (ii) travelling and subsistence allowance.
 - (iii) dependants' carers' allowance.
 - (iv) parental leave and.
 - (v) co-optees' allowance.
- and the amount of such allowances.
- (c) whether payment of allowances may be backdated if the scheme is amended at any time to affect an allowance payable for the year in which the amendment is made.
 - (d) whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years before its application is reviewed.

2. CURRENT SCHEME

- 2.1.1 The last review of councillors' allowances was undertaken by the IRP for the Council in 2017.
- 2.1.2 The Scheme currently provides that all councillors are each entitled to a total basic allowance of £10,924 per annum, with effect from April 2021. In addition, some councillors receive special responsibility allowances for undertaking additional duties.
- 2.1.3 Councillors may also claim the cost of travel and subsistence expenses and for expenditure on the care of children or dependants whilst on approved duties.

3. PRINCIPLES UNDERPINNING OUR REVIEW

3.1 The Public Service Principle

- 3.1.1 This is the principle that an important part of being a councillor is the desire to serve the public and, therefore, not all of what a councillor does should be remunerated. Part of a councillor's time should be given voluntarily. The consolidated guidance notes the importance of this principle when arriving at the recommended basic allowance.¹ Moreover, we found that a public service concept or ethos was articulated and supported by all of the councillors we interviewed and in the responses to the questionnaire completed by councillors as part of our review.
- 3.1.2 To provide transparency and increase an understanding of the Panel's work, we will recommend the application of an explicit Public Service Discount (or PSD). Such a PSD is applied to the time input necessary to fulfil the role of a councillor. Further explanation of the PSD to be applied is given below in section 4.

3.2 The Fair Remuneration Principle

- 3.2.1 Alongside the belief that the role of the elected Councillor should, in part, be viewed as unpaid voluntary service, we advocate a principle of fair remuneration. The Panel in 2021 continues to subscribe to the view promoted by the independent Councillors' Commission:

Remuneration should not be an incentive for service as a councillor. Nor should lack of remuneration be a barrier. The basic allowance should encourage people from a wide range of backgrounds and with a wide range of skills to serve as local councillors. Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage as a result of doing so.²

- 3.2.2 We are keen to ensure that our recommended scheme of allowances provides reasonable financial compensation for councillors. Equally, the scheme should be fair, transparent, logical, simple, and seen as such.
- 3.2.3 Hence, we continue to acknowledge that:
- (i) allowances should apply to roles within the Council, not individual councillors.
 - (ii) allowances should represent reasonable *compensation* to councillors for expenses they incur and time they commit in relation to their role, not *payment* for their work; and
 - (iii) special responsibility allowances are used to recognise the *significant* additional responsibilities which attach to some roles, not merely the extra time required.
- 3.2.4 In making our recommendations, we have therefore sought to maintain a balance between:
- (i) the voluntary quality of a councillor's role.

¹ The former Office of Deputy Prime Minister – now the Department for Communities, Housing and Local Government, and Inland Revenue, *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraph 68.

² Rodney Brooke and Declan Hall, *Members' Remuneration: Models, Issues, Incentives and Barriers*. London: Communities and Local Government, 2007, p.3.

- (ii) the need for appropriate financial recognition for the expenses incurred and time spent by councillors in fulfilling their roles; and
- (iii) the overall need to ensure that the scheme of allowances is neither an incentive nor a barrier to service as a councillor.

3.2.5 The Panel also sought to ensure that the scheme of allowances is understandable in the way it is calculated. This includes ensuring the bandings and differentials of the allowances are as transparent as possible.

3.2.6 In making our recommendations, we wish to emphasise that any possible negative impact they may have is not intended and should not be interpreted as a reflection on any individual councillor’s performance in the role.

4. CONSIDERATIONS AND RECOMMENDATIONS

4.1 Basic Allowance

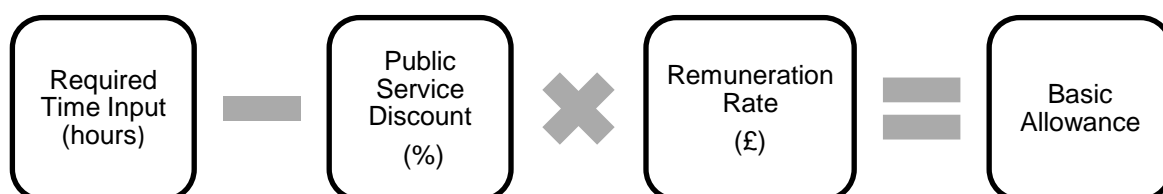
4.1.1 A Council’s scheme of allowances must include provision for a basic allowance, payable at an equal flat rate to all councillors. The guidance on arriving at the basic allowance states, “Having established what local councillors do, and the hours which are devoted to these tasks the local authorities will need to take a view on the rate at which, and the number of hours for which, councillors ought to be remunerated.”³

4.1.2 In addition to the regular cycles of Council and committee meetings, a number of working groups involving councillors may operate. Many councillors are also appointed by the Council to a number of external organisations.

4.1.3 We recognise that councillors are responsible to their electorate as:

- Representatives of a particular ward.
- Community leaders.
- Decision makers for the whole Council area.
- Policy makers for future activities of the Council.
- Scrutineers and auditors of the work of the Council; and
- Regulators of planning, licensing and other matters required by Government.

4.1.4 The guidance identifies the issues and factors an IRP should have regard to when making a scheme of allowances.⁴ For the basic allowance we considered three variables in our calculation: the time required to execute the role effectively; the public service discount; and the rate for remuneration.



4.1.5 Each of the variables is explained below.

³ The former Office of Deputy Prime Minister – now the Department for Housing, Communities and Local Government, and Inland Revenue, *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraph 67.

⁴ The former Office of Deputy Prime Minister – now the Department for Communities and Local Government, and Inland Revenue, *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraphs 66-81.

Required Time Input

- 4.1.6 We ascertained the average number of hours necessary per week to undertake the role of a councillor (with no special responsibilities) from questionnaires and interviews with councillors and through reference to the relevant information. In addition, we considered further information about the number, range, and frequency of committee meetings.⁵
- 4.1.7 Discounting attendance at political meetings (which we judged to be centred upon internal political management), we find that the average time commitment required to execute the role of a councillor with no special responsibilities is 21 hours per week.

Public Service Discount (PSD)

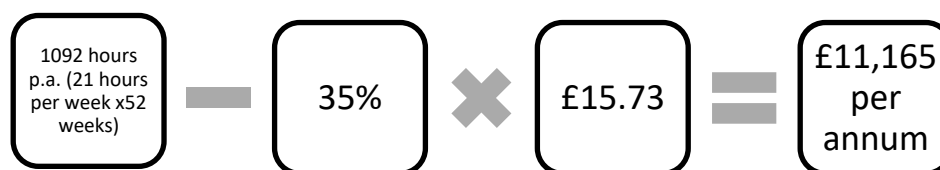
- 4.1.8 From the information analysed, we found councillors espoused a high sense of public duty. Given the weight of evidence presented to us concerning, among other factors, the levels of responsibility, the varied nature of the role, the need for learning and development, and the increasing accessibility and expectations of the public, we recommend a Public Service Discount of 35 per cent to the calculation of the basic allowance. This percentage sits within the mid-range of PSDs applied to basic allowances by councils in the region.

Remuneration Rate

- 4.1.9 After establishing the expected time input to be remunerated, we considered a remuneration rate. We came to a judgement about the rate at which the councillors ought to be remunerated for the work they do.
- 4.1.10 To help identify an hourly rate for calculating allowances, we utilised relevant statistics about the local labour market published by the Office for National Statistics. We selected the average (median), full-time gross⁶ wage per hour for the Milton Keynes Council area £15.73⁷ per hour.

Calculating the basic allowance

- 4.1.11 After determining the amount of time required each week to fulfil the role (21 hours), the level of PSD to be applied (35%) and the hourly rate to be used (£15.73), we calculated the basic allowance as follows:



- 4.1.12 The gross Basic Allowance before the PSD is applied is **£17,177.16**. Following the application of the PSD this leads to a basic allowance of **£11,165.15** per annum.
- 4.1.13 This amount is intended to recognise the overall contribution made by councillors, including their work on council bodies, and ward work and attendance on external bodies.

⁵ The summary responses to the questionnaires are available on request.

⁶ The basic allowance, special responsibility allowance, dependants' carers' allowance, and co-optees' allowance are taxable as employment income.

⁷ The Nomis official labour market statistics: Hourly Pay – Gross median (£) For full-time employee jobs by place of residence: UK December 2020.

4.1.14 We did also note the levels of basic allowance currently allocated by other unitary councils in the South East and part of the Milton Keynes family group of Councils, (see table below and Appendix 3 & 4).

| Council | Unitary Councils: Basic Allowances (£) 2021 ⁸ |
|---|--|
| Brighton and Hove City Council | 13,360 |
| Bedford Council | 10,425 |
| Bolton Council | 11,644 |
| Bracknell Forest Council | 8,697 |
| Buckinghamshire Council | 13,000 |
| Bury Council | 8,947 |
| Coventry City Council | 14,490 |
| Isle of Wight Council | 8,001 |
| Kirklees Council | 14,002 |
| Luton Council | 7,500 |
| Medway Council | 10,733 |
| Milton Keynes Council | 10,924 |
| Peterborough City Council | 10,508 |
| Portsmouth City Council | 11,483 |
| Reading Borough Council | 8,447 |
| Royal Borough of Windsor and Maidenhead | 8,306 |
| Slough Borough Council | 7,779 |
| Southampton City Council | 13,057 |
| Swindon Council | 8,797 |
| Telford Council | 9,703 |
| Thurrock Council | 9,200 |
| Trafford Council | 6,940 |
| Warrington Council | 8,321 |
| West Berkshire Council | 7,697 |
| Wokingham Borough Council | 7,784 |

4.1.15 The Panel wished to ensure the level of basic allowance does not constitute a barrier to candidates from all sections of the community standing, or re-standing, for election as councillors. The Panel was of the view that the 2017 review had begun to make recommendations to ensure that the current basic was in accordance with the principle of fair remuneration and the 2020 review has further enhanced this approach through the introduction of a transparent and clear formula for calculating the Basic Allowance. Such a formula will also assist a future Panel in recommending a Basic Allowance

WE THEREFORE RECOMMEND that the Basic Allowance payable to all members of Milton Keynes Council be £11,165 per annum

⁸ Figures drawn from the South East Employers, Members' Allowances Survey 2021 (October 2021) and the Milton Keynes Council Family Group of Councils.

4.2 Special Responsibility Allowances (SRAs)

- 4.2.1 Special Responsibility Allowances are awarded to councillors who perform significant additional responsibilities over and above the roles and expenses covered by the basic allowance. These special responsibilities must be related to the discharge of the council's functions.
- 4.2.2 The 2003 Regulations do not limit the number of SRAs which may be paid, nor do they prohibit the payment of more than one SRA to any one councillor. They do require that an SRA be paid to at least one councillor who is not a member of the controlling group of the Council. As the guidance suggests, if the majority of councillors receive an SRA, the local electorate may rightly question the justification for this.⁹
- 4.2.3 We conclude from the evidence we have considered that the following offices bear *significant* additional responsibilities:
- Leader of the Council
 - Deputy Leader of the Council
 - Cabinet Members
 - Main Opposition Group Leader
 - Smaller Opposition Group Leader
 - Chair of Scrutiny Management Committee
 - Chairs of Scrutiny Committees
 - Chairs of Task and Finish Groups
 - Chair of Development Control Committee
 - Chair of Licensing Committee
 - Chair of Audit Committee
 - Chair of Standards Committee
 - Chair of a Corporate Parenting Committee
 - Mayor
 - Deputy Mayor
 - Co-Opted Members

One SRA Only Rule

- 4.2.4 To improve the transparency of the scheme of allowances, we feel that no councillor should be entitled to receive at any time more than **one SRA**. If a councillor can receive more than one SRA, then the public are unable to ascertain the actual level of remuneration for an individual councillor from a reading of the Scheme of Allowances.
- 4.2.5 Moreover, the One SRA Only Rule avoids the possible anomaly of the Leader receiving a lower allowance than another councillor. If two or more allowances are applicable to a councillor, then the higher-valued allowance would be received. The One SRA Only Rule is common practice for many councils. Our calculations for the SRAs are based on this principle, which should be highlighted:

WE THEREFORE RECOMMEND that that no councillor shall be entitled to receive at any time more than one Special Responsibility Allowance and that this One SRA Only Rule be adopted into the Scheme of Allowances.

⁹ The former Office of Deputy Prime Minister – now the Department for Housing Communities and Local Government, and Inland Revenue, *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraph 72.

The Maximum Number of SRA's Payable

4.2.6 In accordance with the 2006 Statutory Guidance (paragraph 72) the Panel is of the view that the Council should adhere to the principle that no more than 50% of Council Members (30) should receive an SRA at any one time.

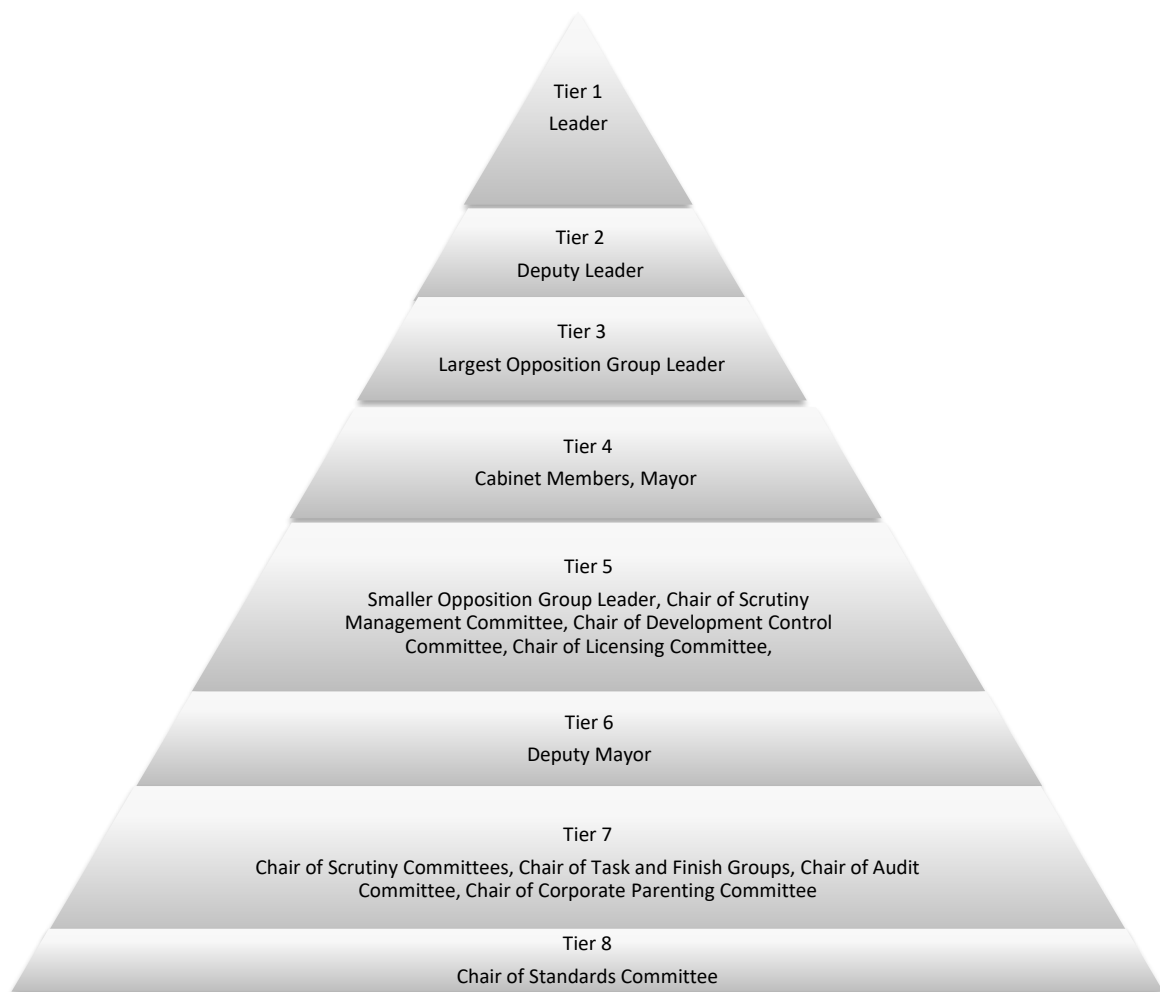
WE THEREFORE RECOMMEND that the Council should adhere to a maximum number of SRA's payable at any one time that does not exceed 50% of Council Members (28 Members).

Calculating SRAs

4.2.7 The Panel supported the criteria and formula for calculating the Leader of the Council allowance based on a multiplier of the Basic Allowance; this role carries the most significant additional responsibilities and is the most time consuming.

4.2.8 We applied a multiplier of the basic allowance to establish the Leader's SRA. Other SRAs are then valued downwards as a percentage of the Leader's allowance. This approach has the advantage that, when future adjustments to the SRAs are required, changing the Leader's SRA will have a proportionate and easily calculable effect on the other SRAs within the scheme.

We grouped together in Tiers those roles that we judged to have a similar level of responsibility. The outline result of this approach is illustrated in a pyramid of responsibility:



4.2.4 The rationale for these eight tiers of responsibility are discussed below.

Leader (Tier One)

- 4.2.9 The Council elects for a four-year term of office a Leader who is ultimately responsible for the discharge of all executive functions of the Council. The Leader is the principal policy maker and has personal authority to determine delegated powers to the rest of the Cabinet. The Leader is also responsible for the appointment (and dismissal) of members of the Cabinet and their respective areas of responsibility.
- 4.2.10 The multiplier we applied to calculate the Leader's SRA is 300% (3 x times) the basic allowance. If the recommended option of a basic allowance with a PSD of 35% is adopted, this results in a Leader's Allowance of £33,495.

WE RECOMMEND that the Leader of the Council should receive a Special Responsibility Allowance of 300% of the basic allowance, £33,495.

Deputy Leader (Tier Two)

- 4.2.11 The Deputy Leader usually acts on the Leader's behalf in their absence. From the information we gathered, we continue to consider this additional responsibility should be reflected in the level of allowance. Therefore, we recommend the Deputy Leader's SRA be set at 50% of the Leader's SRA. If our recommendations concerning the basic allowance and the Leader's SRA are adopted, this results in an allowance of £16,748.

WE RECOMMEND that the Deputy Leader receive a Special Responsibility Allowance of 50% of the Leader's Allowance, £16,748.

Main Opposition Group Leader (Tier Three)

- 4.2.12 From the evidence gathered, including questionnaire responses, face to face interviews and the Council's Role Profiles, we consider the Main Opposition Group Leader to be a significant role and the 2003 Regulations require that the Main Opposition Group Leader receive a Special Responsibility Allowance. The Leader of the Main Opposition Group has to both ensure democratic accountability and the holding to account of the administration but also manage and develop a Group of significant size.
- 4.2.13 Currently the Main Opposition Group Leader receives a Special Responsibility Allowance based on a per Group Member basis, currently £658 per Member. The Panel was of the view that the SRA for the Main Opposition Group Leader should be calculated on the same basis as the other SRA's, a percentage of the Leader's Allowance. Based on the size and complexity of the role the Panel is of the view that the Main Opposition Group Leader should receive an allowance of 45% of the Leader's Allowance, £15,073.

WE RECOMMEND that the Main Opposition Group Leader receive a Special Responsibility Allowance of 45% of the Leader, £15,073.

Cabinet Members and Mayor (Tier Four)

- 4.2.14 Cabinet Members appointed by the Leader of the Council have significant delegated decision-making responsibilities and currently the Cabinet Member Special Responsibility Allowances are based on a pool that is currently capped at a total of £68,666 for Cabinet Members excluding the Leader and Deputy Leader. The 'Pool' cap based on a current six Cabinet Members leads to an allowance of £9,809 per Cabinet Member. However, if the Leader was minded to introduce further Cabinet roles (Maximum of eight Cabinet Members) to respond to new and growing Local Government responsibilities then the 'Pool' cap will lead to the current Cabinet Members allowances been reduced.

4.2.15 The panel was of the view that the current 'Pool' approach to calculating the SRA's for Cabinet Members should be replaced with the same criteria as used for calculating the other SRA's namely a percentage of the Leader's Allowance. The Panel was of the view that this will provide the Leader with greater flexibility to appoint a Cabinet that is best able to respond to the current and future challenges. The panel is therefore of the view that the Special Responsibility Allowance for a Cabinet Member should be 35% of the Leader's Allowance, £11,723.

WE RECOMMEND that a Cabinet Member should receive an allowance of 35% of the Leaders Allowance, £11,723.

4.2.16 The role of Mayor is highly visible across the Council area and undertakes a high number of civic engagements that raise the profile of the Council. The current Mayoral Allowance is in line with that paid to Cabinet Members. The Panel was of the view that the Mayoral Allowance should continue to be at the same rate as a Cabinet Member. We therefore recommend that the role of Mayor continue to be recognised at Tier Four and receive an allowance of £11,723, 35% of the Leader's Allowance.

4.2.16 The Panel was also of the view that in line with all the other Special Responsibility Allowances the Allowance for both the Mayor and Deputy Mayor should be paid on a monthly basis rather than in two equal instalments in June and November.

WE RECOMMEND that the Mayor should continue to receive an allowance in line with the recommendation for a Cabinet Member, 35% of the Leader's allowance, £11,723. WE ALSO RECOMMEND that the allowance for the Mayor and Deputy Mayor should be paid on a monthly basis in line with all the other Special Responsibility Allowances rather than in two equal instalments.

Smaller Opposition Group Leader, Chair of Scrutiny Management Committee, Chair of Development Control Committee and Chair of Licensing Committee (Tier Five)

4.2.17 The Leaders of Smaller Opposition Groups continue to be a role of significant importance and the Panel was therefore of the view that the Leader of the Smaller Opposition Group should receive a Tier Five allowance, 25% of the Leader's Allowance, £8,374. In line with the recommendation made for the SRA for the Main Opposition Group Leader the Panel recommend that the allowance should now be expressed as a percentage of the Leader's Allowance rather than the current position of being based on the number of Members in each group (£658 per Group Member). However, the Panel were also of the view that in order to qualify for a Smaller Opposition Group Leader SRA, the Group size should comprise a minimum of 15% of the Council membership, which is currently 9 Councillors.

4.2.18 The Panel was of the view that Overview and Scrutiny continues to be a pivotal part of the Council's governance arrangements in ensuring internal and external accountability and holding the Cabinet to account. Statutory Guidance published by the then Department for Housing Communities and Local Government further strengthened the role and profile of overview and scrutiny, and this will be reflected in Milton Keynes Council. The Panel therefore recommends that the Chair of the Overview and Scrutiny Management Committee should receive a Tier Five allowance, 25% of the Leader's Allowance, £8,374.

4.2.19 The Development Control Committee continues to have a high impact across the Council area and has a high workload that includes regular site visits and a high number of meetings. The Panel therefore recommends that the Chair of the Development Control Committee should receive a Tier Five allowance, 25% of the Leader's Allowance, £8,374.

4.2.20 The Panel was made aware that the number and frequency of meetings of the Licensing and Regulatory Committee have reduced over the last year's. However, Special Responsibility Allowances are not based only on the frequency of meetings but also, on the complexity of the role. The Panel therefore recommends that the Special Responsibility Allowance for the Chair of the Licensing and Regulatory Committee should also be a Tier Five allowance, 25% of the Leader's Allowance, £8,374.

WE RECOMMEND that the Smaller Opposition Group Leader (subject to the size of the Group comprising 15% of the Council membership), the Chair of the Overview and Scrutiny Management Committee, Chair of the Development Control Committee and Chair of the Licensing Committee should all receive a Tier Five Allowance, 25% of the Leader's Allowance, £8,374.

Deputy Mayor (Tier Six)

4.2.21 The role of Deputy Mayor like that of the Mayor continues to be a high-profile role that has a significant impact across the Council area and a high workload based on the number and frequency of civic engagements. The Panel is of the view that the role of Deputy Mayor should continue to receive an allowance based on 50% of the Mayoral Allowance, £5,862.

WE RECOMMEND that the Deputy Mayor continues to receive a Tier Six Allowance, 50% of the recommended Mayoral Allowance, £5,862.

Chair of Scrutiny Committees, Chair of Task and Finish Groups, Chair of Audit Committee and Chair of a Corporate Parenting Committee (Tier Seven).

4.2.22 Like the Overview and Scrutiny Management Committee the Panel was of the view that the Scrutiny Committees had a highly important role in ensuring accountability, reviewing and developing policy; and this importance should be reflected in the allowance for the Chair of the Scrutiny Committees. The Panel was therefore of the view that the Chair of the Scrutiny Committees should receive a Tier Seven allowance, 15% of the Leader's Allowance, £5,024.

4.2.23 The Panel also recognised the importance of the Task and Finish Groups in undertaking in-depth reviews and investigations in respect of issues deemed of high importance by both councillors, partners and the public. The Panel is therefore of the view that the Chairs of the Task and Finish Groups should receive a pro rata (depending on the length of time the Group is in place) Tier Seven allowance, 15% of the Leader's Allowance, £5,024.

4.2.24 The Audit Committee was recognised as a high-profile committee that had a key role in terms of financial management and effective governance. The Panel was of the view that the Chair should continue to receive a Special Responsibility Allowance but that this allowance should be in line with roles such as Chair of a Scrutiny Committee. The Panel therefore recommends that the Chair of Audit Committee should receive a Tier Seven allowance, 15% of the Leader's Allowance, £5,024.

4.2.25 The Chair of the Corporate Parenting Panel does not currently receive a Special Responsibility Allowance despite the high workload and external impact of the role. The role of corporate parent is a key but often not well recognised role and currently the Panel is not recognised as a formal committee within the governance structure of the Council. During the interviews and within the responses to the questionnaire the important role of the Chair of the Corporate Parenting Panel was highlighted. Only few comparative Councils e.g., Peterborough City Council recognise the role of the Chair of a Corporate Panel/Committee through an allowance. However, the Panel was of the view that the role of Chair of the Corporate Parenting Panel should receive a Tier Seven Special Responsibility Allowance, 15% of the Leader's Allowance, £5,024.

WE RECOMMEND that the Chair of the Scrutiny Committees, Chair of the Task and Finish Groups, Chair of the Audit Committee and Chair of the Corporate Parenting Panel should receive a Tier Seven allowance, 15% of the Leader's Allowance, £5,024. In respect of the allowance for the Chair of the Task and Finish Groups the allowance will be on a pro-rata basis, depending on the length of time the Group is in place.

Chair of Standards Committee (Tier Eight)

- 4.2.26 The Panel recommends that the Chair of the Standards Committee receive a Tier Eight allowance, 10% of the Leader's Allowance, £3,340.

WE RECOMMEND that the Chair of the Standards Committee receive a Tier Eight allowance, 10% of the Leader's Allowance, £3,340.

4.3 Co-optees'/ Independent Persons Allowance

- 4.3.1 An IRP may recommend the payment and level of an allowance for those who serve on the committees or sub-committees of a Council but are not members of the Council. We recognise that in so doing, an element of the contribution made by the co-optees/Independent Persons should be voluntary. We therefore continue to recommend that co-optees of the Council are entitled to an allowance plus travel, subsistence and other expenses in accordance with the scheme applicable to councillors.

WE RECOMMEND that the Co-optees should continue to receive an allowance of £640 per annum. The role will also receive travel, subsistence and other expenses in accordance with the scheme applicable to councillors.

4.4 Travelling and Subsistence Allowance

- 4.4.1 A scheme of allowances may provide for any councillor to be paid for travelling and subsistence undertaken in connection with any of the duties specified in Regulation 8 of the 2003 Regulations (see paragraph 5.10). Similarly, such an allowance may also be paid to co-opted/Independent Persons of a committee or sub-committee of the Council in connection with any of those duties, provided that their expenses are not also being met by a third party.

WE RECOMMEND that travelling and subsistence allowance should be payable to councillors and co-optees in connection with any approved duties. The amount of travel and subsistence payable shall continue to be at the maximum levels payable to council staff in line with HM Revenue and Customs' rates. We propose no changes to the current travel and subsistence allowances.

WE FURTHER RECOMMEND that a travel allowance for electric vehicles should be introduced based on the HM Revenue and Customs' rate of 45p per mile. Finally, a bicycle allowance should also be approved, and both these new rates should be promoted to Councillors.

4.5 Child and Dependant Carers' Allowance

- 4.5.1 The child and dependant carers' allowance should ensure that potential candidates are not deterred from standing for election and should enable current councillors to continue despite any change in their personal circumstances. The current scheme awards reimbursement for Child Care at the rate of the National Living Wage and more specialist care is a rate of £10 per hour, the cost of a Milton Keynes Council Home Help Carer. The current scheme also limits any claim up to a maximum of five hours when undertaking Approved Councillor duties.

- 4.5.2 The Panel is of the view that the Child and Dependant Carers' Allowance should continue to be reimbursed at two rates for basic Childcare and more specialist care. With regards to childcare the Panel recommends that this should be linked to the Real Living Wage as recommended by the Living Wage Foundation, currently £9.50 per hour. This is a single rate that replaces the age-related criteria in the current scheme. With regard to more specialist care the Panel is of the view that this should be reimbursed at the actual cost incurred by the councillor upon production of receipts. In respect of specialist care provision medical evidence that this type of care provision is required should also be provided and approved by an appropriate officer of the Council. The panel further recommends that the five-hour maximum claim in any twenty-four-hour period is removed.

WE THEREFORE RECOMMEND that the Child and Dependant Carers' Allowance should be based on two rates childcare and specialist care. The childcare rate should be linked to the Real Living Wage as recommended by the Living Wage Foundation, currently £9.50 per hour (reviewed on an annual basis). Specialist care should and be based at cost upon production of receipts and in the case of specialist care a requirement of medical evidence that this type of care be required, the allowance should have no daily or monthly maximum claim when undertaking Approved Councillor Duties.

WE ALSO RECOMMEND that the Council should actively promote the allowance to prospective and new councillors both before and following an election. This may assist in supporting greater diversity of councillor representation.

4.6 Parental Leave

- 4.6.1 There is no uniform national policy to support councillors who require parental leave for maternity, paternity, or adoption leave. According to the Fawcett Society (Does Local Government Work for Women, 2018) a *'lack of maternity, paternity provision or support'* is a real barrier for women aged 18-44 to fulfil their role as a councillor.
- 4.6.2 We are of the view that support should be provided for parental leave although we do not wish to stipulate an exact policy/procedure. The Panel is aware that the Local Government Association (Labour Group) has developed a model policy that has been adopted by a growing number of councils across the southeast region.
- 4.6.3 There is no legal right to parental leave of any kind for people in elected public office. However, as a way of improving the diversity of Councillors, the Panel would recommend that the Members' Allowance Scheme should be amended to include provisions that clarify that:
- All Councillors shall continue to receive their Basic Allowance in full for a period up to six months in the case of absence from their Councillor duties due to leave relate to maternity, paternity, adoption shared parental leave or sickness absence
 - Councillors entitled to a Special Responsibility Allowance shall continue to receive their allowance in full for a period of six months, in the case of absence from their Councillor duties due to leave related to maternity, paternity, adoption, shared parental leave or sickness absence
 - Where for reasons connected with sickness, maternity leave, adoption leave, paternity leave or shared parental leave a Councillor is unable to attend a meeting of the Council for a period of six months, a dispensation by Council can be sought in accordance with Section 85 of the Local Government Act 1972

- If a replacement to cover the period of absence under these provisions is appointed by Council or the Leader (or in the case of a party group position the party group) the replacement shall be entitled to claim a Special Responsibility Allowance pro rata for the period over which the cover is provided.
 - If a Councillor stands down, or an election is held during the period when a Councillor is absent due to any of the above and the Councillor is not re-elected or decides not to stand down for re-election, their Basic Allowance any Special Responsibility Allowance will cease from the date they leave office.
- 4.6.4 The Panel is conscious that these provisions do not replicate the LGA policy, but that policy introduces elements that are more akin to employees which in terms of employment legislation does not include Councillors. We feel that our recommendations more simply and adequately reflect the situation relating to Councillors and clarify for them what they can expect. Councillors however may wish to further develop the above recommendations so that they reflect the LGA (Labour Group) policy.
- 4.6.5 The Panel was aware that in July 2019 a decision was taken on Parental Leave Policies for Councillors and that it was recommended that a cross party working group be established to create and agree a parental leave policy and the Panel supports this approach.
- 4.6.6 The Panel would also like to thank the representation undertaken by members of the Fawcett Society and the information and documents provided that assisted the Panel In its recommendations.

WE RECOMMEND that the approach outlined is adopted as a basis of a policy to support parental leave for councillors. Should a policy on Parental Leave for Councillors be approved it should be actively promoted to prospective and current Councillors alongside the Dependants' Carers Allowance. This should form part of a wider 'Be A Councillor' (LGA led initiative) programme led by the Council and supported by political groups; to enhance and further increase the diversity of councillor representation.

4.7 Indexing of Allowances

- 4.7.1 A scheme of allowances may make provision for an annual adjustment of allowances in line with a specified index. The present scheme makes provision for the basic allowance, the special responsibility allowances and Co-optees allowance to be adjusted annually at a rate of 2%. Increasingly, Councils are taking the approach that the increase should be in line with staff salaries. However, the negotiations relating to staff pay increases, often take well into the financial year in question.

WE RECOMMEND that the basic allowance, each of the SRAs and the Co-optees' Allowance be increased annually from April 2023 for a period of up to three years, in line with the percentage increase in staff salaries, from the previous financial year. After this period, the Scheme shall be reviewed again by an independent remuneration panel.

4.8 Revocation of current Scheme of Allowances / Implementation of new Scheme

- 4.8.1 The 2003 Regulations provide that a scheme of allowances may only be revoked with effect from the beginning of a financial year, and that this may only take effect on the basis that the authority makes a further scheme of allowances for the period beginning with the date of revocation.

WE THEREFORE RECOMMEND that the new scheme of allowances to be agreed by the Council be implemented with effect from the beginning of the 2022/23 municipal year, at which time the current scheme of allowances will be revoked.

5. OUR INVESTIGATION

5.1 Background

- 5.1.1 As part of this review, a questionnaire was issued to all councillors to support and inform the review. Responses were received from 14 of the 57 current councillors (25% response). The information obtained was helpful in informing our deliberations.
- 5.1.2 We interviewed ten current councillors using a structured questioning process. We also interviewed two members of the Fawcett Society. We are grateful to all our interviewees for their assistance.

5.2 Councillors' views on the level of allowances

- 5.2.1 A summary of the councillors' responses to the questionnaire are attached as Appendix 2.

6. APPROVED COUNCILLOR DUTIES

- 6.1.1 The Panel reviewed the recommended duties for which allowances should be payable and recommend that no changes be made.

WE THEREFORE RECOMMEND: That no changes are made to the Approved Duties as outlined in the Members' Allowance Scheme.

Mark Palmer (Chair of the Independent Remuneration Panel)
Development Director, South East Employers
November 2021

Appendix 1: Summary of Panel's Recommendations

| Allowance | Current Amount for 2020-21 | Number | Recommended Allowance (35% PSD) | Recommended Allowance Calculation |
|---------------------|----------------------------|-----------|---------------------------------|-----------------------------------|
| Basic (BA) | | | | |
| Total Basic: | £10,924 | 57 | £11,165 | |

| Special Responsibility: | | | | |
|---|-----------------------|---|---------------------|---------------------------|
| Leader of the Council | £31,836 | 1 | £33,495 | 300% of BA |
| Deputy Leader | £15,918 | 1 | £16,748 | 50% of Leader's Allowance |
| Largest Opposition Group Leader | £658 per Group member | 1 | £15,073 | 45% of Leader's Allowance |
| Cabinet Members | £9,809 | 6 | £11,723 | 35% of Leader's Allowance |
| Mayor | £11,672 | 1 | £11,723 | 35% of Leader's Allowance |
| Chair of Licensing & Regulatory Committee | £8,489 | 1 | £8,374 | 25% of Leader's Allowance |
| Chair of Development Control Committee | £8,489 | 1 | £8,374 | 25% of Leader's Allowance |
| Chair of Scrutiny Management Committee | £7,959 | 1 | £8,374 | 25% of Leader's Allowance |
| Smaller Opposition Group Leader | £658 per Group Member | 1 | £8,374 | 25% of Leader's Allowance |
| Chair of Scrutiny Committees | £4,776 | 6 | £5,024 | 15% of Leader's Allowance |
| Chair of Task and Finish Groups | £4,776 | | £5,024 ¹ | 15% of Leader's Allowance |
| Chair of Audit Committee | £5,836 | 1 | £5,024 | 15% of Leader's Allowance |
| Chair of Corporate Parenting Panel | No SRA | 1 | £5,024 | 15% of Leader's Allowance |
| Chair of Standards Committee | £3,183 | 1 | £3,340 | 10% of Leader's Allowance |
| Deputy Mayor | £5,836 | 1 | £5,862 | 50% of Mayor's Allowance |
| Co-opted Members | £640 | | £640 | |

1. Chair of Task and Finish Groups Special Responsibility Allowance to be paid on a pro-rata basis dependent on the length of time the Group is in place.