

Council Report



19 January 2022

INDEPENDENT REMUNERATION PANEL AND SCHEME OF COUNCILLORS' ALLOWANCES 2022/23

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Exempt / confidential / not for publication	No
Council Plan reference	Not in Council Plan
Wards affected	All wards

Executive summary

Under the terms of the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council is obliged to appoint an Independent Remuneration Panel to review, comment and advise on the level of allowances paid to councillors at least every four years (where any form of indexation is applied to the scheme).

The Council last appointed an Independent Remuneration Panel in 2017/18 and so a new panel was required for a scheme of allowances for 2022 onwards. The Independent Remuneration Panel met across a number of dates in the autumn of 2021 and again in January 2022 (see paras 2.7 and 2.8). A copy of the Panel's report and recommendations is attached at **Annex A** to this report. The Council can also make arrangements to pay civic allowances to the Mayor and Deputy Mayor. Whilst these allowances are set using different legislation, the Panel was nevertheless asked for a recommendation to assist the Council in setting civic allowances.

The Council is subsequently required, before the beginning of each year, to agree the scheme for the payment of basic allowance to each member of the Authority to each member of the Authority for that year, alongside Special Responsibility Allowances and other allowances such as those paid to Co-optees. The proposed Scheme of Allowances for 2022/23, based on the recommendations of the Independent Remuneration Panel of 2021/2022 is attached as **Annex B** to this report.

In addition to a fully revised scheme of allowances, the Panel also recommended that the Council adopt a Parental Leave Policy. A draft Policy is attached at **Annex C**.

1. Decision/s to be made

- 1.1 That the report of the Independent Remuneration Panel on Councillors' Allowances (**Annex A**) be received and noted.
- 1.2 That the Independent Remuneration Panel and its Clerk be thanked for its work.
- 1.3 That the revised Scheme of Councillors' Allowances (**Annex B**), based on the report of the Independent Remuneration Panel on Councillors Allowances be adopted to take effect from 1 April 2022.
- 1.4 That in respect of parental leave for Councillors, the following be agreed:
 - a) the Parental Leave Policy for Councillors (**Annex C**); and
 - b) where Councillors take qualifying parental leave in accordance with the Policy, the period of such parental leave ('the Period') shall be treated as a good reason for the Councillor failing to attend any meeting or meetings during the Period for the purposes of section 85(1) of the Local Government Act 1972.
- 1.5 That authority be delegated to the Director of Law and Governance to make minor typographical and consequential amendments to the Scheme of Councillors' Allowances and the Parental Leave Policy for Councillors.
- 1.6 That the Independent Remuneration Panel report on allowances for members of Parish and Town Councils (**Annex D**), be noted.

2. Why is the decision needed?

- 2.1 Under the terms of the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council is obliged to appoint an Independent Remuneration Panel to review, comment and advise on the level of allowances paid to councillors at least every four years. The Council last previously appointed an Independent Remuneration Panel in 2017/18.
- 2.2 The Independent Remuneration Panel met on a number of occasions during the autumn of 2021. A copy of the Panel's report is attached at **Annex A** to this report.
- 2.3 The Panel interviewed a broad range of councillors including Group Leaders, Group Chairs, together with councillors representing the Cabinet and committee chairs representing Scrutiny and the quasi-judicial committees. Additionally, a number of councillors accepted the Panel's invitation to either to meet the Panel or submit written representations. All councillors had the opportunity to complete a questionnaire seeking their views on allowances.
- 2.4 The Panel also interviewed and received written evidence from the Milton Keynes Fawcett Society and received evidence including benchmarking data from the Council's comparator authorities, SEE Members' Allowances Survey 2021 and ONS labour market statistics.

- 2.5 The Panel was Chaired by Mark Palmer of South East Employers, who is experienced in this role and Chairs a number of Panels for Councils across the South East. The Panel was clerked and advised by Clive Parker (formerly of Buckinghamshire Council).
- 2.6 The proposed Scheme of Allowances for 2022/23 is attached as **Annex B** to this report and reflects the recommendations of the Independent Remuneration Panel. The revised draft scheme is structured similarly to the existing scheme, with a number of differences:
- (a) the introduction of a formula to calculate basic allowance;
 - b) the introduction of a number of tiers to calculate SRA's and Civic Allowances based on multipliers of the basic allowance and that paid to the Leader;
 - c) the introduction of a new SRA for the Chair of Corporate Parenting Panel;
 - d) the abolishment of a pool or 'cap' on Cabinet members SRAs;
 - e) the alignment of the payment of Civic Allowances (currently biannual) with all other allowances (monthly);
 - f) the introduction of travel allowances for electric vehicles and bicycles;
 - g) payment of Dependent Carers Allowance at a rate of Real Living Wage and a removal of the 5-hour cap for specialist care; and
 - e) annual indexation of allowances be in line with the percentage increase in staff salaries.

Revisions to the Draft Report

- 2.7 The draft report of the Panel was shared with the Leaders of Political Groups in November 2021. There was some feedback that a different approach to the SRA for Opposition Group Leaders should be considered. Accordingly, the panel met again in early January 2022 and received further representations on this subject. The Panel subsequently revised its recommendations in relation to the SRA for Smaller Opposition Group Leader, to include a requirement that this be subject to the size of the group being equal to 15% of the Council membership.
- 2.8 The Panel also noted that negotiations in relation to staff pay often continue well into the relevant year and (on occasion) the following year. Given a legal prohibition on the backdating of Councillor's allowances from previous financial years, the Panel amended its recommendation that the rate of indexation that should be applied, to the rate of staff increase from the previous financial year.

Parental Leave

- 2.9 Most principal authorities have adopted some form of parental leave policy for Councillors and there are a number of benefits of doing so; principally the likelihood that a more diverse range of Councillors are likely to be attracted and retained by the Council, as a result. There is broad support established for such a policy and Milton Keynes Council unanimously passed a motion to this end, proposed by Councillor Jenkins in July 2019. The Milton Keynes Fawcett Society strongly support the introduction of a parental leave policy.
- 2.10 The Panel specifically consider the issue of parental leave in their report (Annex A - s4.6) and recommend the introduction of a parental leave policy, citing a number of benefits and recommending key features of such a policy. These include the continued payment of basic and SRA for up to six months, the provision for an appointment and payment of a replacement for any SRA roles, and a blanket dispensation for non-attendance at meetings during parental leave, which would otherwise cause the Councillor to be disqualified (s.85 LGA 1972).
- 2.11 A draft policy is attached at **Annex C** and is broadly reflective of the provisions recommended by the Panel and has also incorporated some best practice provisions. The main features are as follows:
- a) Entitlement to qualifying parental leave of six months for cases of maternity and adoption, and paternity leave of two weeks for fathers.
 - b) That the 'clock is stopped' on the six-month rule for attending meetings, so that Councillors taking qualifying parental leave are not disadvantaged and effectively have an extended period where they are able to not attend meetings without being disqualified. For example, if a Councillor last attended a meeting on the 1 March and then commenced a period of paternity leave three months later on the 1 June, upon conclusion of their paternity leave would still have three months of their ordinary s.85 six months to run, before being disqualified.
 - c) The payment of basic and SRA allowances continues for up to six months during qualifying parental leave and that a replacement may be appointed by the Leader / Council / Group for SRA positions, with an accompanying pro rata'd SRA payment.
 - d) Upon return from qualifying parental leave, Councillors appointed to roles attracting a SRA shall be entitled to an appointment and SRA commensurate with their previous post (unless they are removed at the Council's Annual Meeting, or their Group loses control of the Council).
 - e) New Councillors shall be entitled to an extended period calculated as if a period of Qualifying Parental Leave had applied to the New Councillor.
 - f) Provisions for pregnancy related sickness and baby loss.

Parishes

2.12 The Independent Remuneration Panel also considered recommendations for Parish and Town Council allowances. Their report is set out at **Annex D** and is for noting; this is because individual Town and Parish Councils’ will make decisions about whether to make changes their individual schemes for allowances, having had regard to the Panel’s recommendations.

3. Implications of the decision

Financial	Y	Human rights, equalities, diversity	
Legal	Y	Policies or Council Plan	
Communication		Procurement	
Energy Efficiency		Workforce	

(a) Financial implications

The Allowances Scheme causes a pressure of around £60,000, which reflects recommended increases, new SRAs and a contingency sum for the backfilling and payment of SRA roles in the event that a Parental Leave Policy is adopted. A corresponding pressure has been submitted as part of the budget setting exercise for 2022/23.

(b) Legal implications

Scheme of Allowances

The Local Authorities (Members’ Allowances) (England) Regulations 2003 make it a requirement to establish and maintain an Independent Remuneration Panel and for the Council to adopt a Scheme of Allowances for the forthcoming year by 1 April each year.

Under the terms of the Local Government Act 2000, the Council is required to take account of the recommendations of an independent panel before fixing its level of Councillors’ Allowances.

The Council is required, before the beginning of each year, to agree the scheme for the payment of basic allowance to each member of the Authority to each member of the Authority for that year. The Scheme must also make provision for the following allowances if an authority intends to make such payments in respect of the year:

- i) special responsibility allowance;
- ii) dependants' carers' allowance;
- iii) travelling and subsistence allowance; and
- iv) co-optees' allowance.

Parental Leave

Section 85(1) of the Local Government Act 1972 requires Councillors to attend at least one meeting during a consecutive period of six months, and if failing to do so, would be disqualified.

Council can effectively agree a dispensation for this where there is a 'good reason' for non-attendance. It is proposed that where qualifying parental leave or paternity leave is being taken by a Councillor in accordance with an agreed policy that this constitutes a 'good reason' and the proposed resolution at 1.4(b) provides for this.

(c) Other implications

None.

4. Alternatives

- 4.1 As the Council has a legal requirement to agree a scheme in advance of each municipal year it must approve a scheme for 2022/23. However, it could decide not to accept the recommendations of the Panel and agree an alternative scheme of allowances.
- 4.2 In respect of a Parental Leave Policy, there is no requirement to agree such a policy, or accept the draft policy in its current format. An alternate policy could be agreed, or the matter deferred for further consideration.

5. Timetable for implementation

- 5.1 The proposed scheme of councillor allowances, if adopted will come into force from 1 April 2022. The proposed parental leave policy, if adopted would come into force immediately.

List of annexes

- Annex A Report of the Independent Remuneration Panel appointed to review the allowances paid to Councillors of Milton Keynes Council
- Annex B Draft Scheme of Councillor Allowances 2022/2023
- Annex C Draft Parental Leave Policy for Councillors
- Annex D Report of the Independent Remuneration Panel for Milton Keynes Parish and Town Councils

List of background papers:

- Terms of Reference for the Independent Remuneration Panel
- Appendices to the report of the Independent Remuneration Panel
- MKC Scheme of Councillor Allowances 2021/2022