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SCHEME OF COUNCILLORS' ALLOWANCES 2023/24

Report sponsor	Sharon Bridglalsingh Director Law and Governance
Report author	Peter Brown Head of Democratic Services Peter.brown@milton-keynes.gov.uk / 01908 253671

Exempt / confidential / not for publication	No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 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 special responsibility allowances, dependants' carers' allowance, travel and subsistence allowance, and co-optees' allowance, if an authority intends to make such payments.

The proposed Scheme of Allowances for 2023/24, is based on the recommendations of the Council's Independent Remuneration Panel (IRP) in 2021/22 and subsequently recommendations made in November of 2022. The proposed, draft scheme is attached at Annex A.

The adopted arrangements for annual indexation are based on the percentage pay award for officers in the preceding year. However, the 2022/23 pay settlement for officers was based on a flat rate, as opposed to a percentage rate, so the Council's IRP was convened to make a further recommendation as to indexation for 2023/24.

1. Decision/s to be made

- 1.1 That the Scheme of Councillors' Allowances attached at Annex A to this report be agreed to take effect from 1 April 2023.
- 1.2 Should Corporate Parenting Panel be dissolved as a Committee of Council, the SRA for Chair of that Committee should cease immediately and once a successor body has been constituted the Independent Remuneration Panel be asked to make a further recommendation as to whether the payment of an SRA to the Chair would be appropriate, and if so at what level.
- 1.3 That the recommendations of the IRP to index allowances by 4.69% be noted and agreed for 2023/24 only.
- 1.4 That the recommendations of the IRP that (where paid) Town, Parish and Community Councils, allowances should also be indexed by 4.69% for 2023/24 only, be noted.

2. Why is the decision needed?

- 2.1 The proposed Scheme of Allowances for 2023/24 is attached at Annex A to this report. Under the terms of the Local Authorities (Members' Allowances) (England) Regulations 2003, 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 for that year.
- 2.2 The scheme must also make provision for the following allowances if an authority intends to make such payments in respect of the year:
 - (a) special responsibility allowance;
 - (b) dependants' carers' allowance;
 - (c) travelling and subsistence allowance; and
 - (d) co-optees' allowance.
- 2.3 Under the terms of 2003 regulations, where utilising an allowance scheme with indexation, 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 appointed an Independent Remuneration Panel in 2021/22 and adopted its recommendations.
- 2.4 An outstanding question arises as to the ongoing payment of an allowance for the Chair of Corporate Parenting Panel, given the proposal to dissolve this body as a committee of Council. The background to this matter is considered in a separate report (item 4(a)). A subsequent recommendation will be made to Council in March 2023 by the IRP.

Indexation

- 2.5 It was not possible to index most allowances using the methodology previously agreed by Council utilising the percentage officer pay award for the previous year. This was because there was no single percentage pay settlement agreed for 2021/22.
- 2.6 The Council's IRP met in November 2022, to consider this issue and all Councillors and Parish Councils were offered the opportunity to make representations. A small number of written representations were received.
- 2.7 The recommendation of the Council's IRP was to uprate all allowances by 4.69 percent; this being the median officer increase for 2021/22.
- 2.8 As the IRP has previously recommended that allowances for Town, Parish and Community Councils should be based on a percentage of MKCC basic allowances, the recommendation for Local Councils is that where paid, indexation should also be 4.69%. Each local Council is however free to agree their own local arrangements having considered the IRP recommendations.
- 2.9 In line with the Councils decision to adopt the recommendations of the IRP in 2021/22 childcare costs will be reimbursed in line with the real living wage of £10.90 from 1 April 2023.

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 additional costs of indexation Allowances Scheme are provided for as part of the Council's draft budget for 2022/23.

(b) Legal implications

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.

(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 make a scheme. However, it could decide not to accept the recommended increase, agree an alternative increase / decrease or change, with the exception of the basic allowance, the allowances paid.

5. Timetable for implementation

- 5.1 The proposed scheme of councillor allowances, if adopted will come into force from 1 April 2023

List of annexes

Annex A – Draft Scheme of Councillor Allowances 2023/2024

List of background papers:

None