

Council

16 July 2026

Independent Remuneration Panel – Report on Members’ Allowances Scheme

Portfolio Holder: Councillor Vince Maple, Leader of the Council

Report from: Richard Hicks, Chief Executive

Author: Bhupinder Gill, Assistant Director Legal and Governance

Summary

The report shares the report and recommendations of the Independent Remuneration Panel (the Panel) on Members’ Allowances and requests Members to have regard to the Panel’s recommendations in setting a scheme of allowances for 2026/27 and a potential further four years (as permitted by the relevant regulations).

1. Recommendations

1.1 It is recommended that the Council:

- a) Thank the members of the Panel for undertaking the review of Members Allowances and producing their report (Appendix 1).
- b) Have regard to the Panel’s recommendations in setting a scheme of allowances for members.
- c) Resolve to adopt the draft scheme attached at Appendix 2, backdated to 1 April 2026.
- d) Delegate authority to Assistant Director Legal and Governance to make any grammatical corrections/amendments and determine issues of interpretation, as set out in paragraph 8.6 of the report.

1.2 It is recommended the terms of office for the Political Assistants be extended to 31 March 2028.

2. Budget and Policy Framework

- 2.1 The responsibility for setting a scheme of Members’ Allowances and exercising the discretion to have political assistants are both matters reserved to council under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended).

3. Background

- 3.1 The Council approved its current scheme of Members' Allowances in January 2024, effective from the 1 April 2024. The scheme adopted an index (index-linked to the median Council staff hourly pay) which provided for the payments under scheme to be adjusted annually until 31 May 2027. The regulations allow for the indexation to be for a maximum of four years.
- 3.2 Since adoption of the scheme a number of matters have arisen that have necessitated revisiting the scheme:
- a) Legislation was introduced earlier this year, revising The Local Authorities (Members' Allowances) (England) Regulations 2003, enabling Members to opt in and join the local government pension scheme (LGPS);
 - b) On 16 July we are expecting the government to announce their decision on local government reorganisation in Kent and Medway. Irrespective of the model chosen, current terms of office for current Members are expected to be extended by circa one year to 31 March 2028 thus necessitating a new scheme to be adopted for the intervening period.
- 3.3 The responsibility for adopting a scheme of allowances for Members is a responsibility reserved to Council, however, a scheme can only be adopted after the Council have appointed a minimum of three independent members to a Review Panel, received a report from them and had regard to their recommendations.
- 3.4 Following legislative changes to pension entitlements (para 3.2 refers) on 11 May 2026, in order to expedite matters the Assistant Director of Legal and Governance sought authority from all Council Group Leaders to convene the Panel, ask them to review the current scheme and make recommendations. All Group Leaders agreed by email to the convening of the existing Panel.
- 3.5 Three members of the Panel met with officers on 17 June 2026, reviewed the scheme and subsequently produced their report, attached as **Appendix 1**.

4. The Panel's report and recommendations

- 4.1 Members can read the detail in the appended report, in summary the Panel have recommended that:
- The basic allowance remains changed*
 - The roles that attract special responsibility allowances remain the same as do the quantum of allowances*
 - Both the basic and special responsibility allowances be pensionable (if a Member wishes to opt into the LGPS)
 - Travel allowances for cars, motorbikes and bicycles be aligned with HMRC rates
 - Subsistence rates be aligned with officer rates

- Dependant Carer's allowance remain* the same but that claims for caring by family members who are not ordinarily resident at the same address be permitted
- Overnight stays and subsistence when away from home be determined in advance by the Assistant Director of Legal and Governance
- Allowances be indexed to officers' rates at Medpay range 7 (where they are not otherwise aligned i.e. HMRC travel rates)

*(the rates of allowances to stay the same as at 1 April 2026 following implementation of the current annual indexation)

4.3 A revised Members' Allowances Scheme, based on the recommendations of the Panel is attached as **Appendix 2**.

4.4 Members are requested to consider the recommendations of the panel and have regard to the aforesaid when determining the new scheme of allowances.

Implementation of recommended changes

4.5 The Panel is recommending that the changes to the allowances as set out in their report are implemented with effect from 1 April 2026.

4.6 Dispensation

4.7 Where an Elected Member has a pecuniary interest in a matter they are required to disclose the existence of that interest, not participate in the debate, nor vote and are required to leave the room whilst the matter is considered.

4.8 All Councillors will have a pecuniary interest in this item. To enable a debate and vote on the matter, the Monitoring officer has considered granting a dispensation under Section 33 Localism Act 2011. The section permits dispensations to be granted in five circumstances, and whilst a number of different provisions could be utilised in these circumstances, he has opted to exercise his delegated powers (para 6.23 of the officer scheme of delegations) and grant a dispensation to all members for the duration of the meeting under provision S33(2)a:

“...the number of persons prohibited by section 31(4) from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business”.

4.9 Political assistants

4.9.1 Following the last all out elections in May 2023, the Council considered a report on 24 May 2023 re the appointment of political assistants and determined to appoint:

“... Political Assistant posts to each of the qualifying political groups represented on the Council, as set out under section 9 of the Local Government and Housing Act 1989.”

4.9.3 The terms of office for these posts were aligned to the electoral cycle which is due to be refreshed in May 2027. Subject to the terms of office for the current councillors being extended, due to local government reorganisation, it is recommended that the tenure of these posts be extended to 31 March 2028. Existing political assistants have been consulted on these proposals, with no adverse comments received.

4.9.4 New unitary organisations will be coming into being on 1 April 2028 and it will be matters for them (through the shadow authority) to determine if they wish to have political assistants.

5. Risk management

5.1 Risk management is an integral part of good governance. The Council has a responsibility to identify and manage threats and risks to achieve its strategic objectives and enhance the value of services it provides to the community. The following table shows any significant risks arising from the matters in this report.

Risk	Description	Action to avoid or mitigate risk	Risk rating
A new scheme is not adopted	The changes to the Local Authority (Members Allowances) Regulations are not retrospective and thus for any changes to be applied (other than indexation) a new scheme has to be adopted.	Adoption of a new scheme allows Members to determine if they wish to opt into the LGPS.	D3
No decision is made or it is delayed beyond 31 May 2027	No formal mechanism is in place to index the allowances and other payments in the Scheme for uprating after 31 May 2027. Non-payment of allowances to Councillors after 31 May 2027 as current Scheme expires.	An Independent Remuneration Panel has been commissioned to review allowances and produce a report.	D3

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	1 Catastrophic 2 Major 3 Moderate 4 Minor

6. Climate change implications

6.1 There are no climate change implications.

7. Financial implications

- 7.1 The basic and special responsibility allowances are recommended to remain unaltered, these have been built into the 2026/27 budget and thus can be met from within existing budgets.
- 7.2 There are changes proposed to travel, subsistence, carers and other minor changes. These were not part of the budget build and will represent budget pressures for this financial year. The spend on these allowances in 25/26 was £928,817 for Basic Allowance and £496,083 for SRA. It is expected that for 26/27, based on Basic Allowance and Special Responsibility Allowances becoming pensionable the spend profile is forecasted to be £1,029,699 on Basic Allowance. The spend on SRA is forecasted to be £611,408.
- 7.3 The budget pressures will be £58,699 and £94,557 respectively.
- 7.4 The costs of Political Assistants will continue to be met from within existing budgets.

8. Legal implications

- 8.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations") make provision for the payment of allowances to Members of the Council.
- 8.2 The Regulations require the Council to prepare schemes for the payment of allowances to Members. The schemes should make provision for the payment of a basic allowance and may also provide for the payment of special responsibility allowance, dependant carer's allowance, travelling and subsistence allowance and co-optees' allowance. The regulations also permit annual indexation of the allowances for a maximum of four years.
- 8.3 The Council must establish and maintain an Independent Remuneration Panel whose function is to make recommendations to the Council concerning allowances. The Council must have regard to the Panel's advice/ recommendations.
- 8.4 After receiving a report from the Independent Remuneration Panel which sets out the Panel's recommendations, local authorities must ensure that copies of the report are available for inspection at their principal office at all reasonable hours. Local authorities must also, as soon as reasonably practicable after they receive the report, publish a notice which:
 - a) states that the authority have received recommendations from an Independent Panel about their scheme of allowances;
 - b) describes the main features of the Panel's recommendations including the amounts of allowances the Panel has recommended should be payable to elected Members.
- 8.5 The Council must ensure that such a notice is published every 12 months even if the scheme has not been amended since the last notice.

- 8.6 Recommendation 1.1d seeks delegated authority to the Assistant Director Legal and Governance to make any grammatical corrections/amendments to the Scheme. This will be prior to formal publication to ensure the Scheme is published to the highest standard. Delegating authority to the Assistant Director Legal and Governance on issues of interpretation will ensure that there is a clear line of responsibility in the unlikely event of any disputes around any entitlements under the Scheme.

Lead officer

Bhupinder Gill, Assistant Director Legal and Governance

Appendices

Appendix 1 - Report of Medway Independent Remuneration Panel June 2026

Appendix 2 - Draft revised Members' Allowances Scheme

Appendix 3 - Report of Medway Independent Remuneration Panel December 2023

Appendix 4 - Existing Members' Allowances Scheme

Background papers

None