

Report of Medway Independent Remuneration Panel

June 2026

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1. Recommendations

- 1.1 That the basic allowance remains unaltered.
- 1.2 That the special responsibility allowances remain unaltered (both qualifying roles and quantum).
- 1.3 That Basic Allowance (BA) and Special Responsibility Allowances (SRAs) payments are made pensionable and allow councillors to opt in to the Local Government Pension Scheme (LGPS).
- 1.4 That the Dependant Carers allowance remains unaltered save that a claim for care provided by a non-resident family member may be submitted.
- 1.5 That travel allowances be aligned to HMRC allowances.
- 1.6 That subsistence allowances be aligned to those of officers and that overnight subsistence claims are to be payable at the discretion of the Assistant Director Legal and Governance.
- 1.7 That indexation of Members' Allowances be aligned to officers on Medpay grade 7.
- 1.8 That the Scheme be reformatted including some minor administrative changes as set out in the revised scheme.
- 1.9 That the changes to the Scheme be backdated to 1 April 2026, noting that BA and SRA have already been uplifted in accordance with the existing Scheme.

2. Introduction

- 2.1 Medway Council has established this Independent Remuneration Panel (hereinafter referred to as "the Panel") to make recommendations about the financial allowances to be paid to Councillors.
- 2.2 The Panel has reviewed the Members Allowances Scheme on a regular basis since August 2001. This latest review has taken place primarily on the basis of Local Government Reorganisation in Kent and Medway. The current Members Allowances Scheme runs until 31 May 2027, however the abolition of Medway Council is not currently scheduled until 31 March 2028, with the successor authority being created on 1 April 2028, thus a scheme bridging a year is required. In addition, a change in the law has enabled Councillors to join the Local Government Pension Scheme. To facilitate this provision, the Panel was required to consider this and make any recommendations.

3. Background

- 3.1 The Local Government Act 2000 and subsequent regulations require every local authority to establish and maintain an Independent Remuneration Panel to make recommendations about the financial allowances to be paid to Councillors. Regulations require the Panel to make recommendations on basic and special responsibility allowances in addition to carers, travel and subsistence, pensions, and co-opted members' allowances.
- 3.2 Medway Council decides its own scheme of allowances for Councillors and the amounts to be paid under that scheme. However, it must first have regard to the

advice of the Panel and must make the report and recommendations of the Panel available for public inspection.

4. Appointment of the Panel

- 4.1 The Panel must have at least three members. In Medway the composition of the Panel comprises a broad range of experiences and backgrounds including the business community, not-for-profit sector, charity, HR and the support of South East Employers to Chair the Panel.
- 4.2 Whilst the Panel consists of six members, on this occasion, only three members were available for this review (June/July 2026), as follows:
- Mark Palmer, Development Director, South East Employers (SEE) (Chairperson)
 - Marina Gleaves
 - Jackie Powell.
- 4.3 All members of the Panel declared that they met the statutory criteria for appointment to the Panel and additional that they were not active members of a political party or associated with any Councillors serving on Medway Council or any of its Parishes through friendship or any other personal association.

5. The work of the Panel

- 5.1 The Panel met in June 2026. The Assistant Director Legal and Governance ensured that the Panel had appropriate advice and administrative support.

6. Terms of reference

- 6.1 To review the:
- quantum of the basic and special responsibility allowances and existing SRAs.
 - carers, travel and subsistence allowances.
 - eligibility of pensionable allowances.
 - Indexation.
 - any other changes.

7. The Panel's approach to its task

- 7.1 In formulating its recommendations the Panel has taken account of advice from the Assistant Director Legal and Governance and statutory guidance and in particular noting;
- a) Local government reorganisation is proposed to take place in Kent and Medway area with shadow authorities being elected in May 2027, with new unitary authorities coming into being on 1 April 2028.
 - b) That the shadow authority will need to appoint its own panel and adopt its own scheme of allowances.

- c) The revised scheme of allowances for Medway Council (implemented following this report) is only likely to be in place for one year.
- d) That a full bench marking exercise with neighbouring and family authorities, and interviews with a cross section of elected members was undertaken in 2023.
- e) The work and responsibilities of elected members is broadly comparable with that as assessed in the last review.

7.2 On that basis the panel determined to undertake a light touch desk top review.

8 Local Government Pension Scheme (LGPS)

8.1 The Panel noted that new regulations issued earlier this year now enable councillors to join the local government pension scheme, subject to each councillor opting in, and that it was necessary to formally amend the Scheme to provide this provision to Members. The Panel determined that the basic and special responsibility allowances are both pensionable.

9 Basic Allowance

9.1 Each local authority must make provision in its scheme of allowances for a basic, flat rate allowance payable to all members. The allowance must be the same for each councillor.

9.2 The Panel reminded themselves that at the last review:

- a) they were firmly of the view that the level set should be sufficient to enable people of limited means to undertake the role whilst not acting as the only incentive
- b) that the basic allowance usually comprises three elements
 - an average number of hours spent on ward work and responsibilities of a non-executive councillor,
 - an hourly rate and
 - an element of discount to reflect the amount of time expected to be provided unpaid (called the Public Service Discount – PSD)
- c) that the allowance was seen to be fair, could be easily explained to the public and could be readily uprated as appropriate.

9.3 None of the factors taken into account at the last review had materially changed and thus the Panel determined to use

- the average hours of 20 per week in the formula for members' basic allowance
- the indexed median hourly rate
- public service discount be applied at 25%

9.4 Since none of the underlying factors had been changed and the basic allowance had been adjusted each year in line with the recommended index the Panel recommends the basic allowance remain the same (as adjusted in April 2026)

10. Special Responsibility Allowances (SRAs)

- 10.1 Each local authority must make provision in its scheme of allowances for special responsibility allowances payable for undertaking defined roles that carry additional responsibilities. Those roles should be identified and the additional responsibility assessed.
- 10.2 None of the factors taken into account at the last review had materially changed and thus the Panel determined to retain the exiting special responsibility allowances and at the level at which they had been assessed.
- 10.3 The Panel recommends the continued rule that Councillors may only be in receipt of one SRA at any one time. For these purposes the Panel is of the view that the allowances payable to the Mayor and Deputy Mayor are not included in this provision as they are not covered by the Regulations governing members' allowances.

11. Dependant carer's Allowance

- 11.1 The Regulations authorise the payment to councillors of an allowance ('the Dependant Carer's Allowance') in respect of the expenses of arranging for the care of children or dependants when the councillor attends meetings or is engaged in other official duties.
- 11.2 None of the factors (save one below) taken into account at the last review had materially changed and thus the Panel determined to retain the exiting allowance and at the level they had been assessed.
- 11.3 The Panel noted that leaving a dependant loved one in the care of another is a daunting challenge and using trusted family members can help to reduce any such anxiety for both the carer and the cared for. Therefore, the Panel proposed a change to the scheme to allow claims to be submitted by family members provided they are not normally resident in the same property, the remainder of the provisions relating to Dependant Carer's Allowance remain unchanged.

12. Subsistence, travelling and other allowances

- 12.1 The Panel considered the existing list of duties that qualify for travelling and subsistence allowances and recommended the following changes:
- Mileage rates for car, motorbike and bicycles be aligned to the HMRC rates (updated inline with HMRC changes)

13. Indexation

- 13.1 The panel noted that in the last three years that officers had received a percentage increase that applied to all grades. In light of this change of approach to increases to officer remuneration it is proposed that the index used for adjusting Members' allowances be revised to simplify its application.
- 13.2 The Panel recommend that all allowances set out in this report save for those aligned to other bodies (e.g. travel aligned to HMRC) be adjusted in line with the increase to staff salaries at Medpay grade 7.

14. Other

- 14.1 The Panel recommended that all other aspects of the scheme remain unaltered save for some minor administrative changes to the Scheme to ensure it remains fit for purpose, for example, the list of conferences has been reviewed and updated.
- 14.2 The Panel also determined that changes to the scheme be backdated to take effect from 1 April 2026 and that there will be no further changes to values for BA or SRAs for 2026/27 financial year, given these allowances have already been uplifted in accordance with the existing scheme.

15. Mayor and Deputy Mayor allowances

- 15.1 The allowances paid to the Mayor and Deputy Mayor are not technically part of the Members' Allowances Scheme because they are not provided for in the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 15.2 None of the factors taken into account at the last review had materially changed and thus the Panel determined to retain the exiting allowance and at the level they had been assessed.

16. Foregoing and suspension of allowances and part-year entitlement

- 16.1 Having reviewed the current Scheme the Panel is recommending no change to the existing provisions.

17. Conclusions

- 17.1 In approaching this review, the Independent Remuneration Panel has taken due account of statutory guidance, the current financial climate, and the need to ensure that Councillors are fairly compensated for the significant contribution they make.
- 17.2 The panel recognised that following their comprehensive review of allowances in 2023 that there has been little material change in the role of Councillors generally and those carrying out special responsibilities. The Panel has also noted the imminent local government reorganisation.
- 17.3 On that basis it determined to undertake a light touch, desktop and proportionate review.

18. Background Papers

- Medway Members allowances scheme 2024