

Independent Remuneration Panel Report 2026/2027

1. Introduction

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require Councils to appoint an Independent Remuneration Panel (IRP) and to have regard to its recommendations prior to amending their scheme of allowances.
- 1.2 The IRP was convened in February 2026 to advise Oldham Council on its scheme of allowances for its Elected Members.
- 1.3 The Independent Remuneration Panel (IRP) comprises Peter Claber (Chair), John Barlow and Geoffrey Millard, who have all undertaken this role for many years. Recommendations were formulated by the Panel at its meeting on 8 February 2026.
- 1.4 Further to the Panel's consideration of the 2025/2026 allowances scheme, where more information was requested on particular roles, the Panel also met with a Deputy Executive Member and a District Lead Member to seek evidence of workloads and what had been delivered over the past year to inform their recommendations for the 2026/2027 allowances scheme. The IRP also considered benchmarking information gathered by officers.
- 1.5 The Panel acknowledges the hard work undertaken by Elected Members on behalf of the public and expresses its appreciation to the two Elected Members who gave up their time to meet with them. The Panel learnt a great deal from those contributions which form the basis for the recommendations in this report, together with the legal framework setting the Panel's remit.
- 1.6 Under Regulation 10 (5) of the Local Authorities (Members' Allowances) (England) Regulations 2003, Local Authorities 'cannot rely on an index for Elected Member allowances for more than 4 years' before they invite the IRP to make further recommendations on the application and relevance of the index. In 2025/2026, the Panel recommended that Member basic and special responsibility allowances should be uplifted in line with any National Joint Council Pay award salary increases awarded to employees on Grade SCP 49.

2 The Panel's Considerations

Basic Allowance

2.1 The Panel had regard to Statutory Guidance on Regulation for Local Authority Allowances 2006. In considering the Basic Allowance, the guidance (paragraphs 67 and 68) 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.

It is important that some element of the work of members continues to be voluntary - that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained'.

2.2 The Panel therefore considered three principles upon which to calculate basic allowance:

- Time required to fulfil the role of the ordinary Member
- Recognising an element of voluntary time as public service
- The rate of remuneration

Time required to fulfil the role of an Elected Member

2.3 The 2006 Statutory Guidance states that the Basic Allowance is intended to recognise the time commitment of all Elected Members, irrespective of particular offices held on the Council. The Basic Allowance is a flat rate that must be paid equally to all Members. The allowance covers incidental costs such as use of their homes, and includes, but is not limited to:

- Preparation and attendance at Council meetings and committees.
- Meetings with residents and Council officers.
- Responding to and dealing with casework and enquiries.
- Knowing their ward and being aware of any issues.
- Attending events within their local community, supporting and helping local community groups.
- Leading local campaigns on behalf of residents.
- Attendance at political group meetings.
- Being an advocate for residents.
- Keeping residents informed on issues that affect them.
- Participating in activities of an outside body to which they are appointed.
- Working with local organisations, interest groups and businesses.
- Representing and supporting residents and communities.
- Attending training and development events, including mandatory training.

- 2.4 The Panel considered the most up to date information available on what could be considered a reasonable time commitment for which the Basic Allowance is paid. The Local Government Association (LGA) report from the 2022 Councillors Census states that Elected Members in metropolitan councils, who held no positions of responsibility put in on average 23.4 hours per week on council business. The Panel accepted this data for the purpose of estimating the time required to fulfil the role of an Elected Member.
- 2.5 For the purpose of calculating the Basic Allowance the LGA data of 23.4 hours, based on a 52 week working year equates to 1216.8 hours per year, or 152.1 days per year based on an 8 hour working day. The Panel noted that the working week and working day figures were widely used by other Councils.

Recognising an element of voluntary time as public service

- 2.6 Paragraph 68 of the 2006 Statutory Guidance states that:
- ‘It is important that some element of the work of [elected] members continues to be voluntary – that some hours are not remunerated’
- 2.7 The element of unremunerated time often known as the ‘Public Service Discount’ (PSD) recognises the principle of public service. Therefore, the voluntary principle is realised by discounting an element of the expected time inputs associated with the Basic Allowance. The typical range for this public service discount is between 30% - 40%, largely on the basis that it is broadly in line with the proportion of time backbench Elected Members spend on Council business.
- 2.8 The Panel considered the percentage of PSD to apply in Oldham. The Panel stressed the importance of an element of the Members’ role should be unpaid time, and felt the higher point of 40% should apply as voluntary time spent on Council business, for which the Member would not be remunerated.
- 2.9 The Panel applied the voluntary discount of 40% to the expected time input of 152.1 days per year (rounded to 152 days) to produce a voluntary element of 60.84 days per year (rounded to 61 days). These are the hours that are ‘not remunerated’, deemed to be public service, leaving 91 days per year to be remunerated.

Rate of Remuneration

- 2.10 The Panel were appraised of an historic methodology of setting the rate of remuneration, relying on an advisory day rate published by the LGA each year, which assisted IRPs in setting the rate of remuneration. By 2010 the rate had reached £152.77 per day. However, the Panel noted that the LGA had stopped issuing this advice, as IRPs were using more locally based rates to reflect the typical earnings of Elected Members’ constituents on the basis of this having increased robustness.

- 2.11 The Panel considered the data from the Office of National Statistics (ONS), who publish the Annual Survey of Hours and Earnings (ASHE). In 2025 the ONS reported that the provisional figures of the median gross daily salary for full-time employees in Oldham was £136.76 (rounded to £137). For the purpose of calculating the Basic Allowance the Panel has adopted a rate of remuneration of £137 per day, to reflect earnings of constituents, according to the ONS.

Calculating Basic Allowance

- 2.12 The Panel followed the methodology as set out in the 2006 Statutory Guidance, which is widely used by Local Authorities, with the Public Service Discount (unpaid) and the Rate of Remuneration to give the following values:

- Time requirement for an Elected Member: 152 days per year
- Public Service Discount: 61 days per year (40%)
- Rate of Remuneration: £137 per day

- 2.13 Using the above values the Panel produced the following Basic Allowance:

152 days per year input minus 40% PSD (61 days)
= 91 remunerated days per year multiplied by £137 per day
= £12,467

- 2.14 Adopting this approach would increase the current Basic Allowance of £12,212.04 to £12,467.00 (which equates to 2.09% increase).

- 2.15 The Panel agreed that introducing the methodology would provide greater consistency, and whilst the panel noted that this would in real-terms, mean an increase of £254.96 per year, the panel were satisfied that this would mean that Oldham Councillors would remain closer to the mid-point when compared to other councils in Greater Manchester, and the allowance would better reflect local circumstances, by applying the median gross daily salary for full-time employees in Oldham.

Indexation

- 2.16 The 2003 Regulations (10 (4) permit “for an annual adjustment of allowances by reference to such index as may be specified by the authority...”.

The 2003 Regulations 21 (1)(e) also require IRPs to make recommendations

‘as to 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’.

- 2.17 In Oldham allowances are indexed in line with the National Joint Council Pay award salary increases awarded to employees on Grade SCP 49, which is common practice in other Local Authorities. The Panel accepted that utilising SCP 49 as the reference point for indexation ensures that Members are not getting a higher uplift than any member of staff and as the lowest percentage uplift it is robust as it cannot be seen as excessive, should a flat rate apply to specific job rates, which are usually the lower graded jobs. The Panel agreed that this practice should continue and should be reviewed for the 2027/2028 scheme.

Benchmarking

- 2.18 The Panel considered the benchmarking information of allowances paid in other local authorities across Greater Manchester.

Authority	Basic Allowance from published scheme	Date
Stockport	£ 11,059.87	May 2025
Trafford	£ 11,072.33	May 2025
Oldham	£11,540.34	Correct rate 2025/2026
Bury	£ 11,954.00	May 2025
Oldham	£12,212.04	2025/2026 allowance
Bolton	£12,227.22	May 2025
Oldham	£12,467.00	IRP proposed rate 2026/2027
Rochdale	£12,701	July 2021 (indexation for 4 years has been added to this figure)
Salford	£ 13,199.24	May 2025
Wigan	£ 14,822.00	May 2025
Tameside	£ 18,501.00	April 2025
Manchester	£ 20,703.08	May 2025

- 2.19 The Panel noted that if Authorities in Greater Manchester had applied the national pay award of 3.2% to their schemes in 2025/2026 the figures in the table above would be higher. For example, applying 3.2% to the lowest allowance of £11,059.87, would increase it to £11,413.79, the mid-point allowance of £12,227.22 would increase to £12,618.49, and the highest allowance would increase to £21,365.58.

Special Responsibility Allowances

- 2.20 The Panel noted that special responsibility allowances (SRAs) are calculated as a percentage of the Executive Leader's, which has traditionally been considered by Panels to be three times the basic allowance. The Panel saw no reason to alter that assessment and noted that this approach was widely recognised as standard practice. The exceptions to the indexation of the Executive Leader's allowance include roles in Greater Manchester, Chairs of Audit and Standards and the Mayor and Deputy Mayor allowance.

Roles of Deputy Executive Member and District Lead

- 2.21 The Panel referred to previous representations from some of the political Group Leaders, who had asked the Panel to review the remuneration of the Deputy Executive Members and District Leads, with a view to removing or reducing this allowance.
- 2.22 The Panel heard from a Deputy Executive Member and a District Lead Member and had the opportunity to ask detailed questions related to the roles. Having considered the representations, the Panel were of the view that there should be no change to the Special Responsibility Allowance provided for these roles. The Panel were satisfied that the percentage rate of the Executive Leader, which had been applied to these roles was satisfactory for the workload and responsibility attached to these roles.

3. Summary of recommendations

The Independent Remuneration Panel recommend the following to Council for due consideration:

1. That the current members' allowances scheme, as set out in Appendix 2, be updated to include the following:

1.	The basic allowance for 2026/2027 be set at £12,467.00 taking into account a voluntary public service discount and to better reflect local circumstances of constituents in Oldham.
2.	Allowances remain aligned to the pay award agreed for officers on grade SCP 49 of the National Joint Council for Local Government Services terms and conditions.