

Report to COUNCIL

Report of the Independent Remuneration Panel on Members' Allowances

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16 September 2026

Reason for Decision

The Council is required, under the Local Authorities (Members' Allowances) (England) Regulations 2003, to establish and maintain an Independent Remuneration Panel (IRP/Panel) to review and make recommendations to the Council on the range and levels of remuneration for Elected Members. The Council must have regard to the Panel's recommendations before making decisions in relation to members' allowances. Changes to the scheme are proposed by the IRP to support the interim governance mitigations proposed in the absence of a Council Leader.

Recommendations

1. That Council considers the report of the Independent Remuneration Panel, and its recommendations, as set out in Appendix 1, and adopts the interim scheme as set out in Appendix 1, for the remainder of municipal year 2026/27, or until a Council Leader is appointed, effective from 17 September 2026.
2. That the Independent Remuneration Panel be thanked for its report.

Report of the Independent Remuneration Panel**1 Background**

- 1.1 The Council is legally obliged to consider a report from its Independent Remuneration Panel (IRP) before making any changes to its scheme of allowances. It is good practice to have the scheme reviewed periodically to ensure that it reflects any changes in the Council's operation.
- 1.2 Members have not received any special responsibility allowances since the annual meeting in May when a Council Leader could not be elected. Interim governance mitigations were established to support the effective running of council services and decision making. A separate report is presented to council on this agenda to consider a full range of mitigating actions to reduce the risk
- 1.3 The Independent Panel has made recommendations for interim changes to the members' allowances scheme in respect special responsibility allowances. The changes are set out within their report attached at Appendix 1. Full Council must now consider the report, have regard to the recommendations and decide whether to make any amendments to the existing scheme.
- 1.4 The IRP also considered travel and subsistence allowances, including updated HM Revenue and Customs (HMRC) mileage rates and made recommendations thereon.

2 Current Position

- 2.1 The Independent Remuneration Panel currently comprises three experienced members.

3 Options/Alternatives

- 3.1 Whilst the Council has a duty to have regard to the Panel's recommendations, it is the Council's choice whether to accept the Panel's recommendations in whole or in part, or not at all. The Panel have set out their rationale and justification for the changes within their report.

4 Preferred Option

- 4.1 To approve the recommendations of the Independent Remuneration Panel.

5 Consultation

- 5.1 Consultation has taken place with the Independent Remuneration Panel.

6 Financial Implications

- 6.1 The Council has made provision for the Members' Allowance Scheme within its revenue base budget. The costs associated with the interim Members' Allowance Scheme set out in Appendix 1 will be met from this existing budget provision. As the interim scheme results in lower payments than would be made under the full scheme, an in-year underspend against the budget provision is expected. This underspend will continue to be reported through the Council's 2026/27 revenue monitoring process.

(Vickie Lambert – Finance Manager)

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- 6.2 In relation to mileage, the preferred option is to increase the mileage reimbursement rate to 55p per mile for the first 10,000 miles per annum, while retaining the existing rate of 25p per mile for any mileage incurred thereafter for travel outside of the Borough. It is proposed that this change be implemented with effect from April 2026. In the 2025/26 financial year, total mileage claims submitted by Councillors amounted to £130.50. Had the proposed 55p rate been applied, this would have resulted in an estimated cost of approximately £159.50. This figure is indicative only, as mileage claims are subject to fluctuation year on year. However, it demonstrates that the financial impact of the proposed increase is expected to be minimal and can be accommodated within existing budgets.

(Matthew Kearns – Finance Manager)

7 Legal Implications

- 7.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 requires the Council to establish and maintain an Independent Remuneration Panel and to have regard to its recommendations before making or amending a Members' Allowances Scheme. The Council is not bound to accept the recommendations of the Independent Remuneration Panel but must properly consider them before reaching a decision.
- 7.2 Any amendments approved by Council must be incorporated into the Members' Allowances Scheme and published in accordance with the requirements of the 2003 Regulations. The Council must also maintain records of the decision and ensure that any allowances paid are authorised through the adopted Scheme.
- 7.3 The recommendations set out in this report are proposed as interim arrangements pending the appointment of a Council Leader or until such other date as may be determined by Council. Should Council approve the recommendations, the Monitoring Officer is authorised to undertake any consequential amendments to the Members' Allowances Scheme and associated governance documentation required to give effect to the decision.
- 7.4 The proposed allowances relate to interim governance arrangements established following the Council's failure to appoint a Council Leader. The Council must be satisfied that any allowances approved are proportionate to the additional responsibilities being undertaken and represent value for money, having regard to the Independent Remuneration Panel's assessment and recommendations.

Alex Bougatef (Director of Legal – Monitoring Officer)

8. Procurement Implications

- 8.1 None.

9 Equality Impact, including implications for Children and Young People

- 9.1 No

10 Key Decision

- 10.1 No

11 Key Decision Reference

- 11.1 N/A

12 **Background Papers**

12.1 None.

13 **Appendices**

13.1 Appendix 1 – Report of the Independent Remuneration Panel

Appendix 1 – Report of the Independent Remuneration Panel

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 comprises Peter Claber (Chair), John Barlow and Geoffrey Millard, who have all undertaken the role for many years.
- 1.3 This report presents the recommendations of the IRP regarding allowances associated with the interim governance mitigations in the absence of a Council Leader; the full details of which are subject to a separate report to the Council. The recommendations relate to:
- Political Group Leaders' Consultative Sessions.
 - Interim Lead Member and Deputy Lead Member roles.

The IRP also considered travel and subsistence allowances, including updated HM Revenue and Customs (HMRC) mileage rates.

- 1.4 The recommendations seek to ensure that councillors undertaking additional responsibilities are appropriately recognised, whilst maintaining the principles of accountability, transparency and value for money.

2. Background

- 2.1 As part of the Council's interim governance mitigations, political group leaders have been part of consultative meetings prior to the Chief Executive making decisions under emergency provisions set out in the constitution.
- 2.2 The Independent Remuneration Panel has considered the nature of these responsibilities, the expected workload and comparative approaches used elsewhere in local government. In developing its recommendations, the Panel has applied the same principles previously used when determining the Council's Members' Allowances Scheme, including the application of a public service discount, and use of data published by the Office for National Statistics in regard to its Annual Survey of Hours and Earnings.

3. Methodology

- 3.1 The Panel considered:
- The responsibilities associated with the proposed roles.
 - Expected time commitments.
 - Benchmarking against existing Special Responsibility Allowances (SRAs).
 - The approach adopted in the Council's current allowances scheme.
 - The principle that elected members voluntarily undertake a proportion of their duties in the public interest, reflected through the public service discount already embedded within the Council's allowances methodology.
 - Office for National Statistics (ONS) median full-time hourly earnings data for Oldham (£17.81 per hour for 2025) as a reasonable basis for calculating the value of time committed to additional duties.

4. Political Group Leaders' Consultative Sessions

4.1 Role and Responsibilities

4.1.1 The Panel considered the role undertaken by Political Group Leaders and Deputy Leaders through the Leaders' Consultative Sessions.

4.1.2 The sessions are held fortnightly and require members to undertake duties substantially beyond those expected of an ordinary councillor. Responsibilities include:

- Reviewing detailed reports and supporting documentation.
- Considering equality impact assessments and supporting evidence.
- Identifying key issues and risks.
- Researching relevant matters.
- Consulting within their political groups.
- Preparing questions and responses.
- Briefing group members on key issues and outcomes.
- Supporting the effective operation of the Council's governance arrangements.

4.1.3 The Panel concluded that participation in these sessions represents a significant commitment of time and responsibility.

4.1.4 The Panel estimated an average commitment of approximately 25 hours per month. Using the ONS median hourly earnings figure for Oldham of £17.81 per hour:

- 25 hours × £17.81 = £445.25

Applying the previously agreed public service discount of 40% (used in the 2026/2027 members' allowances scheme) to calculate the allowances for the Leaders' Consultative Sessions would mean:-

- £445.25 less 40% = £267.15 per month, which equates to £133.58 per meeting.

4.1.5 The Panel noted that this is comparable with for example, the Greater Manchester Combined Authority (GMCA), where substitute members of Overview and Scrutiny receive an allowance of £144.00 for each meeting they attend. In addition, the GMCA provide a fixed annual allowance of £571 to substitute members of Overview and Scrutiny.

4.1.6 The Panel does not recommend a fixed annual allowance and instead supports an attendance-based approach which reflects actual participation.

4.1.7 The Panel recommends that the allowance be paid for the full attendance and preparation for these meetings. For clarification, the IRP wished to include an example in their report of when the allowance would not apply. This included if the member arrived late or left early, as the Panel wished to strongly convey that attendance was required in full, including preparation for the meeting.

4.1.8 The Panel estimates that approximately 16 consultative meetings will take place between implementation and April 2027. Therefore, if one member attended all 16 sessions the maximum allowance payable would be c£2137.28. The Panel noted that the number of meetings was an estimation and may be higher or lower.

4.1.9 The Panel noted there are currently 6 political groups, therefore the allowance could be payable to up to 12 members if all were present. The Panel recommended that the allowance apply to any eligible political groups.

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- 4.1.10 The Panel noted that the proposal represented a significant saving in comparison to the current members' allowances scheme.

Recommendation

That Council approves an allowance of £133.58 for full attendance and participation in Political Group Leaders' Consultative Sessions, payable as a retrospective payment based on attendance.

5. Interim Lead Member and Deputy Lead Member Roles

- 5.1 The interim governance mitigations include the establishment of interim Lead Member and Deputy Lead Member roles covering the four directorates. The Panel reviewed the proposed role profiles and concluded that the positions involve substantial time commitment, and also responsibilities including:

- Acting in an advisory capacity.
- Receiving service briefings.
- Demonstrating political oversight in relation to statutory inspection readiness.
- Advocating on behalf of services.
- Championing directorate priorities.
- Presenting reports to the full Council.
- Reviewing significant volumes of information and performance data.

The Panel noted that the roles did not include executive decision making powers, or the ability to direct officers.

The Panel noted the significant breadth of the areas across the four directorates. For example, Children and Young People encompasses areas typically covered by multiple cabinet positions.

- 5.2 The Panel considered the existing Cabinet Member Special Responsibility Allowance as the nearest comparable role. Recognising that Lead Members will not exercise executive decision-making powers but will nonetheless undertake substantial responsibilities, the Panel recommends an allowance equivalent to 60% of the Cabinet Member allowance. This would be £13,464.36 per annum (before application of any pay award increase), noting that there were approximately 7 months remaining of the municipal year.
- 5.3 The Panel considered the Deputy Cabinet Member arrangements as the most appropriate comparator. Applying the same methodology, the Panel recommends an allowance equivalent to 60% of the Deputy Cabinet Member allowance. This would be £5,610.15 per annum (before application of any pay award increase).
- 5.4 The Panel also reviewed responsibilities undertaken in connection with Greater Manchester Combined Authority (GMCA) activity and considered that remuneration for these duties should continue in line with the current scheme. The allowance is £6,708.52 per annum.

Recommendation

That Council approves an allowance of £13,464.36 per annum for interim Lead Members and an allowance of £5,610.15 per annum for Deputy Lead Members (before application of any pay award increase).

That the GMCA allowance be payable during this interim period to the member who assumes this responsibility.

6. Mileage and Travel Allowances

- 6.1 The Panel has also reviewed the travel allowance provisions within the Members' Allowances Scheme in light of the national changes made by HM Revenue and Customs (HMRC). HM Revenue and Customs (HMRC) Approved Mileage Allowance Payments are intended to reimburse individuals who use their own vehicles for approved business travel. The rates can be paid without creating a tax liability for the recipient where they do not exceed HMRC approved levels.
- 6.2 Under the Scheme of Members Allowances approved by Council in March 2026 Elected Members are currently permitted to claim 45p per mile for first 10,000 miles, outside the borough, per annum and a rate of 25p per mile over 10,000 miles, outside the borough.
- 6.3 The current HMRC approved mileage rate is 55p per mile for the first 10,000 miles per annum and 25p per mile thereafter for mileage outside of the Borough. The IRP recommend that this apply from 1 April 2026. This option ensures alignment with HMRC Advisory Mileage Allowance Payments and maintains consistency between Elected Members and Council staff.

Recommendation

That the Council updates its Members' Allowances Scheme to reflect the current HMRC Approved Mileage Allowance Payment rates and delegates authority to the Assistant Director of Governance to make future administrative updates where HMRC mileage rates change, ensuring that member travel reimbursement remains aligned with national taxation guidance.

7. Financial Implications

The IRP noted that the financial impact of the recommendations in their report will be met from existing budgets allocated to support the Council's governance arrangements.

The attendance-based approach for Leaders' Consultative Sessions ensures that payments are only made where duties have actually been undertaken.

8. Conclusion

The Independent Remuneration Panel considers that the proposed allowances appropriately recognise the significant additional responsibilities associated with the Council's interim governance arrangements.

The recommendations provide a balanced approach that:

- Reflects the time commitment required.
- Aligns with existing remuneration principles.
- Maintains the public service discount approach previously adopted by the Council.
- Supports effective governance and democratic accountability.
- Ensures travel reimbursement arrangements remain aligned with current HMRC guidance.

9. Recommendations

Council is recommended to adopt the following recommendations numbered 1 to 5 with effect from 17 September until a Council Leader is appointed, or the end of the municipal year 2026/2027, or a point determined by the Council.

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1. That Council approves an allowance of £133.58 for full attendance and participation in Political Group Leaders' Consultative Sessions, payable as a retrospective payment based on attendance.
 2. Approve a Special Responsibility Allowance for Interim Lead Members of £13,464.36 per annum.
 3. Approve a Special Responsibility Allowance for Interim Deputy Lead Members of £5,610.15.
 4. Approve continuation of the allowance associated with GMCA responsibilities of £6,708.52 per annum.
 5. Amend the Members' Allowances Scheme to reflect the current HMRC Approved Mileage Allowance Payment rates.
 6. Delegate authority to the Assistant Director of Governance to make future administrative amendments to mileage rates where HMRC changes its approved rates.