

COMMITTEE REPORT

COUNCIL

11 MAY 2016

REPORT OF THE INDEPENDENT PANEL ON MEMBERS' REMUNERATION

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PURPOSE OF THE REPORT

1. To present to Council the recommendations of the Independent Panel on Members' Remuneration.

Panel Membership

2. The Panel generally meets on an annual basis to review the Members' Scheme of Allowances. It was felt that there were some limitations in the size of the current panel membership for arranging meetings and more flexibility was required. In order to be quorate the panel has to have 3 members in attendance and therefore the panel were advised that the Council proposes to advertise two vacancies (May/June 2017).

Allowances

3. The panel were advised that when considering allowances they may wish to have regard for the current economic conditions for local authorities; recent pay settlements for MBC employees; does the level of remuneration reflect the responsibilities and commitment expected of Councillors and are they set at levels which also recognise the well- established principle of voluntary unpaid public service.
4. In determining the rate of allowances the Council previously agreed to use an index model recommended by the Panel that is reviewed every four years (see appendix 1). The index is not due for further a review until 2018 therefore the panel considered allowances using this scheme.
5. The Panel were provided with background information which included current costs to the Council, meeting statistics, executive portfolio's and comparator information for other local authorities in order to the assist the panel with their deliberations. All elected members were also invited to put written representations to the panel.

Basic

6. In considering the basic allowances the panel had regard for the current economic climate and comparative allowances in the region (see below).

Middlesbrough	Hartlepool	Stockton	Darlington	Redcar
Basic	Basic	Basic	Basic	Basic
	£	£	£	£
£6,130	5,953	9,300	8,027	9,550

7. The panel felt that it was important that people were not deterred for standing for public office and that they should be appropriately compensated for the role they undertake and they should not be out of pocket.
8. The Panel emphasised that whilst the Council had previously declined a 1% increase in the basic allowance in line with any staff salary increase; that 'doing nothing' could have a greater impact on the Council in the future and a 1% increase at this point may offset a larger single increase at a later date, should the economic climate change.
9. Consequently the panel recommended that in relation to these two aspects the current scheme of allowances should remain the same and allowances should only increase in line with any staff salary increases should they occur.

Special Responsibility Allowances (SRA)

10. The panel were advised that the Guidance on Consolidated Regulations for Local Authority Allowances" states that SRAs should only be paid when Councillors have "significant additional responsibilities" over and above the generally accepted responsibilities of a Councillor.
11. The panel were also advised that the Mayor has indicated that there were currently no plans to change the Executive or Committee structures and that the time there were no planned significant changes to roles and responsibilities
12. Based on the information provided It was agreed that the current roles did not appear to have not changed significantly. Consideration was then given to the frequency of meetings and It was determined that the level of remuneration should not be solely reflected by the number of meetings held, but also the additional level of responsibility and commitment required for those roles as per the above guidance.
13. The Panel discussed the allowance of the Mayor and Executive Members and agreed that, as the responsibility of the Mayor and the Executive Members had not changed the allowance should remain the same.
14. The panel suggested that they would want reconsider the responsibilities of the Mayor in greater detail at the next meeting in order to ensure the SRA remains comparable with the level of responsibility.
15. Representations made by elected members included the following:

- *Proposal of merging some committees due to the low number of meetings.*

The Panel felt that the suggestion for the merging of committees was a decision for the Council and not for the Panel. However, they did consider the amount remuneration for the Staff Appeals Committee and recommended that this should be reduced to 0.5 of the basic allowance as the level of time and commitment currently required for this role had reduced and differed from those roles such as Executive Members and Scrutiny Chairs.

- *That there should be a reduction in the allowance paid to chairs should they not attend the relevant meetings and a return to a method of payment by the number of meetings attended.*

The Panel noted that whilst they felt Chairs should make every effort to attend meetings that any issues of the effectiveness or attendance in carrying out that role was an issue for the Council, the Mayor and or the Political group. The panel felt that remuneration based on attendance at meetings alone would be a regression and again felt that this method did not recognise the wider remit and levels of extra responsibility of posts receiving a Special Responsibility Allowance.

In addition the Panel felt the Scheme of Allowances also already has a provision for when a chairperson had been absent due to exceptional circumstances for another member to be remunerated when they act as the chair for more than 50% of the time.

- *That the number of Executive Members be reduced from 7 to 4.*

It was determined that this was not within remit of the panel and that appointments to the Executive are the responsibility of the Mayor.

- *Remuneration for some positions were excessive due to the frequency of meetings.*

The Panel noted they had discussed this as part of an above item.

Travel & Subsistence

16. The Panel considered the rates for mileage that are currently based on the inland revenue national rates i.e. 45p per mile; and subsistence in line with those paid to staff. The panel recommended no change.

17. The Panel agreed that Co-Opted Members should be allowed to make claims for allowances based on the fact that they are acting voluntarily and that the current £10 per meeting rate remained reasonable and that no changes should be made.

Dependent Carers Allowance

18. Members can claim an allowance for dependents that they care for (adults or children). This is to allow their attendance at Council meetings. This rate of allowance is currently based on the national minimum wage, The panel recommended that a review of the rates should be undertaken to reflect the national living wage rates.

Pensions

19. The 'Scheme of Allowances' sets out which Members of the authority are to be entitled to pensions. In accordance with a scheme made under Section 7 of the Superannuation Act 1972.

20. In making that provision an authority may only include someone who has first been recommended by the independent panel. The current position is that no members receive a pension. There have been no representations made to alter this position. Therefore the panel advised they will revisit this topic at the next meeting where they will consider the possible funding impact for the Council and investigated the status of pensions and elected members in other Mayoral authorities.

RECOMMENDATIONS OF THE PANEL

The recommendations of the Panel for 2016 – 2017 are as follows:

- I. That there are no changes to Basic and the travel and subsistence allowances and that the basic allowance should continue to be linked to officers' pay awards using the current rate of allowances for 2016-2017 as the starting base.
- II. That the Special Responsibility Allowance for the role of the chair of the Staff Appeals Committee should be reduced to 0.5 of the basic allowance to reflect the level of time and commitment required.
- III. The Dependent Carers Allowance (rate per hour) currently based on the national minimum wage be reviewed to reflect the national living wage rates.
- IV. That the Mayoral Allowance and Members Pension entitlement be reviewed at the next meeting.

BACKGROUND PAPERS

The Local Authorities (Members' Allowances) (England) Regulations 2003

Government Guidance: New Council Constitutions - Guidance on Consolidated Regulation for Local Authority Allowances. Department for Communities and Local Government: 2006.

Key Contact

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