

**COMMITTEE REPORT**

**COUNCIL**

**31 MAY 2017**

**REPORT OF THE INDEPENDENT PANEL ON MEMBERS' REMUNERATION**

**BRYN ROBERTS - HEAD OF LEGAL & DEMOCRATIC SERVICES**

**PURPOSE OF THE REPORT**

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

**Panel Membership**

2. The Panel 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. Vacancies were advertised, however there were no applicants. The Panel determined that it was important to increase the diversity of experience and membership of the Panel and that approaches should be made with external organisations such as Teesside University, the Chamber of Commerce, MVDA, in order to attract new members to this important role.

**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 Special Responsibility Allowances the Council previously agreed to use a banding scheme index model, based on multiples of the Basic Allowance. That scheme was to be reviewed every four years (see appendix 1). The index is due for further review in 2018. The Panel considered the current allowances using the current index scheme, and determined that the scheme upon which the rate special responsibilities are determined would be reviewed as above in 2018.
5. The Panel were provided with background information which included the current cost of Members Allowances to the Council, meeting statistics, executive portfolio's and comparator information for other local and Mayoral authorities in order to the assist the Panel with their deliberations. All elected members were

also invited to put written representations to the Panel. Representations were received from:

- a. MICA group
- b. Cllr Jon Rathmell
- c. Cllr Joan McTigue
- d. Mr Dennis Lane

## **Basic**

6. At the last the meeting the Panel recommended that the basis for determining allowances should remain the same and allowances should increase in line with any staff salary increases, should they occur.
7. In May 2016 the Council accepted the Panel's recommendations. In June 2016 the Council agreed a two year deal with a staff increase of an average of 1% for 2016/7 (£6191) and a further 1% for 2017/8.
8. When reviewing the basic allowances the Panel had regard for the current economic climate and examined comparative allowances in the local region and other elected Mayoral authorities. The Panel found that the average basic allowance in Middlesbrough was considerably lower than other authorities i.e. Mayoral authorities - average basic £9833 and local average was £8868. As SRA's are also currently based on a multiplier of the basic allowance the Panel determined the level of the basic allowance should also be considered in greater detail in 2018.
9. The Panel therefore maintained its recommendation that the basic allowance should be reflective of the staff pay increase, but no further changes were recommended at this point.

## **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 plans to change the Executive portfolio's to match the Council's new departmental / organisational structures, however it was not envisaged that there would be any significant changes to levels of responsibility or in the number of Executive members appointed.
12. When considering the roles identified in the scheme of allowances that attracted a special responsibility allowance, the Panel also considered the representations submitted.
13. Several comments suggested a reduction in the level of the SRA to reflect the number of recorded Council / committee or panel meetings held. However, the Panel were keen to express that when considering SRAs that they look at a role in its entirety and that an allowance was not solely based on the number of meetings held/attended. For example; they would take into consideration the depth and

range of the portfolio; the level of responsibility; policy development; work with senior officers; level of accountability and decision making and the time commitment required. For Overview and Scrutiny other commitments were also considered, i.e. researching topics, site visits, external meetings with contributors to panels, effective challenge and the coordination and selection of topics for review and Call in's etc.,

14. Representations were also received in relation to the role of the Chair and the Vice Chair of the Council. In their deliberation the Panel can only take into account the level of responsibility and commitment required for the role, they cannot take into account personal perceptions of those making representations of a person appointed to a post and therefore these have not been taken into consideration.
15. The Panel did further consider the level of responsibility and commitment required for the role of the Vice Chair. The Panel noted that no other Vice Chair role received an SRA and whilst the Panel recognised that the role of Vice Chair carried some activity on civic and citizenship ceremonies, it was considered that there was not a significant amount of additional responsibility or commitment in substituting for the Chair of the Council to warrant a special responsibility allowance. The Panel therefore recommends that this SRA be ceased.
16. The Panel also considered the part entitlement of SRA payments (11.6 Scheme of Allowances) to recognise the additional time and commitment of substitutes when an appointed person is unavailable for a large percentage of the time or absent for long consecutive periods time. The Panel therefore recommends amendments to the scheme in that;

Where a remunerated person has been absent due to exceptional circumstances, and another Member acts as chair for more than 50% of the meetings in any Municipal Year or the chairperson is absent for more than two consecutive months, then the person who has acted as chair shall be remunerated in place of the appointed chairperson (on a pro rata basis).

Where payment of any allowance has already been made to the initially appointed person the authority may require that such part of the allowances paid to the appointed person for any such period to be repaid to the authority (determined by the Monitoring Officer).

17. The Panel then went on to discuss the allowance for the elected Mayor and the Deputy Mayor.
18. The Panel examined the responsibilities of the Mayor and considered comparators with other Mayoral authorities and found that the allowance to the Mayor of Middlesbrough to be below the average of other Mayoral authorities.
19. Representations were made regarding the level of remuneration of the Tees Valley Combined Authority Mayor compared to that of Middlesbrough's elected Mayor. The Panel could not comment on the level of remuneration in relation to other authorities.
20. However, the Panel noted that it was not yet clear what the impact of the Combined Authority Mayor would have on the Tees Valley as a whole and it was not able to make a comparison. At present the levels of autonomy; the size and

budget of both organisations, and responsibilities vary significantly and the role of the Middlesbrough's elected Mayor; the level of commitment and responsibility has not diminished, therefore no changes are recommended at this time.

21. Representations were also made as to the levels of responsibility of the Deputy Mayor, given that the Mayor now also has a Mayoral Assistant. The Panel were advised that the role of the Mayoral Assistant was similar to that of a Political Assistant in that they provide dedicated administrative and research support to the Mayor. They are employed as Officers of the Council and as such they are in politically restricted posts and can have no delegated power to act in any political capacity, or make decisions on behalf of the Mayor, should he be absent or unavailable. The Deputy Mayor also has an Executive member role and therefore has an additional layer of responsibility. Bearing that in mind the Panel recommended no changes.

### **Travel & Subsistence**

22. A representation was made to abolish in authority travel claims. The Panel considered that the legislation allowed for travel and that it was important not to disenfranchise members. It also recognised that recent changes to the scheme meant that claims made were not excessive and therefore no changes were recommended
23. 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.
24. 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**

25. 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 and that the hours be limited to 7 hours per week.

### **Pensions**

26. 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.
27. 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. The Panel considered comparative schemes in other authorities; the possible costs and the fact that no representations were made to alter this position, therefore no changes are recommended.

## Recommendations

28. The recommendations of the Panel for 2017 – 2018 are as follows:

- I. That the Monitoring Officer approaches external organisations such as Teesside University, the Chamber of Commerce and the MVDA, in order to attract new members to the Panel. That there are no changes to Basic Allowance; the travel and subsistence allowance or pension entitlement, however the basic allowance should continue to be linked to officers' pay awards.
- II. A full review of the Basic Allowance and the Special Responsibility Allowances and the banding scheme index be reviewed in 2018.
- III. The SRA for the Vice Chair of the Council be ceased.
- IV. Amendments to 11.6 (Part Entitlements) of the scheme be made to recognise the additional time and commitment of substitutes when an appointed person receiving an SRA is unavailable for a large percentage, or long periods of time.
- V. That a review of the Dependent Carers allowance rates should be undertaken to reflect the national living wage rates and that the hours to be claimed are limited to 7 hours per week.

Panel Members: Jim Whiston (Chair), Brian Footit, Paul Hopson

Key Contact

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