

MEMBERS' REMUNERATION – APPENDIX 1

REPORT OF THE INDEPENDENT PANEL ON MEMBERS' REMUNERATION

Panel Membership

1. The establishment of an Independent Panel on Members Remuneration, and its resultant recommendations is required under sections 20 and 21 of the Local Authorities (Members' Allowances) (England) Regulations 2003. The Panel consists of five members (with 1 vacancy), and meets on an annual basis to review Members Remuneration.
2. Following the resignation of a panel member a recruitment exercise was undertaken and a new panel member was appointed. The new panel member attended this meeting and was given an overview of the role of the panel and the purpose of the meeting
3. The Panel are keen to stress that in their deliberations they have carefully reviewed all the relevant information; respectfully considered all representations made to them; are sensitive to wider economic factors and have acted independently of all other considerations.

Annual Review - 2022

4. The Panel were informed that an annual review of the Members' Scheme of Allowances was required for the municipal year 2022-2023. The annual review is a full and robust process that encompasses the amount of allowances paid and the mechanisms by which they are assigned.

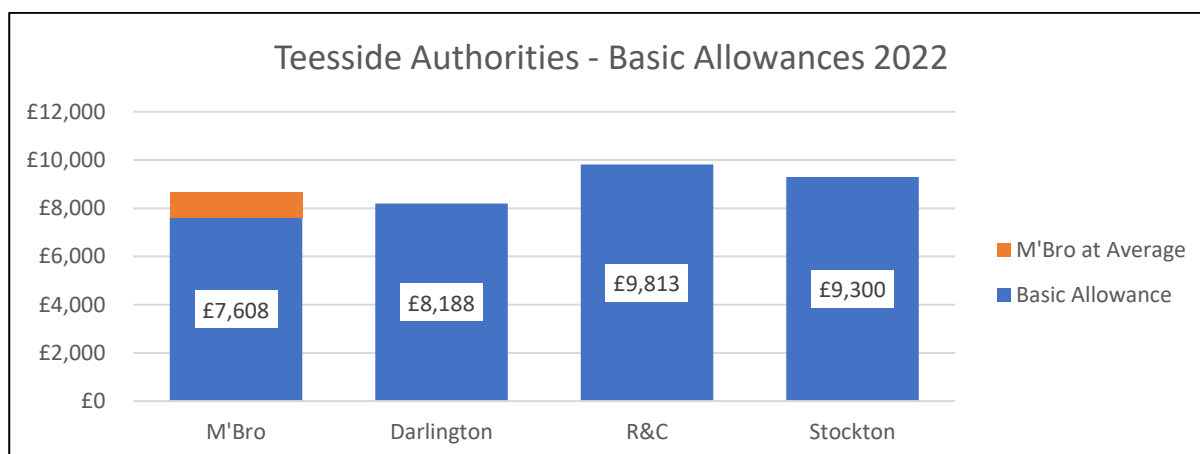
Allowances

5. The Panel were advised, and wish to convey to Members, that when considering allowances they have strong regard for the current economic conditions for local authorities; recent pay settlements for MBC employees; whether the level of remuneration reflect the responsibilities and commitment expected of Councillors and if they are set at levels which also recognise the well-established principle of voluntary unpaid public service.
6. In determining the rate of Special Responsibility Allowances (SRA) the Council previously agreed to use a banding scheme index model, based on multiples of the Basic Allowance. However, the index-banding system has been temporarily suspended following the 2018 review for a period of four years. In conducting the 2022 review, the Panel examined the levels of the Basic Allowance in line with the 2018 review and Special Responsibility Allowances.
7. The Panel were provided with background information which included executive portfolio's, an overview of all roles currently receiving an SRA and comparator information for other local and Mayoral authorities in order to the assist the Panel with their deliberations. Providing comparator information against the other Tees Councils was not possible on an exact like for like basis, as each authority has a different political structure and committee make-up. However, data was examined on a best fit basis.

8. All elected members were invited to put written representations to the Panel. Two representations were received i.e. Group Leaders allowances should be paid to all group leaders and whether the role of Chair of Corporate Parenting Board should receive a Special Responsibility Allowance.
9. These were considered as part of the Panel's deliberations and no changes are recommended at this time.

Basic Allowance

10. The Panel's 2021 recommendations were to continue the phased increase of £450 a year over a four year period, in addition to any inflationary rises in line with officer pay rises. These were rejected by Council.
11. The Panel noted that, because of this, Middlesbrough Council's Basic Allowance remains below the Teesside average as demonstrated in the table below. One potential consequence may be to discourage a wider demographic for standing for Council.
12. However, during the Panel's 2022 review socioeconomic factors were considered and the Panel agreed that allowances should remain frozen and not reflect staff inflationary pay awards as agreed by Council in 2021.



Special Responsibility Allowances (SRA)

Authority	Mayoral Allowance
Newham	£86,589
Hackney	£85,375
Liverpool	£83,539
Tower Hamlets	£75,000
Lewisham	£77,722
North Tyneside	£67,321
Salford	£68,701
Watford	£67,052
Bristol	£68,502
Leicester	£65,787
Bedford	£63,803
Middlesbrough	£55,952
Mansfield	£49,377
Doncaster	£52,864
Copeland	£51,000

13. 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.

14. Until the 2018 review, the method of determining Special Responsibility Allowances was based on a 'multiplier', using the Basic Allowance as a base then multiplying it by a factor ranging from 0.5 to 10, depending on the role. This system has been suspended for a

period of four years given the increase to the Basic Allowance and simultaneous decrease to SRAs.

15. 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, e.g. researching topics, site visits, external meetings with contributors to Panels, effective challenge and the coordination and selection of topics for review and call ins etc.
16. 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.
17. With regard to the Mayor 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 slightly below the average of other Mayoral authorities. It was also felt that regardless of the population or the size of an authority, the time, commitment and responsibilities of an elected Mayor are comparable.
18. The Panel felt those roles attracting an SRA were all still relevant, recognising the time commitment and responsibilities involved. It was also recognised that, generally, the rates afforded to special responsibility allowances in Middlesbrough were comparable to other Teesside Authorities. The Panel also felt it would be prudent to carry out its "full" quadrennial review after the local elections of 2023 to account for any potential governance changes.
19. The Panel continue to recommend that during this period any future staff pay awards should not be applied to SRAs.
20. The Panel recognise the valued work and commitment provided by all members.

Travel & Subsistence

21. The Panel considered that the legislation allowed for travel and felt no changes were necessary.
22. The Panel considered the rates for mileage that are currently based on Her Majesties Revenues and Customs national rates i.e. 45p per mile; and subsistence in line with those paid to staff. The Panel recommended no change.
23. 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

24. 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 living wage and limited to seven hours per week. The Panel recommended no change.

Pensions

25. 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.
26. 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 recommended no change.

The Panel's Recommendations

27. The Panel recommends that the Scheme of Allowances should remain frozen as agreed by Council in 2021.

Why is this being recommended?

28. Members' allowances should reflect the level of work, time and commitment of the role of Councillor and to provide a reasoned approach the impact the recommendations will have on the Council.
29. The recommendation was made following consideration of all socioeconomic factors.