

MIDDLESBROUGH COUNCIL



Report of:	Director of Legal & Governance Services
Submitted to:	COUNCIL – 25 November 2020
Subject:	Members’ Scheme of Allowances 2020/21

Summary

Proposed decision(s)
That Council consider the recommendations proposed by the Independent Panel on Members’ Remuneration outlined in paragraph’s 5-9 and adopt the proposed Members Scheme of Allowances for 2020/21 (appendix 1)

Report for:	Key decision:	Confidential:	Is the report urgent?
Decision	No	N/A	N/A

Contribution to delivery of the 2018-22 Strategic Plan		
Business Imperatives	Physical Regeneration	Social Regeneration
N/A	N/A	N/A

Ward(s) affected
All wards will be affected equally.

What is the purpose of this report?

1. To provide Members with the opportunity to consider the proposals of the Independent Panel on Members Remuneration and adopt the Scheme of Allowances.

Why does this report require a Member decision?

2. The Council are required under The Local Authorities (Members' Allowances) (England) Regulations 2003 to publish a Members Scheme of Allowances on an annual basis and to have due regard to the recommendations of the Independent Panel on Members Remuneration.

Report Background

3. Members Allowances are reviewed by the Independent Panel on Members Remuneration annually, and undergo a full review every four years. The Panel carried out a full review in early 2019 and submitted their recommendations to Council for agreement. The panel made recommendations for a four year period to incrementally increase the basic allowance by £449, in order to bring Middlesbrough's Basic Allowance in line with the average Basic Allowance of other Tees Valley authorities. It also recommended that the level of special responsibility allowances be reduced by 14% and that the Deputy Mayor's allowance be revisited after 6 months. The Council approved those recommendations in October 2019.
4. The Panel's 6 monthly review meeting was postponed due to Covid and the Panel met again in November 2020 to review Members' Scheme of Allowances for 2020/21 as per its legislative requirements.
5. At the meeting the Chair advised the Panel of the resignation of Brian Footitt, who had retired on ill health grounds. The Chair expressed his thanks and wanted to ensure that Brian received the appropriate recognition for his services and volunteering on the Panel and suggested the Mayor writes to Brian personally.
6. Following the resignation it was felt that the Council should look to increase / review panel membership and consider advertising for new panel members or look at alternative provision i.e. investigating the possibility utilising other authority independent panels due to difficulties in recruiting panel members .
7. The Panel reviewed its previous recommendations and the Deputy Mayor's portfolio. The Panel determined that there had been an increase in level of responsibility and that the portfolio now spanned a wider remit than that previously viewed by the Panel, as it now included the Executive Member of Children's Social care.
8. The Panel felt this was a significant addition to the role and deserved some recognition. However, the Panel were also aware of the current economic climate and therefore recommends that the Deputy Mayor's Special Responsibility Allowance (SRA) be increased by £1,000 per annum subject to the Panel's annual & four yearly reviews should any other significant changes occur. Therefore, for 2020/21 the Deputy Mayor's SRA should increase from £19,518 to £20,518 21 and in 2021/22 from £20,518 to £21,518 (remaining subject to review by the Panel).
9. It was recommended that that the remainder of the Members' Scheme of Allowances remain unchanged in line with the Panel's previous report.

Recommendations

10. That Council consider the recommendations proposed by the Independent Panel on Members' Remuneration outlined in paragraph's 5-9 and adopt the proposed Members Scheme of Allowances for 2020/21 (appendix 1)

Other potential decisions and why these have not been recommended

11. Not applicable.

Legal

12. Not applicable.

Financial

13. For 2020/21 the basic allowance of £7608 will be paid in equal monthly instalments, this includes the agreed inflationary staff award increase of 2.75% and the £449 annual increment as agreed by Council in 2019.

14. The basic allowance will continue to increase by £449 annually until 2022, in order to reach the median basic allowance for the Tees Valley region. The Basic Allowance will also continue to be increased in line with any subsequent annual staff pay award.

15. The report does not impact on the Council's policy framework.

Equality and Diversity

16. Not applicable.

Risk

17. If the recommendations of the Independent Panel are not accepted, the Basic Rate of Allowance for elected Members will remain de-aligned from the Council's neighbours and may affect future recruitment of Members or skew the demographic profile of the Council so that it does not represent the community it serves.

Actions to be taken to implement the decision(s)

- I. The Head of Democratic Services to advise payroll of any changes.
- II. The Head of Democratic Services to publicise relevant Scheme of Allowances based on recommendations proposed in this report.
- III. The Head of Democratic services seeks new panel membership and or alternative Independent Panel provision

Appendices

1 Members' Scheme of Allowances 2020/21

Background papers

New Council Constitutions – Guidance on Consolidated Regulations for Local Authority Allowances.

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APPENDIX 1

MEMBERS SCHEMES OF ALLOWANCE 2020/21

Middlesbrough Borough Council, in exercise of the powers conferred by the Local Authorities (Members' Allowances) (England) Regulations 2003 hereby makes the following Scheme:

1. This Scheme may be cited as the Middlesbrough Borough Council Members' Scheme of Allowances', and shall have effect for the year commencing on 1st April 2020 and subsequent years, unless amended by the Council.

2. In this Scheme:

"Year" means the 12 months ending with 31st March.

3. Basic Allowance

3.1 All Elected members including the Mayor of Middlesbrough Council receive a basic allowance to recognise the time devoted to carry out their work as Members. It is also intended to cover incidental costs such as use of members' homes, attendance at meetings with officers, community meetings, and ward activities.

3.2 The Local Authorities (Members' Allowances) (England) Regulations 2003 provide for the payment of a basic allowance in respect of each year to each member of an authority, and the amount of such an allowance shall be the same for each such member. Subject to paragraphs, 10 and 11 the allowance will be paid to each elected Councillor for the year 1st April 2020 to 31st March 2021.

3.3 For 2020/21 the basic allowance of £7608 will be paid in equal monthly instalments, this includes the agreed inflationary staff award increase of 2.75% and the £449 annual increment as agreed by Council in 2019.

3.4 The basic allowance will continue to increase by £449 annually until 2022, in order to reach the median basic allowance for the Tees Valley region. The Basic Allowance will also continue to be increased in line with any subsequent annual staff pay award.

4. Special Responsibility Allowances

4.1 Special Responsibility Allowances (SRAs) are paid in addition to the basic allowance to members who hold positions with significant responsibilities over and above the general duties of a councillor and are also paid in equal monthly instalments.

4.2 For each year a special responsibility allowance shall also be paid to those Members who hold the special responsibilities in relation to the Authority that are specified in Schedule 1, PROVIDED THAT no Member shall be entitled to receive more than one Special Responsibility Allowance. SRA allowances will remain static and shall not be increased in line with any subsequent annual staff pay award.

- 4.3 Special Responsibility Allowances were originally arrived at by an agreed multiple of the basic allowance. This process has been suspended from 1 April 2019 and will be further reviewed in 2022.
- 4.4 Subject to paragraphs 10 & 11.1 the amount of each such allowances shall be the amount specified against that special responsibility in Schedule1.
- 4.5 A special responsibility allowance relating to the duties of a Political Group Leader shall be payable to the leader of the overall majority group and to the leaders of the two largest minority Groups, where each of the minority Groups comprise at least 10% of the total number of Members of the Council.
- 4.6 Where there is no over-all majority group, the two largest political group leaders will receive a minority special responsibility allowance. Where only one of the two largest minority Groups comprise at least 10% of the total number of Members of the Council, a special responsibility allowance relating to the duties of Political Group Leader shall be payable to the leader of the next largest minority Group.

5. Travelling and Subsistence Allowance – Councillors

- 5.1 A Councillor shall be entitled to receive appropriate travel and subsistence allowances where he/she necessarily incurs expenditure on travel or subsistence in order to perform an approved duty.
- 5.2 The amount of the allowance payable to a Member in respect of subsistence shall be the same as that approved by the Authority in respect of officers of the Council who are paid officer rates.
- 5.3 The subsistence allowance payable shall be increased or decreased to the same extent as determined by the Authority in respect of officers.
- 5.4 The allowance payable to a Member in respect of travel mileage shall be paid at the Inland Revenue rate (45p per mile).
- 5.5 For the purposes of this paragraph, approved duties shall include all those duties, which are specified in Part I of Schedule 2 to this Scheme.

6. Travelling and Subsistence – Co-opted Members

- 6.1 A Co-opted Member shall be entitled to receive appropriate travel and subsistence allowances as specified in Part II of Schedule 2 to this Scheme.

7. Dependent Carers Allowance

- 7.1 A Councillor or Co-opted Member shall be entitled to receive a dependent carers allowance to provide for child/ren or adult care, where he/she has necessarily incurred that expenditure in respect of a dependent who is looked after by a registered provider whilst the Councillor or Co-opted Member is carrying out an approved duty.

- 7.2 The dependent carers allowance referred to in paragraph 7.2 above shall be paid per hour and be in line with the national living wage and limited to 7 hours per week.
- 7.3 The allowance will not be payable to a member of the claimant's own household.
- 7.4 For the purposes of this paragraph, an approved duty is any duty listed in Part I of Schedule 2 to this Scheme.

8. Telephone / Broadband Allowance

- 8.1 A member is entitled to a communications allowance of a £15 contribution towards their telephone connections and a £10 contribution towards broadband connections. One claim per household, subject to annual proof of service.

9. Pensions

- 9.1 No councillor shall be entitled to pensions in accordance with this scheme

10. Renunciation

- 10.1 A Member may by giving notice in writing to the Director of Legal and Governance, or the Head of Democratic Services elect to forego all or part of their entitlement to an allowance under this Scheme. Where such a declaration is made, it remains in force until a further notice in writing is given to the Director of Legal and Governance or the Head of Democratic Services to withdraw it.

11. Part-year Entitlements

- 11.1 The provision of this paragraph shall have effect to regulate the entitlements of a Councillor to basic and special responsibility where, in the course of a year, this Scheme is amended or that Councillor becomes, or ceases to be, a Councillor, or accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable.
- 11.2 If an amendment to this Scheme changes the amount to which a Councillor is entitled by way of a basic allowances or a special responsibility allowance, then in relation to each of the periods:
- a) beginning with the year and ending with the day before that on which the first amendment in that year takes effect, or
 - b) beginning with the day on which an amendment takes effect and ending with the day that on which the next amendment takes effect, or (if none) with the year,

The entitlement to such an allowance shall be to the payment of such part of the amount of the allowance under this Scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of the days in the period bears to the number of days in the year.

- 11.3 Where the term of office of a Councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that Councillor to a basic allowance shall be to the payment to such part of the basic allowance as bears to the whole the same proportion as the number of days during which his/her term of office subsists bears to the number of days in that year.
- 11.4 Where this Scheme is amended as mentioned in sub-paragraph 11.2, and the term of office of a Councillor does not subsist throughout the period mentioned in sub-paragraph 11.2a, the entitlement of any such Councillor to a basic allowance shall be to the payment of such part of the basic allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days during which his term of office as a Councillor subsists bears to the number of days in that period.
- 11.5 Where a Councillor has during part of, but not throughout, a year such special responsibilities as entitle him or her to a special responsibility allowance, that Councillor's entitlement shall be to payment of such part of that allowance as bears to the whole the same proportion as the number of days during which he has such special responsibilities bears to the number of days in that year.
- 11.6 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 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).
- 11.7 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).
- 11.8 Where this Scheme is amended as mentioned in sub-paragraph 11.2 and a Councillor has during part, but does not have throughout the whole, of any period mentioned in sub-paragraph 11.2a of that paragraph any such responsibilities as entitle him or her to a special responsibility allowance, that Councillor's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.
- 11.9 Where a scheme of allowances is amended, the Council can choose to apply any amendment retrospectively to the beginning of the financial year in which the amendment is made.

12 Claims and Payments

- 12.1 Payments of allowances shall be made as follows:
- a) Basic Allowances: Automatically Paid Monthly
 - b) Special Responsibility Allowances: Automatically Paid Monthly
 - c) Travel and Subsistence Allowance: Monthly (Claim)
 - d) Dependent Carers Allowance: Monthly (Claim)
 - e) Co-optees Allowance: Monthly (Claim)
- 12.2 All payments shall be made direct to a Bank or Building Society.
- 12.3 A claim for expenses/subsistence under this scheme shall be made within two months of the date of the meeting in respect of which the claim is made.
- 12.4 Claims for travel and subsistence (other than mileage for approved duties) shall only be approved where receipts of expenditure have been provided and have been incurred in relation to an approved duty or with the approval of the Head of Democratic Services.
- 12.5 For each claim, Members shall submit an electronic claim acknowledging that they are entitled to claim the expenses and where appropriate that they hold the appropriate valid driving documentation.
- 12.6 Members should submit their claims by the 7th day of the month
- 12.7 The Director of Legal & Governance Services shall have authority to agree a different frequency of payment with an individual Member on request.

SCHEDULE 1

BASIC 2020/21 - £7608 x 47 Members (including Mayor)

SPECIAL RESPONSIBILTY ALLOWANCES (SRAs)

The following roles are specified as those designated as receiving a special responsibility allowances, and the amounts of those allowances. These allowances are **not** subject to the to the inflationary increase in line with staff pay awards.

<u>OFFICE</u>	No of Positions	ALLOWANCE	<u>Total</u>
Mayor	1	£55,952	£55,952
Deputy Mayor	1	£20,518	£20,518
Executive Members	6	£11,190	£67,140
Chair of Overview & Scrutiny Board	1	£11,190	£11,190
Chair of Licensing Committee	1	£8,393	£8,393
Chair of Planning & Development Committee	1	£8,393	£8,393
Chair of the Council	1	£5,595	£5,595
Chair of Corporate Affairs and Audit Committee	1	£5,595	£5,595
Chairs of Scrutiny Panels	6	£5,595	£33,570
Chair of Standards Committee	1	£2,798	£2,798
Chair of Staff Appeals Committee	1	£2,798	£2,798
Chair of Teesside Pension Fund Committee	1	£2,798	£2,798
Political Group Leaders:			
Majority Group (currently not claimed)	1	£8,393	£8,393
Largest Minority Groups – maximum x 2 providing they have 10% of Council membership	2	£2,798	£5,596
Total cost of SRA	25	£152,004	£238,729

Banding Scheme Index – The Council’s “Multiplier” System of calculating Special Responsibility Allowances has been suspended for a period of 4 years (2022-23, or until it is next reviewed.

SCHEDULE 2

TRAVEL & SUBSISTENCE ALLOWANCES

Part 1 Duties that may qualify for Travelling & Subsistence Allowances

- a) the attendance at a meeting of the Authority or of any Committee or Sub Committee of the Authority, or of any other body to which a member has been appointed to by the authority, or of any Committee or Sub Committee of such a body;
- b) the attendance at any other meeting, the holding of which is authorised by the Authority, or a Committee or Sub Committee of the Authority, or a Joint Committee of the Authority and one or more Local Authority within the meaning of Section 270(1) of the Local Government Act 1972, or a Sub Committee of such a Joint Committee provided that:
 - (i) where the Authority is divided into two or more political groups it is a meeting to which Members of at least two such groups have been invited, or
 - (ii) if the Authority is not so divided, it is a meeting to which at least two Members of the Authority have been invited;
- c) the attendance at a meeting of any association of Authorities of which the Authority is a Member providing no other attendance / mileage allowance is paid;
- d) the attendance at a meeting of the Executive or a meeting of any of its Committees, where the Authority is operating executive arrangements;
- e) the performance of any duty in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises;
- f) the carrying out of any other duty approved by the Authority, or any duty of a class so approved, for the purposes of, or in connection with, the discharge of the functions of the Authority or of any of its Committees or Sub Committees. For the purpose of this Section approved duties shall include the following:
 - i) travel in connection with Scrutiny site visits or investigations
 - ii) authorised attendance at Seminars or Conferences
- g) In cases of urgency, the Monitoring Officer is authorised to approve duties.

Travelling allowances may not be claimed for political group meetings;

Part 2 - Subsistence

1. Subsistence allowances for meals and accommodation can be reimbursed to Middlesbrough Members' for duties undertaken outside the unitary authority. This allowance reflects the scheme in place for officers of Middlesbrough Council.
2. Members are entitled to claim subsistence if their duties mean that they are away from the authority for at least 5 hours, preventing them from following their normal meal arrangements AND they have to incur expenditure which is in addition to their normal outlay.
3. Any claims for subsistence costs must be for the actual amount paid (up to the maximum amount claimable) and supporting receipts of this cost must be kept by the Member. The reimbursement of costs associated with alcohol will not be paid under any circumstances.

Part 3. Telephone / Broadband Allowance

1. A member is entitled to a communications allowance of a £15 contribution towards their telephone connections and a £10 contribution towards broadband connections. One claim per household, subject to annual proof of service.

Part 4. Co-opted Members Travelling & Subsistence Allowances

1. Co-opted Members of the following Council bodies shall be entitled to receive a combined travel & subsistence allowance as specified in paragraph (b) following production of a signed declaration that expenses had been incurred:
 - Scrutiny Committees (including Overview & Scrutiny Board, Scrutiny Panels and Scrutiny Working Groups);
 - Standards Committee (including Sub Committees and Panels)
 - The Independent Panel on Members' Remuneration,
 - Teesside Pension Fund Committee
 - School Appeal Panels
2. The amount of the combined Travel & Subsistence Allowance shall be £10 per meeting.