

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; are sensitive to wider economic factors and have acted independently of all other considerations.

Quadrennial Review - 2023

4. The Panel were informed that the quadrennial review of the Members' Scheme of Allowances was required for the municipal year 2023-2024. The review is a full and robust process that encompasses the amount of allowances paid and the mechanisms by which they are assigned.

Allowances

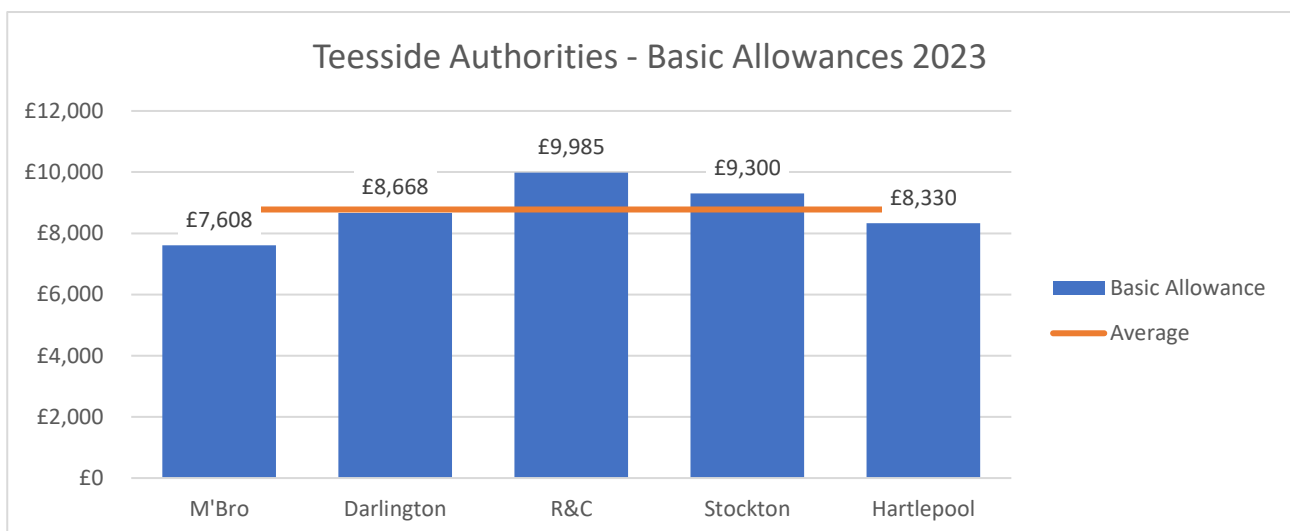
5. The Panel were advised, and wish to convey to Members, that when considering allowances they have strong regard for the current economic conditions for local authorities; recent pay settlements for MBC employees; whether the level of remuneration reflect the responsibilities and commitment expected 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 2023 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.

- These were considered as part of the Panel’s deliberations and no changes are recommended at this time.

Basic Allowance

- The Panel’s 2022 recommendations were to freeze allowances at 2021 levels and not reflect staff inflationary pay awards.
- The Panel noted that, because of this, Middlesbrough Council’s Basic Allowance remains below the Teesside average and had drifted significantly from its Teesside neighbours, as demonstrated in the table below. One potential consequence may be to discourage a wider demographic for standing for Council.
- During the Panel’s 2023 review socioeconomic factors were considered as well as the difficult financial position facing the Council. Despite this the Panel felt the Basic Allowance was in danger of becoming too low compared to other Teesside Councils. As such the Panel feel the Basic Allowance should be increased to meet the Teesside average as it stands in 2023 (£8,773) to reflect the work undertaken by Councillors.



Special Responsibility Allowances (SRA)

Authority	Mayoral Allowance
Newham	£91,553
Hackney	£86,869
Tower Hamlets	£80,579
Lewisham	£75,894
Watford	£73,607
Salford	£71,829
Bristol	£71,270
Leicester	£66,938
North Tyneside	£65,519
Bedford	£63,803
Doncaster	£55,962
Middlesbrough	£55,952
Mansfield	£49,377

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 since 2018 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 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 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. Despite this, the Panel felt the Mayor's SRA was adequate when supplemented with the Basic Allowance.
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. As the Council has not undergone any governance changes since the last quadrennial review the Panel were confident that the comparators used in their deliberations continued to be relevant.
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 His 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. For the reasons cited above, the Panel recommends that the Basic Allowance should be increased to meet the Teesside average (£8,773). This should be achieved via increments over a four-year period, the first increment being made in 2024. The Panel also recommends that Special Responsibility 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.