

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 three members (with two vacancies), and meets on an annual basis to review Members Remuneration.
2. Following the sad passing of the panel chair a recruitment exercise will be undertaken to recruit additional panel members.
3. The Panel are keen to stress that in their deliberations they have carefully reviewed all the relevant quantitative information; are sensitive to wider economic factors affecting Middlesbrough and the Council and have acted independently of all other considerations.

Annual Review - 2024

4. The Panel were informed that an annual review of the Members' Scheme of Allowances was required for the municipal year 2024-2025. The review considers the amount of allowances paid and the mechanisms by which they are assigned.

Allowances

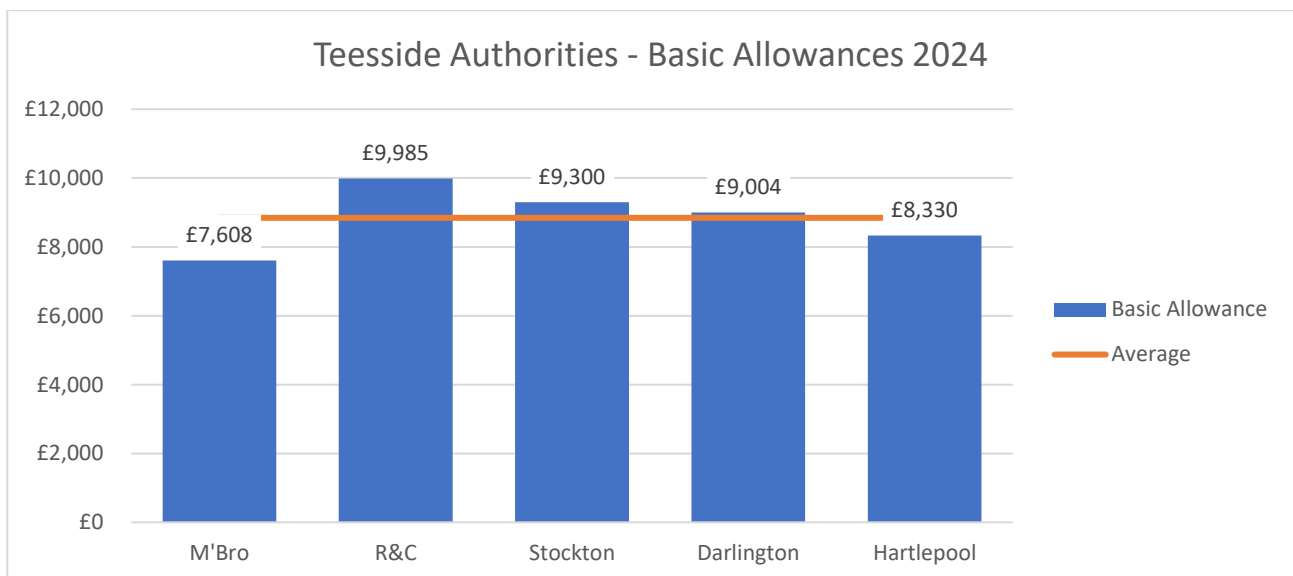
5. The Panel were advised, and wish to convey to Members, that when considering allowances they have strong regard for the current economic conditions for local authorities; recent pay settlements for MBC employees; whether the level of remuneration reflect the responsibilities and commitment expected 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 utilised a banding scheme index model, based on multiples of the Basic Allowance. That system has been suspended following the 2018 review initially for a period of four years. However, given rates of allowances have remained static for several years, the indexing system has not yet been reinstated. In conducting the 2024 review, the Panel examined the levels of the Basic Allowance in line with the 2023 review.
7. The Panel were provided with background information which included the Executive Scheme of Delegation, an overview of all roles currently receiving an SRA and comparator information for other local and Mayoral authorities in order to 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. Those representations included a 50% reduction of

SRAs for all Committee Panel Chairs, freezing Basic the Basic Allowance at its current levels and not affording an SRA to any Vice Chairs.

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

Basic Allowance

- The Panel's 2023 recommendations were to freeze allowances at 2022 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 continues to drift 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 2024 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, again, be increased to £8,000 to reflect the work undertaken by Councillors.



Special Responsibility Allowances (SRA)

Authority	Mayoral Allowance
Newham	£93,575
Hackney	£92,686
Lewisham	£80,759
Tower Hamlets	£80,579
Watford	£73,607
Salford	£71,829
North Tyneside	£68,499
Leicester	£66,938
Bedford	£66,480
Doncaster	£58,133
Middlesbrough	£55,952
Mansfield	£49,377

13. The Panel were advised that the ‘Guidance on Consolidated Regulations for Local Authority Allowances’ stated 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 of SRAs.
15. In their deliberations 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.
16. 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, 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.
17. Regarding 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. The Panel were advised the Mayor was carrying the responsibility of a large portfolio as well as the role of Mayor. The Panel was also advised this was the Mayor’s choice and could delegate this responsibility if he chose to. 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 £8,000. The Panel also recommends that Special Responsibility Allowances should remain frozen as agreed by Council in 2023.

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.