

MEMBERS' REMUNERATION – APPENDIX 1

REPORT OF THE INDEPENDENT PANEL ON MEMBERS' REMUNERATION

Context and 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. The Panel is keen to stress that in its deliberations it has carefully reviewed all the relevant quantitative information; is sensitive to wider socioeconomic factors affecting Middlesbrough and the Council and have acted independently of all other considerations.
3. The membership of the Panel for the 2025 review was Dr. S Green, Mr. P Thompson and Mr. M White.

Annual Review - 2025

4. The Panel was informed that an annual review of the Members' Scheme of Allowances was required for the municipal year 2025-2026. The review considers the level of allowances paid to elected Members.

Methodology

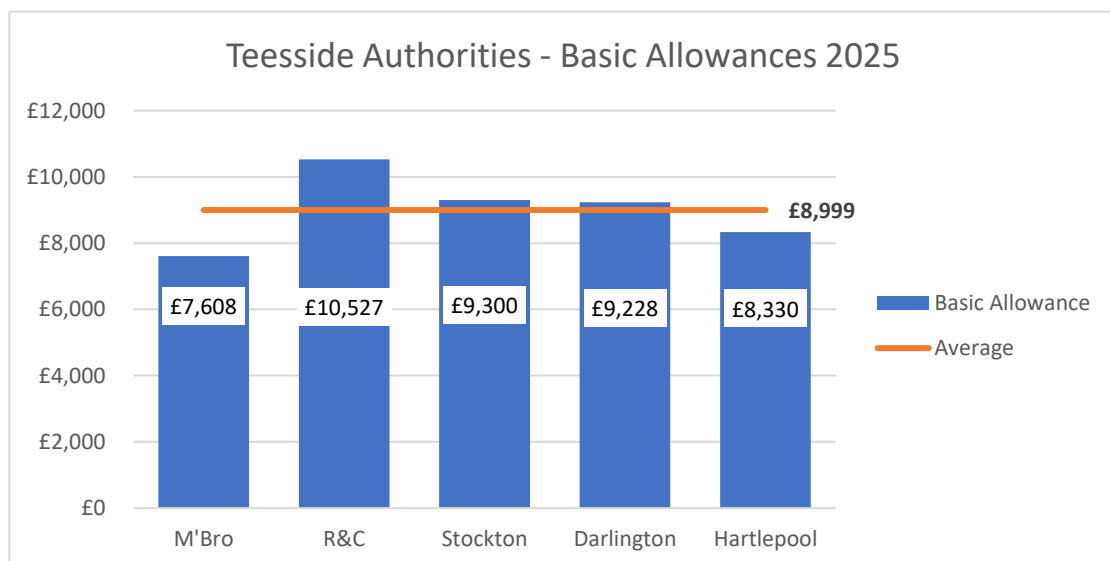
5. The Panel wants to convey to Members that when considering allowances, it has strong regard for the current socioeconomic conditions for local authorities; recent pay settlements for Middlesbrough Council employees; whether the levels of remuneration reflect the responsibilities and commitment expected of Members and if they are set at levels which also recognise the well-established principle of voluntary unpaid public service.
6. The Council has previously utilised a banding scheme index model, based on multiples of the Basic Allowance. That system was suspended following the 2018 review, initially for a period of four years. However, given that rates of allowances have remained static for several years, the indexing system has not yet been reinstated. In conducting the 2025 review, the Panel examined the levels of the Basic Allowance in line with the 2024 review.
7. The Panel was provided with background information which included the Executive Scheme of Delegation, an overview of all roles currently receiving a Special Responsibility Allowance (SRA) and comparator information for other local and Mayoral authorities to assist the Panel with their deliberations. Providing comparator information against the other Tees, and North East, 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. An open consultation for all elected Members ran between 21 March and 18 April

2025 where all Members were invited to put written representations to the Panel. In addition, Group Leaders were invited to meet with the Panel. As part of the wider consultation, four individual one group representations were received. One Group Leader attended a meeting of the Panel and offered their views.

9. In general terms, responses highlighted the significant amount of work and time commitments involved in being an elected Member. Such commitment applied to both Ward and Committee work. It was also highlighted such time commitment was compounded if Members were in full time employment.
10. Some consultation responses recognised the relatively low levels of Middlesbrough's Basic Allowance and the need to bring it in line with neighbouring authorities, while others stated no increases should be made considering other challenging economic considerations, such as the cost of living. In terms of SRAs; respondents felt some SRAs needed to be increased in order to attract the appropriate skill levels (such as Executive roles) while Chairs of committees should be afforded the allowance on an attendance basis. The Panel recognised that how allowances are afforded was not within its remit, only if remuneration levels were commensurate to the role.
11. All responses to the consultation were carefully considered as part of the Panel's deliberations.

Basic Allowance

12. The Panel's 2024 recommendation was to increase the Basic Allowance to meet the Teesside average and not reflect staff inflationary pay awards. However, this recommendation was rejected by Council and the Basic Allowance has remained static since 2022.
13. The Panel noted that, because of this, Middlesbrough Council's Basic Allowance remains below the Teesside average (£8,999 in 2025) and the North East average (£11,127 in 2025) and continues to drift from its neighbours, as demonstrated in the table below. Potential consequences of keeping the Basic Allowance at current levels include discouraging a wider demographic for standing for Council.



14. Given the work and time commitment in being an elected Member, and despite the wider socioeconomic factors facing the Council, the Panel feel the Basic Allowance is too low compared to other Teesside and North East Councils. The Panel therefore recommend the Basic Allowance should be increased to meet the 2025 Teesside average of £8,999.

Special Responsibility Allowances (SRA)

Authority	Mayoral Allowance
Hackney	£95,003
Newham	£93,575
Lewisham	£85,989
Salford	£80,890
Tower Hamlets	£80,579
Watford	£73,607
North Tyneside	£68,499
Leicester	£66,938
Bedford	£66,480
Doncaster	£59,586
Middlesbrough	£55,952*
Mansfield	£49,377

*Excluding Basic Allowance

15. The Panel were advised that the ‘Guidance on Consolidated Regulations for Local Authority Allowances’ stated that SRAs should only be paid when elected Members have “significant additional responsibilities” over and above the generally accepted responsibilities of an elected Member.
16. Previously, the method of determining SRAs 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.
17. In their deliberations the Panel could only consider the level of responsibility and commitment required for the role, they could not consider personal perceptions of a person appointed to a post.
18. The Panel were keen to express that when considering SRAs 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, it took 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.
19. Regarding the elected Mayor, the Panel examined the responsibilities of the Mayor and considered comparators with other Mayoral authorities. As with the Basic Allowance, the Panel found the allowance afforded to the Mayor was 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 was advised the Mayor was carrying the responsibility of a portfolio (Governance) as well as the role of Mayor. Despite

this, the Panel felt the Mayor's SRA was adequate when supplemented with the Basic Allowance.

20. 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 had not undergone any governance changes since the last review the Panel were confident that the comparators used in their deliberations continued to be relevant.
21. The Panel continue to recommend that during this period any future staff pay awards should not be applied to SRAs.
22. The Panel recognise the valued work and commitment provided by all elected Members.

Travel & Subsistence

23. The Panel considered that the legislation allowed for travel and felt no changes were necessary.
24. The Panel considered the rates for mileage that are currently based on His Majesty's Revenues and Customs national rates i.e. 45p per mile; and subsistence in line with those paid to staff. The Panel recommend no change.
25. 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 Carer's Allowance

26. 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 recommend no change.

Pensions

27. 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.
28. 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

29. For the reasons cited above, the Panel recommends that the Basic Allowance should be increased to £8,999. The Panel also recommends that Special Responsibility Allowances should remain frozen as agreed by Council in 2024.

Why is this being recommended?

30. Notwithstanding the legal requirements for the Panel making its recommendations, Members' allowances should reflect the level of work, time and commitment of the role of Councillor.
31. The recommendations of the Panel have been made following consideration of all socioeconomic factors affecting Middlesbrough, such as the Council's financial position and cost of living pressures facing Middlesbrough's residents.