

Report of:	Charlotte Benjamin Director of Legal & Governance Services Chris Hobson – Executive Member Finance and Governance
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Submitted to:	<i>Council 24 March 2021</i>
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Subject:	<i>Members’ Scheme of Allowances</i>
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Summary

Proposed decision(s)
<ol style="list-style-type: none"> 1. That Council consider the recommendations proposed by the Independent Panel on Members’ Remuneration outlined in their report at Appendix 1 2. Council adopt the proposed Members Scheme of Allowances for 2021/22 (Appendix 2)

Report for:	Key decision:	Confidential:	Is the report urgent?
<i>Decision</i>	<i>No</i>	No	No

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
		An appropriate scheme of Members’ Allowances is integral to the good governance of the Council.

Ward(s) affected
N/A

What is the purpose of this report?

3. 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?

4. The Council are required under Section 18 Local Government and Housing Act 1989 and 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

5. 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 2018 and submitted their recommendations to Council for agreement.
6. In 2018 the Panel made recommendations that the Basic Allowance be increased incrementally, for a four year period in order to bring it in line with the average Basic Allowance of other Tees Valley authorities. It was also recommended that the Basic Allowance should continue to be increased in line with any inflationary staff pay awards.
7. It was recommended that; the multiplier for working out the level of SRA's was also to be suspended for a four year period; that the level of Special Responsibility Allowances be reduced by 14% and that no inflationary increase be applied. They also determined that they would review the Deputy Mayor's allowance after six months once further evidence of the remit of the role could be considered.
8. The Council approved those proposals in October 2019.
9. The Council are still required to publish an Annual Scheme of Allowances and therefore the Independent Panel still conduct an annual review to address any issues that have arisen or significant changes to roles receiving a Special Responsibility Allowance.
10. The panel submitted its recommendations for the Members Scheme of Allowances 2020/21 to full Council on 25 November 2020 (delayed due to the pandemic).
11. A motion was passed by Council that the Scheme of Allowances be referred back to the Panel in its entirety for further consideration, as it was felt that the recommendations failed to consider another significant Executive portfolio change and take into consideration Members receiving a rise when there was a possible pay freeze for staff.
12. The panel met on 12 January 2021 to consider the Council's view and were provided with copies of the minutes of the Council meeting. They determined that their initial proposals had been fully considered, given the information they had at the time of the review.
13. The Panel reiterated that they were aware of the current economic climate, however it was clear basic allowances were below regional averages and failing to adhere to the incremental plan agreed in 2019 would not address the long standing issues that could be detrimental in the longer term.
14. The Panel maintained their views on the proposed increase in remuneration to

the Deputy Mayor's portfolio and identified that they had reviewed the role as they had previously identified they would in 2019. When conducting the review the Panel took into account levels of responsibility, workload, time and commitment required to undertake the responsibilities set out in the portfolio, they do not consider individuals in those roles. The Panel identified that there was a significant increase in the responsibilities of the portfolio that should be recognised however due to economic factors the Panel recommended that the proposed increase should be limited to £1000 per year.

15. They accepted that the responsibilities of another Executive portfolio had significantly increased but that had occurred after their review had taken place, therefore they would review this role when they next considered the annual review.
16. The Panel requested clarification from the Monitoring Officer with regard to the options available to the Council and it was confirmed that the Council should have due regard to the Independent Panel's recommendations (justifying the reasons if the Council chose to reject them) although in essence they could accept; reject or propose their own amendments to the Scheme.
17. The Panel were also advised that the Members' Scheme of Allowances makes provision for any elected Member to forego all or any part of their allowances, without impacting on the Scheme.
18. The Panel met again on 8 March 2021 to consider its annual review and proposed a Scheme of Allowances for 2021/22. They considered representations from Councillors and comparative SRA information provided by Democratic Services.
19. The Panel determined that no changes were required for the majority of the Scheme of Allowances, however they made one further recommendation from their report to Council on 25 November 2020 in relation to the Executive portfolio for Communities and Education.

What decision(s) are being asked for?

20. That Council consider the recommendations proposed by the Independent Panel on Members' Remuneration outlined in their report at Appendix 1.
21. Council adopt the proposed Members Scheme of Allowances for 2021/22 (Appendix 2).

Why is this being recommended?

22. The Council are required under The Local Authorities (Members' Allowances) (England) Regulations 2003 to publish a Members Scheme of Allowances on an annual basis.
23. The Panel feel that the Scheme agreed in 2019 is achieving its intended goal i.e. to re-align allowances with our regional neighbours.

24. The 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.

Other potential decisions and why these have not been recommended

25. Other options available to the Council are

- Reject the Panel's recommendations and propose its own Scheme of Allowances.
- Retain the status quo and propose no changes to the Scheme of Allowances agreed in 2019.

26. Council have a duty and to have due regard to the recommendations of the Independent Panel on Members Remuneration.

Impact(s) of recommended decision(s)

Legal

27. Council can either accept the recommendations of the Members' Remuneration Panel ('the Panel') or reject some or all of them; Council is obliged to have regard to the recommendations. But there is an obligation to have a scheme which can be amended at any time and which must be adopted anew each year. If Council votes to reject the Panel recommendations, the scheme that is adopted would be the previous scheme (unamended) unless members successfully move any amendments to the previous scheme.

Financial

28. For 2021/22 the Basic Allowance of £8057 will be paid in equal monthly instalments.

29. If approved there will be an increase of £2000 in the overall costs of Special Responsibility Allowances, which can be met from the existing budget.

Policy Framework

30. The Members' Scheme of Allowances forms part of the Council's Constitution and therefore any recommendations approved by Council will consequently update the Constitution.

Equality and Diversity

31. None – all groups are affected equally

Risk

32. If the recommendations of the Independent Panel are not accepted, the Basic Rate of Allowance for elected Members will remain unaligned from the Council's neighbouring authorities 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

APPENDIX 1 Independent Remuneration Panel Annual Review Report

APPENDIX 2 Proposed Members Scheme of Allowances 2021/22

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