

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. The Panel are keen to stress that in their deliberations they have carefully reviewed all the relevant information; respectfully considered all representations made to them; are sensitive to wider economic considerations and have acted independently of all other considerations.

Annual Review - 2021

3. Having carried out a full four-yearly review in 2018 (recommendations agreed in October 2019) the Panel were informed that an annual review of the Members' Scheme of Allowances was required for the municipal year 2021-22. The annual review is a full and robust process that encompasses the amount of allowances paid and the mechanisms by which they are assigned.

Allowances

4. 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.
5. 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 2021 review, the Panel examined the levels of the Basic allowance in line with the 2018 review and Special Responsibility Allowances.
6. 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.
7. All elected members were invited to put written representations to the Panel. Two representations were received but fell outside the Panel's remit.

Basic Allowance

8. Following the Panel's 2018 recommendations no further changes were recommended.
9. The Panel maintained its recommendation that the Basic Allowance should continue to 'shadow' staff pay increase awards going forward.

Special Responsibility Allowances (SRA)

10. 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.
11. 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 for a period of four years given the increase to the Basic Allowance and simultaneous decrease to SRAs. In line with the Panel's 2018 review the Panel have reviewed this situation and determined that the increase to the Basic Allowance continue as previously agreed.
12. 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.
13. 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 those making representations of a person appointed to a post and therefore these have not been taken into consideration.

Authority	Mayoral Allowance
Hackney	£85,375
Newham	£84,272
Liverpool	£83,593
Tower Hamlets	£78,030
Lewisham	£67,909
North Tyneside	£67,321
Salford	£66,862
Watford	£65,738
Bristol	£65,522
Leicester	£62,933
Bedford	£62,552
Middlesbrough	£55,952
Mansfield	£54,863
Doncaster	£52,864
Copeland	£51,000

14. 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 slightly 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.

15. 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.
16. As part of the Panel's 2018 review the exception to the general SRA reduction was that the Deputy Mayor's allowance remain the same as, at the time, he was also the thematic lead on drugs in addition to the responsibilities pertaining to the role of Deputy Mayor.
17. The Panel agreed to review this situation after six months. Due to the restrictions owing to the Covid Pandemic, it was only able to do so in October 2020. At this time the Panel found the Deputy Mayor had further increased his responsibilities by assuming the role of Lead Member for Children's Social Services.
18. After presenting a recommendation to Council that the Deputy Mayor's allowance increase by £1,000 in November 2020, Council rejected the recommendation and suggested the Panel review all SRAs, as other Executive Members had taken on additional responsibilities since the previous review.
19. Given the Panel were scheduled to undertake their annual review in early 2021, Council's suggestion has been considered in the Panel's 2021 review.
20. After considering each of the Executive Member portfolios the Panel feels the roles of Deputy Mayor and Executive Member for Communities and Education now encompass new responsibilities that are likely to result in increased workload above what would normally be expected. In light of this the Panel feel the SRA assigned to those roles should be increased by £1,000 per year. The Panel would review this situation as part of their next review.
21. The Panel were also made aware of representations to the Head of Democratic Services that the Chair of Corporate Parenting Board receive an SRA due to the increased frequency of meetings and additional workload the current chair had assumed.
22. The Panel decided they needed more information about the activities of the Corporate Parenting Board before making a decision. The Panel agreed to consider this as part of their next review.
23. The Panel continue to recommend that during this period any future staff pay awards should not be applied to SRAs.
24. The Panel recognise the valued work and commitment provided by all members.

Travel & Subsistence

25. The Panel considered that the legislation allowed for travel and felt no changes were necessary.
26. The Panel considered the rates for mileage that are currently based on Her 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.

27. 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

28. 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

29. 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.

30. 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.

What decision(s) are being asked for?

The Panel felt that the Scheme of Allowances should remain as agreed in 2019, albeit with the following changes:

- I. That the rate of Special Responsibility Allowance for the role of Deputy Mayor and Lead for Children's Social Care be increased by £1,000 from £19,518 to £20,518.
 - II. That the rate of Special Responsibility Allowance for the role of Executive Member for Communities and Education be increased by £1,000 from £11,190 to £12,190.
32. The Panel were advised that the above recommendations could be accepted or rejected by Council. They were also advised that should Council reject the Panel's recommendations, Council could determine its own Scheme of Allowances having due regard for the Panel's recommendations.

Why is this being recommended?

The Scheme as agreed in 2019 is achieving the goals set by the Panel to re-align the Basic Allowance with regional neighbours.

Special Responsibility 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.