



**REPORT OF THE INDEPENDENT REMUNERATION PANEL
TO THE MEETING OF THE COUNCIL TO BE HELD ON
WEDNESDAY, 18 MAY 2010**

1.0 INTRODUCTION

- 1.1 Under the Local Authorities (Members' Allowances) (England) Regulations 2003, Local Authorities must establish and maintain an Independent Remuneration Panel. The purpose of the Panel is to make recommendations to the Local Authority about the allowances to be paid to Members.
- 1.2 The Regulations require that Independent Remuneration Panels should have at least three members. Members of Panels cannot be Members of any Local Authority in respect of which the Panel makes recommendations and must be independent of the Council.
- 1.3 Bury MBC has appointed an Independent Remuneration Panel which currently consists of the following members:-

Colin Smith OBE (Chair) Retired Local Authority Chief Executive.

Gloria Oates OBE DL : Resident of Bury and former Chief Executive of Oldham NHS Trust

Ronald Schwarz : Resident of Bury and retired Head Teacher.

Colin Nichol : Millgate Shopping Centre Manager.

2. BACKGROUND

- 2.1 The Members of the Panel were asked to undertake a review of the Bury MBC Members' Allowance Scheme and to present a report on their findings to the Council.
- 2.2 The review took place against a background of further constitutional changes which would be implemented by the Council in response to local government legislation. The Local Government and Health Act 2007 required all Councils to agree and implement a new leadership model. In addition, the Council was undergoing a review of its scrutiny arrangements in order to bring them into line with

Government moves to enhance both partnership working and the scrutinising of partnership bodies.

2.3 The Panel was asked to consider the following specific issues:-

- The impact of the Strong Leader Model on the role of Leader and Executive Members
- The Leaders of the Opposition Groups
- The impact of new scrutiny arrangements for the Council
- The impact of partnership working on Local Area Partnerships
- The impact of local filtering on the Standards Committee
- A request for an increase in the allowance to the Council's representatives on the Greater Manchester Waste Disposal Authority
- Harmonising of mileage rates

2.4 To assist in its deliberations, as background information the Panel was made aware of comparative information (based on 2009/10 figures) on allowances paid by AGMA authorities. Average figures, were also available excluding allowances paid by Manchester City and the two Lancashire District Councils (Blackpool and Blackburn with Darwen)

2.5 It was also considered that both SRA's and basic allowances should continue and be linked to Local Government Staff pay increases each year.

3. SPECIAL RESPONSIBILITY ALLOWANCES

3.1 Leader

3.1.1 The Panel was informed that Councils had been asked to consider two choices for their Executive model

- § A directly elected mayor with a four year term;
- § An indirectly elected leader (or Strong Leader) with a four year term.

Bury had opted for a Strong leader Model.

3.1.2 The Council's Executive powers would be vested in the Leader and not in a collective Executive. The Leader was elected or nominated by the Council and he/she could then choose whether to exercise some or all of these functions personally or to make arrangements for their discharge by the Executive, by an individual member of the Executive, or by Officers.

3.1.3 The current Executive now comprised the Leader plus eight Members with the following portfolios:

Community Relations and User Focus
Children and Young People
Health and Well-Being
Environment and Transport
Safe and Secure Communities
Resource
HR & Performance
Learning, Skills and Employment

Currently, the Deputy Leader also holds the Community Relations and User Focus portfolio. It is anticipated that under the revised arrangements there would be, in addition to the Leader and Deputy Leader, five Executive Members.

The Panel considered the level of special responsibility allowance to be attached to the positions of:

- § Leader (Currently £25,174.17)
- § Deputy Leader (Currently £15,109.77)
- § Executive Member (Currently £10,070.98)

The panel were very clear that the new arrangements would place substantial additional responsibility on the Leader and that this would also affect the Deputy Leader and Executive Members. The Panel therefore concluded:

1. That the Special Responsibility Allowance for the Leader of Council should be set at £28,500 in order to reflect the substantial amount of responsibility being attached to that position.
2. That a Special Responsibility Allowance of £11,400 should be attached to the position of Executive Member (with portfolio) in order to respond to the range of responsibilities attached to fewer portfolios. However, the Panel would meet again, if necessary, to consider any further changes to the portfolios.
3. That the Special Responsibility Allowance for the Deputy Leader be set at £16,439 on the basis that the position will incorporate an Executive Member SRA.

3.2 Leaders of the Opposition Groups

- 3.2.1 The Panel was informed that there were currently two non-voting co-opted members on the Executive. Those places have been taken by the Opposition Group Leaders.

- 3.2.2 Currently the Second Largest Group Leader carried an SRA of £8310.36 and the Third Largest Group Leader carried an SRA of £4156.28. Again, currently, the Second Largest Group Leader (Labour) has a group totalling 16 and the Third Largest Group Leader has a group of 9.
- 3.2.3 The Panel considered under the new arrangements that the role of the Opposition Leaders was of paramount importance in sustaining an efficient and well-run Council. It recommends setting Special Responsibility Allowances as follows:

Second Largest Group - £8,500

Third Largest Group - £4,500

3.3 Scrutiny

- 3.3.1 The Panel was informed that since 2001, the Council had operated "thematic" Scrutiny Commissions under the control of the Scrutiny Management Committee as follows:
- § Children and Young People
 - § Healthier Communities
 - § Economy, Environment and Transport
 - § Resource and Performance
 - § Safe, Strong and Confident Communities
- 3.3.2 The Chair of each received a SRA of £6296.83 in 2009/10.
- 3.3.3 The Council was seeking to move to a less mechanistic approach to scrutiny which was better able to react to issues facing the Council and its partners. To this end it was recommended that there were three over-riding bodies which dealt separately with "Overview" and "Scrutiny." Ongoing scrutiny work would be undertaken by overview Project Groups. However, it was implicit within the revised arrangements that only the chairs of the three bodies referred to would receive Special Responsibility Allowances.
- 3.3.4 The Panel recommends that the three Scrutiny Chairs continue to be paid the existing level SRA of £6296.83.

3.4 Local Area Partnerships

- 3.4.1 The Panel was informed that currently the Chairs of the six Local Area Partnerships (LAPs) attracted an allowance of £6296.83. When the previous Area Boards became LAPs they were re-established as partnership bodies which replicated the Local Strategic Partnership. As such, it is likely that in the future the position of chair could alternate between the Council representatives and those of the Council's partnership bodies.

3.4.2 The Panel recommends that as it is likely in the future that Chairs of LAPs would be non-Councillors, that the SRA for Chairs of LAPs be discontinued except for the Chair of the Local Area Partnership Chairs Group.

3.5 The Standards Committee

3.5.1 The Panel was informed that the Standards Committee was now chaired by an independent member. Each of the four independent members chaired the Standards Committee for one year during their four year term of office. Recent legislation and what is referred to as "local filtering" had already enhanced the position of independent members and placed additional responsibilities upon them. Although the independent members had indicated previously that they would not take up an allowance, and that a loss of earnings provision currently existed under Paragraph 10 of the Scheme, the Panel considered it appropriate to regularise the position on the basis that any member could opt out of payment of an allowance.

3.5.2 The Panel recommends that a revised Special Responsibility Allowance of £2,000 for the Chair of the Standards Committee should be included within the Members Allowance Scheme.

3.6 Greater Manchester Waste Disposal Authority

3.6.1 In 2007 the Panel recommended an increase in the level of allowance to the Council's GMWDA representatives and to allow this allowance to be claimed in addition to any other SRA payable to those members.

3.6.2 The Panel recommends an increase in the Allowance further to £2916 in line with a recommendation from the Clerk to the Greater Manchester Waste Disposal Authority. This seemed to the Panel appropriate in order to standardise the level of allowance paid by all the participating AGMA authorities.

3.7 Mileage Rates

3.7.1 The Panel recommends the harmonisation of mileage rates between officers and members in line with HM Revenue and Customs agreed limits. This will result in an application of 40p per mile against 47.7p per mile. However, this will ensure that Members do not face tax liabilities.

4. SUMMARY OF RECOMMENDATIONS

- § Increase SRA for Leader to £28,500
- § Increase SRA for Executive Members with Portfolio to £11,400.
- § Increase SRA for Deputy Leader to £16,439
- § Agree Special Responsibility Allowances for Opposition Group Leaders as follows:
 - § Second Largest Group - £8,500
 - § Third Largest Group - £4,500
- § Reduce the number of SRA's to Scrutiny Chairs to three at £6296.83
- § Delete the SRA to the Chairs of Local Area Partnerships but retain one at £6296.83 for the Chair of the LAP Group.
- § SRA to the Independent Chair of Standards Committee be £2000. (Previously £6,296.83)
- § Increase the GMWDA allowance from £2594.62 to £2916.
- § Continue to link future reviews of both basic and SRA to pay awards agreed by the Joint Council for Local Government Services.
- § Harmonise mileage rates for members and Officers.

Colin Smith
Chair of the Independent Remuneration Panel.