

A Joint Review

Of

Members' Allowances

For the

**Greater Manchester
Waste Disposal Authority**

And the

**Greater Manchester
Fire and Rescue Authority**

The First Joint Report

By the

Independent Remuneration Panel

**Bill Berry
Dr Declan L. G. Hall (Chair)
Clive Memmott**

June 2011

Foreword

This report arises out of the first joint review of Members Allowances for the Greater Manchester Waste Disposal Authority (GMWDA) and the Greater Manchester Fire and Rescue Authority (GMFRA) that took place during May/June 2011.

The joint review was commissioned by AGMA/CA, and the GMWDA and GMFRA, with the support of the Greater Manchester councils. As such, it follows on from the first independent review of Members Allowances for the Transport for Greater Manchester Committee (TfGMC) in March 2011. While it is important to note the constitutional differences between the bodies reviewed in this review and the TfGMC it is also important to place all the reviews in the AGMA/CA context and the expressed desire to develop a commonality in political governance structures, which in turn has an impact on respective Members' Allowances schemes. A further feature of the AGMA/CA context is the fact that the AGMA/CA Joint IRP has been reconvened to undertake the joint review.

For the GMWDA, this the first time it has had an independent review of its remuneration scheme – mainly because, as the 2003 Members' Allowances Regulations do not apply, they have to be paid by the nominating Councils. On the other hand, the GMFRA has been subject to five independent reviews of its allowances' scheme. While much of the 2003 Members' Allowances Regulations apply to the GMFRA the requirement to set up an IRP and pay regard to its recommendations do not apply to the GMFRA (or any other joint authority in England). Nonetheless, in the spirit of transparency and good practice the GMFRA has since 2001 sought independent advice (including from a non-statutory Panel) before amending its allowances scheme. Similarly, this Panel is also non-statutory, and while the Greater Manchester context is an important one, three of the AGMA/CA family of joint authorities/committee and GM nominating councils have entered into the spirit of transparency and good practice by agreeing to this joint review.

A particular difficulty with this review arises from the fact that the Panel has reviewed each authority's remuneration scheme that is at a very different starting point in terms of the remuneration currently paid to their Members. The Panel has sought to move the remuneration schemes in the "right direction". While the objective is to bring about greater comparability in the remuneration schemes across all three joint authorities/committee, based on similar political governance structures, the different starting points for the GMWDA and GFRA means that this review is not the definitive statement on their respective remuneration schemes.

Nonetheless, as with previous reviews the Panel has sought to reduce barriers to being on GMWDA and GMFRA, insofar as the current economic climate permits, and ensure that the respective Members have to a greater or lesser degree the support necessary to carry out the roles and responsibilities required of them.

Dr Declan Hall

Chair of the Joint Independent Remuneration Panel
June 2011

Executive Summary - GMWDA

The Panel recommends that the following allowances be paid for 2011/12:

GMWDA: Recommended Allowances 2011/12			
Allowance	Per Post	Numbers Payable	Total Sums Payable
Members' Allowance	£2,100	12	£25,200
Responsibility Allowance			
Chair	£12,000	1	£12,000
Vice Chairs	£5,400	3	£16,200
Deputy Chairs	£2,600	3	£7,800
Total			£61,200

Where the GMWDA Nominating Councils have a 1-SRA only Rule

- i That the nominating councils make an exception for Members serving on the GMWDA to their 1-SRA only rule.

Executive Summary - GMFRA

GMFRA: Recommended Allowances 2011/12 Without a pension uplift applied				
Allowance	BA Without 12% Pension Uplift	SRA payable Without 12% Pension Uplift	Total payable per Mbr Without 12% Pension Uplift	Total per allowance Without 12% Pension Uplift
Basic Allowance (x22)	£3,493			£76,846
SRAs				
GMFRA Chair (x1)	£3,493	£26,008	£29,501	£29,501
Vice Chairs/Strategic Committee Chairs (x3)	£3,493	£11,700	£15,193	£45,579
Strategic Committee Deputy Chairs (x3)	£3,493	£2,722	£6,215	£18,645
Chair Audit (x1)	£3,493	£2,722	£6,215	£6,215
Total				£176,786

GMFRA: Recommended Allowances 2011/12 With a pension uplift applied				
Allowance	BA With 12% Pension Uplift	SRA payable With 12% Pension Uplift	Total payable per Mbr With 12% Pension Uplift	Total per allowance With 12% Pension Uplift
Basic Allowance (x22)	£3,912		£3,912	£86,064
SRAs				
GMFRA Chair (x1)	£3,912	£29,129	£33,041	£33,041
Vice Chairs/Strategic Committee Chairs (x3)	£3,912	£13,104	£17,016	£51,048
Strategic Committee Deputy Chairs (x3)	£3,912	£3,049	£6,961	£20,883
Chair Audit (x1)	£3,912	£3,049	£6,961	£6,961

Total				£197,997
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Additional GMFRA Recommendations:**The 1-SRA Only Rule**

- ii That the GMFRA adopt the 1-SRA only rule, in that a Member on the GMFRA can only be paid one SRA regardless of the number of remunerated posts they may hold on the authority.

The Chair of the Equality and Diversity Overview Group

- iii That the SRA for the Chair of the Equality and Diversity Overview Group be discontinued from the date the new scheme of allowances is implemented.

The Vice Chair of the Audit Committee

- iv That the SRA for the Vice Chair of the Audit Committee be discontinued from the date the new scheme of allowances is implemented.

GMFRA – Co-optees’ Allowance**Chair & Co-opted Members of the Standards and the Audit Committees**

- v That the recommended Co-optees’ Allowance for the Chair of the GMFRA Standards Committee remains unaltered at £595.
- vi That the recommended Co-optees’ Allowance for the two other Co-optees on the GMFRA Standards Committee and one Co-optee on the Audit Committee to remain unaltered at £297.

Other Allowances – Developing a Greater Manchester Approach**Travel Allowances – Approved Duties****The GMWDA**

- vii That as a matter of principle, to ensure consistency and a Greater Manchester-wide approach, the Panel recommends that the constituent nominating councils should include provision for their Members to be able to claim travel allowances when undertaking duties for the GMWDA and this should be reflected in their schedule of approved duties.

Mileage Rates**GMWDA**

- viii That the Members when undertaking approved duties for GMWDA should claim HMRC mileage rates for the mileage allowances and the allowances schemes in the nominating councils should reflect these rates.

The GMFRA

- ix The Panel also recommends that the GMFRA adopt the relevant HMRC mileage rates. This should also result in a small savings in the total spend on mileage allowances each year.

Subsistence Allowances

GMWDA

- x That a Greater Manchester-wide approach be developed so Members of GMWDA are treated consistently in the subsistence rates they are able to claim.

GMFRA

- xi That the subsistence rates, and the conditions by which they can be claimed by GMFRA Members, be maintained on the current basis.

Dependants' Carers' Allowance

GMWDA

- xii That a Greater Manchester wide approach be developed for Members to assist with the cost of care for dependants while undertaking GMWDA approved duties. At the very least, the Panel supports the right of GMWDA Members to claim the DCA from their nominating council and as such, recommends that all the constituent councils ensure they make explicit provision for the DCA within their Members' Allowances scheme for their Members undertaking approved duties on GMWDA.

GMFRA – Salary Sacrifice

- xiii As the GMFRA has no powers to pay a DCA, the Panel recommends that the GMFRA explore the possibility of permitting those Members with dependant children to access the Salary Sacrifice Scheme on the same basis as Officers of the Authority.

The Local Government Pension Scheme and Pensionable Remuneration

The GMWDA and Pension Provision

- xiv The Panel supports the principle of permitting Members who serve on both the GMWDA and GMFRA to join the Local Government Pension Scheme (LGPS). However, if the members of the GMWDA are excluded from joining the Local Pension Scheme when the authority obtains the right to pay allowances in its own right then the Panel will need revisit the levels of allowances once more to take into account the need for its members' to make their own pension provision.
- xv On the same grounds that the remuneration for GMFRA Members have been uplifted by 12% to compensate for being unable to join the LGPS (and attract the employers' contribution) the Panel would be open to consideration of a similar arrangement for GMWDA members.

The GMFRA and Pension Provision

- xvi Conversely, if the GMFRA was included in the 2003 Regulations regarding pension provision and Members appointed to joint authorities were permitted to join the LGPS then the Panel could no longer support the continuation of the 12% uplift.

Indexation

GMWDA

- xvii That a Greater Manchester-wide approach be adopted in relation to the indexation of GMWDA remuneration and allowances. For the Members' Allowance and Responsibility Allowances, the Panel recommends that the appropriate index is the annual salary increase that is applied to local government staff as agreed each year by the NJC, which is increasingly the most common index for members' remuneration amongst the nominated councils.

GMFRA

- xviii That the following indices are applied to the remuneration and allowances paid to GMFRA Members;
- a. **Basic Allowance, SRAs and Co-optees' Allowances:**
 - § Indexed to the annual percentage salary increase for local government staff (at spinal column 49) to be applicable from the start of the municipal year, rather than financial year
 - b. **Mileage Allowance:**
 - § Indexed to the HMRC rates
 - c. **Subsistence Allowances**
 - § The day subsistence allowances, overnight subsistence allowances and incidental expenses allowance should be indexed to the consumer price index (CPI), rather than the retail price index

Implementation and Backdating of Recommendations

- xix That the GMWDA and GMFRA implement the recommendations contained within this report from the date of their respective 2011 annual meetings.

GMWDA

- xx That where a nominating council does not amend its allowances scheme to reflect the proposals for GMWDA remuneration in time for GMWDA 2011 annual meeting, that it backdates the Panels recommendations to the date of the GMWDA annual meeting as soon as practically possible thereafter; as permitted by the 2003 Members' Allowances Regulations (regulation 10, paragraph 6).

THE FIRST JOINT REVIEW OF MEMBERS' ALLOWANCES

FOR THE

GREATER MANCHESTER WASTE DISPOSAL AUTHORITY

AND THE

GREATER MANCHESTER FIRE AND RESCUE AUTHORITY

BY THE

GREATER MANCHESTER JOINT INDEPENDENT REMUNERATION PANEL

Introduction – Placing Joint Review in the Greater Manchester Context

1. This is the first joint review, under the auspices of AGMA/CA, the GMFRA, and the constituent councils of Greater Manchester, of the remuneration and allowances payable to members of the Greater Manchester Waste Disposal Authority (GMWDA) and the Greater Manchester Fire and Rescue Authority (GMFRA). Although both authorities operate in different regulatory contexts vis-à-vis the payment of members' allowances, the joint review is a reflection of the new Greater Manchester sub-regional context. Namely, that there is a desire on the part of all relevant parties within the new context of the GM Combined Authority (GMCA) to develop governance structures and subsequently remuneration and allowances for the TfGMC, GMWDA and GMFRA that are not only complementary but also augment the development of AGMA and the GMCA.
2. Consequently, this joint review should be seen in the context of the previous review by this Panel of allowances for the Transport for Greater Manchester Committee (TfGMC) in March 2011. The intention was always that the Panel would review the allowances of all three of the AGMA/CA family of joint

authorities/committee in light of each of the three authorities/committee adopting similar political governance structures.

3. The adoption of a common template for governance purposes, while presupposing a similar scope of allowances payable, does not inexorably lead to a similar scope and level of allowances in each authority. While the case for convergence in remuneration and reimbursement is enhanced by the adoption of similar governance structures, the differences in the legal basis in how the allowances are paid and fact that the committee structures are still new means the case is yet to be fully proven and therefore militates against a greater convergence at this stage.
4. However, a major advantage in reviewing allowances with the AGMA/CA context is that the authorities and the remuneration of their members are not being treated in isolation and are for the first time being viewed as inter-related and in principle at least a case can be made for greater parity across the three allowances schemes.

The Regulatory Context - GMWDA

5. The GMWDA, while a joint authority in its own right, falls outside the remit of the *Local Authorities (Members' Allowances) (England) Regulations 2003* (SI 1021 – or 2003 Regulations) which *inter alia* mandate the establishment and remit of local authority IRPs and their reviews of allowances. While DEFRA and CLG are seeking an opportunity to remedy this anomaly for the present, the payment of allowances for GMWDA members has to come through the nine nominating councils to the authority (Wigan is not a voting member for waste disposal purposes).
6. In contrast to the TfGMC, while the GMWDA is a legally separate authority (Section 10 of Local Government Act 1985) due to the lack of express powers to remunerate its members, the GMWDA, as with the newly constituted TfGMC, must remunerate its members through a SRA paid by a members' nominating authority.
7. In the past, each of the nominating councils has asked their local remuneration panels to take a view on remuneration of their Members appointed to GMWDA. As a result, the level of allowances paid to ordinary members of the GMWDA varies across the nominating councils, and both the GMWDA and AGMA/CA has agreed that this anomaly needs to be rectified.
8. Each of the nominating councils could have asked their own local remuneration panels to take a view on remuneration of the Members they appoint to the GMWDA. However, in the interests of efficiency and value for money, the constituent councils have agreed to go beyond the regulatory minimum requirements by reconvening the (AGMA/CA) joint Panel to provide independent advice to all nine nominating councils thus negating the need to duplicate and support the process nine times over. Moreover, by providing a Greater Manchester-wide view it should enable consistency and

transparency in the scope and levels of remuneration for GMWDA Members while at the same time fulfilling the statutory obligations of the nominating councils. As such, the Panel has applied similar principles to this review that reviews for principal councils utilise.

9. The main requirement of the 2003 Allowances Regulations mandates all local authorities to seek advice, to which they must pay regard, before they amend or change their Members' Allowances scheme. As each of the constituent councils will have to alter their Members' Allowances' scheme, to provide remuneration for their elected Members appointed to GMWDA, they must first conduct an independent review.
10. **This review has fulfilled the nominating councils' regulatory requirement to pay regard to the recommendations of an independent panel before amending their allowances schemes to remunerate their elected Members appointed to the GMWDA.**

The Regulatory Context - GMFRA

11. Conversely, the GMFRA does largely fall within the 2003 Members' Allowances Regulations. In particular, Parts 1, 2 and 3 apply to a joint authority established by Part IV of the Local Government Act (1985). These portions of the Regulations provide application and definitions (Part 1); the types of allowances that shall or may be paid and the conditions under which they are paid (Part 2); and the requirements for the schemes, such as publicity/record keeping, indices, the right to forgo allowances (Part 3). However, in Part 3 of the Regulations, the provisions pertaining to pensions for members (Section 11) are not applied to members of joint authorities.
12. The requirement to set up and seek advice when relevant from an IRP (Part 4 of the 2003 Regulations) does not apply directly to joint authorities. Instead they are required to "have regard to the recommendations made by any independent remuneration panels" from their nominating councils (Page 17, section 19. 2), which in this case would be the 10 IRPs for the Greater Manchester nominating councils, before amending their schemes
13. Thus, while GMFRA can pay Members remuneration and allowances in its own right it is required to pay regard to recommendations and nominating councils' allowances scheme that have *not* been developed with a joint authority in mind.
14. **Similarly, in the interests of efficiency and transparency and to meet the requirements of the 2003 Members' Allowances Regulations the GMFRA has fulfilled its statutory requirement to pay regard to the recommendations of the appointing authorities by the establishment of a joint panel, which is the operative panel for the 10 GM appointing councils and GMFRA in this case.**

The Panel

15. AGMA and 10 constituent councils of Greater Manchester and GMFRA reconvened its joint independent remuneration Panel to carry out this joint review of allowances for the GMWDA and GMFRA, consisting of the following members:
 - Bill Berry – UNISON North West
 - Dr Declan Hall – independent councillor remuneration consultant (reappointed Chair)
 - Clive Memmott – CEO of Greater Manchester Chamber of Commerce
16. The Review was supported and serviced throughout by the following Officer:
 - Rod Fawcett, Principal Policy Officer, Greater Manchester Integrated Support Team
17. The Panel would like to record their gratitude to the Members and Officers of both the Greater Manchester Waste Disposal Authority and Greater Manchester Fire and Rescue Authority for ensuring the work of the Review was adequately supported and conducted in an efficient and effective fashion by facilitating requests for information and in meeting with the Panel.

Terms of Reference

18. The terms of reference for this joint review are to recommend an appropriate scheme of Members' allowances for both the GMWDA and GMFRA.
19. In effect this entails making recommendations for their Members' Allowance that should be paid to all Members of both authorities and the appropriate Senior Members' Responsibility Allowance for those Members who hold positions of responsibility in the new governance arrangements, which includes the following:
 - The Chair of the GMWDA and GMFRA
 - The 3 Vice Chairs of GMWDA and GMFRA/Chairs of the Main Committees
 - The 3 Deputy Chairs of the Main Committees
20. The Panel has not been specifically tasked to review other allowances for the GMWDA, such as Travel and Subsistence, as they are allowances members will also need to claim from their constituent authorities. However, the Panel in line with the recommendations for TfGMC has suggested a GM-wide approach to help foster a GM-wide consistency and equity in the reimbursement of expenses. Furthermore, under Part 3 of the 2003 Members' Allowances Regulations there is a requirement for the GMFRA to seek advice in these areas.

Methodology and Panel's Approach

21. The Panel met at the offices of the Greater Manchester Integrated Support Team (AGMA) in Manchester Town Hall and the GMFRA headquarters in Swinton on 26th May 2011 to consider all the relevant information – see appendix two. The Panel also met with senior Members and Officers of both authorities, who have been involved in the setting up of new governance arrangements. Additionally, the Panel met with Councillor Richard Leese, Vice Chair of the Association of Greater Manchester Authorities (AGMA), and Vice Chair of GMCA – see appendix one.
22. The Panel also confirms that in arriving at the recommendations contained within this report it has paid regard to the allowances paid in the ten constituent councils of Greater Manchester, insofar as the most recent information can be readily obtained.

Principles of the Review and Key Messages

Reducing Barriers to Public Service

23. The Panel has been guided by the overarching principle it utilised for the review of allowances for TfGMC, which was the same for the independent reviews for the GMFRA; namely that it should seek to minimise barriers to public service while not making recommendations that lead to Members standing for and remaining on either authority primarily for financial reasons.

The Greater Manchester Context of the Joint Review

24. As already noted an important driver of this joint review is the AGMA/CA context in that it must be seen in conjunction with the review of allowances for TfGMC. As such, a message that came through to the Panel was that by placing the reviews within the AGMA/CA context there was a desire for greater comparability between the allowances schemes that has not developed through the respective schemes being reviewed in isolation. The enhanced impact of the AGMA/CA context is exemplified by the adoption by the 3 AGMA/CA family of joint authorities/committee of a common governance structure, which the Panel was informed seek to both rationalise governance structures and build upon the consensual mode of working that is evident in joint authorities/committee.
25. On the other hand, if similar governance structures suggest a greater comparability in the payment of allowances they do not automatically equate to a parallel level of allowances being paid across each of the AGMA/CA family of joint authorities/committees. Inevitably, as is the nature of local government, the operation of these similar structures and the roles members undertake may diverge to some degree based on a number of factors, such as the nature of the politics in each authority and the nature of the responsibilities of each authority.

26. Moreover, it is important to point out that for GMFRA at least, the fact that it is a separate authority in its own right and can pay its own allowances, creates a different constitutional context for Members remuneration compared to the GMWDA and TfGMC. In addition, while there is a view that the review of allowances across the AGMA/CA family of joint authorities/committee should be seen in the GM-context the wider functional context cannot be ignored, particularly for the GMFRA – it has peer FRAs across the metropolitan counties. The Panel has taken note of the worth of the similar posts in other metropolitan fire and rescue authorities.

Establishing the Worth of the Posts under Consideration

27. A major problem for any local government remuneration panel is to establish the size of the posts before experience of them is gained, which is the case in this review, as it was with TfGMC. The new governance structures are new and particularly for the new responsibility posts, it is difficult to assess accurately their worth in advance.
28. The Panel accepts that for the GMWDA and GMFRA (as well as TfGMC) the next couple of years will be transition period. The Panel will need to review each joint authority/committee once the structures have bedded down, and experience of them has been gained and that if it has made any erroneous evaluations in this review there will be the chance to correct them in a future (joint) review.

The Economic Context

29. Finally, the Panel has to recognise the current economic context. Ideally, it should not be such an important issue. However, the reality is that if the Panel was to recommend the level of allowances that it thought was in all probability merited, particularly for the GMWDA, it would be asking nearly all of the nominating councils to approved substantial increases to the allowances they pay their members appointed to the GMWDA.
30. The Panel recognises that large increases in allowances are difficult to justify in the current economic context, where in some cases the nominating councils are seeking to cut the allowances paid to their Members, and where all are freezing the pay of their staff (except for the lowest paid) and are being asked to do “more with less”.
31. The current economic context and the need to do “more with less” means that members on GMWDA and GMFRA might be working harder and having greater demands placed on them. However, the Panel has sought to make recommendations that for the GMWDA move the allowances in the right direction and establish the principle of paying multiple responsibility allowances where none existed before and for the GMFRA recommendations that should result in savings on the current allowances spend.

The Joint Review – An On-going Process

32. The Panel is keen to point out that this joint review is part of an on-going process. The important issues to address at this stage are not necessarily to get the level of allowances paid in each authority exactly right or on a par with each other but to establish greater comparability, address glaring anomalies, and establish the principle of payments for the new posts of responsibility.
33. This review is concerned with moving forward in the AGMA/CA context and in enabling moving forward, the recommendations have enough support and credibility so that the reverse is not true. In trying to obtain a consensus in a joint review, small steps are often necessary to get the ball rolling.

The Panel's Recommendations – the GMWDA

The Members (Basic) Allowance

Current Context

34. The ad hoc authority-by-authority setting of the Members' Basic Allowance and the time differentials in when local IRPs meet has resulted in a wide variation in the levels paid by the nominating councils for what is essentially the same role. As Table 1 (see below) shows, the Basic Allowance ranges from a minimum of £1,405 for Bolton members to a maximum of £2,916, paid by three councils: Oldham, Salford, and Stockport, with the median payment being £2001 and mean being £2,249.
35. The Panel is unable to ascertain the origins or basis of how each nominating council arrived at the levels of their respective Basic Allowance for their members appointed to the GMWDA but regardless there is little justification to paying ordinary GMWDA members over a 100% difference for a role that is the same.
36. However, it is no accident that the three Councils paying the highest members (basic) allowance, all pay exactly the same level: £2,916. This is because the IRP for Oldham Council (the lead authority for the GMWDA) set the allowance for its GMWDA members at £2,916 in 2008 and the Clerk to the GMWDA requested that consideration be given to setting the level of members' allowance throughout the nominating councils in GM at this figure.
37. Clearly, only three councils have adopted the figure of £2,916 as the appropriate level for the ordinary members' allowance for GMWDA members, six councils have not felt they could move to this higher figure – a fact that has had bearing on the Panel's deliberations. Although it is noted that part of the differential can be accounted for by some councils not convening their IRP on a regular basis – a handful have not met for more than 2 years, thus have had no opportunity to discuss the Oldham-led initiative.

Table 1: The Greater Manchester Waste Disposal Authority Allowances 2010/11

Nominating Authority	Number of Members	BA Payable 2010/11	Total BA	Responsibility Allowances	Total Paid to GMWDA Members
Bolton	2	£1,405	£2,810		
Bury	2	£2,595	£5,190		
Manchester	3	£2,000	£4,000	£10,066	
Oldham	2	£2,916	£5,832		
Rochdale	2	£1,932	£3,864		
Salford	2	£2,916	£5,832		
Stockport	2	£2,916	£5,832		
Tameside	2	£2,001	£4,002		
Trafford	2	£1,556	£1,556	£2,246	
Wigan	NA				
Totals Pd	19		£38,918	£12,312	£51,230
Min		£1,405	£1,556		
Max		£2,916	£5,832		
Mean		£2,249	£4,324		
Median		£2,001	£4,002		
Notes: Manchester Pays Chair's & Trafford pay a Spokespersons Responsibility Allowance <i>inclusive</i> of Basic Allowance					

The Panel's Approach to TfGMC Members' (Basic) Allowance

38. In arriving at the recommended Members' Allowance for TfGMC the Panel assessed the time input required from the ordinary Member at a minimum of 25 days per year. Evidence received by the Panel indicates that GMWDA members will be required to attend up to 25 meetings per year, plus dealing with communications and constituent enquiries taking up to 4 days per year. Translating these meetings and additional communications/queries into a total number of days is difficult without experience of the new structures, particularly as there is and will continue to be a doubling up of some meetings (such as full authority and Waste Forum meetings). It is noted that the recommended GM-wide Members (Basic) Allowance of £2,916 arising from Oldham in 2008 was based on an estimated time requirement of approximately 19 days per year - *under the old governance structures*.
39. Nonetheless, there is clearly a substantial time requirement on the part of the ordinary members appointed to the GMWDA. A time requirement that is closer to that required of TfGMC Members, which is not reflected in the current differentials in the Members Allowance paid to the respective authority/committee members.
40. In the review of allowances for TfGMC, the Panel utilised what is known as the Local Government Association (LGA) "day session" rate, which is

historically based on the national mean (later changed to median) male non-manual daily salary and used to assess the worth of a members time. For 2010, this figure was £152.77 per day, (see LGalert 62/10, 23 June 2010).

41. Consequently, the Panel arrived at the recommended Members Allowance for the TfGMC by the following calculation
- **25 days minimum annual expected input x £152.77 per day = £3,819.25, which the Panel rounded up/down to the nearest £25 as per previous practice with recommendations for GMITA.**
 - **This produced a recommended Members Allowance for 2011/12 of £3,825 for the TfGMC**

The Panel's Approach to GMWDA Members' Allowance

42. The Panel has decided *not* to replicate the methodology utilised to arrive at the recommended Members' Allowance for TfGMC in arriving at the recommended Members Allowance for the GMWDA. There was a strong case made to suggest that the appropriate Members' Allowance for the GMWDA should be at the upper end of the spectrum that is currently paid, and therefore much closer to what is paid to members on the TfGMC.
43. The wide disparity in the Members Allowance paid by the nominating councils, and the fact that the higher figure of £2,916 was not adopted by all nine councils despite the attempt to encourage it, has resulted in a countervailing influence on the Panel deliberations. Namely, the Panel would find it difficult to justify what would amount to between 50-100% increases in the GMWDA Members Allowance in the present economic context. Moreover, to push for the higher allowance could jeopardise an important goal of the review of allowances for the GMWDA – to establish an agreed schedule of payments across Greater Manchester.
44. In addition, the economic squeeze is exacerbated for the GMWDA in that the new governance structures means an increase in payments required for responsibility posts. This was not the case for the TfGMC, and will not be the case for the GMFRA – indeed the new governance structures resulted in and will result in lower responsibility payments than previously had been and will be the case in these bodies.
45. Thus, in arriving at a common Members' Allowance for the ordinary Members of the GMWDA the Panel has taken the current median (£2,001) and mean (£2,249) Basic Allowance paid by the nominating councils as a guide. This leads to a tentative Members' Allowance of £2,100 (2011/12) for the 12 Members who will not be in receipt of a Responsibility Allowance.
46. This recommendation if adopted by all nominating councils will still result in increases in five of the nominating councils, and in the case of Bolton a 50% increase. Again, the Panel reiterates that the need to establish a common Members' Allowance across Greater Manchester is the prime objective. To go higher than £2,100 at this stage would result in most nominating councils

having to increase their payments to ordinary GMWDA members that might not be acceptable and therefore undermine the goal of achieving a common level of Members' Allowance across Greater Manchester, particularly as many of the same councils will have to also fund the new responsibility payments.

Benchmarking the Recommended Members Allowance

Other WDAs

47. The recommended Members Allowance of £2,100 was benchmarked against payments made by other WDAs. However, the information presented to the Panel showed that this exercise had limited value, as the practice of paying members on other WDAs is so variable both within a particular WDA and across WDAs. For instance, none of the seven nominating LBCs to the North London WDA, pay their members, the same applies to the six nominating councils to the West London WDA. Whereas, out of the four councils sending members to the East London WDA, only Newham pays a Members Allowances, at £1,035. Similarly, in the Western Riverside WDA only 1 out of the 4 nominating councils (Kensington & Chelsea) make provision for payments to their members, £2,387, with £5,252 if one of their members chairs the Western Riverside WDA.
48. Benchmarking against a more comparable WDA, the Merseyside WDA, has also proved to be of limited value. Liverpool makes no provision for payments appointed to Merseyside WDA, while St Helens pays £4,677 and Knowsley pays £882, while Sefton makes provision for Chair's allowance of £8,880.
49. The benchmarking against other WDAs provides little in the way of suggesting a standard level for the Members' Allowance. If anything, it only highlights the need for WDAs to have the right to set their own members' allowances.

The AGMA/CA Family of Joint Authorities/Committee

50. When benchmarked against the payments made to ordinary members of the AGMA/CA family of joint authorities/committee the recommended Members Allowance of £2,100 still leaves GMWDA members at the lower end of the comparative spectrum. The Members (Basic) Allowance paid across the AGMA/CA family of joint authorities/committee are as follows:

Table 2: Allowances Paid across the GM Joint Authorities (2011/12)

<u>Authority</u>	<u>Basic Allowance</u>	<u>Responsibility Allowance (Chair)</u>	<u>Chair Total Remuneration</u>	<u>Total Remuneration for Vice Chair</u>

TfGMC*	£3,825	£28,250	£28,250	£14,125
GMPA	£11,662	£18,201	£29,863	£20,762
GMFRA**	£3,912	£30,465	£34,377	£17,621
GMWDA***	£2,001	£10,066	£10,066	
Mean	£5,350	£21,746	£25,639	£17,503
Median	£3,869	£23,226	£29,057	£17,621
* TfGMC Responsibility Allowances are inclusive of Members' (Basic) Allowance				
** GMFRA allowances include 12% uplift for pension provision. Without the 12% uplift applied: BA - £3,493, Chair's SRA - £27,200 (Total - £30,693), V/Chair Total - £15,733				
*** GMWDA BA is at median value + Responsibility Allowances are inclusive of BA				

51. The Police Authority is a special case as there is a national advisory panel set up by the Association of Police Authorities (APA), which has recommended the level of Basic Allowance for the larger police authorities, which the GMPA seems to have adopted. As pointed out above the Members' (Basic) Allowance for TfGMC is set based on a formula of expected time requirement multiplied by the LGA daily session rate. The GMFRA Basic Allowance is also set on a similar principle, with a 12% subsequently applied to take into account that members on FRAs cannot join the LGPS.
52. If the BA paid to the Police Authority Members were taken out of table 2, as it is a special case, then the current median BA across the 3 GM-wide bodies subject to a joint review, would be £3,825 and mean BA £3,426, both of which are much closer to the Oldham proposal of £2,916 in 2008.
53. The benchmarking against other WDAs simply shows the anomalous situation that WDAs are in when it comes to remuneration and that there has been no concerted effort elsewhere to arrive at a standard rate for the job. On the other hand, the benchmarking against the family of AGMA/CA joint authorities/committee shows that a recommended BA of £2,100 is probably on the low side taking into account the typical workload required of WDA members in the new structures.
54. The Panel accepts that a Basic Allowance of £2,100 may be low when compared in the GM-wide context but Panel still feels that in the short term at least £2,100 is an appropriate Members' (Basic) Allowance on the grounds that
- The Oldham figure of £2,916 was not implemented across the GM Councils
 - The need to get a GM-wide common BA is more likely at the lower figure
 - The extra responsibility posts that need to be resourced will mean an increase in the overall allowances spend for GMWDA Members and a higher BA would substantially increase this budget that is difficult to justify in the present economic context

- d. The Panel does not see this as the end point but the beginning of bringing about greater parity for the Member's (Basic) Allowance paid across the AGMA/CA family of joint authorities/committee
55. Consequently, **the recommended Members' (Basic) Allowance (2011/12) for members appointed to the GMWDA is £2,100.**

The Payment of Related Expenses for Members

56. **In line with the recommendations by the Panel regarding the TfGMC, the Panel also recommends that the revised Members Allowance for the GMWDA (£2,100) is sufficient to cover the incidental expenses that Members may incur as part of their duties, such as telephones calls, postage, stationary and minor items of office equipment.**

The Chair's Responsibility Allowance

57. The Panel was informed that the role of Chair was close to full time during the period of negotiating the PFI contract. While the time commitment has reduced since then the size of the full is still substantial. The evidence presented to the Panel indicated that the time commitment under the new structures would be 116 days per year, or about 9.5 days per days per month. If this number of days were simply multiplied by the 2010 LGA daily session rate of £152.77, it would produce a tentative Responsibility Allowance of £17,721, as opposed to the current remuneration of £10,066.
58. The Panel is convinced that the current level of remuneration of the GMWDA Chair is too low – it does not reflect the time commitment and level of responsibility involved that is likely to be required, even in the post-PFI contract-letting context. The current level of remuneration exaggerates any differences that undoubtedly do exist between the Chairs of the AGMA/CA family of joint authorities/committee. The current level of remuneration is in need of substantial upward revision to reflect the greater comparability which the common governance template adopted by the AGMA/CA family of joint authorities/committee would suggest. A tentative Responsibility Allowance (RA) of approximately £17,000 would place the GMWDA Chair of a par with the SRAs received by the Deputy Leaders across the nominating councils, with the mean being £17,184 and median £17,106 (see appendices)
59. However, for the same reasons that the Panel has not recommended a Members Allowance for GMWDA Members at the level that could reasonably be justified the Panel is doing the same for the Chair of the GMWDA. As a result, to give a degree of recognition to the principle of bringing about greater comparability between the Chairs of the AGMA/CA family of joint authorities/committee the Panel has decided, as an interim position that an inclusive responsibility allowance of £12,000 should be paid to the Chair of GMWDA. The Panel will take a view on how the role develops under the new structures and when the new remunerated posts are in place.

60. **The recommended inclusive Responsibility Allowance (2011/12) for the Chair of the GMWDA is £12,000.**

The Vice Chairs of GMWDA/Chairs of Committees

61. In line with both the TfGMC and GMFRA, the GMWDA will have three Vice Chairs to promote consensual working relationships. In particular, the Panel was informed that the cross party working already in place in the GMWDA will be further enhanced in this governance model. This means that there is no need for the Panel to make recommendations for the Opposition posts, nor is there a statutory requirement to ensure an Opposition Member is remunerated – unlike the GMFRA, as it is envisaged that the Opposition leadership will hold positions of responsibility on GMWDA. In turn the 3 Vice Chairs are to each Chair one of the 3 Committees that will be charged with carrying out the work of the GMWDA, these are:
- Recycling, Waste Management & Operations
 - Performance Policy and Resources
 - Strategy & Behavioural Change
62. The GMWDA will continue to have an Audit Committee but as this is chaired by a Co-optee, there is no ability to remunerate this post – at least until legislation permits the GMWDA to pay a Co-optees allowance, at which stage the Panel will take a view on the appropriate level of remuneration.
63. Unlike TfGMC and GMRFA, where the adoption of the new structures have led to fewer Responsibility Allowances/SRAs, in the case of the GMWDA it means an extra six Responsibility Allowances need to be funded. For the TFGMC, the Panel recommended that the Vice Chairs Responsibility Allowances set at 50% (£14,125) of the Chairs Responsibility Allowance, which represented the mid-point between what the previous single Vice Chair and the previous programme committee chairs received.
64. As these are brand new posts for the GMWDA, the Panel has decided that a lesser ratio should be applicable until experience proves otherwise. The ratio the Panel has chosen is 45% (of the Chairs' recommended Responsibility Allowance of £12,000), which equates to an inclusive Responsibility Allowance of £5,400. Or expressed another way, it represents an expected time input of over 35 days year paid at the LGA daily session rate (2010) of £152.77 per day.
65. **The recommended inclusive Responsibility Allowance for the three Vice Chairs of the GMWDA/Chairs of Committees is £5,400, which equates to 45% of the Chair's recommended Responsibility Allowance.**

The Deputy Chairs of the Committees

66. In arriving at an appropriate Responsibility Allowance for the Deputy Chairs of the three main Sub Committees in its review of allowances for TfGMC the

Panel simply assigned an extra 8 days workload per year at £152.77 per day, and added it to the recommended Members' Allowance and rounded it up to a total of £5,050. As the recommended Members' Allowance for GMWDA has not specifically been arrived at on a time multiplied by day rate basis this approach cannot be replicated so handily in this instance.

67. Moreover, as with TfGMC the role of the Deputy Chairs of GMWDA committees is a difficult one to gauge in the absence of assigned specific responsibilities within their Committee area – although this is not to deny that this may evolve. Yet, at the moment the role appears to be a traditional Deputy Chair role – to keep abreast of the brief and stand in for the Chair when absent.
68. The Panel has simply decided that the role merits an extra £500 above the Members' Allowance to recognise that there is some extra work and potential responsibility involved, but not at a level that at this stage can be regarded as significant.
69. **The recommended inclusive Responsibility Allowance for the three Deputy Chairs of the Committees is £2,600.**

Where the Nominating Councils have a 1-SRA only Rule

70. Many of the nominating councils have a 1-SRA only rule, in that where a Member holds more than one remunerated post they are only entitled to claim one SRA, and the Panel understands that this is often done for good reason. However, as Members of GMWDA, as with members on the TfGMC, will be paid an SRA via their nominating councils' allowances' scheme for serving on the GMWDA they could potentially be holding two remunerated posts, e.g., being on GMWDA and holding a remunerated post at their nominating council.
71. While the Panel expects this not to be the norm and where it does occur the post held at the nominating council would not in all likelihood be one that required a major time commitment **the Panel recommends that the nominating councils make an exception for Members serving on GMWDA to their 1-SRA only rule.** The Panel notes that there is already precedence in this area as a number of nominating councils already have this provision in their members' allowances scheme, e.g., Bury and Manchester.

The Panel's Recommendations – the GMFRA

The Basic Allowance

Current Context

72. Unlike the GMWDA and TfGMC, much of Part 3 of the 2003 Members' Allowances Regulations applies to the GMFRA. It retains the right to pay its own allowances and is required to differentiate between the Basic Allowance and SRAs (where the latter are payable). Before setting its own allowances as a joint authority the GMFRA is required to pay regard to the recommendations of the IRPs from the nominating councils, which is not particularly helpful as local IRP recommendations could be different from what schemes actually pay and can go back up to 4 years. This requirement is generally interpreted as paying regard to allowances payable in the nominating councils, which this review has done (see appendix three).
73. The GMFRA Basic Allowance is historically based on an expected minimum annual time input of 24 days, or 2 days per month and then multiplied by the LGA daily session rate, which was £107 in 2002. This led to a Basic Allowance of £2,568 in 2003, which has subsequently been indexed the same daily session rate for most of the intervening years.
74. Moreover, the GMFRA allowances have, since 1995, been uplifted to take into account the fact that Members' Allowances paid by joint authorities are not pensionable. This uplift is currently 12%.
75. The current Basic Allowance, without the 12% pension uplift, is £3,493 and £3,912 with the 12% pension uplift. If the GMFRA had been continuously indexed to the LGA daily session, it would produce a current BA of £3,666 (24 days X £152.77 per day) without pension provision, and £4,106 with the 12% pension uplift.
76. The Panel notes that the current employer contribution to the (Greater Manchester) Local Government Pension Scheme (LGPS) is now 19.5% and there is a strong logic to increase the pension uplift from 12% to 19.5%. Nevertheless, the Panel decided *not* to follow that logic on economic grounds, although it recognises that the whole situation regarding pensionable allowances for the members of the two joint authorities needs addressing in a more coherent fashion – see discussion below on Pensions.
77. The Panel was informed that it is not anticipated that the workload and responsibility of the ordinary GMFRA Member will alter significantly with the new governance structures; indeed, there will be one fewer working group in place – the Equality and Diversity Overview Group. This should result in a minor reduction in workloads due to fewer meetings but this assessment will need to be tested with experience.

Benchmarking the Current Basic Allowance

The AGMA/CA Family of Joint Authorities/Committee

78. In the Greater Manchester context the current GMFRA Basic Allowance of £3,912 actually payable, is slightly above the TfGMC Members' Allowance of £3,825, which the Panel feels is broadly the most comparable Greater Manchester-wide comparison. However, the TfGMC Members allowance does not include the 19.5% contribution (for 2011/12) by their nominating council for those councillors who elect to join the LGPS. Similarly, the current GMFRA Basic Allowance is in line with the median Members' (Basic) Allowance paid in the GM-wide joint authorities/committee, the latter unadjusted for any pension contributions made by nominating councils.

Other Metropolitan Fire Authorities

79. When compared to the Basic Allowance in the other metropolitan FRAs the current Basic Allowance for GMFRA is broadly comparable, although somewhat above the median BA of £3,456 it is below the average of £4,012. The Panel is unable to ascertain whether any additional pension provision has been factored into the allowances in the other Metropolitan FRAs – see table 3 below and appendix three for further details.

The Limited Number of SRAs Payable in GMFRA

80. What Table 3 does not show however, is the large number of SRAs payable in many metropolitan FRAs when compared to the number of SRA payable in GMFRA. In some FRAs, the reality is that all members either are in receipt of a SRA or have the opportunity to receive one. For instance, with 27 Members the West Midlands FRA has provision for 28 SRAs, which makes comparison between the Basic Allowance for GMFRA and WMFRA difficult as very few members in WMFRA actually receive a BA only. A similar spread of SRAs payable exists in Merseyside FRA (in fact from the scheme it is impossible to tell the actual number of SRAs that are payable but it appears that there are at least 22 in existence for 18 Members. On the other hand, only 11 out of the 30 members of GMFRA currently receive a SRA, a proportion that will be reduced if it accepts the recommendations of this review. There are roles for many members of GMFRA, such as the six Member Champions, which will continue in the new arrangements and will also continue to be deemed to be part of the wider role for which the Basic Allowance takes into account. Whereas in Merseyside 10 Member Champions receive a SRA of £2,018 in addition to the Basic Allowance of £8,070.
81. **Nonetheless, the Panel is convinced that the current BA is still appropriate for GMFRA within the current economic context and should remain at £3,912, including the 12% pension uplift (or £3,493 without the pension uplift).**

Table 3: Main Allowances Paid in Metropolitan FRAs (2011/12)

Metropolitan Fire & Rescue Authority	BA	Chair's SRA	Total Paid to Chair	Vice Chair's SRA	Main Committee Chair SRA	Main Committee V/Chairs SRA	Minor Committee Chairs SRA
Merseyside	£8,070	£16,140	£24,210	£12,105	£4,035		£2,018
Greater Manchester	£3,912	£30,466	£34,378	£13,709	£6,093	£3,048	£4,569
Tyne & Wear	£1,848	£12,798	£14,646	£6,399	£6,399		
South Yorkshire	£3,329	£12,860	£16,189	£6,430	£1,608		
West Midlands	£3,500	£24,500	£28,000	£12,250	£8,575		£4,900
West Yorkshire	£3,411	£18,819	£22,230	£9,410	£3,764	£941	
Min	£1,848	£12,798	£14,646	£6,399	£1,608	£941	£2,018
Max	£8,070	£30,466	£34,378	£13,709	£8,575	£3,048	£4,900
Mean	£4,012	£19,264	£23,276	£10,051	£5,079	£1,995	£3,829
Median	£3,456	£17,480	£23,220	£10,758	£5,064	£1,995	£4,569

The Special Responsibility Allowances (SRAs) – The Chair of GMFRA

82. The main issue for the Panel to consider is the extent to which the role of GMFRA Chair will change under the new committee structure. The Chair of GMFRA will continue to provide overall political leadership and strategic policy direction to the authority within the new governance structures. The Chair of GMFRA is currently a member of all the main committees and it is envisaged that this will continue under the new arrangements. The Chair will continue to operate at the sub-regional, regional, and national levels, as has always been the case for GMFRA, indeed as has been the case for the Chair GMWDA.
83. While much will remain the same for the Chair of the GMFRA, what is not certain is the how the adoption of the common committee model across TtGMC, GMWDA, and GMFRA will play out in each authority/committee. While the GMFRA approved the same committee structure as TfGMC and GMWDA at its meeting on 14 April 2010 (to come into force from its annual meeting on 23 June 2011) and will have three Vice Chairs of the three strategic committees, the impact on the Chair's role is untested. Although it is noted that under the old committee structure the GMFRA had both a Vice Chair and Deputy Chair both remunerated at the same level – the latter role reflecting that it was in practice inclusive of the Minority Opposition Group's responsibility allowance). However, the Panel was informed that the AGMA/CA model of political governance should also promote the

continuation of cross party working and, by definition, it should foster an enhanced power sharing at the senior levels.

84. The same is true for the Chair of the GMWDA but as the Panel views this role as under remunerated and will probably continue to be even with the recommended increase in the Chair's Responsibility Allowance, the interplay between the new roles is less of an issue. For the TfGMC review, the Panel decided that as the TfGMC is a joint committee of AGMA/CA with delegated functions then the role of Chair did not have the same constitutional standing as that of the Chair of the preceding ITA and consequently, recommended that the Chair's allowance should be reduced by 8% under the new arrangements.
85. Neither of these conditions exist for the Chair of GMFRA – no strong case can be made to show the role is currently under remunerated when compared to peers (see below for benchmarking), nor has the new governance arrangements affected the GMFRAs independent statutory constitutional basis.

Benchmarking the GMFRA Chairs' Current Remuneration

86. Within the GM context the Chair of the GMFRA receives the highest remuneration of all the joint authorities/committee chairs, with an SRA of £30,466 including pension uplift, (or £27,200 without pension uplift), providing a total package of £34,378 with pension uplift (and £30,693 without pension uplift). Whereas the Chairs mean total remuneration package across the GM joint authorities/committee is £25,639 and the median value is £29,057.
87. Similarly, it is noticeable that the total remuneration of the GMFRA Chair compared to other metropolitan FRA chairs is the highest and significantly higher than the median (£23,220) and average (£23,276) Chair's remuneration. This does come with a health warning, as it is unknown whether the Chairs of the WMFRA and Merseyside FRAs are able to draw multiple SRAs. Certainly, the Merseyside FRA allowances scheme indicates that the Chair is able to receive multiple SRAs, such as being a committee chair (£4,035) by virtue of the fact that the scheme specifies that the SRA for the Leader of a political group (£7,970) is not applicable to the Chair of the authority. Nonetheless, benchmarking shows the remuneration received by the GMFRA (once 12% pension uplift is included) is above the norm.

Arriving at the GMFRA Chair's Recommended SRA

88. Historically the Chair's SRA allowance was based on the median SRA received by the six middle-sized GM councils¹, and then applying the pension uplift. If this approach were to be replicated now it would produce a median SRA for the six middle-sized GM councils of £28,572, which, when uplifted by the 12% pension provision would equate to £32,462. At the minimum, this

¹ These were Bolton, Oldham, Salford, Stockport, Tameside, and Trafford. The two largest councils (Manchester and Wigan) and two smallest councils (Bury and Rochdale) were disregarded.

indicates that the remuneration of council Leaders has increased more than that of the GMFRA Chair over the past 8-9 years – see table 4 below.

89. Nonetheless, in accordance with the principle of moving towards greater parity across Greater Manchester the Panel has decided to base the GMFRA total remuneration on a broad parity with the Chair TfGMC. In turn, the total remuneration of the Chair of TfGMC is broadly in line with the median SRA (currently £28,572) paid to *all* Leaders of the GM nominating councils.
90. However, to acknowledge the constitutional position of the GMFRA, the Panel has based the recommended remuneration of the Chair on a broader measure of the GM Council Leader's typical SRA.
91. The Panel has taken the mid point between the median (£28,572) and mean (£30,409) SRA paid to all GM council leaders, which is £29,490 and rounded it up to £29,500 (before pension uplift) as the appropriate remuneration package for the Chair of GMFRA. With the 12% pension uplift applied, it equates to a total of £33,040.
92. Thus, by deducting the recommended BA of £3,912 from the recommended total remuneration for the GMFRA Chair of £33,040 (all with pension uplift applied) it leaves a recommended SRA of £29,128, (or £26,008 without the 12% pension uplift).
93. **The recommended SRA (in addition to the Basic Allowance) for the Chair of GMFRA is £29,128, including 12% pension uplift, which equates to £26,008 without the uplift.**

The Vice Chairs of GMFRA/Chairs of Strategic Committees

94. In line with both the TfGMC and GMWDA the GMFRA will have three Vice Chairs, whom the Panel was informed will be appointed on a cross party basis to promote consensual working. It is envisaged that the three Vice Chairs will be either the respective Group Leaders or senior representatives from their Group.
95. In turn, the three Vice Chairs are to each chair one of the three strategic Committees charged with carrying out the major statutory functions of the Authority based on an outward focus in line with the Authority's business model. These committees are :
 - Emergency Response
 - Policy, Resources & Performance
 - Prevention and Protection
96. The Panel has followed the GMWDA model in arriving at the appropriate remuneration for the Vice Chairs of GMRA/Chairs of Strategic Committees, with the appropriate SRA being at 45% of the Chair's SRA (£29,128). This in fact, is the historical ratio utilised to arrive at the current SRA for the GMFRA

Vice and Deputy Chairs (with latter assumed to be Leader of the Minority Opposition Group). This equates to £13,104 with the 12% pension uplift included, or £11,700 with the pension uplift included.

97. **The recommended SRA for the Vice Chairs of GMFRA/Chairs of Strategic Committees is £13,104, with the 12% pension uplift included, which equates to £11,700 without the uplift.**

The Chair of Audit Committee

98. The GMFRA will continue to have an Audit Committee chaired by an elected Member as opposed to a Co-optee. The Panel notes that the current SRA is £3,048, including 12% pension uplift and £2,722 without the uplift. The Panel received no evidence to indicate that this level was not still broadly appropriate for the present.
99. **The recommended SRA for the Chair of the Audit Committee is £3,049, with the 12% pension uplift applied and £2,722 without the uplift.**

The Vice Chair of the Audit Committee

100. Currently the Vice Chair of the Audit Committee receives a SRA of £1,116. However, the Panel was not convinced that this post should continue to attract an SRA under the new committee arrangements. The Panel notes that the GMFRA will already be paying one more SRA than the GMWDA and TfGMC by having an Audit Committee chaired by an elected member and could potentially have at least one more being paid due to the requirement to ensure an Opposition member receives a SRA (see below).
101. Thus, in line with the general approach of bringing about greater convergence in both structures and the number of SRAs paid in the AGMA/CA family of joint authorities/committee **the Panel recommends that the SRA for the Vice Chair of Audit is discontinued from the date the new scheme of allowances is implemented.**

The Deputy Chairs of the GMFRA Strategic Committees

102. The Vice Chairs of the main committees under the old committee structure had their SRAs set on par with the SRAs paid to the Chair of the Audit Committee and Minority Opposition Group Leader.
103. The Panel feels that this approach is still appropriate, and **recommends a SRA for the three Deputy Chairs of the Strategic Committees of £3,049, including 12% pension uplift, or £2,722 without the uplift.**

The 1-SRA Only Rule

104. It is common practice for local authorities to adopt what is known as the '1-SRA only rule.' In that for members serving on a particular authority are paid one SRA regardless of the number of remunerated posts they may hold on that authority.
105. **The Panel recommends that GMFRA adopt the 1-SRA only rule.**
106. This does not preclude a Member being paid a SRA at their nominated council and the GMFRA. However, the Panel points out that it would be difficult to justify how a Member could hold a senior (executive) remunerated post in their nominating council as well as a senior remunerated post on the GMFRA and do both roles justice considering the time commitments required for both posts. The Panel notes that the Regulations do not prohibit such a practice. On the other hand, it is common for nominating councils not to permit their members appointed to joint authorities who are subsequently appointed to a senior post on that joint authority to hold also executive posts on the nominating council.

The Chair of the Equality and Diversity Overview Group

107. Currently, the Chair of the Equality and Diversity Overview Group receives a SRA of £4,569. With the new governance structures, this working group will no longer exist, with its function largely coming under the remit of the Policy, Resources & Performance Committee.
108. **The Panel recommends that the SRA for the Chair of the Equality and Diversity Overview Group be discontinued from the date the new scheme of allowances is implemented.**

The 2003 Regulations and Remuneration of "Opposition" Members

109. The 2003 Regulations require that at least one "Opposition" Member is in receipt of an SRA, where there is political control of the authority and an Opposition Group in place.
110. In particular, the Regulations on SRAs, (Part 2, regulation 5, para (2) states that where SRAs are paid any allowances scheme making such provision "shall"
- (b) Provide that, where -
 - (i) Members of an authority are divided into at least two political groups; and
 - (ii) A majority of members of the authority belong to the same political group ("the controlling group"), a special responsibility allowance shall be paid to at least one person who is not a member of the controlling group

111. The Panel was informed that it is envisaged the GMFRA under the new structures will seek to gain a cross party consensus – reflected through the expressed intention to use the GMFRA Vice Chairs/Chairs of Committee as a means to develop this aim. Consequently, the Panel is satisfied that the GMFRA will meet the requirements of the 2003 Regulations regarding the payment of an SRA to at least one “Opposition” Member.

GMFRA – Co-optees’ Allowance

Chair and Co-opted Members of the Standards & Audit Committees

112. Unlike the GMWDA and TfGMC, the GMFRA is required to maintain a Standards Committee, with an independent co-opted member appointed as Chairman and at least one other co-optee must be appointed to the Standards Committee.
113. Currently, the Chairman of the Standards Committee receives a Co-optees Allowance of £595 and the 2 other Co-optees receive a Co-optees’ Allowance of £297 – no pension uplift has been applied as Co-optees on principal councils are not permitted to join the LGPS. Similarly, the Co-optee on the Audit Committee receives the Co-optees’ Allowance of £297.
114. The Localism Bill if passed in current form will no longer require local authorities (including Joint Authorities) to have a Standards Committee, although that does not preclude maintaining a local standards committee on a non-statutory basis. Nonetheless, until the implications of the Local Bill and its implementation are clear the Panel has decided that the current level of Co-optees’ Allowance remain unchanged.
115. **The recommended Co-optees Allowance for the Chair of the GMFRA Standards Committee remains unaltered at £595.**
116. **The recommended Co-optees Allowance for the two other Co-optees on the GMFRA Standards Committee and the Co-optee on the Audit Committee remains unaltered at £297.**

Other Allowances – Developing a Greater Manchester Approach

Travel Allowances – Approved Duties

The GMWDA

117. As with their remuneration, GMWDA Members have to claim any travel allowances via their nominating council allowances’ scheme. Consequently, the right of GMWDA Members to claim travel allowances for undertaking approved duties on behalf of GMWDA is largely dependent on their nominating council accepting that any travel allowance claim they make for GMWDA duties are included within their respective nominating councils’ allowances’ scheme schedule of approved duties.

118. This should not be a major issue as most of the nominating councils accept that their Members serving on GMWDA meets the definition of an approved duty. Nonetheless, **the Panel as a matter of principle, to ensure consistency and a Greater Manchester-wide approach, recommends that the constituent nominating councils should include provision for their Members to be able to claim travel allowances when undertaking duties for the GMWDA and this should be reflected in their schedule of approved duties.**

The GMFRA

119. As the GMFRA retains the ability define approved duties and set levels of travel allowances the potential inconsistency in what the travel allowance can be claimed for that exists for the GMWDA (and TfGMC) by having differing definitions of approved duties in the nominating councils does not arise for the GMFRA.

Mileage Rates

GMWDA

120. Similarly, the nominating councils to the GMWDA pay different mileage rates for attending approved duties. The main but not only distinction is where a council continues to base Members mileage rates on the Officer Casual User rate (known as the National Joint Council or NJC rates), such as in Stockport or more commonly Her Majesty's Revenue and Custom (HMRC) rates such as in Bury. While not a major issue it can mean that two GMWDA members attending the same approved duty are claiming a mileage allowance at different rates.
121. In addition, the NJC maximum mileage rates payable are liable to tax and national insurance and reward those Members with the larger car engine size. The evidence received by the Panel indicates that the approved mileage rates issued by Her Majesty's Revenue and Customs (HMRC) are increasingly utilised by local authorities in determining Members' (and in some cases Officers) mileage rates; primarily as they are the most tax efficient in that they do not incur any tax liability for Members. The HMRC rates also have the added advantage of being more "green" than NJC rates, with all claimants being treated equally. Finally, by maintaining different mileage rates, it negates the principle of seeking to achieve a more consistent GM-wide approach in remunerating and paying reimbursements to members appointed to the AGMA/CA family of joint authorities/committee.
122. **Thus, the Panel recommends that the Members when undertaking approved duties for GMWDA should claim HMRC mileage rates for the mileage allowances and the allowances schemes in the nominating councils should reflect these rates.** This recommendation has already been made in relation to the TfGMC.

123. **The current HMRC mileage rates payable are laid out below:**

Table 5: HMRC Mileage Rates 2011/12

Vehicle Type	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p
Passenger Supplement Rate	5p per passenger	5p per passenger

The GMFRA

124. Currently, the mileage rates that GMFRA Members can claim for using their own private car to attend approved duties are based on the on the Officer Casual User rate (known as the National Joint Council or NJC rates) as follows:

<u>Engine Size</u>	<u>Pence per Mile</u>
451-999cc	46.9
1000-1199cc	52.2
1200cc and above	65.0

125. For the reasons outlined above **the Panel also recommends that the GMFRA adopt the relevant HMRC mileage rates as laid out in Table 5 above.** This should also result in a small savings in the total spend on mileage allowances each year.

Subsistence Allowances

GMWDA

126. Subsistence rates are much more variable across the nominating councils than mileage rates as there is no standard benchmark. Yet, **the Panel again recommends that a Greater Manchester-wide approach be developed so Members of GMWDA are treated consistently in the subsistence rates they are able to claim.**

GMFRA

127. **The Panel recommends that the subsistence rates, and the conditions by which they can be claimed by GMFRA Members, be maintained on the current basis.**

Dependants' Carers' Allowance

GMWDA

128. It is now common for councils to include provision in their Members' Allowances schemes for a Dependants' Carers' Allowance (DCA), which enables Members with caring responsibility to seek reimbursement for caring costs while undertaking approved duties. However, the scope of the DCA and the rates payable vary enormously across local government. Once again, **the Panel recommends that a Greater Manchester wide approach be developed for Members seeking reimbursement for the cost of care for dependants while undertaking GMWDA approved duties.** At the very least, the Panel supports the right of GMWDA Members to claim the DCA from their nominating council and as such, **recommends that all the constituent councils ensure they make explicit provision for the DCA within their Members' Allowances scheme for their Members undertaking approved duties on GMWDA.**

GMFRA – Salary Sacrifice

129. Ironically, as the 2003 Members' Allowances Regulations do not apply to the GMWDA, its Members should be able to claim for costs of caring for dependants from their nominating council. Yet, the relevant Section (7) of the 2003 Regulations that provide authority for local authorities to pay a DCA do not apply to joint authorities (see Section 7, paragraph 2).
130. While the Panel views this as an anomaly it is unable to recommend that the GMFRA make available a DCA, as the authority has no express powers to pay such an allowance. This does not however, prevent a GMFRA member who has children who are dependants from accessing the Salary Sacrifice Scheme for child care purposes which has certain advantages regarding tax and national insurance liabilities on any remuneration received. Consequently, **the Panel recommends that the GMFRA explores the possibility of permitting those Members with dependant children to access the Salary Sacrifice Scheme on the same basis as Officers of the Authority.**

The Local Government Pension Scheme and Pensionable Remuneration

131. In this section, the Panel is flagging up issues for future consideration if the ability of Members to have their remuneration made pensionable changes. The Panel cannot alter the current inconsistent access to the LGPS for members serving on the AGMA/CA family of joint authorities/committee but it can point out future potential issues that both authorities need to consider if access to the LGPS is reformed.

The GMWDA and Pension Provision

132. The Panel supports the principle of permitting Members who serve on both the GMWDA and GMFRA to join the Local Government Pension Scheme (LGPS). Ironically, as remuneration for GMWDA Members is paid via their nominating council they are able to make their remuneration for serving on

the GMWDA pensionable, if they wish and their nominating council has access to the LGPS – which is the case all bar one of the 9 GM nominating councils.

133. Yet, if the GMWDA is brought within the scope of the 2003 Members Allowances Regulations on the same terms and conditions as a joint authority established by Part IV of the Local Government Act 1985 C. 51, such as the GMFRA, then Members will no longer be able to access the LGPS. This will create a situation where a senior member of the GMWDA who is spending great deal of time and may have forgone positions of remunerated responsibility at their nominating council is forced to withdraw from the LGPS regarding their remuneration for serving on the GMWDA, while still having any remuneration from their nominating councils being made pensionable.
134. This anomaly could act as a potential barrier to serving on the GMWDA. The obvious answer would be to permit members appointed to English joint authorities to join the LGPS. However, as the metropolitan fire and rescue, integrated transport, and national park authorities have not been included in the relevant Regulations since councillors were able to join the LGPS almost 10 years ago, a change is in the near future does not look likely.
135. However, **if the members of the GMWDA are excluded from joining the Local Pension Scheme when the authority obtains the right to pay allowances in its own right then the Panel will need revisit the levels of allowances once more to take into account the need for its members' to make their own pension provision.**
136. On the same grounds that the remuneration for GMFRA Members have been uplifted by 12% to compensate for unable to join the LGPS (and attract the employers' contribution) the Panel would be open to consideration of a similar arrangement for GMWDA members.

The GMFRA and Pension Provision

137. The inability of GMFRA members to have their remuneration made pensionable via the LGPS which subsequently attracts the employers contribution, is the Panel believes a barrier to serving on the authority. Consequently, it has continued to apply pension uplift, (albeit only at 12% rather than the nominating council's contribution of 19.5%) to GMFRA members' remuneration, as they have to make their own pension provision.
138. Yet, by the same token that the Panel has flagged up the potential issue of members on the GMWDA no longer have pensionable remuneration, **if the GMFRA was included in the 2003 Regulations pensions provisions and Members appointed to joint authorities were permitted to join the LGPS then the Panel could no longer support the continuation of the 12% uplift.**
139. It is an issue the Panel will return to if and when the context changes.

Indexation

GMWDA

140. The indexation of allowances for Members on GMWDA is dependent on whether indexation is in place in the nominating councils, which is not always the case. The consequence of this variation in practice can be seen in the remuneration paid to Members the constituent districts for serving on the GMWDA. Part of the variation can be explained by the fact that not all councils index their Members remuneration each year and the different indices applied.
141. **Again, the Panel recommends that a Greater Manchester-wide approach be adopted in relation to the indexation of GMWDA remuneration and allowances. For the Members' Allowance and Responsibility Allowances the Panel recommends that the appropriate index is the annual salary increase that is applied to local government staff as agreed each year by the NJC, which is increasingly the most common index for members' remuneration amongst the nominated councils.** The Panel notes that this index would not increase the recommended Members' Allowance and Responsibility Allowance for GMWDA Members for 2011/12 as local government staff are not receiving an annual incremental increase for this year.

GMFRA

142. **The Panel recommends that the following indices are applied to the remuneration and allowances paid to GMFRA Members;**
- d. **Basic Allowance, SRAs and Co-optees' Allowances:**
 - § Indexed to the annual percentage salary increase for local government staff (at spinal column 49) to be applicable from the start of the municipal year, rather than financial year
 - e. **Mileage Allowance:**
 - § Indexed to the HMRC rates
 - f. **Subsistence Allowances**
 - § The day subsistence allowances, overnight subsistence allowances and incidental expenses allowance should be indexed to the consumer price index (CPI), rather than the retail price index

Implementation and Backdating of Recommendations

143. **The Panel recommends that the GMWDA and GMFRA implement the recommendations in this report from the date of their respective 2011 annual meetings.**

GMWDA

144. **The Panel recommends that where a nominating council does not amend its allowances scheme to reflect the proposals for GMWDA remuneration in time for GMWDA 2011 annual meeting, that it backdates the Panels recommendations to the date of the GMWDA annual meeting as soon as practically possible thereafter; as permitted by the 2003 Members' Allowances Regulations (section 10, paragraph 6).**

Appendix One: Members And Officers Who Met With The Panel

THE GMWDA:

Members:

Cllr Chris Gordan	Leader of Liberal Democrat Group 2010/11
Cllr N. Swannick	Chair 2010/11 (Labour Group Leader)
Cllr M. Young	Vice Chair 2010/11 (Conservative Group Leader)

Officers:

John Bland	Treasurer & Deputy Clerk
Sarah Mellor	Head of Governance

THE GMFRA

Members:

Cllr J. Bell	Vice Chairman of the Authority (Con Group Leader)
Cllr P. Shannon	Chairman of the Authority (Lib Dem Group Leader)
Cllr F. Walker	Leader of the Opposition (Labour)

Officers:

Steve McGurk	County Fire Office & Chief Executive
Gwynne Williams	Deputy Clerk & Authority Solicitor

THE GMCA/AGMA

Cllr R. Leese	Vice Chair GMCA/AGMA
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Joyce Redfearn	Clerk to GMFRA & Secretary to AGMA
Penny Boothman	Head of GM Integrated Support Team

Appendix Two: Written Information Considered By Panel

GMWDA

1. Report of the Treasurer & Deputy Clerk, Report to the Joint Independent Remuneration Panel: GMWDA Allowances, 26 May 2011, including
 - a. Background to the Authority & Allowances
 - b. Role Profiles
 - c. GMWDA Committee Structures 2010/11 & 2011/12
 - d. Current Members' Allowances payable
 - e. Time input from Members analysis
 - f. Comparison of Structures of Joint Authorities
 - g. Allowances scheme from the GM Joint Authorities
 - h. Details of payments to Members in other WDAs, including
 - i. Merseyside WDA
 - ii. North London WDA
 - iii. East London WDA
 - iv. West London WDA
 - v. Western Riverside WDA
2. Key Facts – GMWDA
3. GMWDA Constitution 2010/11

GMFRA

A Briefing Pack containing

1. Introduction to the GMFRA
 - a. Background & Role of Authority
 - b. The Roles of Members
 - c. Current and New Committee Structures
2. Authority Overview
3. Authority Membership 2010/11
4. Committee Membership 2010/11
5. Current Committee Terms of Reference
6. Timetable of Meetings 2010/11 & 2011/12
7. Sub-Committee etc Membership 2010/11
8. Member Champion Terms of Reference
9. List of Appointments to Outside Bodies 2010/11
10. District Spokesperson Appointments 2010/11
11. Business Model
12. GMFRA Scheme of Allowances
13. Summary of AGMA Joint Authorities Committee Structure & Frequency of Meetings
14. Summary of AGMA Authorities SRAs
15. Summary of NW Fire Authorities Committee Structure & Frequency of Meetings
16. Summary of Allowances from the Other Metropolitan Fire Authorities
17. London Fire Brigade – Scheme of Members’ Allowances
18. Full Members’ Allowances Schemes from
 - a. London Fire Brigade
 - b. Merseyside FRA
 - c. South Yorkshire FRA
 - d. Tyne & Wear FRA
 - e. West Midlands FRA
 - f. West Yorkshire FRA
19. Report – A Review of Members’ Allowances for Greater Manchester Fire & Civil Defence Authority, November 2001
20. Report – A Review of Members’ Allowances, Including Travel & Subsistence & Co-optees’ Allowances, for Greater Manchester Fire Authority, November 2003
21. Report – A Review of Members’ Allowances for Greater Manchester Fire & Rescue Authority, May 2005
22. Report – A Review of Members’ Allowances for Greater Manchester Fire & Civil Defence Authority, November 2007

Appendix Three: Greater Manchester Metropolitan Councils: BA + Exec + Committee SRAs 2010/11

	BA	Leader	Leader Total Package	Deputy Leader	Cabinet Members	Chair Co-ordinating Scrutiny	Chairs Scrutiny	Scrutiny V/Chrs	Chairs Select Committee	Chair Planning	V/Chrs Planning	Chair Licensing	V/Chrs Lic'g	Area Chairs	Chair Audit	Ass'nt Exec Mbrs	Other SRAs Payable
Bolton	£11,082	£29,782	£40,864	£17,868	£11,659		£4,976			£7,783	£2,678	£7,367			£6,288		7 O&S Committees
Bury	£7,949	£25,174	£33,123	£15,110	£10,071	£6,297	£6,297			£6,297		£6,297		£6,297	£6,297		3 O&S Committees + only 7 in Cab total
Manc'r	£15,956	£39,848	£55,804	£16,759	£16,759		£10,066			£10,066	£3,358	£10,066	£3,358			£6,706	6 O&S SRAs + Airport Brd Member £10,066, + City Centre Spk/person £6,706 + Licensing Mbrs £505
Oldham	£8,950	£26,850	£35,800	£17,453	£13,425	£8,055	£8,055	£1,343	£5,370	£8,055	£1,745	£8,055	£1,745		Co-optee		V/Chairs Select £1,745 + Community Champions £3,222 - £6,444 depending on size of area represented
Roch'e	£7,644	£22,908	£30,552	£11,460	£10,308		£7,644	£2,556		£10,224							Planning SRA total is total of 4 Area Planning SRAs @ £2,556 + Area V/Chairs £2,556 + Employment Chair £7,644 + Chr Regulation £2,556
Salford	£10,080	£28,185	£38,265	£14,637	£13,011		£8,133			£8,133		£8,133			£8,133	£6,174	
Stock't	£9,557	£28,959	£38,516	£16,218	£14,480		£7,530	£3,765		£8,110	£1,623	£5,541	£1,371	£4,634	£7,530		5 O&S Committees + 8 Areas + Employment Chair £2,317
T'inside	£11,640	£36,036	£47,676	£23,495	£20,099	£9,581	£9,581	£3,194		£9,581	£3,194	£6,198	£2,307	£9,581		£8,352	V/Chr Jnt O&S £3,194 + V/Chrs Areas £3,194 + Chr Pension Fund £15,952 & V/Chr £7,976, Pension Fund WG Chr £2,357 & Mbr £1,352 + Chair Regulation £,6198 & V/Chr £2,307
Trafford	£6,352	£25,409	£31,761	£17,785	£12,704	£7,621	£7,621	£3,811		£10,164	£3,811	£10,164	£3,811	£1,556	£7,621		Get 50% of 2nd SRA + Licensing Sub Committee Chrs £3,176 + V/Chair Audit £3,811 + DCC Travel £381 + Social Service Visits £420

Wigan	£11,682	£40,943	£52,625	£21,057	£15,792	£7,018	£7,018	£2,127	£5,264	£10,528	£3,456	£7,019	£2,127	£3,509			Chair Regulation £7,019 + V/Chr Regulation £2,340 + V/Chr Audit £1,170
Highest	£15,956	£40,943	£55,804	£23,495	£20,099	£9,581	£10,066	£3,811	£5,370	£10,528	£3,811	£10,164	£3,811	£9,581	£8,133	£8,352	
Lowest	£6,352	£22,908	£30,552	£11,460	£10,071	£6,297	£4,976	£1,343	£5,264	£6,297	£1,623	£5,541	£1,371	£1,556	£3,509	£6,174	
Mean	£10,089	£30,409	£40,499	£17,184	£13,831	£7,714	£7,692	£2,799	£5,317	£8,894	£2,838	£7,649	£2,453	£5,942	£6,563	£7,077	
Median	£9,819	£28,572	£38,391	£17,106	£13,218	£7,621	£7,633	£2,875	£5,317	£8,857	£3,194	£7,367	£2,217	£6,297	£6,914	£6,706	

Appendix Four: Allowances Paid in Met Fire & Rescue Authorities 2

Met Fire & Rescue Authority	BA	Chair's SRA	Total Paid to Chair	Vice Chair's SRA	Deputy Chair SRA	Main Committee Chair SRA	Main Committee V/Chairs SRA	Minor Committee Chairs SRA
Merseyside	£8,070	£16,140	£24,210	£12,105		£4,035		£2,018
Greater Manchester	£3,912	£30,466	£34,378	£13,709	£13,709	£6,093	£3,048	£4,569
Tyne & Wear	£1,848	£12,798	£14,646	£6,399		£6,399		
South Yorkshire	£3,329	£12,860	£16,189	£6,430		£1,608		
West Midlands	£3,500	£24,500	£28,000	£12,250		£8,575		£4,900
West Yorkshire	£3,411	£18,819	£22,230	£9,410		£3,764	£941	
Min	£1,848	£12,798	£14,646	£6,399		£1,608	£941	£2,018
Max	£8,070	£30,466	£34,378	£13,709		£8,575	£3,048	£4,900
Mean	£4,012	£19,264	£23,276	£10,051		£5,079	£1,995	£3,829
Median	£3,456	£17,480	£23,220	£10,758		£5,064	£1,995	£4,569