| Classification<br><br>Open | Item No. |
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| **Meeting:** | Democratic Arrangements Forum<br>Standards Committee<br>Council |
| **Meeting date:** | 25th May 2022 |
| **Title of report:** | Report from the Independent Remuneration Panel – Review of the Member Allowance Scheme |
| **Report by:** | The Monitoring Officer |
| **Decision Type:** | **Council** |
| **Ward(s) to which report relates** | **All** |

**EXECUTIVE SUMMARY:**

This report is a synopsis of the deliberations and recommendations made by the Independent Remuneration Panel (the IRP or Panel) for Bury Council to advise the Council on its Members' Allowances scheme.

The IRP report states that evidence shows that the Bury Council Members' Allowances scheme is a low paying scheme both comparatively and in real terms. Benchmarking shows that the Bury are the lowest or next to lowest in every category across all the Greater Manchester. Moreover, the SRAs are now lower than what they were in 2010.

The IRP received anecdotal evidence that the current level of allowances was acting as a barrier to the recruitment of a wide range of candidates to stand for Council. In particular, the time required to be a Member (whether this was at the most senior level or at the backbench level) was not recompensed by the current level of allowances payable.

While the Basic Allowance and SRAs were never intended to reflect the 'market value' of the workload and responsibilities undertaken by Members, they are intended to go a large way to recognising that there is a substantial time commitment and complexity to being an elected Member that is largely unrecognised in their current remuneration. Legislative

changes have increased the demands on all Members but on leading Members in particular. The current allowances payable do not reflect the increased demands made on Members.

Currently, it is the IRP's view that the Bury Council Members' Allowance scheme does not meet this core principle underpinning the purpose of establishing such schemes.

**RECOMMENDATIONS:**

1. **That Council notes the report of the Independent Remuneration Panel dated November 2021 (Appendix 1)**
2. **Following consultation with the Group Leaders, the Mayor and the Standards Committee Council consider the recommendations 1- 24 with a minor amendment to recommendation 13 to reflect the revised GM position**

1. Basic allowances for Members to be reset at £10,791. Note that the Basic Allowance continues to be deemed inclusive of all in-Council travel and subsistence costs and telephone allowance and that Schedule 2 of the allowances scheme is amended to reflect this situation.
2. The Special responsibility allowance for the Leader is set at £32,733
3. The SRA for the Deputy Leader is set at £19,424.
4. The Cabinet members SRA is set at £14,568, Deputy Cabinet Members SRA to be reset at £2,185.
5. SRA for the Chairs of the six main committees to be set at £8,093

   Chairs of the main Committees (x6) -Overview & Scrutiny Committee/Children's & Young People's Scrutiny Committee/Health Scrutiny Committee/Planning Control Committee/Licensing & Safety Committee/Audit Committee

6. That Members who sit on Licensing Hearings Panels who attend more than 6 meetings in any one year are paid an SRA as follows:

   Meetings over 4 hours: £106

   Meetings up to 4 hours: £53

   As per current practice this SRA should only be paid to Members who are not otherwise in receipt of an SRA.
7. The SRA for the Leader of the Main Opposition Group is reset at £10,683.
8. The SRA for the Deputy Leader of the Main Opposition Group only be payable if the Main Opposition Group holds 20 per cent of seats (11) on Council and is reset at £4,273.
9. That where there are two or more Other Opposition Groups then the recommended SRA of £5,342 should be divided on a pro rata basis and paid accordingly to Leaders of all Other Opposition Groups.
10. The SRA for the Deputy Leader(s) of Other Opposition Groups is reset at £1,870. This is only paid when an Other Opposition Group attains 10 per cent of seats

(five) on Council. Where there are two or more Other Opposition Groups of five or more seats the SRA of £1,870 should be paid to their respective Deputy Group Leaders on a pro rata basis.

11. The Leader is paid a separate SRA of £6,000 as a Member/Portfolio Holder on the GMCA under the 2011 Order.
12. The SRA for the two Bury Members appointed to the GMTC is reset at £3,000.
13. The SRA for the two (now only one) Bury Council Members appointed to the GM Waste and Recycling Committee is reset at £1,5000.
14. That the council discontinue the SRA for the Council's appointment to the GM Pension Fund.
15. The 1-SRA only rule is maintained with the exception of the additional SRAs paid under the 2011 GMCA Order.
16. That for Shadow Portfolio Holders and Group Whips it is not recommended an SRA is paid.
17. That the financial loss allowance is discontinued and the Audit and Standards Hearings Panel Co-optees to be paid a Co-optees' Allowance that has two elements as follows:

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| Standard element | £500 per year |
| Meetings element | |
| Meetings over four hours | £106 per meeting |
| Meetings up to four hours | £53 per meeting |

18. Note that there is no change to the Mayoral Civic Allowance (£16,472) and Deputy Mayor Civic Allowance (£4,118).
19. That the current allowances paid to the Independent Members who sit on Council Education Appeals Panels are discontinued and reset as follows:

£106 for meetings over 4 hours

£53 for meetings up to 4 hours

Mileage/public transport reimbursement – maintain where applicable

Parking fee reimbursement – maintain where applicable

20. That the carers allowance is maintained but there are two types of care identified to be paid at the following maximum rates:

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| Child care: | maximum rate paid at real living wage<br>(Currently £9.50) |
| Elderly/disabled care: | maximum rate paid at the hourly rate charged by Bury Council Social Services Department for a Home Help |

An annual cap be for these payments to be set at £2,000

21. That the current approved duties and conditions for which the Travel and Subsistence Allowances may be claimed outwith the Council are maintained but that the mileage reflect the full range of HMRC AMAP (Approved Mileage Allowance Payment) rates as follows:

| **Mode of Travel** | **First 10,000 business miles in the tax year** | **Each business mile over 10,000 miles in the tax year** |
|---|---|---|
| **Cars and vans** | **45p** | **25p** |
| **Motor cycles** | **24p** | **24p** |
| **Bicycles** | **20p** | **20p** |

Passenger payments – cars and vans

5p per passenger per business mile for carrying fellow Member or Council employee in a car or van

Current mileage rates are clarified to include provision that if a Member is claiming out of Council mileage by driving a hybrid or electric vehicle that the applicable mileage rates continue to be HMRC approved rates.

22. The subsistence rates for attending approved duties outwith the Council area should be based on current Officer rates as follows:

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| Subsistence - Breakfast | £7.31 |
| Subsistence - Lunch | £9.74 |
| Subsistence - Evening Meal / Networking | £18.28 |

23. That the allowances scheme is amended to include a statement that clarifies the continued right of remuneration for a Member when they are required to take maternity, paternity or adoption leave for up to a period of 12 months, subject to the legal attendance requirements.
24. The revised members allowance scheme is adopted from the date of the Council's Annual Meeting 2022 and that indexation is applied in accordance with the IRP recommendations.

**3. Instructs the Monitoring Officer to amend the Councils Members Allowance scheme in accordance with the decision of the Full Council meeting held on 25th May 2022.**

## 1.0 INTRODUCTION

Each year, the Council must approve a Members' Allowances Scheme before the end of the preceding financial year. Before doing so it must consider the views of its Independent Remuneration Panel.

The Democratic Arrangement Forum gave authority in June for the Monitoring Officer to establish a new Independent Remuneration Panel (IRP) to carry out this review of all Member allowances.

## 2.0 BACKGROUND AND TERMS OF REFERENCE

2.1 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. Councils cannot alter or update their schemes without first considering a report from an Independent Remuneration Panel.

2.2 The Regulations require that Independent Remuneration Panels should have at least three members, none of whom is a Member of the Council or of a committee or sub committee of the Council or is disqualified from being a member of the Council by virtue of s 80 of the Local Government Act 1972 and s 79and 83 (11) of the Local Government Act 2000. 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.

The Panel was Chaired by Dr Declan Hall who has extensive experience in Chairing IRPs across the country including Greater Manchester. The Chair was assisted by two independent members, Dr Andrew Hall Managing Director of Avoira Limited and a John Thompson Trade Union representative, Unison Branch Secretary.

2.3 It was agreed that the Panel be asked to consider the following specific issues:-

i. The amount of basic allowance that should be payable to its elected members.

ii. The responsibilities or duties which should lead to the payment of a special responsibility allowance (SRA) and as to the amount of such an allowance.

iii. About other allowances including an allowance in respect of the expenses of arranging for the care of children and dependants and if it does make such a

recommendation, the amount of this allowance, travel and subsistence and phone.

iv. The level of allowances paid to co-opted members of the Council's Audit Committee and co-opted members of the Standards Committee.

v. The level of allowance paid to the Mayor and Deputy Mayor for the purpose of meeting the expenses of those offices (i.e., the Civic Allowances).

vi. The implementation date for the recommendations, including whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended.

vii. The payment of member(s) appointed to the Greater Manchester Combined Authority (GMCA) in respect of duties and responsibilities undertaken as a member of the GMCA, and if so to specify the amount of any such allowance (in accordance with the Greater Manchester Combined Authority Order 2011 Schedule 1 - Constitution (Remuneration page 18).

viii. The level of Travelling, utility and Subsistence Allowances for members of the Independent Education Appeals Panels.

ix. The consideration of a Parental Leave Policy for elected members. This item was added at the request of the standards Committee.

x. Whether annual adjustments of allowance levels may be made by reference to an index, and, if so, for how long such a measure should run.

## 3.0 METHODOLOGY AND TIMELINE FOR UNDERTAKING THE REVIEW

- The Panel sought views of Members both written and oral, with opportunities for selected Members to meet the Panel (See Appendix XXX list of interviewees)
- Factual Briefings from Officers
- The Statutory Guidance on Regulation for Local Authority Allowances 2006.
- The 2003 Members' Allowances Regulations
- Roles and Responsibilities as contained within the Council's Constitution
- That recommendations should conform to existing legislation and anticipate likely future legislation so far as possible.
- The requirement for their report and recommended changes to the scheme of allowances to be easy to understand and adequately justifiable to the electorate.

To assist in its deliberations, as background information the Panel was provided with comparative information from other GM authorities.

The Panel considered each item listed in the terms of reference and have made recommendations. The supporting information is set out in their report dated 5th November 2021. Members are asked to note that in addition to the specific recommendation relating to individual allowances the IRP also recommends that indexation should run for four

years (2022-2026), which is the maximum length of time permitted by the 2003 Regulations. For authority for indexation to be extended beyond the fourth anniversary of the establishment of the new scheme of allowances the Council is required to first seek advice from the IRP.

The IRP recommends that the new scheme of allowances based on the recommendations contained in this report is adopted from the date of the Council's Annual Meeting 2022.

**Community impact/links with Community Strategy**

An up to date Member Allowance Scheme will ensure decision are taken lawfully and in an open and transparent manner.

**Equality Impact and considerations:**

*Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

> *A public authority must, in the exercise of its functions, have due regard to the need to –*
>
> (a) *eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
>
> (b) *advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
>
> (c) *foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

*The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services*.

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| **Equality Analysis** | *Please provide a written explanation of the outcome(s) of either conducting an initial or full EA.* |

An up to date Member Allowance Scheme will ensure decisions contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. An Equality Impact Assessment has been completed

**Assessment of Risk:**

The following risks apply to the decision:

| Risk / opportunity | Mitigation |
|---|---|
| Ensure compliance with the Under the Local Authorities (Members' Allowances) (England) Regulations 2003 | Independent panel establish and report to Members for consideration |

**Consultation:**

Group Leaders and the Mayor at the Democratic Arrangements Forum and Members of the Standards Committee. The terms of reference set out members would be interviewed by the IRP and a Member survey was sent to all Members to obtain their views.

**Legal Implications:**

The legal implications are set out in the report.

**Financial Implications:**

The report includes a broad range of recommendations. Depending upon whether some, none or all of the recommendations are adopted the financial consequence will differ. The current budget is £753,600 for the allowances noted within the report. Adoption of all of the proposed recommendations based upon the same number of members and special responsibility allowances thereby comparing on a like for like basis would require an increase in the budget of £110,500 to create a revised budget of £863,700, representing a 14.61% increase. There would also be additional costs for independent members attendance at meetings but based upon current activity this is not anticipated to exceed £5k per annum. If the new rates are adopted from the Councils annual meeting in May 2022 there would be a part year effect in the 2022/23 financial year.

**Report Author and Contact Details:**

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