

Report to:	Council	Item
Date:	28th February, 2007	
Report of:	Director of Legal and Democratic Services	
Contact Officer:	John Addison	Report No.
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Title:

Members Allowance Scheme

NON-CONFIDENTIAL

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Purpose of Report:

The purpose of the report is to present the recommendations of the Independent Remuneration Panel following a review of the current Scheme of Members Allowances on 31st January, 2007.

For Decision:

The Council is requested to confirm or otherwise the recommendations of the Independent Remuneration Panel.

Background Documents:

Introduction

The Local Government Act 2000 provides that a revised scheme of Members' Allowances can only be introduced by the local authority following a recommendation by the Council's Independent Remuneration Panel.

The Council's remuneration Panel comprises:-

Dr. S. Liversedge
Mrs. G. Oates
Mrs. P. Dickson.

A meeting of the Panel was convened on 31st January, 2007, to consider a number of issues.

Firstly, the present Scheme of Members Allowances was recommended to the Council by the Independent Remuneration Panel in March, 2003. An integral part of the Scheme was the ability to make provision for an annual adjustment of the Scheme by reference to a specific index subject to such index being reviewed no later than four years from the adoption of the Scheme, i.e. by April, 2007.

Secondly, since its last meeting in August, 2005, the administration of the Members Allowance Scheme had been the subject of an internal audit inspection which made a number of recommendations to the Panel.

Finally, the Panel, at its last meeting, left a number of issues to be revisited at its next meeting.

The Panel was advised by Mr. Alan R. Eastwood, Director of Legal and Democratic Services, and by Mr. John Addison, Members Services Manager.

INFORMATION PROVIDED

The Panel considered a detailed report which

- Provided information on the mechanisms by which other Greater Manchester Authorities uprated their Members' Allowances schemes;
- Detailed the recommendations made to the Panel following the Internal Audit inspection of the Members Allowance Scheme;
- Detailed other issues which the Panel had need to consider.

A copy of the report considered by the Panel is attached.

THE PANELS FINDINGS

The Panel acknowledged that, in determining the mechanism by which the scheme was uplifted annually, the current method of using the Annual Survey of Hours and Earnings had served the Council well and continued to have merit. However, it was becoming evident that local authorities wished their allowances schemes to have an obvious and transparent mechanism by which annual increases were determined. In this regard the panel was minded to recommend that the Members' Allowance scheme be increased in line with the annual pay award agreed by the National Joint Council for Local Government Services and that this index should apply to April, 2011.

The Panel also suggested that the travel and subsistence allowances paid to Members, for those approved duties listed in the report, should also be linked to those paid to officers and uplifted on an annual basis.

The Panel discussed a recommendation arising from the Internal Audit of the scheme which suggested that there might be merit in consolidating travel and subsistence allowances into the Basic Allowance paid to all Members but dismissed this suggestion for the reasons detailed in the report.

The Panel wished to support the Council's green agenda and recommend that a cycle allowance be included in the scheme. It also agreed with a proposal to pay the annual fee by which members would be registered under the Data Protection Act.

The Panel gave further thought to the payment of an allowance to members of the Standards Committee and on reflection felt that it was appropriate that one should be introduced and reviewed in 12 months time in the light of workloads.

The Panel agreed with the proposal to amend the scheme to formalise the arrangements in relation to the taxation of members allowances, the issue of national insurance payments, and the availability of becoming members of the Greater Manchester Pension Scheme.

In regard to the issue of subsistence rates for visits to London, the Panel was in agreement that the current level of £91.04 for an overnight stay was inadequate and should be increased to £130. However, the Panel made it clear that, Members who have cause to visit London on approved Council business should, in all cases, avail themselves of the Council's travel and reservations service. Only in the most unusual circumstances should members make their own travel and accommodation arrangements.

The Panel revisited the proposal to introduce an allowance for the Vice Chair of the Licensing and Environmental Regulation Committee now that a regular pattern had been established for dealing with Licensing Act 2003 issues and decided against the proposal as the workload of the Vice Chair had not significantly altered.

In regard to the possibility of reviewing the allowances paid to the Chairs of Scrutiny Committees and Area Forums, consideration was deferred until there was a clearer picture of the implications of the Local Government Bill.

RECOMMENDATIONS

(1) That the Council adopt a revised Scheme of Members Allowances based on the following

- That adjustments to the level of allowances continue to be made by reference to an index;
- That the basic and special responsibility allowances be increased in April each year in accordance with the annual pay award agreed by the National Joint Council for Local Government Services;
- That the index apply for the four year period to April, 2011;
- That the list of duties approved for the purpose of travel and subsistence allowances and child care allowances be included in the scheme;
- That travel and subsistence allowances be uplifted annually in line with those paid to officers;
- That a cycle allowance of 20p per mile be introduced;
- That an allowance of £1000 and £500 be introduced for the Chair and independent members of the Standards Committee respectively, such allowance to be reviewed in 12 months;

- That the scheme include details in respect of the taxation of allowances, the issues of national insurance and the availability of membership to the Greater Manchester Pension Fund;
- That the subsistence rate for an overnight stay in London be increased to £130.
- That the scheme include a provision for payment to be made to the Information Commissioner under The Data Protection Act.

(2) That travel and subsistence allowances would not be consolidated into the Basic Allowance.

(3) That payment of a special responsibility allowance would not be extended to the Vice Chair of the Licensing and Environmental Regulation Committee.

(4) That consideration of the level of special responsibility allowances paid to the Chairs of Scrutiny Committees and Area Forums be deferred until the implications of the Local Government Bill, as it impacts on their responsibilities, is known.

(5) That the Panel meet with the three Group Leaders, and any other interested Members, in Autumn 2007 to seek their views on the level of remuneration for Members and any other related issues.

(6) That the Director of Legal and Democratic Services seek the views of other AGMA Authorities on the issue of any allowances being made to members of the Independent Remuneration Panel.

