

**Manchester City Council
Report for Resolution**

Report To: The Council – 30 March 2011

Subject: Members' Allowances for Members of the Transport for Greater Manchester Committee

Report of: Chief Executive

Summary

This report sets out the proposed Allowances recommended by an Independent Review Panel (IRP) for those Members who will serve on the new Transport for Greater Manchester Committee (TfGMC).

Recommendations

1. To consider and determine the scheme of allowances for members of the Transport for Greater Manchester Committee, in light of the recommendations detailed in the Executive Summary (Sections i – iv) of the report of the Independent Review Panel attached at Appendix A.
 2. To determine whether the City Council makes an exception to its normal rule of only one Special Responsibility Allowance (SRA), thus enabling a member to receive the SRA as an member of the TfGMC and hold at the same time a senior post on the Council remunerated by an SRA, whilst maintaining the rule of only one Special Responsibility Allowance for cases where a member holds a senior post on both the City Council and a senior post on TfGMC.
 3. To determine amendments to the City Council's current Members' Allowance scheme at 7.1 to remove the reference to Integrated Transport Authority (ITA) and replace with Transport for Greater Manchester Committee, enabling TfGMC members to claim for travel and subsistence whilst on approved TfGMC duties, and to determine whether to adopt the HMRC rates for members, as recommended by the IRP.
 4. Instruct Officers to amend the City Council's Members' Allowance Scheme accordingly.
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Wards Affected:

Citywide

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	The objective of the reform of transport governance as a whole is to ensure that transport plays its full part in the achievement of the economic and social well-being of the whole City Region
Reaching full potential in education and employment	An effective transport system is vital to communities and individuals if they are to achieve their full potential both in the education system and through employment.
Individual and collective self esteem – mutual respect	The ability to easily access education, employment and leisure is vital to both individual and collective self esteem
Neighbourhoods of Choice	An efficient and effectively managed transport system is fundamental to the sustainability of neighbourhoods across Manchester and the whole city region.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None as costs already budgeted for through GMITA levy process.

Financial Consequences – Capital

None

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

None

1. Introduction

- 1.1 As members will be aware, on 1 April a new Greater Manchester Combined Authority (GMCA) will be established that will take on the roles, responsibilities and functions of the GMITA (Greater Manchester Integrated Transport Authority), which will be dissolved. A new joint committee of the GMCA and the 10 district authorities, Transport for Greater Manchester Committee (TfGMC), will be established which will then undertake a substantial part of the GMCA's functions with regard to transport.

2. Background

- 2.1 At present, members serving on the GMITA receive an allowance in recognition of the work undertaken by them for the Authority, under the terms of their scheme. However, given the GMITA is to be abolished and neither the GMCA nor the new joint Transport for Greater Manchester Committee will have the authority to pay allowances, any allowances paid will have to be as part of the City Council's own allowances scheme.
- 2.2 At its meeting in January, the AGMA Executive secured the agreement of AGMA and each district council of Greater Manchester to a joint Independent Review Panel (IRP) being established to recommend an appropriate scheme of members' allowances for the new Transport for the Greater Manchester Committee. A report endorsing this decision was then agreed by a meeting of the Executive and Manchester City Council on 2 February, with these meetings also agreeing the constitutional arrangements required to establish the new Joint Committee, Transport for Greater Manchester Committee, including securing nominations for members to serve on TfGMC.
- 2.3 At a 'shadow' meeting of the TfGMC on 25 February, members agreed a committee composition, whereby the main 33 member Committee will be supported by three sub committees, namely: Capital Programmes and Policy Development; Bus and TfGM Services; and Metrolink and Rail Networks. This outline structure has helped inform the work of the IRP.
- 2.4 The IRP was chaired by Dr. Declan Hall and the panel members were Bill Berry, Regional Officer, UNISON and Clive Memmott, CEO, GM Chamber of Commerce. The IRP met with the Chair of AGMA, with the Chair, Vice Chair and leader of the opposition of GMITA and with officers from supporting bodies on 28 February. The Panel was provided with background documents, including the structure of TfGMC, details of members' allowance schemes of Greater Manchester authorities, other joint authorities and other ITAs.
- 2.5 A report has been prepared by the IRP, which outlines its recommendations with regard to allowances for Transport for Greater Manchester Committee. This report is attached at Appendix A.

3. Proposed Members' Allowances

- 3.1 The current GMITA members' allowance scheme has a basic allowance of

£4,152 per member plus a range of Special Responsibility Allowances (SRAs). Payment of SRAs is not permitted to more than 24 members. This scheme will be abolished with the GMITA on 31 March.

- 3.2 In summary, for members serving on the new TfGMC, the IRP has recommended a TfGMC Members Allowance of £3,825 for the 26 TfGMC members not holding any other remunerated position in TfGMC.

For the seven positions on TfGMC with greater responsibility, the IRP has recommended separate Special Responsibility Allowances. These are:

- £28,250 for the Chair of TfGMC
- £14,125 for each of the three Vice Chairs
- £5,050 for each of the three Deputy Chairs of the Sub Committees.

The IRP recommends that these Special Responsibility Allowances be paid on an all-inclusive basis as a single payment.

- 3.3 The IRP also recommend that constituent councils which operate a 1 SRA rule should make an exception to this rule for at least some TfGMC members, thus enabling a member to serve on TfGMC and hold a remunerated post at their district council, as for example is currently permitted for members of GMWDA. However, given the significant time commitment that a senior member of TfGMC will be expected to fulfil, the IRP suggests the Council may wish to maintain a 1 SRA only rule for those cases where a member holds a senior post in TfGMC (see Sections 43 and 44). This may be particularly relevant to the posts of Chair and Vice Chairs of TfGMC.

- 3.4 The IRP also recommend that in the longer term, a Greater Manchester approach to determining other allowances, such as travel and subsistence is developed. With regard to travel and in the short term, the IRP recommends that TfGMC members nominated by the City Council be entitled to claim travel allowances when undertaking approved duties for TfGMC, and this will need to be reflected in the City Council's Members' Allowance scheme. However, the IRP further recommends that when undertaking approved duties for TfGMC, members should be able to claim HMRC mileage rates (see Section 50 and 61). This is a departure from current City Council practice, and three potential responses are suggested:

1. Amend the City Council's scheme so that TfGMC members receive the existing scheme travel allowances.
2. Amend the City Council's scheme so that TfGMC members receive the HMRC rates, as recommended by the IRP.
3. Amend the City Council's scheme so that all members of the City Council, including TfGMC members, receive the HMRC rates, as recommended by the IRP within the existing limits of the scheme (ie claimable for travel outside of Manchester and in respect of travel undertaken for specified duties as outlined in the City Council Members' Allowance Scheme, Section 7.1.)

- 3.5 The scheme of allowances, if adopted by all Greater Manchester district

councils as recommended by the IRP, would see a substantial reduction in overall costs of around 24%, with the members' allowance reducing by 8% and the number of positions receiving a Special Responsibility Allowance reducing from a maximum of 24 down to seven. Further details of the IRP recommendations can be found in the attached report (at Appendix A) which also outlines the underlying rationale.

- 3.6 If the City Council approves the recommendations of the IRP, the City Council's Members' Allowance scheme will be amended accordingly, allowing payments to be made to those City Council members serving on the new TfGMC from April 1 onwards. Finally, it is worth noting that the Manchester scheme already provides for Dependant Carers' Allowances and for allowances to be pensionable, as recommended by the IRP.
- 3.7 Similar reports are to be presented to the other Greater Manchester district authorities, such that if the IRP recommendations are approved, a coherent and consistent scheme of allowances for all members serving on the Transport for Greater Manchester Committee will be introduced.

4. Recommendations

- 4.1 A full set of recommendations are set out on the front page of this report.

5. Contributing to the Community Strategy

(a) Performance of the economy of the region and sub region

- 5.1 The objective of the reform of transport governance as a whole is to ensure that transport plays its full part in the achievement of the economic and social well-being of the whole City Region.

(b) Reaching full potential in education and employment

- 5.2 An effective transport system is vital to communities and individuals if they are to achieve their full potential both in the education system and through employment.

(c) Individual and collective self esteem – mutual respect

- 5.3 The ability to access easily and effortlessly education, employment and leisure is vital to both individual and collective self esteem.

(d) Neighbourhoods of Choice

- 5.4 An efficient and effectively managed transport system is fundamental to the sustainability of neighbourhoods across Manchester and the whole city region.

6. Key Policies and Considerations

(a) Equal Opportunities

6.1 No implications

(b) Risk Management

6.2 No implications

(c) Legal Considerations

6.3 No implications

Appendix A

**A Review Of
Members' Allowances
For Transport for
Greater Manchester
Committee**

**The First Report By the
Independent Remuneration
Panel**

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

March 2011

Foreword

This report arises out of the first independent review of Members Allowances for the Transport for Greater Manchester Committee (TfGMC) that took place in March 2011. TfGMC is a joint committee established by the new Combined Authority for Greater Manchester and the 10 constituent district councils of Greater Manchester. From the 1st April 2011 the Greater Manchester Combined Authority (GMCA) will have responsibility for *inter alia* transport functions exercised by the Greater Manchester Integrated Transport Authority (GMITA) up until 31st March 2011 and, as such, is the successor body to the Greater Manchester Integrated Transport Authority. In turn, the GMCA and the 10 GM district councils have decided to delegate those functions and some additional functions delegated to from the districts to TfGMC.

This review follows the practice previously followed by the Greater Manchester Passenger Transport Authority (GMPTA) and Greater Manchester ITA in that since 2001 they have sought independent advice before setting their own remuneration. The Panel in reviewing allowances for the TfGMC has sought to abide by the spirit of the *Local Authorities (Members' Allowance) (England) Regulations 2003*¹. In keeping with the previous spirit of seeking independent advice, the shadow GMCA has established and sought advice from a non-statutory IRP to assist the TfGMC in establishing an appropriate allowances scheme. Consequently, this review is fundamental in nature and is seeking to establish the size and worth of the roles under consideration to ensure that they have the support necessary to carry out the functions and responsibilities required of them.

Dr Declan Hall
Chair of the Independent Remuneration Panel
March 2011

¹ See Statutory Instruments 2003 Nos. 1021, 1022 and 1692 for further details.

Executive Summary

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

- i **TfGMC Members Allowance (26):**
 - Paid to all those not holding other remunerated TfGMC post: £3,825
- ii **Responsibility Allowances:**
 - The Chair of TfGMC: £28,250
 - 3 Vice Chairs of TfGMC/Chairs of the Sub-Committees: £14,125
 - 3 Deputy Chairs of the Sub-Committees: £5,050
- iii The Panel also recommends that the Responsibility Allowances be paid on an all-inclusive basis as a single payment.
- iv The Panel does not recommend any other Responsibility Allowances to be paid for Members of TfGMC.

Where the Constituent District Councils have a 1-SRA only Rule

- v That the constituent councils make an exception for Members serving on TfGMC to their 1-SRA only rule. Furthermore, that where a Member holds a senior post at both their constituent council and TfGMC then the constituent council may want to maintain the 1-SRA only rule.

Other Allowances – Developing a Greater Manchester Approach

Travel Allowances – Approved Duties

- vi That the constituent district councils should include provision for their Members to be able to claim travel allowances when undertaking duties for the TfGMC and this should be reflected in their schedule of approved duties.

Mileage Rates

- vii That when undertaking approved duties for TfGMC Members should be able to claim HMRC mileage rates for the mileage allowances.

Subsistence Allowances

- viii That a Greater Manchester-wide approach be developed so Members of TfGMC are treated consistently in the subsistence rates they are able to claim for undertaking approved duties.

Dependants' Carers' Allowance

- ix That all the constituent councils ensure they make explicit provision for the DCA within their Members' Allowances scheme to enable their Members on

TfGMC to claim the DCA from their appointing council and a Greater Manchester-wide approach is developed for Members claiming the DCA for care of dependants while serving on TfGMC.

Local Government Pension Scheme (LGPS)

- x That where Members are enabled to join the LGPS at their district council then the allowances paid for serving on TfGMC should also be pensionable, and preferably, a Greater Manchester-wide approach should be developed in this area.

Indexation

- xi That a Greater Manchester-wide approach be adopted in relation to the indexation of TfGMC allowances. For the Members' Allowance and Responsibility Allowances, the Panel recommends that the appropriate index is the annual salary increase applied to local government staff as agreed each year by the NJC. This recommendation, as things stand, would result in no annual incremental increase for TfGMC Members for 2011/12.

Implementation and Backdating of Recommendations

- xii That the allowances recommended above be paid from the start date of the TfGMC, which is 1st April 2011.
- xiii That where the constituent district councils do not amend their allowances scheme to permit payment of their Members appointed to TfGMC by 1st April 2011 that they backdate their Members remuneration appointed to TfGMC to 1st April 2011 as soon as is practically possible thereafter, as permitted by the 2003 Members' Allowances Regulations (paragraph 10 (6)).

THE FIRST REVIEW OF MEMBERS ALLOWANCES
FOR THE
TRANSPORT for GREATER MANCHESTER COMMITTEE
BY THE
INDEPENDENT REMUNERATION PANEL

Introduction – The Regulatory Context

1. The 10 constituent district councils, with the support of the shadow Greater Manchester Combined Authority (GMCA) have commissioned this independent review of allowances for Members of TfGMC in the spirit of transparency and in line with good practice. As such, they have established a joint independent remuneration panel (the Panel) to fulfil the statutory requirements that arise out of the *Local Authorities (Members' Allowances) (England) Regulations 2003* (SI 1021 – or 2003 Regulations) to provide advice to the Combined Authority and constituent district councils on remuneration and other allowances payable to Members of TfGMC.
2. 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 TfGMC, they must first conduct an independent review.
3. Each of the constituent councils could have asked their own local remuneration panels to take a view on remuneration of the Members they will appoint to TfGMC. However, in the interests of efficiency and value for money, the constituent councils have agreed to go beyond the regulatory minimum requirements by establishing this joint Panel to provide independent advice to all 10 constituent councils thus negating the need to duplicate and support the process in each of the constituent councils. Moreover, by providing a Greater Manchester-wide view it should enable consistency and transparency in the scope and levels of remuneration for TfGMC Member while at the same time fulfilling the statutory obligations of the constituent district councils. As such, the Panel has applied similar principles to this review that district authority reviews utilise.
4. **This review has fulfilled the district authority's 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 TfGMC.**

The Panel

5. The GMCA and 10 district councils of greater Manchester established a new independent remuneration Panel to carry out this review of allowances, which consisted of the following members:
 - Bill Berry – UNISON North West
 - Dr Declan Hall – Institute of Local Government, University of Birmingham (reappointed Chair)
 - Clive Memmott – CEO of Greater Manchester Chamber of Commerce
6. The Review was supported and serviced throughout by the following Officer:
 - **Rod Fawcett, Principal Policy Officer, GMITA**
 - **Chris McDermott, Principal Committee Officer, GMITA**
7. The Panel would like to record their gratitude to the Members and Officers of Greater Manchester Integrated Transport 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

8. The terms of reference for this review are

To recommend an appropriate scheme of Members' allowances for the new Transport for Greater Manchester Committee
9. In effect this entails making recommendations upon the Members' Allowance that should be paid to all Members of the TfGMC and the appropriate Senior Members' Responsibility Allowance for those Members who hold positions of responsibility, which includes the following:
 - The Chair of TfGMC
 - The 3 Vice Chairs of TfGMC/Chairs of the Sub-Committees
 - The 3 Deputy Chairs of the Sub-Committees
10. The Panel has not been specifically tasked to review other allowances, such as Travel and Subsistence, as they are allowances members will also need to claim from their constituent authorities. However, the Panel has made recommendations in these areas to attempt to ensure consistency in the allowances (mainly for reimbursement of costs for attending to TfGMC duties) across Greater Manchester so that Members on TFGMC are on the same terms and conditions.

Methodology and Panel's Approach

11. The Panel met at the offices of the Greater Manchester Integrated Transport Authority in Manchester Town Hall on 28th March 2011 to consider all the

relevant information – see appendix 1. The Panel also met with relevant Members and Officers of the current GMITA, who have been involved in the setting up of TfGMC, to provide views on how they saw the new TfGMC operating. Additionally, the Panel met with Lord Smith, Chair of the Association of Greater Manchester Authorities (AGMA), and Chair of the shadow GMCA and a leading member in the setting up of TfGMC – see appendix 2.

12. 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 district authorities of Greater Manchester**, insofar as the most recent information can be readily obtained.

Principles of the Review and Key Messages

Building on Previous Reviews of Allowances for GMITA

13. The Panel has been guided by the previous overarching principle for the reviews of the allowances schemes for the GMITA; namely that it should seek to minimise barriers to public service while not making recommendations that lead to Members standing for and remaining on the TfGMC primarily for financial reasons.

Establishing the Worth of the Posts under Consideration

14. A major problem for any remuneration panel in local government is to establish the size of the posts before experience of them is gained, which is the case in this review. While recognising that TfGMC will have different constitutional basis from the GMITA, in that it will be a joint committee of the GM districts and GMCA, with functions delegated to it, the Panel received evidence that there will be a degree of continuity in the workload and responsibility of the Members on the TfGMC.
15. The question for the Panel to consider is to what degree will continuity carry on from the GMITA to the TfGMC? In addressing this question, the Panel has attempted to follow a similar methodology in arriving at the appropriate level of Members' Allowance for TfGMC as it has previously done for GMITA.

Recognising the Changed Constitutional Status of TfGMC

16. Yet, the Panel must recognise that despite a degree of operational continuity the constitutional position of TfGMC means the levels of responsibility and workload will be generally less than is the case for GMITA – to do otherwise would be ignoring the legal responsibility the GMCA will have for transport functions across Greater Manchester. The reality is that while GMITA is an authority in its own right, TfGMC is a joint committee to deliver the relevant transport functions delegated to it from the GMCA and 10 GM district councils.
17. Nonetheless, the Panel points out that it hopes to test its recommended level of allowances for TfGMC in light of experience and that if it has made any

erroneous evaluations in this review there will be the chance to correct them in a future review.

The Panel's Recommendations

The Members Allowance

18. The original calculation used to arrive at the Basic Allowance for the GMPTA in 2003 was to assess the size of the role of the ordinary Member and then apply a day rate to the expected time inputs. The original estimation of the time required was 30 days per year (increased to 32 days in 2007) and then multiplied by the average GM male non-manual daily salary, which at the time was £110.62. This rate was used as a sub-regional version of what is known as the Local Government Association (LGA) daily rate, which is historically based on the national mean (later changed to median) male non-manual daily salary. However, this rate cannot be obtained, as the Office of National Statistics no longer publishes the relevant salary figures. Consequently, for the purposes of this review the Panel has utilised the 2010 LGA daily salary rate of £152.77 (see LGalert 62/10).
19. In arriving at the expected time requirement for Members of the TfGMC the Panel undertook the following estimation:
 - Attend the full TfGMC monthly meetings = 12 times per year, which the Panel has translated as 12 days per year once preparation and travel time is taken into account.
 - Attend at least 2 other ad hoc, public consultation, seminar events, which may be full-authority-wide or otherwise = 2 times per year, which the Panel has translated as 2 days per year
 - Sit on at least one of the three Sub-Committees, which will meet at least six times per year (plus a few ad hoc meetings and/or any meetings arising out of working parties and task and finish groups that the Sub Committees may establish) = 9 times per year, translated into 9 days per year.
 - At least one training, member development event or conference each year = 1 times per year, or 1 day per year
 - Dealing with transport related issues arising in a Members' district/dealing with constituents transport queries and other miscellaneous duties = 1 day per year
20. This initial assessment puts the required time commitment for ordinary Members of TfGMC at 25 days per year, or approximately 3 hours per week. This is less than has been assessed for the required input on GMITA. While the Panel also recognise that, the TfGMC will have some additional local traffic management and road safety functions, the fact remains that the TfGMC will have less committees than the GMITA and this means a lesser workload for the ordinary Member on TfGMC.
21. Consequently, the Panel has 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 gives a recommended Members Allowance for 2011/12 of £3,825.**

Benchmarking the Recommended Members Allowance

22. The tentative recommended Members Allowance of £3,825 represents an eight per cent decrease on the current Basic Allowance paid to Members of the GMITA. While the Panel was content in terms of the variables utilised in arriving at the TfGMC Members Allowance it undertook a benchmarking exercise to ascertain if this would leave the Members adrift from their peers, which in effect are still Members in the other ITAs and in other Greater Manchester joint authorities.
23. As Table 1 below shows, a Members' Allowance of £3,825 would place it marginally below the current median Basic Allowance paid in the English ITAs for 2010/11. If the current Basic Allowance paid in GMITA were replaced with recommended Members' Allowance for TfGMC then it would be very close to the median allowance of £3,863 (the mean is distorted by the high Basic Allowance paid in Merseytravel and West Yorkshire). In particular, the recommended Members' Allowance would place the TfGMC Members more or less on a par with the Basic Allowance paid in the West Midlands ITA.

Table 1: Main Allowances Paid in ITAs 2010/11

<u>Authority</u>	<u>Basic Allowance</u>	<u>SRA (Chair)</u>	<u>Chair Total Remuneration</u>	<u>SRA (Vice Chair)</u>
GMITA	£4,152	£26,556	£30,708	£19,917
West Midlands	£3,900	£27,200	£31,100	£19,040
South Yorks	£3,600	£13,909	£17,509	£6,954
Merseytravel	£5,675	£24,308	£29,983	£12,896
West Yorks	£6,000	£31,000	£37,000	£12,400
Tyne & Wear	£3,107	£12,198	£15,305	£4,055
Mean	£4,406	£22,529	£26,934	£12,544
Median	£4,026	£25,432	£29,458	£12,648

24. Table 2 below shows that the recommended Members' Allowance of £3,825 would maintain it broadly on a par with the Basic Allowance paid in the Greater Manchester Fire and Rescue Authority, and well above that paid to Members' of the GM Waste Disposal Authority while way below that paid to members of the GM Police Authority. The latter two comparisons are difficult to make as the Police Authority Allowances are driven by levels recommended by a national panel established by the Association of Police Authorities (APA). On the other hand, while the GMWDA is an authority in its own right it does not have the ability to pay allowances, and like the TfGMC, it seeks a common approach by asking the constituent councils to pay a SRA to their Members

appointed to it.² Yet, it does not have the size and scope of responsibility and functions that the TfGMC will have.

Table 2: Allowances Paid across the GM Joint Authorities (2010/11)

<u>Authority</u>	<u>Basic Allowance</u>	<u>SRA (Chair)</u>	<u>Chair Total Remuneration</u>	<u>SRA (Vice Chair)</u>
GMITA	£4,152	£26,556	£30,708	£19,917
GMPA	£11,043	£17,294	£28,337	£8,647
GMF&RA	£3,912	£30,465	£34,377	£13,708
GMWDA	£2,000	£10,666	£12,666	
Mean	£5,277	£21,245	£26,522	£14,091
Median	£4,032	£21,925	£25,957	£13,708

25. The benchmarking shows the Panel that the recommended TfGMC Members' Allowance of £3,825 will not undervalue the work of TfGMC Members by ensuring that is still broadly on par with the remuneration received by peers.
26. **Thus, the Panel recommends a Members Allowance of £3,825 for 2011/12.**

The Payment of Related Expenses for Members

27. **In line with the recommendations by the GMITA Panel, this Panel recommends that the revised Members Allowance for the TfGMC (£3,825) 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 Responsibility Allowances – The Chair of TfGMC

28. The TfGMC at a 'shadow' meeting on 25th February 2011 has agreed a Chair for when it comes into being on 1st April 2011. The Panel considered the degree to which the constitutional relationship of the TfGMC to the GMCA changes the level of responsibility held by the Chair (and other senior members on the TfGMC). An important difference is that the TfGMC will not be an authority in its own right, unlike the GMITA. The transport functions of the GMCA, which it will inherit from GMITA, have been delegated to the TfGMC, plus some other road management and safety functions from the constituent district councils. However, the GMCA has reserved important responsibilities, mainly financial, such as setting budgets, borrowing, as well as the approval of the major strategies and the ratification of the appointment of the Director

² On the information obtained, that there is variation in what the districts pay their members appointed to the GMWDA. For instance, the Members' Allowances scheme from the Bolton Constitution states that members on the GMWDA are paid an SRA of £1,405, while the Bury Constitution states they pay their members on the GMWDA a SRA of £2,594. For purposes of this review, the Panel has averaged the SRA paid to members on the GMWDA at £2,000.

General/Chief Executive of TfGMC. These are important reserved functions that legally at least would suggest a diminution of responsibilities of senior members of TfGMC as compared to the GMITA.

29. On the other hand, the GMITA was never a precepting authority and its leading Members have always had to work closely with the leaders of the constituent councils, through AGMA, in securing the annual revenue budget and obtaining a Greater Manchester-wide consensus of transport policies.
30. Nonetheless, the Panel feels that the altered legal context should be recognised through a marginally reduced Responsibility Allowance for the Chair of TfGMC – to do otherwise would be ignoring the constitutional context. Consequently, as the Panel is in effect recommending an 8% reduction in the allowance paid to ordinary members on TfGMC compared to that paid to members on GMITA the Panel proposes to do the same for the Responsibility Allowances.
31. The current SRA for the Chair of GMITA is £26,556, and by applying an 8% reduction, it equates to £24,432. Furthermore, to simplify the payment of the Chair's Responsibility Allowance, it is proposed that the Members Allowance (original calculation of £3,820) and Chair's Allowance is amalgamated into one Responsibility Allowance for the Chair of TfGMC, which equates to £28,252, which the Panel has rounded down to £28,250. This recommendation places the TfGMC Chair on a par with median SRA paid to the Leaders of the 10 constituent districts, which is £28,569 – see appendix 3 for further details.
32. Expressed a different way the total time commitment for the Chair of TfGMC is a notional 185 days per year (£28,250 divided by £152.77 per day). This recognises that there is a substantial time commitment for the Chair of TfGMC but it is not a full time post, nor can it be, as the Chair of TfGMC will have a time commitment in their district for which they receive a Basic Allowance.
33. **The recommended single Responsibility Allowance for the Chair of TfGMC is £28,250.**

The Vice Chairs of TfGMC/Chairs of Sub Committees

34. It has been proposed that TfGMC that it will have three Vice Chairs to promote consensual working relationships, which also means that there is no requirement to make recommendations for the Opposition posts, as it is envisaged that the Opposition leadership will hold positions of responsibility on TfGMC. In turn the 3 Vice Chairs are to each Chair one of the Sub Committees that will be charged with carrying out the work of the TfGMC, these are:
 - Policy and Programmes
 - Bus and TfGMC Services
 - Metrolink and Rail Networks

35. In GMITA, the Chairs of the three programme committees are paid an SRA that was set at 30% of the GMITA Chair's SRA, providing a total remuneration at a ratio of approximately 42.5% of the Chair's remuneration package. On the other hand, the single Vice Chair of GMITA/Chair of Policy and Resources is paid an SRA set at 65% of the GMITA Chair's SRA, providing a total remuneration package at approximately 78% of the Chair's total remuneration.
36. The Panel takes the view that the Vice Chairs/Deputy Chairs' roles on TfGMC are not comparable to the posts they replace in GMITA. The appropriate remuneration for the TfGMC Vice Chairs/Chairs of Sub Committees is not as high as the GMITA Vice Chair/Chair of Policy & Resources as there are 3 members sharing the TfGMC Vice Chairs role but higher than the GMITA programme committee chairs role as they will undertake a leadership function, albeit in a collegiate fashion.
37. The Panel decided that the appropriate methodology in arriving at the recommended Responsibility Allowance for the Vice Chairs of the TfGMC/Chairs of Sub Committees is to assess the Vice Chair of TfGMC role at 20% of the Chair's Responsibility Allowance – thus collectively sizing it at 60%. While Chairing the Sub Committees has been sized at 20% of the TfGMC Chair's role, which sizes their roles/remuneration at 50% of the Chair's Responsibility Allowance.
38. **The recommended single payment Responsibility Allowance for the Vice Chairs of TfGMC/Chairs of Sub Committees is £14,125, which equates to half the Chair's recommended Responsibility.**

The Deputy Chairs of the Sub Committees

39. Historically the SRAs for the Committee Sub Chairs on GMITA have been set by reference to a notional additional workload, 35 days per year for the Vice Chair of Policy & Resources and 17 days per year for the Vice Chairs of the three programme committees, with the notional assigned days multiplied by the relevant day rate.
40. However, the role of the Deputy Chairs of the Sub Committees on TfGMC is a difficult one to gauge, particularly in absence of assigned specific responsibilities within their Sub Committee area – although this is not to deny that this may evolve. Consequently, the Panel has decided that the extra notional workload in the first instance will be no more than 8 days per year, based on expectation that not only will they stand in for their Chairs when required but will be attending briefings and undertaking extra preparation for the 6 meetings per year of the Sub Committees. The assigned days have been simply multiplied by the 2010 LGA daily rate of £152.77 to arrive at £1,222 to account for their responsibility beyond that expected from the ordinary Member. When added to the unrevised recommended Members' Allowance of £3,819 it produces a Deputy Chairs Responsibility Allowance of £5,041, which the Panel has rounded up to £5,050.

41. **The recommended single payment Responsibility Allowance for the three Deputy Chairs of the Sub Committees is £5,050.**

Other Responsibility Allowances

42. No other Responsibility Allowances are recommended.

Where the Constituent District Councils have a 1-SRA only Rule

43. Many of the constituent councils will 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 TfGMC will be paid an SRA via their home councils' allowances' scheme for serving on TFGMC they could potentially be holding two remunerated posts, e.g., being on TfGMC and holding a remunerated post at their district council. While the Panel expects this not to be the norm and where it does occur the post held at the district would not in all likelihood be one that required a significant time commitment **the Panel recommends that the district councils make an exception for Members serving on TfGMC to their 1-SRA only rule.** The Panel notes that there is already precedence in this area for Member appointed to the GMWDA.
44. Furthermore, the Panel suggests that the constituent councils might wish to consider the extent to which they would apply any exception to the 1-SRA only rule. It might rightly be considered to be inconsistent for a Member to hold senior post at both their district and TfGMC. While the Panel cannot and should not comment on whom the district councils appoint to TfGMC **it does feel that there is merit in recommending that where a Member holds a senior post at both constituent council and TfGMC then they may want to maintain the 1-SRA only rule.**

Other Allowances – Developing a Greater Manchester Approach

Travel Allowances – Approved Duties

45. The right of TfGMC Members to claim travel allowances (whether mileage allowance or reimbursement of cost of travel by public transport) for undertaking approved duties at TfGMC depends on their district council accepting that attendance at TfGMC-related meetings are included within their own allowances' scheme schedule of approved duties. Members will have to claim any travel allowances via their district council allowances scheme.
46. This should not be a major issue as most of the constituent district councils accept that their Members serving on joint committees is an approved duty. Nonetheless, **the Panel as a matter of principle, to ensure consistency and a Greater Manchester-wide approach, recommends that the constituent districts should include provision for their Members to be able to claim travel allowances when undertaking duties for the TfGMC and this should be reflected in their schedule of approved duties.** Again,

this principle has already been established via the remuneration of Members appointed to the Greater Manchester Waste Disposal Authority (GMWDA).

Mileage Rates

47. Similarly, the constituent district councils pay different mileage rates for attending approved duties. The main but not only distinction is where districts continue 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.
48. The Panel notes that the Employer's side for the National Joint Council (NJC) for local government services has stated the current NJC mileage rates and the formula upon which they are based "are no longer fit for purpose" and that they should undergo a major review. (See letter from Local Government Employers to Trade Union Side Secretaries, 20 October 2010).
49. In particular, the NJC 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 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.
50. **Thus, the Panel recommends that the Members when undertaking approved duties for TfGMC should be able to claim HMRC mileage rates for the mileage allowances.**
51. **The current HMRC mileage rates payable are laid out below:**

Table 1: HMRC Mileage Rates 2010/11

Vehicle Type	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	40p	25p
Motor cycles	24p	24p
Bicycles	20p	20p
Passenger Supplement Rate	5p per passenger	5p per passenger

Subsistence Allowances

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

Dependants' Carers' Allowance

53. 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 to claim for care of dependants while serving on TfGMC.** At the very least, the Panel supports the right of TfGMC Members to claim the DCA from their appointing council and as such, **recommends that all the constituent councils ensure they make explicit provision for the DCA within their Members' Allowances scheme.**

Local Government Pension Scheme

54. The Panel supports the principle of permitting Members who serve on the TfGMC to join the Local Government Pension Scheme (LGPS). This issue in particular is the prerogative of the district councils, in fact it is the one area that the district council Panels can exercise decision making powers, in that if a district council remuneration Panel does not recommend access to the LGPS for Members then the district council has to abide by that recommendation.
55. Nonetheless, the Panel notes the situation has improved in relation to joining the LGPS, as Members remuneration on GMITA is not pensionable. **The Panel recommends that where Members are enabled to join the LGPS at their district council then the allowances paid for serving on TfGMC should also be pensionable, and preferably, a Greater Manchester-wide approach should be developed in this area.**

Indexation

56. The indexation of allowances for Members on TfGMC is dependent on whether indexation is in place in the district 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. Again, **the Panel recommends that a Greater Manchester-wide approach be adopted in relation to the indexation of TfGMC 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 the most common index for members' allowances in the districts.** The Panel notes that this index would not increase the recommended Members' Allowance and Responsibility Allowance for TfGMC Members for 2011/12 as local government staff are not receiving an annual incremental increase for this year.

Implementation and Backdating of Recommendations

- 57. The Panel recommends that the allowances proposed above be paid from the start date of the TfGMC, which is 1st April 2011.**
- 58. The Panel also recommends that where the constituent district councils do not amend their allowances scheme to permit payment of their Members appointed to TfGMC by 1st April 2011 that they backdate their Members remuneration appointed to TfGMC to 1st April 2011 as soon as is practically possible thereafter, as permitted by the 2003 Members' Allowances Regulations (paragraph 10 (6)).**

APPENDIX ONE:

Written Information Received and Considered By Panel

1. Current Members Allowances Scheme – GMITA (2010/11)
2. GMITA Constitution
3. TfGMC Constitution Operating Agreement
4. Terms of Reference and Sub Committee Structure for TfGMC
5. Previous Allowances Review Reports for GMITA
6. The Current Schemes of Allowances for 10 District Councils in Greater Manchester 2010/11
7. Allowances schemes (2010/11) in the 5 other metropolitan Passenger Transport authorities, namely:
 - Merseytravel
 - South Yorkshire
 - Tyne & Wear
 - West Midlands
 - West Yorkshire
8. Members' Allowances schemes from other relevant [joint] authorities in Greater Manchester including
 - Greater Manchester Fire and Rescue Authority
 - Greater Manchester Police Authority
 - Greater Manchester Waste Disposal Authority
9. Office of Deputy Prime Minister (ODPM): SI 2003 No. 1021, *The Local Authorities (Members' Allowances) (England) Regulations 2003*, 7 April 2003.
10. Department of Communities and Local Government (DLGC): *New Council Constitutions: Guidance on Regulation for Local Authority Allowances*, 5th May 2006
11. Local Government Association, *Members' Allowances 23 June 2010*, LGalert 62/10

APPENDIX TWO:

Members and Officers who met with the Panel

Members:

Cllr I. MacDonald	Chair of GMITA (Con)
Cllr K. Whitmore	Vice Chair of GIMTA (Lib Dem)
Cllr A. Fender	Leader of Opposition Group GMITA (Lab)
Lord P. Smith	Chair of Association of Greater Manchester Authorities (AGMA)

Officers:

Rod Fawcett	Principal Policy Officer (GMITA)
Rodney Lund	Assistant City Solicitor, Manchester City Council

APPENDIX THREE:

Benchmarking Information Received and Reviewed by the Panel

GMITA Members' Allowance Information 2010/11

GM Joint Authorities (Overview)

<u>Authority</u>	<u>Basic Allowance</u>	<u>SRA (Chair)</u>	<u>Chair Total Remuneration</u>	<u>SRA (Vice Chair)</u>
GMITA	£4,152	£26,556	£30,708	£19,917
GMPA	£11,043	£17,294	£28,337	£8,647
GMF&RA	£3,912	£30,465	£34,377	£13,708
GMWDA*	£2,000	£10,666	£12,666	
Mean	£5,277	£21,245	£26,522	£14,091
Median	£4,032	£21,925	£25,957	£13,708

Other ITAs

<u>Authority</u>	<u>Basic Allowance</u>	<u>SRA (Chair)</u>	<u>Chair Total Remuneration</u>	<u>SRA (Vice Chair)</u>
GMITA	£3,825	£26,556	£30,381	£19,917
West Midlands	£3,900	£27,200	£31,100	£19,040
South Yorks	£3,600	£13,909	£17,509	£6,954
Merseytravel	£5,675	£24,308	£29,983	£12,896
West Yorks	£6,000	£31,000	£37,000	£12,400
Tyne & Wear	£3,107	£12,198	£15,305	£4,055
Mean	£4,351	£22,529	£26,880	£12,544
Median	£3,863	£25,432	£29,295	£12,648

GM Districts

<u>Authority</u>	<u>Basic Allowance</u>	<u>Leader</u>	<u>Leader Total Remuneration</u>	<u>Deputy Leader</u>	<u>Exec Member</u>
Manchester	£15,840	£39,559	£55,399	£16,635	£16,635
Bolton	£11,082	£29,782	£40,864	£17,868	£11,659
Bury	£7,949	£25,174	£33,123	£15,110	£10,071
Stockport	£9,555	£28,953	£38,508	£16,214	£14,477
Trafford	£6,352	£25,409	£31,761	£17,785	£12,704
Tameside	£11,640	£36,036	£47,676	£23,495	£20,099
Wigan	£11,682	£40,943	£52,625	£21,057	£15,792
Salford	£10,080	£28,185	£38,265	£14,637	£13,011
Oldham	£8,950	£26,850	£35,800	£17,453	£13,425
Rochdale	£7,644	£17,982	£25,626	£13,922	£10
Mean	£10,077	£29,887	£39,965	£17,418	£12,788
Median	£9,818	£28,569	£38,387	£17,044	£13,218

Appendix B

**City Council Basic and Special Responsibility Allowances
2010/11**

Band			Basic Allowance £	Special responsibility allowance £	Total £
1	Non Executive Members	64	15,956	-	
2	Opposition Lead Member on Finance	1	15,956	1,679	17,635
3	Deputy Chair of Licensing and Appeals Committee Deputy Chair of Planning and Highways Committee	2	15,956	3,358	19,314
4	Deputy Leader Opposition Assistant Executive Members City Centre Spokesperson	9	15,956	6,706	22,662
5	Overview and Scrutiny Chairs Chairs of Licensing and Appeals, and Planning and Highways Committees, Airport Group Board Member	9	15,956	10,066	26,022
6	Executive Members Deputy Leader Leader of Opposition	10	15,956	16,759	32,715
7	Leader	1	15,956	39,848	55,804
Extra	Chair – WDA	1		10,066	
Extra	Member – WDA	2		2,000	
Extra	Ordinary member of the Licensing and Appeals Committee (not including Chair and Deputy Chair)	13		505	