

**A Review**

**Of**

**Special Responsibility  
Allowances**

**(Deputy Chair, Chair and Vice Chair of  
Audit, Scrutiny and Standards  
Committee)**

**For the**

**Greater Manchester  
Fire and Rescue Authority**

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**The Second Supplementary  
Report**

**To the First Joint Report**

**By the**

**Independent Remuneration Panel**

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

**August 2012**

## Foreword

This is the second supplementary report produced by the Association of Greater Manchester Authorities/Greater Manchester Combined Authority (AGMA/GMCA) Joint Independent Remuneration Panel (or joint Panel). It is supplementary to the first joint report (June 2011), which considered 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 first joint review was commissioned by AGMA/GMCA, GMWDA and GMFRA, with the support of the Greater Manchester councils. It followed on from the first independent review of Members Allowances for the Transport for Greater Manchester Committee (TfGMC) in March 2011, which was also sponsored by AGMA/GMCA and the Greater Manchester Councils. Both of these reviews were within an AGMA/GMCA context in that there was an expressed desire to develop a commonality in political governance structures, which in turn affected the respective Members' Allowances schemes.

However, after the first joint review in June 2011, GMFRA subsequently adopted a governance model that deviated slightly from the AGMA/GMCA governance model being proposed as a common template for GM-wide authorities. As an authority in its own right GMFRA had and continues to have the ability to adopt the model of governance it feels is appropriate. The governance model it subsequently adopted in July 2011 was a hybrid one, which while reflecting the AGMA/GMCA emphasis on greater cross party consensus also took into account the particular circumstances of being a separate joint authority at the time. Consequently, the recommendations of the first joint review did not fully emulate the model of governance adopted by GMFRA in July 2011 and the first supplementary review was required to make recommendations that reflected these nuanced differences.

The first joint review recognised this potential issue by stating, that it was "not the definitive statement on their respective remuneration schemes". Similarly, the principle was applied once more in the first supplementary review, and again in this second supplementary review: it is recognised that the second supplementary review is part of the on-going process to foster an AGMA/GMCA wide consensus while recognising the differences between the different AGMA family of joint authorities/committee that exist at this particular juncture.

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

Dr Declan Hall

Chair of the Joint Independent Remuneration Panel  
August 2012

## Executive Summary

The Joint Panel recommends the following:

- (i) That the Deputy Chair of the Authority/Leader of the main Opposition Group should be paid an SRA of £11,700, or £13,104 with the 12% pension uplift applied.
- (ii) That the Chair of the Audit, Scrutiny and Standards Committee should be paid an SRA of £3,316, which equates to £3,713 with the 12% pension uplift applied
- (iii) That the SRA for the Vice Chair of the Audit, Scrutiny & Standards Committee remains at £1,951, which equates to £2,185 with the 12% pension uplift applied.
- (iv) That GMFRA implement the recommendations in this second supplementary report from the date of the GMFRA meeting on 21<sup>st</sup> June 2012.

**A REVIEW OF MEMBERS' ALLOWANCES**

**FOR THE**

**GREATER MANCHESTER FIRE AND RESCUE AUTHORITY**

**THE SECOND SUPPLEMENTARY REPORT TO THE FIRST REPORT**

**BY THE**

**GREATER MANCHESTER JOINT INDEPENDENT REMUNERATION PANEL**

**Introduction – Placing Review in the Greater Manchester Context**

1. This is the second supplementary report to the first joint review of allowances payable to members of the Greater Manchester Waste Disposal Authority (GMWDA) and the Greater Manchester Fire and Rescue Authority (GMFRA). The first joint review in May/June 2011 was conducted under the auspices of AGMA/GMCA, the GMFRA, and the constituent councils of Greater Manchester. A first supplementary report was produced in October 2011 to reflect the nuanced differences in Member roles and responsibilities agreed by the GMFRA from that envisaged in June 2011. This Second Supplementary report contains the recommendations of the joint independent remuneration panel (the Panel) regarding the Special Responsibility Allowances payable to the new post of GMFRA Deputy Chair, and the Chair and Vice Chair of the new Audit, Scrutiny and Standards Committee.
2. As with the first supplementary report (October 2011), this review should be seen in the context of the first joint review by this Panel, and its previous review 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/GMCA family of joint authorities/committee in light of each of the three authorities/committee adopting similar political governance structures. Ironically, the GMFRA have

now adopted a model of governance that was addressed by the first joint review in June 2011.

3. Consequently, this is a supplementary review in that the main recommendations of the first joint review remain valid but recommendations on the scope and level of some the SRAs need revisiting and revising to reflect the evolving model of governance that continues to based on the original AGMA/GMCA model of closer party consensus for GM joint authorities/committee.

### The Regulatory Context - GMFRA

4. Most of the 2003 Members' Allowances Regulations, particularly Parts 1, 2 and 3, apply to a joint authority established by Part IV of the Local Government Act (1985), such as GMFRA. 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.
5. The requirement to set up and seek advice when relevant from an independent remuneration panel (Part 4 of the 2003 Regulations) does not apply directly to joint authorities. Alternatively, joint authorities are required to "have regard to the recommendations made by any independent remuneration panels" from their nominating councils (2003 Regulations, section 19.2). These are the 10 IRPs for the Greater Manchester nominating councils, before amending their schemes, which in turn is interpreted as the allowances schemes in the 10 nominating councils of Greater Manchester.
6. As this is a second supplementary report, the first joint review in June 2011 and subsequent report fulfilled the statutory **requirements of the 2003 Members' Allowances Regulations. Consequently, for this second supplementary joint review GMFRA has fulfilled its statutory requirement to pay regard to the recommendations of the independent remuneration panels 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

7. AGMA/GMCA and the 10 constituent councils of Greater Manchester joint Panel was reconvened as a 'virtual' panel to carry out this supplementary review of allowances for 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

8. The Review was supported and serviced throughout by the following Officer:

- Rod Fawcett, Policy Manager, Greater Manchester Integrated Support Team

### **Terms of Reference**

9. The terms of reference for this second supplementary review are to:

- Recommend whether the new post of Deputy Chair of the GMRFA merits an SRA, and if so at what level.
- Reconsider the SRA for the Chairman of the Audit and Scrutiny Committee in light of revised remit and chairing arrangements.

10. In arriving at its recommendations, the Panel has to take into account the role description of the post of Deputy Chairman and the revised terms of reference for the new Audit, Scrutiny and Standards Committee.

### **Methodology and Panel's Approach**

11. The Panel carried out this supplementary review as a “virtual” Panel as it was asked to consider minor amendments to the Members’ Allowances scheme. In this instance, the Chair of the Panel determined that it was not necessary for the Panel to meet *in situ*. This approach is also undertaken by principal councils in similar situations. To physically convene the Panel would impose disproportionate marginal costs relative to the marginal benefits and would not be an efficient use of resources. Once GMFRA had confirmed its new arrangements all Panel Members were sent the relevant information. The Chair of the Panel took the lead in formulating recommendations and in writing the first draft of the report for comment and further amendment by other Panel members. When all Panel members agreed on the recommendations it was only then that the report was submitted to the GMFRA for decision.

### **Principles of the Review and Comments**

#### **Reducing Barriers to Public Service**

12. As in previous reviews, the Panel has been guided by the overarching principle; namely, that it should seek to minimise barriers to public service while not making recommendations that lead to Members standing for and remaining on GMFRA primarily for financial reasons.

## **The Greater Manchester Context of the Joint Review**

13. The original driver of the first joint review was the AGMA/GMCA context, as was the previous review of allowances for TfGMC. As such, a message that came through to the Panel then was that by placing the reviews within the AGMA/GMCA context there was a desire for greater comparability between the allowances schemes that was not being brought about by the respective schemes being reviewed in isolation. The enhanced impact of the AGMA/GMCA context was exemplified by the adoption in principle by the three AGMA/GMCA family of joint authorities/committee of a common governance structure, which sought to rationalise governance structures and build upon the consensual mode of working that is evident in joint authorities/committee.
14. Since the annual meeting of June 2012, GMFRA has now moved closer to the common AGMA/GMCA model of governance, in particular adopting further cross party arrangements for senior Members. As such, the original recommendations in the first joint review have a resonance for this review – particularly for the new post of Deputy Chair.

## **The GMFRA and Pension Provision**

15. As in previous reviews, the Panel continues to support the right of elected Members on GMFRA to have their Basic Allowance and SRAs made pensionable and has always uplifted all its recommended allowances by 12% to recognise GMFRA Members are required to make their own pension provision. The Basic Allowance and SRAs for GMWDA and TfGMC Members are paid by their nominating districts and therefore pensionable (where applicable – which is in at least 9 out of 10 nominating councils). Whereas GMFRA as joint authority can pay allowances in its own right but all joint authorities were excluded from the pension provisions for their members. Consequently, while this context exists, the Panel will continue to uplift all the recommended SRAs in this second supplementary review by 12%.

## **The Panel's Recommendations**

### **The New Post of Deputy Chair**

16. Since the annual meeting of June 2012 the GMFRA has appointed a second post of Vice-Chair of the Authority, designated Deputy Chair, created to work alongside the Chair and Vice-Chair of the Authority. While both the Chair and Vice-Chair of the Authority continue to be from the controlling majority (Labour) group, the new post of Deputy Chair of GMFRA is the Leader of the main Opposition (Conservative) Group. The Deputy Chair is

involved in governance arrangements and activities on the same basis as the Vice-Chair including:

- A member of the three main strategic committees (Policy, Resources and Performance; Emergency Response; and Prevention and Protection Committees)
  - Participation in all briefings, consultations, etc., to which the Vice-Chairman is called
  - Representing the Authority at official functions
17. References to the Vice-Chair in Standing Orders, delegations etc., are construed as applying to the Deputy Chair.
18. The Deputy Chair also takes the chair at Authority meetings in the event that both the Chair and Vice-Chair of GMFRA are absent, and this same principle is applied to meetings of Policy Resources and Performance Committee and its standing sub-committees.
19. The Deputy Chair in capacity as Opposition Group Leader is also appointed by the Authority (along with the Chair and Vice-Chair of the Authority) to represent the Authority on
- the LGA Fire Commission (national body)
  - North West Partnership Board (regional body)
20. Where the Chair cannot attend, the Deputy Chair can also be called upon to represent the Authority on the following sub-regional and national bodies:
- AGMA Executive Board
  - Greater Manchester Combined Authority (GMCA)
  - Association of Metropolitan Fire & Rescue Authorities (AMFRA)
21. Thus, the Authority has moved closer towards the governance model envisaged in the first joint review in June 2011, the main difference being that the Vice Chair and Deputy Chair do not chair any of the strategic committees.
22. Subsequent to the first joint review, and one of the drivers of the first supplementary review in October 2011, the role of the majority Opposition Group Leader was automatically linked to that of the Chair of Audit and Scrutiny Committee to provide both critical challenge and constructive support to the Authority. The SRA for Chairman of Audit and Scrutiny Committee/Leader of the Main Opposition Group was set at a level to reflect the dual nature of the role.
23. The Authority has now separated the role of Chair of Audit and Scrutiny Committee from that of the main Opposition Group Leader; the latter being appointed Deputy Chair to foster and promote cross party consensual



working and approaches that can be engendered in a joint authority where the “political” differences may not be so entrenched as back at the nominating councils.

24. While there are some important differences between the governance models the Panel made recommendations for in June 2011 and the model that has been put in place since June 2012 the central principle remains broadly similar. The main Opposition Group Leader may not have formal chairing responsibilities but is now formally established as a senior member who is able to speak for and represent the Authority at the sub-regional, regional and national levels. The Deputy Chair/Lead of main Opposition Group is now part of the informal policy development and decision making process at the senior level of the Authority.
25. In the first joint review the Panel recommended that the Vice Chairs (as they were all formally designated at the time) be paid an SRA set at 45% of the Chair’s SRA, which was £11,700 or £13,104 with the 12% pension uplift applied. In the event, this SRA was only paid to the single Vice Chair of the Authority when the Authority adopted a more traditional model of governance.
26. The differences between the role of the Deputy Chair/Main Opposition Leader now and a Vice Chair of Authority/Chair of a strategic committee/ Leader of Main Opposition could well turn out to be significant. However, in light of meaningful experience of how the Deputy Chair’s role will pan out it would be a fruitless exercise to attempt to draw out the significant differences (if any do emerge) and try and reflect that in the level of remuneration at this stage.
27. The key for the Panel is that the Deputy Chair/Leader of Main Opposition is seen and formally designated as the peer of the Vice Chair of the Authority and as such should receive the same remuneration.
28. Consequently, **the Panel recommends that the SRA for the Deputy Chair of the Authority/Leader of Main Opposition Group is £11,700, or £13,104 with the 12% pension up lift applied.**

### **The Chair of Audit, Scrutiny and Standards Committee**

29. The Chair of the new Audit, Scrutiny and Standards Committee has now become a freestanding role. In addition, since 1<sup>st</sup> July 2012, it has acquired the Authority’s statutory responsibilities regarding the new local Standards regime. In particular it is charged with adopting, maintaining and monitoring the Authority’s code of conduct and generally promoting high standards of conduct by members of the Authority. It is also now the committee (through the appointment of a sub committee) to consider and determine any complaints against elected Members. The Localism Act 2011 does not

provide for statutory voting co-optees of standards committees and they have since 30<sup>th</sup> June 2012 stood down.

30. In turn, this means that the payment and reference to the Co-optees Allowance for the co-opted Members on the former standards committee is now redundant. **The Authority will need amend the current scheme to reflect that there is no longer a Co-optees Allowance of £297 payable to the ordinary Co-optees and a further £297 for the co-opted Chair.**
31. At first glance it would appear that decoupling of chairing the committee responsible for the Audit and Scrutiny functions from being the Leader of the Main Opposition Group has to a degree been rebalanced by the enhanced remit of the committee through the addition of the standards function. However, the acquisition of the Standards remit is not a straightforward transfer of the identical range of powers and responsibilities that was exercised by the old Standards Committee. The new committee will no longer have powers to suspend a Member from the Authority and its principal sanction is now one of censure, with a greater emphasis on remedial measures, such as proposals for further training for a Member against whom a complaint has been upheld. Consequently, the process for handling complaints against Members is now leaner; there is no need to have a separate assessment sub committee to make an evaluation on whether a complaint has merit, nor is there a separate appeals sub committee if a Member is dissatisfied with the outcome. There will only be one sub committee to make a decision on a complaint against a Member, with the initial assessment work being largely undertaken by the Monitoring Officer, in consultation with the Chair of Audit, Scrutiny and Standards Committee. Moreover, the number of complaints against Members of GMFRA has been extremely rare. It is not envisaged that dealing with complaints will form a large part of the workload for the Chair of the Audit, Scrutiny and Standards Committee.
32. The Panel has undertaken on behalf of the Authority its statutory requirement to pay regard to the remuneration of equivalent posts in the nominating councils. However, this has not proved fruitful in providing the Panel with any guidance on the appropriate SRA for the Chair of the new Audit, Scrutiny and Standards Committee. Unlike in joint authorities, the nominating councils are required to put separate scrutiny arrangements in place, with statutory provision regarding call-in, forward plans, etc. Some of the councils have separate audit committees with remunerated chairs, which in the case of Oldham is a non-statutory co-opted chair.
33. In addressing the revised Standards responsibilities there has been collaboration by the GM Councils through AGMA/GMCA to reach a broad consensus with a view to producing a similar Standards regime across AGMA/GMCA. It was agreed that all the GM councils should maintain a non-statutory standards committee and adopt a similar code of conduct but this consensus does not extend to remuneration of their Chairs of Standards – with many GM councils have yet to make a decision in this area in any case.

34. In the first joint review in June 2011 the Panel recommended that the SRA for the Chair of Audit be set at £3,049 (or £2,722 without the 12% pension uplift). In the first Supplementary Review of October 2011 the Panel set the SRA for the Chair of Audit and Scrutiny at 25% of the GMFRA Chair's SRA *when it was automatically held by the Leader of the Opposition*. This equated to £6,502, or £7,282 with the 12% pension uplift applied.
35. The Panel has set the SRA for the freestanding role of Chair of Audit, Scrutiny and Standards Committee with reference to the recommendation of the first joint review in June 2011, which was £2,722 (£3,048 with 12% pension uplift) plus the Co-opted Chair of the old Standards Committee Co-optees' Allowance that was paid up to 30<sup>th</sup> June 2012, which was £594. This equates to £665 with the 12% pension uplift applied, which was never applied to the Co-optees' Allowances as the pensions regulations never applied to this allowance at the principal councils. This equates to a total of £3,316, or £3,713 with the 12% pension uplift applied.
36. **The recommended SRA for the Chair of the Audit, Scrutiny and Standards Committee is £3,316, which equates to £3,713 with the 12% pension uplift applied.**

#### **The Vice Chair of Audit, Scrutiny and Standards Committee**

37. The SRA for the Vice Chair of the Audit, Scrutiny and Standards Committee was set in the first Supplementary Review in October 2011 on the basis that the post holder was the Leader of the minority Opposition Group. This remains the case and the Panel received no evidence that this remuneration needs revision.
38. **The Panel recommends that the SRA for the Vice Chair of the Audit, Scrutiny & Standards Committee remains at £1,951, which equates to £2,185 with the 12% pension uplift applied.**

#### **Implementation and Backdating of Recommendations**

39. **The Panel recommends that GMFRA implement the recommendations in this second supplementary report from the date of the GMFRA meeting on 21<sup>st</sup> June 2012.**

## **Appendix One: Written Information Considered By Panel**

1. Minutes of GMFRA meeting, 21<sup>st</sup> June 2012
2. Terms of Reference of and Delegation of Powers to Committees (June 2012)
3. Report of the Clerk to GMFRA, "Appointment of Committees – 2012/13", 21<sup>st</sup> June 2011
4. The First Joint Report by the IRP, "A Joint Review of Members' Allowances for the Greater Manchester Waste Disposal Authority and the Greater Manchester Fire and Rescue Authority", June 2011
5. The First Supplementary Joint Report by the IRP, "A Supplementary Report to the First Joint Report", October 2012
6. New Council Constitutions: Guidance on Regulation for the Local Authority Allowances, Department for Communities and Local Government, May 2006
7. Statutory Instrument 2003 No. 1021, *The Local Authorities (Members' Allowances) (England) Regulations*, May 2003