

**Manchester City Council  
Report for Resolution**

**Report to:** Council – 18 May 2022

**Subject:** Review of Members' Allowances

**Report of:** City Solicitor

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**Summary**

To enable the Council to consider the report and recommendations of the Independent Remuneration Panel in relation to the Council's Members' Allowance Scheme.

**Recommendations**

1. To consider the report of the Council's Independent Remuneration Panel (IRP) (Appendix 1) and the Guidance issued by the Secretary of State (Appendix 2) and to decide whether or not to implement the recommendations of the IRP in whole, in part or not at all;
  2. That any change to the Members Allowances Scheme agreed by Council be implemented with effect from 1 April 2022. The exception to this recommendation is that the implementation of indexation be from 1 April 2021 for a four year period ending 31 March 2025.
  3. To instruct the City Solicitor to amend the Council's Members' Allowance Scheme set out in Part 7 of the Council's Constitution to give effect to the decision of Council.
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**Wards Affected - All**

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**Financial Consequences – Revenue**

The cost of the Independent Review Panel's proposed Members' Allowances Scheme are set out in its report. The Panel also proposes that the basic allowance and special responsibility allowances continue to be updated annually in line with the annual percentage pay increase given to MCC employees as agreed each year by the National Joint Council for Local Government Staff.

**Financial Consequences – Capital - None.**

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**Background documents (available for public inspection):**

The following document discloses important facts on which the report is based and has been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. The document is available on the Council's website [www.manchester.gov.uk](http://www.manchester.gov.uk)

Constitution of the Council - April 2021

## 1.0 Background

- 1.1 The Council's Members' Allowances Scheme ("the Scheme") (Part 7 of the Council's Constitution) was last reviewed by Council at its meeting held on 23 September 2015 following receipt of a report from the Independent Remuneration Panel in August 2015.
- 1.2 The Independent Remuneration Panel has now completed a review of the Scheme and its report is attached at appendix 1. The Independent Panel consists of the following persons appointed by the Council:
  - Dr Declan Hall (Chair) - a former lecturer at the Institute of Local Government, the University of Birmingham, currently an independent consultant who specialises in Members Allowances and support;
  - Kevin Lucas – Regional Manager, UNISON North West
  - Clive Memmott OBE - Chief Executive of Greater Manchester Chamber of Commerce.
- 1.3 The members of the IRP were appointed, and requested to commence a review of MCC's Members' allowances scheme in September 2021. The IRP met on 29 and 30 November 2021 and interviewed a number of Members and Council staff. The IRP completed its review in February 2022 and issued its report which is attached as Appendix 1.
- 1.4 Before the Council amends the Scheme it must have regard to the report of the Independent Remuneration Panel and also the Statutory Guidance issued by the Secretary of State, a copy of which is attached at appendix 2.
- 1.5 The Council is not obliged to follow the proposals of the Independent Remuneration Panel.
- 1.6 Regulation 5(2) of the Local Authorities (Members Allowances) (England) Regulations 2003 imposes a requirement to pay at least one SRA to an opposition member under a local authority's scheme of members allowances if the members of the authority are divided into at least two political groups.

## 2.0 Summary of the Panel's Recommendations

- 2.1 The Panel has recommended that the Council's existing scheme of Members' allowances be amended in the following respects:
  - **Para 116 of the IRP report** The new Scheme as recommended in the IRP report is implemented from 1 April 2022. The exception to this recommendation is the implementation of indexation, in that the IRP recommend that indexation it is implemented from 1 April 2021 effective for 4 years to the end of March 2025;

- Para 31 of the IRP report** – The IRP is not recommending any change to the Basic Allowance that is currently paid to Members, except the application of a recommended index which is that the Basic Allowance is updated annually in line with the annual percentage pay increase given to Manchester City Council (MCC) employees (and rounded to the nearest £) as agreed for each year by the National Joint Council for Local Government Staff. The rates that are currently payable to Members were set in October 2020 (the last time they were indexed). The recently agreed NJC pay increase for local government employees for 2021/22 was 1.75%. The IRP therefore recommends that Members basic allowances will accordingly be indexed by the same 1.75% back-dated to 1 April 2021. The officers pay award due 1 April 2022 has not yet been agreed and so the Members' index for 2022/23 cannot as yet be determined;
- Para 44 of the IRP report** – Except as detailed below, the IRP recommends no change to the current Special responsibility allowances (SRA's) that are paid to Members subject to the application of the same recommended indexation as detailed above;
- Para 51 of the IRP report** - The IRP proposes that the SRA currently payable to the MCC appointee on the Manchester Airport Board be abolished (no MCC member currently receives such an SRA);
- Para 58 of the IRP report** - The IRP recommends that the current SRA (£563) for ordinary Members sitting on Licensing Appeals/Licensing Sub Committee Hearings Panels should be maintained but only paid to those ordinary Licensing Members who have sat on at least 13 such Hearings Appeals Panels per year. This SRA should also be paid annually in arrears. The reasoning is that the members of Planning & Highways Committee attend approximately 12 committees a year and do not receive an SRA for doing so;
- Para 68 of the IRP report** - The IRP recommends that the SRA for the Leader of the Main Opposition Group be reduced to £11,220 and that it is payable irrespective of the size of the group;
- Para 68 of the IRP report** – The IRP recommends that the SRA for the main opposition group deputy leader be reduced to £4,488 and that it is only payable if the size of the main opposition group is 10 or more members;
- Para 68 of the IRP report** – The IRP recommends that the SRA for the main opposition lead on finance be reduced to £1,122 and that it is only payable if the size of the main opposition group is 10 or more members;
- Para 70 of the IRP report** – The IRP recommends that where there are other minority Opposition Groups on the Council then the Leader(s) of other Opposition Group(s) should be paid an SRA of £4,488, irrespective of the size of the group. Currently the leaders of any other

opposition groups do not receive an SRA. To form a group there needs to be at least 2 members of the relevant political party (or like minded independent members) on the Council;

- **Para 72 of the IRP report** - The IRP recommends that where there are two Main Opposition Groups of equal size that the Leaders of each are paid an SRA of £7,854. This is the aggregate of the SRA for the Leader of the Main Opposition Group and SRA for Leader of Other Opposition Group and divided equally;
- **Para 84 of the IRP report** - The IRP recommends that the current provision for SRAs to be paid to Manchester City Council appointees to the GM Waste and Recycling Committee and the GM Transport Committee be discontinued. No MCC member currently receives such an SRA;
- **Para 97 of the IRP report** - The IRP recommends that the remuneration for members appointed to the Independent Education Appeals Panels be reset at £60 per day/£30 per half day, subject to the application of a recommended indexation in line with NJC local government employees. Furthermore, those Members appointed to the Independent Education Appeals Panels who live outside of Manchester should be able to claim travel costs at the same rates that are applicable to elected Members;
- **Para 101 of the IRP report** - The IRP The IRP recommends that the Dependent Carers Allowance is maintained, maximum claimable at 14 hours per week but is differentiated and reset as follows:
  - Childcare: maximum rate claimable at Real Living Wage hourly rate
  - Other/Adult/Medical care: maximum rate claimable at hourly rate charged by Manchester City Council Social Services Department for Domiciliary Home Care
- **Para 105 of the IRP report** - The IRP recommends that the subsistence rates for attending approved duties outwith the City are reset are payable at HMRC recommended rates (the same rate payable to officers);
- **Para 110 of the IRP report** - The IRP recommends that the mileage rates for Members attending approved duties outwith the City are reset at HMRC rates (the same rate payable to officers);
- **Para 112 of the IRP report** - The IRP recommends that the Scheme is amended to include provision for when a Member is claiming out of City mileage rates by driving a hybrid or electric vehicle then HMRA mileage rates are applicable;

- **Para 117 of the IRP report** – The IRP recommends that the new Scheme as recommended in their report be implemented from 1 April 2022. The exception to this recommendation is the implementation of indexation (the formula set out in paragraph 116 of the IRP report) in that indexation is implemented from 1 April 2021.

### **3.0 Recommendations:**

- 3.1 The recommendations appear at the front of this report.