

## REPORT OF THE CHIEF FIRE OFFICER

# REVIEW OF MEMBERS' ALLOWANCES

### 1 Purpose of Report

This report advises of the outcome of the review of Members' allowances conducted by the Independent Panel on Members' Allowances.

### 2

#### Recommendations

The Fire Authority is asked to consider the report of the Independent Panel on Members' Allowances and decide whether to adopt the recommendations put forward by the Panel.

### 3 Background

On 1 May 2003 the Local Authorities (Members' Allowances) (England) Regulations 2003 came into force, which required combined fire authorities to establish their own schemes of allowances, so replacing the existing practice whereby Members were paid allowances for their fire authority duties by their constituent authorities.

At its Annual Meeting in July 2003 Shropshire and Wrekin Fire Authority agreed its first Scheme for Payment of Members' Allowances and since then, in accordance with the Regulations, it has agreed a Scheme each year.

In 2004, although not required to do so by legislation, the Fire Authority established an Independent Panel on Members' Allowances to review the allowances paid to its Members. This was at no cost to the Authority and ensured that any review of the Scheme was objective. At its meeting on 8 February 2006, following significant changes to its organisational structure, the Fire Authority agreed to instruct the Panel to conduct a review of Members' allowances in autumn 2006. This report sets out the outcome of that review.



## 4 Review Process

Mr Ciaran Martin, Chair of Shropshire County Council's Independent Remuneration Panel, and Mr Alan Weaver, also a member of that Panel, agreed to conduct, at no cost to the Fire Authority, a review of the Fire Authority's Scheme for Payment of Members' Allowances. They conducted their review during September 2006 and a copy of their report is attached at Appendix A.

Details of the approach taken to the review are provided in Section 2 of the report. A copy of the comparative information referred to at 2.1b. is attached at Appendix B. This shows the Members' allowances paid in other authorities responding to a survey as at September 2006. It should be noted, however, that those other authorities will also be considering their 2007/08 scheme and the figures shown are, therefore, likely to rise with effect from 1 April 2007.

## 5 Review Findings

In summary the report of the Independent Remuneration Panel sets out (at Section 3) the following findings:

- Members are focused very much on serving the community and in promoting and developing the work of the Fire Authority.
- The work of the Integrated Risk Management Planning Group and the West Midlands Regional Management Board has expanded, placing further demands on Members, and the outlook suggests that the workload of Members will continue to increase.
- Shropshire and Wrekin Fire Authority is clearly far behind its comparators in relation to the level of basic allowances and special responsibility allowances paid.
- Travel and subsistence allowances appear to be inconsistent with those of the constituent authorities, which has the potential for confusion amongst Members.

## 6 Review Conclusions and Recommendations

The conclusions and recommendations of the Panel are given at Section 4 of the report and can be summarised as follows:

### **Basic Allowance**

The basic allowance no longer reflects the commitment of Members to the work they undertake on behalf of the Fire Authority. The allowance is also way behind that of allowances paid in other authorities. The Panel, therefore, recommends an increase in the annual basic allowance from £1,030 to £1,800 with effect from 1 April 2006 and to £2,500 with effect from 1 April 2007.

### **Special Responsibility Allowances (SRAs)**

The leadership of the Fire Authority is both appropriate and at a high standard. Given that Shropshire and Wrekin Fire Authority is in many respects a model authority, it is somewhat disquieting that the SRAs available are considerably less than those of comparator authorities. Indeed, Shropshire and Wrekin Fire Authority is at the bottom of the current list of comparators and this situation is likely to worsen as those authorities conduct their own reviews.



The Panel, therefore, recommends the following increases in the annual SRAs:

- Chair of the Fire Authority from £6,177 to £7,200 with effect from April 2006 and to £7,500 with effect from April 2007
- Vice-Chair of the Fire Authority from £3,089 to £3,600 with effect from April 2006 and to £3,750 with effect from April 2007
- Deputy Vice-Chair (currently the Leader of the Opposition Group) from £2,059 to £2,400 with effect from April 2006 and to £2,500 with effect from April 2007
- Chair of the Integrated Risk Management Planning (IRMP) Members' Group from £2,059 to £2,400 with effect from April 2006 and to £2,500 with effect from April 2007

### **Independent Members**

- Maintain the allowance of £257 per annum (to be reviewed annually based on the National Joint Council for Local Government Services annual pay reviews) for non-elected Independent Members of the Standards Committee
- Maintain the payment of £50 for up to four hours and £100 for over four hours, when called for duty, subject to application by individuals and provided they have incurred financial loss

### **Travel and Subsistence**

The current system of travel and subsistence allowances does not take sufficient account of the costs of overnight accommodation, particularly in the inner London area. Greater use of purchasing power might be achievable by collaborating with the constituent authorities and using the arrangements they have with London providers. Also operating a system which differs from those of the constituent authorities is likely to cause confusion for Members, potentially leading to mistakes or misunderstanding. The Panel has, therefore, made the following recommendations:

- **Travel and Accommodation**  
Explore teaming with Shropshire County Council to source cheaper travel and accommodation.
- **Car and bicycle**  
Maintain the current system of travel allowances agreed by the National Joint Council, which is updated annually.
- **Rail**  
Where there is a real need to work whilst travelling by rail, consideration should be given to allowing first class travel, otherwise travel should be by second class.
- **Overnight Allowance**

Visits to London or National Conferences	£130 excluding VAT
All other cases	£120 excluding VAT



## **Implementation**

The Panel has recommended implementation over a two-year period, with the first increase being backdated to 1 April 2006 and the second being implemented on 1 April 2007.

## **Further Review and National Joint Council Changes**

The Panel's recommendations take the Fire Authority through to 31 March 2008 and those recommendations subsume any National Joint Council (NJC) changes to basic or special responsibility allowances, which are likely to emerge. The Panel, therefore, recommends that a further review be conducted in autumn 2008 and thereafter every two years, except where major changes to the role, structure or remit of the Fire Authority are proposed or have taken place. If any NJC changes would exceed those recommended by the Panel, the NJC changes should be implemented.

## **7 Legal Comment**

Under the Local Authorities (Members' Allowances) (England) Regulations 2003 the Fire Authority is required to establish a scheme to provide for the payment of a basic annual allowance to each of its Members. That scheme may also provide for the payment of special responsibility allowances and of allowances to co-optees serving on committees.

## **8 Financial Comment**

The current cost of Members' basic and special responsibility allowances is shown in the appendix to the report of the Independent Panel. The cost of implementing the recommendations made by the Panel is also shown in that appendix. If Members decide to implement the recommendations, the cost of backdating the first phase of increases would be met from contingency balances in the 2006/07 budget and the cost of implementing the second phase would be built into the 2007/08 budget.

## **9 Appendices**

**Appendix A** Report by the Independent Panel on Members' Allowances  
**Appendix B** Comparative Information

## **10 Background Papers**

### **Office of the Deputy Prime Minister**

1 May 2003 Local Authorities (Members' Allowances) (England) Regulations 2003

### **Shropshire and Wrekin Fire Authority Meeting 16 July 2003**

Report 15 Members' Allowances Scheme and Minutes



Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balance Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	*
Capacity		Member Involvement	*
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Equality and Diversity		Retained	
Efficiency Savings		Risk and Insurance	
Environmental		Staff	
Financial	*	Strategic Planning	
Fire Control/Fire Link		West Midlands Regional Management Board	*
Information and Communications Technology Data			

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**A REPORT BY**  
**THE INDEPENDENT PANEL ON MEMBERS**  
**ALLOWANCES**  
**SHROPSHIRE FIRE AUTHORITY**

**30 October 2006**

**SECTION 1 INTRODUCTION**

**1.1** The Panel was originally convened in 2004 at the request of the Authority, in accordance with legislative requirements, to review allowances paid to Fire Authority Members. The panel presented its first report in October 2004 and this second report follows on from that. Panel membership remains as it was in 2004 and comprises the following persons, both of whom serve on other review panels, including that advising Shropshire County Council:

- Alan Weaver - TUC Regional Officer for the West Midlands
- Ciaran Martin - Director Staffing & Talent Management Alcoa Europe  
(Chair)

**SECTION 2 APPROACH**

**2.1** The Panel met on 18 September 2006 at the Fire Service Headquarters building in Shrewsbury. The approach to the review included the following elements:

- a. Background briefing from Sharon Lloyd
- b. Study of annual report, operating methodology and committee structure / terms of reference, existing allowance structure, comparative studies and other supporting documents
- c. Individual meeting with & brief by Chief Fire Officer, Alan Taylor
- d. Individual meetings with:
  - (1) Councillor Nigel Hartin, Chair SFA
  - (2) Councillor Dave Morgan, Vice-Chair SFA
  - (3) Councillor Phil Box, Chair IRMP
  - (4) Councillor Andrew Eade, Deputy Vice-Chair SFA

## **SECTION 3      FINDINGS**

**3.1** In its first report, the panel drew attention to the very positive environment that it found and it appears that this collaborative can-do approach that was experienced then has developed still further. Clearly, this is an Authority whose members are focused very much on serving the community and in promoting and developing the work of the Authority. There is no evidence of any partisan thinking or taking positions along party lines but considerable evidence of strong team-work and a shared vision. Those in executive roles within the Authority speak highly of other Authority members and the same is true of senior staff and officers. The view of an Authority working effectively and at benchmark standard appears to be borne out in the ratings achieved through external audit and, less formally, through the reputation which the SFA seems to enjoy with other fire authorities and fire services.

**3.2** The Panel is pleased to see that the recommendations from its first report have been implemented. The same is true of the approach to spreading responsibility through Authority members, thus involving and engaging all members in the work of the Authority and spreading the workload needed to its responsibilities. At the same time, the work of the IRMP has expanded, as has that of the WMRPB and these developments appear to have placed further demands on members. Those additional demands have more than offset the gains made by the spreading of workload and the adoption of a more supportive organisational structure and the outlook suggests that the workload of members will continue to increase.

**3.3** In reviewing comparative data, the Panel was concerned to see the position of SFA in relation to other authorities. Making like for like comparisons between authorities is problematic because of such things as differences in the size, budget, geographic spread and complexity of the task of the authority. Nevertheless, SFA is clearly far behind its comparators in relation to the level of basic allowances and especially the level of Special Responsibility Allowances, a fact not lost on SFA members.

**3.4** The support structures relating to overnight accommodation and travel appear to be inconsistent with existing County Council structures. This has the potential for confusion amongst members who are required to operate under structure when engaged in travel or overnight stops with the County Council and another structure when doing so on behalf of SFA. The Panel also recognises the different levels of funding at the County Council and SFA which may have influenced previous thinking.

## SECTION 4 - CONCLUSIONS & RECOMMENDATIONS

### 4.1 Basic Allowance

**4.1.1** When making recommendations on the basic allowance in its first report, the Panel recognised that a significant volume of work appeared to be concentrated in a small group of people. The Panel encouraged greater spread of workload and this has indeed taken place, so much so that the allowance no longer reflects the commitment of members to the work they are undertaking on behalf of the Authority. At the same time, the Panel has received evidence that the allowance is also way behind that of allowances being paid in other authorities.

**4.1.2** The Panel also feels that it is necessary to establish the rough 3:1 ratio that has typically been seen as a reasonable link between the highest SRA and the Basic Allowance. Currently, the ratio is in the order of 6:1 and this is felt to give insufficient recognition to the level of responsibility and engagement of members in SFA business. Consequently, in order to provide a better linkage and to take account of the excellent work of members, the Panel has concluded that a significant increase in the allowance is now due. The Panel also considered providing more SRAs to members working in certain areas. However, having done so, it concluded that although there were pockets of heavy work, the general workload was now so much better spread that the best approach was to increase the Basic Allowance rather than introduce more SRAs.

**4.1.3** The proposed change to the Basic Allowance is small in real terms, especially when compared to the overall Authority budget. Nevertheless, the Panel understands that the Authority may wish to spread the impact of the increase over a longer period. Consequently, the Panel is recommending moving the Basic Allowance to its appropriate level over a period of two years with the first year seeing the biggest increase. In both cases, the proposed increases will subsume any inflationary or RCJ recommendations for increase in the total amount of increase. This has the added advantage of easing the work of the Authority in regard to a further review of Allowances in 2007 and will thus take the review process through to 2008.

#### Recommendation

**4.1.4** The Basic Allowance for members should be increased in 2 steps as follows, the first being backdated to April 2006:

	Amount	Ratio to largest SRA	% Change on previous year	Additional Cost on previous year	Total Cost
Current Allowance	£1,030	6:1	N/A	N/A	£17,663
From April 2006	£1,800	4:1	73%	£12,937	£30,600
From April 2007	£2,500	3:1	20%	£11,900	£42,500

Table 1 - Proposed changes to Basic Allowance.



## 4.2 Special Responsibility Roles / Allowances

**4.2.1** The current structure appears to be working very well and effectively. The leadership of the Authority appears to be both appropriate and at a high standard, as evidenced in the outputs and the sense of teamwork that pervades all aspects of SFA activity. Given that SFA is in many respects a model authority, it is somewhat disquieting, that the SRAs available are considerably less than those of comparator authorities. Indeed, SFA is at the bottom of the current list of comparator authorities and this situation is likely to worsen as those authorities conduct their own reviews.

**4.2.2** The Panel has therefore concluded that adjustment to the level of SRAs is needed. These adjustments are not of the same order of magnitude as those proposed for the Basic Allowance but are nonetheless significant. In keeping with the phased approach recommended for the Basic Allowance, the Panel is recommending the same type of phasing for SRA changes, which are outlined below. No change is being recommended to the number of SRAs which are paid and this reflects general satisfaction with the structure currently in place.

### Recommendation

**4.2.3** Special Responsibility Allowances should be increased as shown in Table 2, the first increase being backdated to April 2006:

	Chair	Vice-Chair	Dep. Vice-Chair	Chair IRMP	% Change	Extra Cost	Total Cost
Current Allowance	£6,177	£3,089	£2,059	£2,059	N/A	N/A	£13,384
From April 2006	£7,200	£3,600	£2,400	£2,400	16.5%	£2,216	£15,600
From April 2007	£7,500	£3,750	£2,500	£2,500	4%	£650	£16,250

Table 2 - Proposed changes to Special Responsibility Allowances.

## 4.3 Allowances for Independent Panel Members / Co-optees

**4.3.1** Currently, the Authority has two established Independent Panel Member roles within the Standards Committee. Having reviewed the situation, it was concluded that Independent Panel Members should continue to receive the same allowance (£250) established at the last review. The Panel also supports the earlier decision of the Authority to make a further co-optee payment, confirming eligibility criteria.

### Recommendation

**4.3.2** When called for duty, Independent Panel Members should, subject to application by individuals and provided that individuals have incurred financial loss, be recompensed as follows:

- \* £50 for up to 4 hours
- \* £100 for over 4 hours

## 4.4 Subsistence and Travel

**4.4.1** The Panel, having reviewed the Subsistence and Travel arrangements and levels of compensation, has concluded that the current system does not take sufficient account of the costs of overnight accommodation, particularly in the inner London area. In addition, greater use of purchasing power and negotiated rates might be achievable by collaborating with Shropshire County Council Procurement Staff and utilising the arrangements they have with London providers. Moreover, operating a subsistence and travel system that differs from those of contributing authorities is likely to cause confusion for members, potentially leading to mistakes or misunderstanding. The same approach can be applied to rail travel in that it may be seen to be inequitable that Officers might use one class of travel whilst Authority Members have a different arrangement.

### Recommendation

**4.4.2** The approach to and existing rates for reimbursement of travel and subsistence should, as far as possible, be brought in line with that of Shropshire County Council & Telford & Wrekin Council. This would entail the changes outlined in Table 3. Thereafter, the approach should track any changes advised under NJC procedures.

**4.4.3** The possibility of teaming with Shropshire County Council on sourcing and reserving cheaper accommodation and travel should be investigated and, if viable and acceptable to both authorities, it should be adopted as standard practice.

**4.4.4** There should be a common approach to the use of rail travel for Shropshire Fire Service Officers and Shropshire Fire Authority members. Where there is a real need to work whilst travelling by rail, consideration should be given to allowing first class travel. Otherwise, travel should be by second class.

Visits to London or National Conferences	£130 excl. VAT
All other cases	£120 excl. VAT

Table 3 - Proposed changes to Subsistence rates

## 4.5 Implementation Timing & Cost Implications

**4.5.1** Acknowledging the limited ability of the Authority to fund changes to Member Allowances, the Panel has concluded that it would be inappropriate to move to the recommended allowances in one move. Consequently, a planned approach, over a two-year period, which reduces budgetary impact, seems most appropriate. Details of the financial impact of the main recommendations are shown at Appendix A to this report.

### Recommendation

**4.5.2** The new rates and arrangements detailed here should be implemented as shown in the Appendix to the report, with the first increase being backdated to April 2006 and the second being implemented in April 2007.

## **4.6 Further Panel Review & NJC Changes**

**4.6.1** The Panel has made recommendations which take the Authority through to 2008 and those recommendations subsume any NJC changes to Basic Allowances or Special Responsibility Allowances that can reasonably be expected to emerge. Therefore, a further review should not be required until autumn 2008.

### **Recommendation**

**4.6.2** A further review by the Panel should be undertaken in autumn 2008.

**4.6.3** Subsequent reviews should continue to be undertaken biannually except where major changes to the role, structure or remit of the Authority are proposed or have taken place. In such a case, a review should be undertaken when the new structure is known / under consideration but preferably before it is implemented.

**4.6.4** During the period up to April 2008, the Authority should utilise and apply the allowances detailed in the model which is being provided by the Panel as an Appendix to this report. In the event of any NJC changes being made which would exceed those of the Panel, the NJC changes should be implemented. Otherwise, the Authority should stay within the model detailed here and follow the Panel's recommended approach.

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**Members Allowance Information received from Fire Authorities – September 2006**

Authority	Basic	Special Responsibility Allowances			Independent Members
		Chair	Vice-Chair	Other	
Bedfordshire and Luton	£1,674	£11,196	£4,761	£3,153 for Executive (3 <sup>rd</sup> ) Member	£387 £771 for Independent Chair
Berkshire	£412	£6,000	£3,000	£1,500 for key Panels etc. (Berkshire are about to review their Allowance Scheme)	
Cheshire	£3,600	£10,000	£4,000 x 2	£1,000 for Chair of Performance and Overview Group £1,000 for Chair of Standards £1,607 for Chair of NWRMB £804 for Member of NMRMB	£1,045
Derbyshire	£2,700	£13,500	£10,125	£4,500 for Chair of Human Resources £2,250 for Vice-Chair of Human Resources £4,500 for Chair of Finance and General Purposes £2,250 for Vice-Chair of Finance and General Purposes £4,500 for Leader of the largest opposition group £4,500 for the Chair of the Standards Committee	£600
Devon	£1,600	£8,000	£3,200	£3,200 for Committee Chairs	£500
Dorset	£3,180	£5,285	£2,645	£1,270 for Leader of second largest group	£25 per meeting of the Standards Committee
East Sussex	£1,488	£8,957	£4,478	£2,239 for Leader of other political groups £1,791 for Committee Chairs £772 for Members of key Committees, Urgency, Budget and APR Panels	£1,488 £2,518 for Independent Chair



Authority	Basic	Special Responsibility Allowances			Independent Members
		Chair	Vice-Chair	Other	
Greater Manchester	£3,634.68	£28,309.08	£12,738	£5,662.08 for Chairs of Personnel and Finance & General Purposes Committees £2,832.00 for Vice-Chairs of Personnel and Finance & General Purposes Committees £4,245.48 for Chair of Equality and Diversity Overview Group £4,245.28 for Majority Opposition Group Member £2,832.00 for Minority Opposition Group Member £1,036.92 for Member of NWRMB	£276.24 + £276.24 for Independent Chair
Hereford and Worcester	£1,055.75	£8,194.75	£4,916.85	£1,229.21 - Group Leaders Allowance £1,229.21 for Chairs of Standing Committees	
Humberside	£4,349	£10,868	£8,154	£547 for Committee Chairs	£772 for chair £535 for Members
Lancashire	£2,013	£14,160	£4,962	£2,832 for Leader of Opposition £1,092 for Members of NWRMB £200 for Chairs of Committees £150 for Vice-Chairs of Committees	£600
Leicestershire	£2,500	£7,500	£2,500	£1,400 for Political Group Leader, not being Chair or Vice-Chair	£650 for Chair of Standards Committee £500 for other Independent Member
Merseyside	£7,400	£14,787	£11,091	£3,696 for Committee Chairs (3) £7,395 for Opposition Spokesperson (2)	£500
North Yorkshire	£3,371.76	£2,934.76	-	£2,260.41 for Members of Steering Group £1,011.53 for Members of APR Committee	£843
Shropshire & Wrekin	£1,030	£6,177	£3,089	£2,059 for Leader of Main Opposition Group £2,059 for Chair of Integrated Risk Management Planning Working Group	£257
Staffordshire	£2,060	£11,325	£5,660	£2,830 for Opposition Spokesperson £1,030 for Key Panel Chairs £515 for Key Panel Vice Chairs	£500



Authority	Basic	Special Responsibility Allowances			Independent Members
		Chair	Vice-Chair	Other	
West Midlands	£3,000	£15,000	£7,500	£6,000 for Leader of Principal Opposition Group £3,750 for Executive Committee Member £4,500 for Lead Members for Equality & Diversity and Performance Management £1,500 for Deputy Lead Members for Equality & Diversity and Performance Management £4,500 for Chair of Appeals Committee £750 for Vice-Chair of Appeals Committee £1,920 for Chair of Disciplinary Committee £640 for Vice-Chair of Disciplinary Committee £4,500 for Regional Management Board Member	
West Yorkshire	£3,191	£17,424	£8,712	£2,614 for Committee Chairs £654 for Committee Vice-Chairs £545 for Chair of Standards Committee £2,614 and £871 for Opposition Spokespersons	£273
Wiltshire & Swindon	£1,089	£6,534	£1,960	£1,960 for Group Leaders	£131 + £131 for Chair of Standards Committee

