

REPORT OF THE CLERK

THE SCHEME FOR PAYMENT OF MEMBERS' ALLOWANCES

1 Purpose of Report

This report outlines the current position regarding Members' allowances and asks the Fire Authority to agree its 2006/07 allowances, to consider making further provision for its non-elected, Independent Members and to instruct an independent remuneration panel to carry out a review in autumn 2006.

2 Recommendations

The Fire Authority is asked to agree:

- a) To maintain the current Scheme for Payment of Members' Allowances, in which case the allowances will increase automatically by 2.95% (the percentage agreed by the National Joint Council for Local Government Services) with effect from 1 April 2006;
- b) To make provision for an additional allowance to be paid to the non-elected, independent Members of its Standards Committee, should they be required to determine locally any allegations of breaches of the Code of Conduct; and
- c) To instruct an independent remuneration panel to conduct a review of the Scheme for Payment of Members' Allowances in autumn 2006.

3 Background

Under the Local Authorities (Members' Allowances) (England) Regulations 2003 the Fire Authority is required before 1 April each year to make a scheme for the payment of a basic allowance to its Members. That scheme may also provide for the payment of special responsibility allowances and of allowances to co-optees serving on committees. When making the scheme, the Fire Authority must have regard to the findings of the independent remuneration panels of its constituent authorities. The Fire Authority is not required under the Regulations, however, to appoint its own independent remuneration panel.



In September 2004, at the request of the Fire Authority, an independent remuneration panel did conduct a full review of the allowances paid to Members and non-elected, independent Members of its Standards Committee (co-optees). The Panel's report was presented to the December meeting of the Authority, at which time the 2005/06 Scheme for Payment of Members' Allowances was agreed.

The report contained recommendations that a further review by the Panel should be undertaken in autumn 2005 and subsequent reviews biannually, except where major changes to the structure of the Authority were proposed or had taken place.

4 Current Allowances

The allowances payable under the Fire Authority's current Scheme for Payment of Members' Allowances are set out below.

The **basic allowance** for all Members of the Fire Authority is £1,000 per annum. The **co-optee allowance** for Independent Members of the Standards Committee is £250 per annum.

In addition the following **Special Responsibility Allowances** are payable per annum:

	£
Chair of the Fire Authority	6,000
Vice-Chair of the Fire Authority	3,000
Leader of the Opposition Group	2,000
Chair of Integrated Risk Management Planning Working Group	2,000

5 National Joint Council Pay Review Rate for 2006/07

The Fire Authority's current scheme enables the basic, co-optee and special responsibility allowances to be reviewed annually from 1 April each year based on the National Joint Council for Local Government Services annual pay reviews, and any percentage increase applied automatically from that date. The percentage increase applicable from 1 April 2006 would be 2.95%. The allowances payable, if this rate were to be applied, are set out below rounded to the nearest pound.

The **basic allowance** would be £1,030 per annum.
The **co-optee allowance** would be £257 per annum.
Special Responsibility Allowances would be as follows:

	£ per annum
Chair of the Fire Authority	6,177
Vice-Chair of the Fire Authority	3,089
Leader of the Opposition Group	2,059
Chair of Integrated Risk Management Planning Working Group	2,059

6 Allowances for Co-Optees on the Standards Committee

Changes in the law now enable some allegations of breach of the Members' Code of Conduct to be referred to Standards Committees for local determination. In addition, further changes regarding the procedure for initial assessment of allegations are anticipated. It is not possible to predict the impact, which these changes will have on the Fire Authority's Standards Committee, particularly as this authority has yet to determine any cases. The experience of other authorities shows, however, that the time expended can be considerable, i.e. several days per case.



The Fire Authority is, therefore, asked to consider whether it wishes to introduce a daily rate and half-day rate of allowance, which would be payable to the non-elected independent Members of its Standards Committee, when called upon to deal locally with an allegation of breach of the Code of Conduct. If so, it is proposed that officers bring a further report to the Fire Authority regarding an appropriate rate. Alternatively, Members may wish to agree the rate set by Shropshire County Council's independent remuneration panel, details of which are given in section 7 below.

7 Allowance Schemes of the Constituent Authorities

The Fire Authority is required, when making its scheme of allowances, to 'have regard to the allowance schemes of its constituent authorities'.

Borough of Telford & Wrekin

The Borough's scheme was last reviewed by an independent remuneration panel in July 2004 and the recommendations contained in the panel's report (with some minor amendments) were agreed by the Council on 23 September 2004. The basic allowance was set at £6,850 per annum and the allowance for co-optees on the Standards Committee, i.e. independent, non-elected members, at £250 per annum. An increase, based on the National Joint Council for Local Government Services annual pay reviews, was paid from 1 April 2005.

Shropshire County Council

The County Council's scheme was last reviewed by an independent remuneration panel in September 2005 and the recommendations contained in the panel's report (with some amendments) were agreed by the Council on 16 September 2005. The basic allowance remained at £7,000 per annum with annual increases based on the National Joint Council for Local Government Services annual pay reviews. The scheme provides for co-optees on the Council's Standards Committee to claim an allowance of £50 for up to 4 hours and £100 for over 4 hours, when undertaking an approved duty, *if the co-optee has incurred a financial loss or the co-optee represents a small organisation, which would otherwise have to bear the cost.*

Both Schemes

The most significant point to note for both schemes is that neither contains a special responsibility allowance for Members, who sit on the Fire Authority. Previously Shropshire County Council paid a special responsibility allowance to a Member, who was Chair or Vice-Chair of the Fire Authority.

In both authorities annual increases are, as with the Fire Authority, based on the National Joint Council for Local Government Services annual pay reviews.

8 Review by an Independent Remuneration Panel

In its review, conducted in September 2004, the Fire Authority's Independent Remuneration Panel recommended that a further review take place in autumn 2005 and thereafter every two years, or sooner, if a major change in structure took place. The recommendation for the autumn review was based on the premise that a major restructure of the Fire Authority's constitution was anticipated before the autumn,



which was likely to increase significantly the amount of time spent by Members on Fire Authority business.

At its meeting in October 2005 the Fire Authority agreed a restructure of its committees, which resulted in the creation of one additional committee and the abolition of substitutes. As a result, there are now 4 more meetings per year and the work of the Fire Authority is spread more evenly between its Members. In effect, therefore, there has been no major change.

Until the restructure had been agreed by the Fire Authority in October there was little point in conducting a review and, unfortunately, it was not possible to organise one in November or December.

9 The Way Forward

Members are asked to consider and make a decision on the following:

- a) **To apply the National Joint Council pay review rate**
This would increase the basic, co-optee and special responsibility allowances to the figures shown at section 5 of this report.
- b) **To make provision for an additional allowance to be paid to non-elected, independent Members of its Standards Committee, should they be required to deal locally with an allegation of breach of the Code of Conduct.**
If Members do decide to make such a provision, it is proposed that officers bring a report to the May meeting of the Fire Authority regarding an appropriate rate of allowance. Alternatively, Members may wish to agree the rate set by Shropshire County Council's independent remuneration panel, details of which are given in section 7 above.
- c) **To instruct an independent remuneration panel to conduct a review of the Scheme for Payment of Members' Allowances in autumn 2006**
This is in line with the recommendation of the Fire Authority's independent remuneration panel that a review of the allowances should be carried out every two years (the panel first met in autumn 2004). Its findings and recommendations would then be reported to the December meeting of the Fire Authority.

10 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. When making the scheme the Fire Authority must have regard to the findings of the independent remuneration panels of its constituent authorities.

11 Financial Comment

If Members decide to apply the National Joint Council review rate of 2.95% to existing allowances, the additional cost would be £908 in the financial year 2006/07. This figure can be accommodated within the budget under the pay and prices contingency.



There are likely to be financial implications, if the Fire Authority does agree to make provision for an additional allowance to be paid to non-elected, Independent Members of the Standards Committee, when called upon to deal locally with breaches of the Code of Conduct. Officers cannot calculate these costs, however, as it is not possible to predict how many such cases there will be, if any.

12 Equality and Diversity Implications

There are no equality or diversity implications associated with this report.

13 Appendices

There are no appendices attached to this report.

14 Background Papers

Office of the Deputy Prime Minister

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

Shropshire and Wrekin Fire Authority

15 December 2004: Report 11 Review of Members' Allowances
Minutes

1 April 2005 Scheme for Payment of Members' Allowances

For further information about this report please contact Sharon Lloyd, Committee and Administration Manager, on 01743 260210.

