

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**23<sup>rd</sup> June 2008**

**1. Members' Allowances Scheme - Report of the Independent Remuneration Panel**

Report of the Clerk and the Treasurer.

**RECOMMENDED**

- 1.1 THAT the recommendations of the Independent Remuneration Panel, as set out in Appendix 1, be considered.
- 1.2 THAT the Authority considers whether the time period within which members can claim travel and subsistence allowance should be increased from two months to three months.
- 1.3 THAT consideration be given to the comparator information on Members' Allowances for other West Midlands Joint Boards as set out in Appendix 2.

**2. PURPOSE OF REPORT**

- 2.1 This report is submitted to inform the Authority of the findings and recommendations of the Independent Remuneration Panel, which was established to carry out a review of the Members' Allowances Scheme, in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 2.2 The report also contains information provided by the Clerk on comparator data, with the other Joint Boards in the West Midlands made available to the Independent Panel.

**3. BACKGROUND**

- 3.1 The Executive Committee approved the current Members' Allowances Scheme on 15<sup>th</sup> November 2004; with the revised rates of allowances being backdated to take effect from 26<sup>th</sup> July 2004.

- 3.2 The Scheme provided for the rate of allowances to be increased with effect from 1<sup>st</sup> April 2005, 2006 and 2007. Members will note that on 11<sup>th</sup> September 2006, the Executive Committee agreed an amendment to the Scheme in relation to the basis for calculating indexation of allowances due to the discontinuation of the New Earnings Survey, which provided the previous index.
- 3.3 Members' allowances schemes are regulated by the Local Government (Members' Allowances) (England) Regulations 2003, which state that an authority must not rely on an index for annual adjustments for longer than a period of four years before seeking a further recommendation from an independent remuneration panel. The current Members' Allowances Scheme is now due for review with a view to implementing a new Scheme with effect from 1<sup>st</sup> April 2008.
- 3.4 The Clerk contacted the seven district councils to request nominees to sit on an Independent Remuneration Panel and subsequently the Panel was constituted comprising of:-
- The Bishop of Dudley (The Rt Revd David Walker) (Dudley)  
Reverend John Hall-Matthews (Wolverhampton)  
Mr Bernard Spittle OBE (Solihull)  
Mr Subat Khan (Birmingham)
- 3.5 The Panel took a light touch approach to the review of the scheme since it had been only 5 years since a detailed review.
- 3.6 A copy of the Panel's report is attached as an Appendix 1.

Members will note that the Panel's report recommends the deletion of the SRAs in respect of the Appeals Committee and the Joint Consultative Panel. It is acknowledged however that these bodies may still be called to meet and members may therefore wish to consider the payment of an SRA to the Chair and Vice-Chair of the Appeals Committee and the Principal and Deputy Principal members on the JCP to the value of one twelfth of the annual SRA previously paid, during the month that any meetings take place. The Clerk will review this arrangement if the number of meetings increases to a sustainable level.

- 3.7 With regards to the Audit Committee and the Standards Committee, the Panel did not see fit to make any changes to the current arrangements for the payment of SRAs. However, it is proposed that the workload of the Committees be kept under review by the Clerk.
- 3.8 A member had requested that the time period within which members can claim travel and subsistence allowance be increased from two months to three months and the Authority is asked to consider this.
- 3.9 In considering its recommendations the Independent Panel had access to comparator data other West Midlands Joint Boards, these are attached as Appendix 2.
- 3.10 The comparator data shows that allowances paid to members of West Midlands Local Authorities who are Members of West Midlands Police Authority or West Midlands Passenger Transport Authority receive considerably higher allowances than those Members performing similar duties as Members of the West Midlands Fire and Rescue Authority.
- 3.11 This is particularly marked in the allowance awarded to the Chair, Vice Chair and Chairs of Committees of the other West Midlands Joint Boards compared to the Fire Authority.

#### 4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. The matters outlined in this report will not lead to a policy change.

#### 5. **LEGAL IMPLICATIONS**

- 5.1 Members' allowances schemes are regulated by the Local Government (Members' Allowances) (England) Regulations 2003, which state that an authority must not rely on an index for annual adjustments for longer than a period of four years before seeking a further recommendation from an independent remuneration panel.
- 5.2 The Regulations require Authorities to have regard to the recommendations of the Panel when considering its Members' Allowance Scheme.

- 5.3 The course of action recommended in this report does not raise issues, which should be drawn to the attention of the Authority's Monitoring Officer.

6. **FINANCIAL IMPLICATIONS**

Provision exists within the Authority's budget

**BACKGROUND PAPERS**

Report of the Independent Remuneration Panel February 2008.

## **Appendix 1**

### **Report of the Independent Remuneration Panel**

#### **Introduction**

This report represents the views of the Rt. Revd. David Walker (Chair), Reverend John Hall-Matthews, Mr B Spittle OBE and Mr Subat Khan, who are members of the Independent Remuneration Panel.

The Panel was convened in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003, which state that, where an authority uses an index for the purpose of annual adjustment of allowances, it must not rely on that index for longer than four years before seeking a further recommendation from the independent remuneration panel.

The Panel met on two occasions - 21<sup>st</sup> January and 11<sup>th</sup> February 2008. At its first meeting on 21<sup>st</sup> January 2008, the panel concluded that, on the basis of the evidence presented, there had been little substantive change in the governance arrangements since the review carried out in 2004 and that a 'light touch' review would be sufficient.

#### **Methodology**

The Panel received evidence from the Clerk on:-

- The governance structure of West Midlands Fire and Rescue Authority.
- The existing Members' Allowances Scheme.
- Comparative data from other fire authorities and joint authorities.

The Clerk also indicated where changes had been necessary since the current scheme was approved in 2004 and identified the issues that the Panel may wish to take into account in conducting its review.

The Panel undertook a review of member activity, including a questionnaire and follow-up interviews with the Chairman of the Authority; the Leader of the Opposition Party; a representative on the Regional Management Board accompanied by the Programme Manager and the Chair of the newly established Audit Committee accompanied by the Audit Services Manager.

The Panel also considered the members' allowances schemes of a number of other fire authorities and the levels of Special Responsibility Allowance (SRA) paid by those authorities.

### **Audit Committee**

The Panel noted that the Audit Committee had only met once, having been established by the Authority on 24<sup>th</sup> September 2007. The Panel did not therefore feel that it was able to assess the work level and responsibility associated with the Chair's role at present. The Panel therefore feels that the current level of SRA is appropriate but acknowledges that this may need to be reviewed in the future as the workload of the Committee develops.

### **Appeals Committee**

The Panel noted that the number of meetings of the Appeals Committee has reduced considerably since the introduction of the sixth edition of the National Joint Council for Local Authorities' Fire and Rescue Services, Scheme of Conditions of Service and the consequent changes to the Panel's terms of reference; and that the Committee has not met since July 2005. The Panel does not feel that it is appropriate to continue the payment of an SRA given that the new terms of reference have reduced the types of appeal the Committee can consider and therefore the likely number of meetings that will be called. The Panel acknowledges that the Authority may wish to review this, should the number of meetings increase.

### **Joint Consultative Panel**

The Panel noted that the constitution of the Joint Consultative Panel (JCP) is currently under review and that the Panel has not met since November 2004. Negotiations are taking place with the representative bodies on the future consultative arrangements, which are not likely to be finalised in the near future. In view of this the Panel feels that it is appropriate to delete the SRAs for the Principal and Deputy Principal members on the JCP.

### **Regional Management Board**

The Panel noted that activity on the Regional Management Board (RMB) has reduced since the previous review. The number of project streams active in 2007/2008 was seven, as opposed to the 21 identified at the inception of the RMB. Consequently, the number of Project Board

meetings has considerably reduced. Five of the seven project streams are now complete and only two are ongoing – Fire Control and Procurement. The Panel noted that, as a consequence of the reduced number of project streams, members were less likely to take on the role of Senior Responsible Owner. In view of these changes and the consequent reduction in workload the Panel is minded to recommend that the SRA for members of the RMB is reduced.

### **Leader of the Opposition**

The Panel noted the responsibilities and workload of the Leader of the Opposition. The Panel noted that the previous opposition leader was also the Vice-Chair of the Authority but this office is now occupied by a member of the controlling group. The responsibilities of the current incumbent are therefore not as extensive as in previous years. However, the Panel acknowledges that the opposition leader remains a member of the RMB and the Executive Committee and feels that the SRA currently paid remains at an appropriate level.

### **Chairman of the Authority**

The Panel noted that the current Chairman has been appointed a Director of the Local Authority Controlled Company (LACC), set up to run the West Midlands Regional Fire Control Centre, and will also be taking on the role of Chairman of the LACC. The LACC is currently meeting in 'shadow form' until the Members Agreement is adopted by all five FRAs. The Panel noted that the Chair's responsibilities arising from this role are likely to increase and that the SRA may need to be reviewed in the future in light of this. However, the Panel feels that the level of the SRA currently paid to the Chairman remains appropriate.

### **Other Considerations**

The Panel also gave consideration to the following issues:-

- The current scheme does not permit the payment of travel and subsistence allowances to councillors attending official functions in their capacity as Lead Members.

The Panel feels that the SRA paid to Lead Members already recognises the commitment of Lead Members in terms of attending additional meetings within the West Midlands FRA's area. However, the Panel is minded to recommend that Lead Members be permitted to claim travel and subsistence for attendance at meetings/functions

in pursuance of their official duties outside of the West Midlands area, but within the UK.

- The Standards Committee and the Authority have asked the Panel to consider the payment of allowances to the Independent Chair and members of the Standards Committee.

The Panel recognises that there will be changes to the ethical framework which could increase the workload and responsibility of standards committees. However, the impact of the new legislation in respect of local hearings was not yet known. The Panel is not inclined to recommend the payment of an SRA at present and proposes that the matter be kept under review.

- Independent members are not currently able to claim Dependent Carer's Allowance.

The Panel is happy to correct this anomaly within the scheme.

### **Recommendations**

- (1) That there is no increase in the level of SRA currently paid to the Chair and Vice-Chair of the Audit Committee and that this remains at 13% of the Chairman's SRA. It is recognised however, that this may need to be reviewed in the future as the workload of the Committee develops.
- (2) That due to the significant reduction in the number of meetings as a result of the introduction of the sixth edition of the National Joint Council for Local Authorities' Fire and Rescue Services Scheme of Conditions of Service and the consequent changes to the Committee's Terms of Reference, the SRAs paid to the Chair and Vice Chair of the Appeals Committee be deleted. It is acknowledged however that the Committee may still be called to meet and that this may need to be reviewed in the future, should the workload increase.
- (3) That due to the significant reduction in the number of meetings and the ongoing review of its constitution, the SRAs paid to the Principal Member and Deputy Principal Member on the Joint Consultative Panel be deleted.



- (4) That due to the reduced project workstream activity of the Regional Management Board and the consequent reduction in workload for its members, the level of SRA paid to members on the Board be reduced to 13% of the Chairman's SRA.
- (5) That Lead Members be permitted to claim travel and subsistence for attendance at meetings/functions in pursuance of their official duties outside of the West Midlands county area only, but within the UK.
- (6) That no special responsibility allowance be paid in respect of independent members on the Standards Committee and Audit Committee. It is recognised, however, that there will be changes in the ethical framework which could increase the workload and responsibility of Standards Committees, and that this matter will accordingly be kept under review.
- (7) That independent members be allowed to claim Dependent Carers' Allowance.
- (8) That, as a general rule, members travelling by rail should purchase standard class tickets.
- (9) That except as referred to above, there is no change in the levels of the Basic Allowance and Special Responsibility Allowances (SRA) currently paid.

Signed:

A handwritten signature in black ink, appearing to read "David", with a stylized cross or plus sign at the beginning.

Rt. Reverend David Walker, Bishop of Dudley

Date: 20<sup>th</sup> March 2008

## Appendix 2

### Comparator Information in respect of other Joint Authorities

Position	WMFRA	WM Police Authority	WMPTA
Basic	3,258	10,499	3,500
Chair	16,291	24,500	24,500
Vice Chair	8,145	13,415	17,500
Leader of Opp	6,516	Nil	8,000 (3.500 Min Opp)
Executive Committee Member	4,073		
Lead Member	4,887	13,415	
Deputy Lead	1,629		
Chair of Appeals	4,887	13,415	
Vice Chair of Appeals	814		
Principal Member JCC	2,085	13,415	
Dep Principal JCC	694		
RMB member	4,887	13,415	
Chair Audit C'ttee	2,085	13,415	8,000 (Scrutiny C'ttee)
Vice Chair Audit	694		4,000 (Scrutiny C'ttee)
Independent Members	Nil	10,499	500
<i>Chair of Pension Fund</i>	N/a	N/a	4,000
<i>Vice Chair of Pension Fund</i>	N/a	N/a	2,000
<i>Best Value Lead Member</i>	N/a	N/a	3,500
<i>8 Additional Topic Areas (pro rata to life of duty)</i>	N/a	N/a	8,000
<i>Scrutiny Initiatives (max of 8)</i>	N/a	N/a	1,000