

AVON FIRE AUTHORITY

MEETING:	Avon Fire Authority
MEETING DATE:	Wednesday, 20 March 2024
REPORT OF:	The Clerk
SUBJECT:	Members' Allowances Scheme for 2024-25

1. **SUMMARY**

This paper concerns updating the Members' Allowances Scheme:

- In accordance with Local Government legislation, the Fire Authority updates its Members' Allowances Scheme each financial year.
- The Scheme updates the basic allowance paid to Elected Members, Special Responsibility Allowances (SRAs), Independent Person's Allowance (under the Members' Code of Conduct), travelling and subsistence allowances.
- Following Avon Fire Authority's Independent Governance Review in March 2023 (which recommendations were adopted by the Fire Authority on 25 April 2023), Bryony Houlden, Chief Executive of South West Councils was engaged to review the Members' Allowances Scheme to take account of changes to the governance structure.
- Bryony Houlden's report dated February 2024 (**Appendix 1**) recommends several changes to the Members' Allowances Scheme, following a review of evidence collated from a Members' survey and interviews of Members, alongside benchmarking information.

2. **RECOMMENDATIONS**

2.1 The Fire Authority is asked to:

- a) Consider the Report of Bryony Houlden (**Appendix 1**) and decide whether to adopt her 13 recommendations.
- b) Approve the draft Members' Allowances Scheme for 2024-25 (**Appendix 2**), which incorporates the recommendations of the review, or approve amendments to that Members' Allowances Scheme.
- c) Approve publication of the new Members' Allowances Scheme 2024-25.

3. **BACKGROUND**

- 3.1 Under the Local Government and Housing Act 1989, which was amended by the Local Government Act 2000, provisions were made in relation to the payment of allowances for Members of Local Authorities. Regulations made under these statutory provisions (The Local Authorities (Members' Allowances) (England) Regulations 2003), require Local Authorities to make a 'scheme of allowances' for their Members.
- 3.2 The Members' Allowances Scheme is increased annually in accordance with the National Joint Council for Local Government Services terms and conditions (Green Book) pay award for allowances.

4. **FINANCIAL IMPLICATIONS**

- 4.1 The recommendations of the Independent Review would have financial implications for the Fire Authority for 2024/25, as set out in the table below:

Allowances	2023/24 Allowance	2024/25 Proposed Allowance	Annual impact on revenue budget x 20 members
Basic Allowance	£3,020	£3,156	£2,720 (20 x £136)
Special Responsibility Allowances – only one paid:			
Chair of the Authority	£12,981	£14,861	£1,880
Vice Chair	£3,036	£6,899	£3,863
Political Group Leaders	£2,415	£2,082	(-£1,332) (4 x -£333)
Chair of Committee (Since Apr 23 Committee Chairs are Authority Chair and Vice Chair, so these allowances are no longer paid). Not shown as a saving, as not paid in the last F/Y.	£3,020	Not needed	£0
New Committee Vice Chairs	£0	Not needed	£0
New Local Pension Board Member Allowance	£0	£473	£946 (2 x £473)
Total Impact on revenue			£8,077 pa

- 4.2 These recommended increases in allowances for 2024/25 are instead of an annual uprating of allowances connected to the NJC Local Government Service

(Green Book) pay award and **therefore allowances will not be increased again in 2024/25 once that pay award is announced**. The next uprating of allowances will be linked to the Green Book pay award from 1 April 2025.

5. KEY CONSIDERATIONS

Legislation

- 5.1 Under Regulation 10(4) of The Local Authorities (Members' Allowances) Regulations 2003, a scheme may make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority, and, where the only change made to a scheme in any year is that effected by such annual adjustment in accordance with the index, then the scheme shall be deemed not to have been amended. In accordance with this Regulation, the Fire Authority makes automatic annual adjustments of Member allowances in accordance with the annual NJC Green Book pay award for allowances.
- 5.2 Under Regulation 10(5) the Authority must not rely on the index for automatic annual adjustments for longer than a period of four years before seeking a recommendation from an independent remuneration panel. Therefore, every four years, the Fire Authority must commission an external advisor to fully review the Members' Allowances Scheme, who will 'have regard to' the recommendations made by the remuneration panels of the four unitary authorities.

Last Independent Review

- 5.3 An independent review of Members' Allowances was last undertaken by Bryony Houlden in November 2021 and presented to the Fire Authority on 15 December 2021, when all eleven recommendations of her report were approved. Members' Allowances were found to be lagging national rates and increases in allowances were recommended. The annual refresh of the Members' Allowances Scheme which took place in March 2022 and March 2023, incorporated the two phases of increases in Member Allowances recommended by the independent report.
- 5.4 As the last independent review took place in November 2021, that would mean that the next review would not be due to take place until the autumn of 2025, in readiness for the Scheme to be issued for the financial year 2026/27. However, following an Independent Governance Review, which was considered by the Fire Authority at an Extraordinary meeting on 25 April 2023, the structure of Avon Fire Authority was changed to reduce the number of Committees from three to two. The Chair of Avon Fire Authority is automatically the Chair of the Policy and Resources Committee, and the Vice Chair of the Fire Authority is automatically the Chair of the Audit, Governance and Oversight Committee. These and other changes needed to be reflected in an updated Members' Allowances Scheme, so a new review was commissioned.

2024 Review of Members' Allowances

- 5.5 The review was undertaken following a review of evidence, including responses to a survey of Members and interviews with Members, alongside benchmarking information.
- 5.6 The Report at **Appendix 1** sets out an explanation for each of the recommendations, which are set out below:

RECOMMENDATION 1: The Basic Allowance be set at £3,156

RECOMMENDATION 2: The policy of allowing only one SRA per Member (at the highest rate applicable) should remain in place.

RECOMMENDATION 3: The multiplier of 4.3x Basic Allowance be continued for setting the Special Responsibility Allowance of the Authority Chair. This results in an Authority Chair's Allowance of £14,861 in 2024/25 (assuming the Basic Allowance is increased as per the recommendation above).

RECOMMENDATION 4: A multiplier of 2.2x Basic Allowance be introduced for setting the Special Responsibility Allowance of the Authority Vice Chair. This results in a Vice Chair's Allowance of £6,899 in 2024/25 (assuming the Basic Allowance is increased as per the recommendation above).

RECOMMENDATION 5: A multiplier of 0.66x Basic Allowance be introduced for setting the Special Responsibility Allowance of the Group Leaders. This results in a Group Leaders Allowance of £2,082 in 2024/25 (assuming the Basic Allowance is increased as per the recommendation above).

RECOMMENDATION 6: No Special Responsibility Allowance should be paid to Committee Chairs.

RECOMMENDATION 7: No Special Responsibility Allowance should be paid to Committee Vice Chairs.

RECOMMENDATION 8: The allowance for the Local Pensions Board should be set at 0.15x basic allowance giving an allowance of £473 from 1st April 2024.

RECOMMENDATION 9: From 1st April 2025 uprating of Allowances should continue to be linked to any annual increase agreed by the NJC for Local Government Services (Green Book). In the event of a flat-rate increase arising from the Green Book pay award in any future year, the automatic uprating applied should be the percentage increase on the Green Book allowances. [For avoidance of doubt the uplift should not apply to the Allowances for the year from 1st April 2024].

RECOMMENDATION 10: The Allowance for the Independent Person and Independent Member on AGOC should remain the same at £1,000 pa and £210 per quarterly meeting respectively, plus appropriate expenses.

RECOMMENDATION 11: travel expenses should continue to be paid for Members and Independent Persons on duties specified under the current Schedule 2 in line with HMRC rates. Subsistence should continue to be paid in line with the rates for employees. Members should continue to claim these within three months of being incurred [Any increases or decreases to HMRC rates should automatically be reflected in the payment to Members in the future].

RECOMMENDATION 12: The next full Review should take place to inform the Allowances Scheme which will take effect from 1st April 2028. Members may wish to consider an earlier review in relation particularly the Vice Chair of Committee Allowance and the Independent Member of AGOC.

ADVISORY RECOMMENDATION 13: The Advisor supports and encourages the implementation of the Governance Review recommendation agreed by the Authority that *“The Authority’s training and development programme should be revised to ensure that it provides Members with the knowledge, understanding and skills they need to exercise their governance roles effectively”*.

- 5.7 Advisory Recommendation 13 above, concerns a recommendation made by the Independent Governance Review for a Member’s training and development programme. The Clerk is currently considering options for such a programme and intends to present that to the Fire Authority AGM.

6. RISKS

- 6.1 The Members’ Allowances Scheme was independently reviewed alongside extensive bench marking with the unitary authorities and Fire and Rescue Authorities. This has ensured that appropriate allowances are paid to Elected Members and has minimised the risk of challenge.

7. LEGAL / POLICY IMPLICATIONS

7.1 The relevant statutes and regulations are set out in the body of this report.

8. BACKGROUND PAPERS

Paper 10, Members' Allowances Scheme 2023-24, Avon Fire Authority meeting 29 March 2023, at the following link:

[https://avonfire.moderngov.co.uk/Fire Authority papers 29 March 2023](https://avonfire.moderngov.co.uk/Fire_Authority_papers_29_March_2023)

9. APPENDICES

1. Report of Bryony Holden dated February 2024.
2. Draft Members' Allowances Scheme 2024/25.

10. REPORT CONTACT

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