

To: Cambridgeshire and Peterborough Fire Authority

From: Monitoring Officer – Ms Shahin Ismail

Presenting officer(s): Monitoring Officer – Ms Shahin Ismail
Telephone 01480 444500
shahin.ismail@cambsfire.gov.uk

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Independent Remuneration Panel report on Members allowances

1. Purpose

- 1.1 The purpose of this report is to present, for consideration, the Independent Remuneration Panel (IRP) findings on Members allowances and to make a new scheme of allowances.

2. Recommendations

- 2.1 The Authority is asked to:

- 2.1.1 consider the IRP report, attached at Appendix 1 and determine whether to accept the recommendations as they stand or with amendments or alternatively to make a different scheme altogether,
- 2.1.2 confirm the date on which the new scheme will come into effect, thereby formally revoking the existing Members' Allowances Scheme with effect from that date,
- 2.1.3 authorise the Monitoring Officer to prepare a new scheme to reflect the outcome of the Authority's deliberations and take any consequential action arising from them.

3. Risk Assessment

- 3.1 Legal – the Authority is required under the Local Authorities (Members' Allowances) (England) Regulations 2003 to put in place a compliant scheme for the payment of allowances to its Members. Failure to do so would place the Authority in breach of its legal duty.
- 3.2 Political – the Scheme of Allowances must be published and should be set with regard to recommendations made by an independent review panel or other agreed mechanism.

- 3.3 Economic – the Authority has duties to ensure it complies with legislation and that such a scheme is managed efficiently, effectively and cognisant of any employee pay awards and index linking.

4. Background

- 4.1 As alluded to at Paragraph 3.1 above, the Authority is required to make a scheme of allowances for its appointed Members. The process for making and reviewing such schemes is strictly regulated in order to ensure that the public can have confidence in the independence, openness and accountability of the process involved. At the heart of this process is the requirement that the Authority scheme is reviewed every four years by an independent, appropriately qualified entity.
- 4.2 At its meeting in February 2023 the Authority approved the appointment of an IRP to review the scheme of allowances, noting the associated costs. At the same time, it also agreed to extend the existing scheme until the outcomes of the IRP were known and agreed (Minute 68 of the meeting refers).
- 4.3 During March 2023 the IRP carried out the review and in preparing its report considered all aspects of the existing scheme, including the structure of the scheme, the level of allowances paid and the circumstances in which allowances may be claimed. It also considered some comparative data from other organisations within the sector.
- 4.4 The full report is attached at Appendix 1.

5. Key Implications of the IRP Report

- 5.1 **Confirming the one special responsibility allowance (SRA) only rule** – the current scheme provides for an SRA to be made payable to Members involved in ad hoc additional responsibilities, as defined by the Policy and Resources Committee and an SRA payable for Members sitting on Type Three Project Boards. The IRP recommends that both these are withdrawn and replaced by a single, easier to understand and administer allowance for Members that are asked to take on additional responsibilities.
- 5.2 **Indexation of allowances** – the IRP recommends that the scheme is indexed to the annual employee percentage salary increase and that it is implemented from the date of the Authority's annual meeting for the year that the index applies to staff. The IRP further recommends that the indices are utilised for four years from the date of the annual meeting or until the Authority requires a further review whichever is sooner. This means that any approved scheme would run from June 2023 until June 2027.
- 5.3 **Subsistence allowances** – the IRP commented that the subsistence rates appeared very low and that they should be addressed outside of their review. The rates applied are set by HMRC and are the same as those paid to Officers. Should they be changed there will be (complicated) tax implications

for claimants and therefore it is not proposed that a separate review is initiated.

- 5.4 **Overall budget implications** - the recommendations will see a modest increase in the full range of allowances currently paid by the Authority to its Members. As any pay increase for (Green Book) employees has not yet been agreed, at the time of writing and based on the current structure, the scheme will cost £88,589, an increase of £3,657 (excluding travel and subsistence claims and any SRA's) in financial year 2023/24. This modest increase can be accommodated within the existing budget.
- 5.5 All 17 Members of the Authority were given the opportunity to complete a questionnaire with nine responses received. The IRP took these views into account in its final report.

Source Documents:

Fire Authority Minutes - various

Location:

Hinchingbrooke Cottage
Brampton Road
Huntingdon

Contact Officer:

Shahin Ismail
Monitoring Officer
01480 444500
shahin.ismail@cambsfire.gov.uk