



FIRE AUTHORITY MEETING: 11TH SEPTEMBER 2023

**SUBJECT: MEMBERS' ALLOWANCES SCHEME FOR THE FINANCIAL
YEAR 2023/2024**

**JOINT REPORT OF THE CHIEF FIRE OFFICER AND CHIEF EXECUTIVE
(CLERK TO THE AUTHORITY) AND THE FINANCE DIRECTOR**

1 BACKGROUND

- 1.1 The Authority is required to adopt and approve a Members' Allowances Scheme for each financial year. The practice of the Authority in past years has been to use the Independent Remuneration Panel (IRP) appointed by Sunderland City Council, to make recommendations regarding its Scheme, however other Authorities have adopted other alternative arrangements to update Members Allowances annually.
- 1.2 One of the other options commonly adopted is to index link Members allowances to either the annual increase in the rate of inflation or to link the annual increase to that of the annual pay award of staff within the service/(s).
- 1.3 By way of example the annual rate of inflation for April 2023 was an 8.7% increase and the Grey Book staff pay award was 5% from 1st July 2023.
- 1.4 It should be noted that the Authority previously agreed to keep allowances unchanged for 2022/23 which meant no increase has been made to Members Allowances since 2018/19. At the Authority meeting in March the Authority agreed to a detailed review of Members Allowances by the well-established use of the Independent Remuneration Panel to inform the scheme for 2023/2024, although the logistics of carrying out this review has proved very problematic and has been further delayed unfortunately until the autumn at the earliest because of the lack of availability of the Panel members.
- 1.5 In setting its Scheme for the forthcoming year, the Authority has regard to any recommendations of Independent Remuneration Panels (IRPs) made to its constituent authorities. None of the schemes of the constituent authorities contain a special responsibility allowance for Members who sit on the Fire Authority. The current basic allowances paid by the authorities are Gateshead £ 11,941, Newcastle £ 9,200, North Tyneside £ 10,829 South Tyneside £ 8,167, Sunderland £8,369.



- 1.6 Members have received no increase in their allowances since 1st April 2018, despite the fact that the level of inflation has continued to rise significantly above the government's inflation target of 2% over the past five years culminating in the recent and ongoing cost of living crisis where inflation has soared. It is against this backdrop and the fact no increase has been approved despite the higher cost of living over the last 5 years that the Chief Fire Officer and Chief Executive (Clerk to the Authority) considers that a further delay in reviewing Members Allowances is not acceptable and that an alternative option is adopted to ensure allowances are commensurate with the roles carried out and are paid in a more timely manner.
- 1.7 It is also his view that members allowances should be increased in line with the grey book staff pay award each year unless there is a material change in the structure and / or composition of the Fire Authority when a full independent review would then be undertaken. It is also proposed that every four years an Independent Panel Review would also be scheduled to ensure the remunerations were still current and appropriate. This revised approach is considered to be a fair and equitable approach which aligns members allowance increases to the pay increases of its operational staff but still retaining an Independent Panel as required.

2. PROPOSED SCHEME FOR 2023/24

- 2.1 The view and recommendation of the Chief Fire Officer as Chief Executive and Clerk to the Authority is therefore to increase all Members Allowances by 5% for 2023/24 and which will be applied from 1st April 2023. This will align members allowances with the grey book pay award increase for 2023/24.
- 2.2 The details of the Authority's proposed Scheme for 2023/24, which the Chief Fire Officer and Chief Executive (Clerk to the Authority) is recommending to members is set out in the attached Appendix to this report, which includes the proposed increase.
- 2.3 As the Authority has also now separated out the Vice Chair role from the Chair of Policy and Performance Committee it is also recommended that these two roles are separately identified and remunerated at the same level as that paid to the Chair of the HR Committee.
- 2.4 It is therefore proposed to remunerate the Chair of Policy and Performance Committee at £6,719 and the Vice Chair role also at £6,719 to ensure conformity across all of the similar special responsibility roles.



- 2.5 The Members Allowance Scheme must be approved annually but to ensure that the proposed indexation is kept current and relevant it is considered best practice and recommended to carry out an Independent Panel review every fourth year or sooner should there be any significant changes to the current structure of the Fire Authority.

3 FINANCIAL IMPLICATIONS

- 3.1 The total cost of Allowances to members of all of its various Committees, based on the existing scheme, totalled £80,637. Of this sum £72,397 was to be paid to elected members and £8,240 to the three independent persons co-opted onto the Governance Committee. Including provision for expenses reasonably incurred by its members whilst attending meetings and carrying out the Authority's business meant the total cost would be £85,607 and this amount was included in the original revenue budget for 2023/24.
- 3.2 If members agree to the recommendations set out in this report, by the Chief Fire Officer and Chief Executive (Clerk to the Authority), then the Panel will not be required to sit this year and an annual increase in line with the operational staff pay award of 5% will be applied to all allowances which will amend the cost by £4,030 to a revised increased total cost of £89,637.
- 3.3 There is a further small resource implication for separating out the Vice Chair and the Chair of Policy and Performance Committee roles with an increased cost of £2,938. This would mean a total increased cost to the members allowance scheme of £6,968 for 2023/24 making the revised cost £92,575 in total.
- 3.4 These proposals and increased cost can all be funded from Contingencies within the existing revenue budget.

4. RECOMMENDATION

- 4.1 Members are requested to approve the recommendation by the Chief Fire Officer and Chief Executive (Clerk to the Authority) to accept the proposed Scheme for the financial year 2023/2024 and to adopt the principle of using the annual pay award for grey book staff to inform Members Allowance increases in future years, with an independent review carried out every 4 years. The first of which will apply to the 2026/27 Scheme.
- 4.2 Members are also recommended to approve the proposed changes to the remuneration for the Vice Chair and Chair of Policy and Performance Committee as set out in the report to bring greater consistency for those members.



APPENDIX – SUMMARY OF MEMBERS’ ALLOWANCES FOR 2023/24

<u>Summary of Members’ Allowances</u>	£
Basic Allowance	2,625
Special Responsibility Allowances:	
Chair	13,438
Vice Chair	6,719
Chair – Policy and Performance Committee	6,719
Chair – Human Resources Committee	6,719
Leader of Majority Party in Opposition	3,360
Co-optees’ Allowances:	
Governance Committee	
Chair of Governance Committee	3,460
Independent Member	1,730

Where there is no single majority party in opposition and there is equal representation of any opposition parties on the Joint Authority, the allowance payable to the Leader of the Majority Party in Opposition shall be shared equally between the Leaders of the Parties who are so represented.

Carer’s Allowances:

Actual expenditure up to a maximum of the equivalent of the current National Living Wage or National Minimum Wage hourly rate, as appropriate, dependent upon the age of the worker. The rate applicable shall be subject to automatic increases in line with uprating of the Adult National Living Wage and National Minimum Wage.

Travel Allowances:

Motor Cycle Allowance	24p per mile
Bicycle Allowance	20p per mile

Car Allowance:

45p per mile for first 10,000 miles and 25p thereafter



Passenger Supplement 5p per mile for the Passenger
(not exceeding 4)

The rates for travel and car allowances are to be Her Majesty's Revenues and Customs Rates. Allowances to be updated as and when HMRC publishes revised allowances.

Accommodation and Subsistence Allowances:

Overnight Accommodation - the allowance will not be claimable as an allowance as such, rather reasonable costs of an overnight stay (including breakfast) will be met for business class accommodation (3 star or 4 star) within and outside of London. Unless there are exceptional circumstances, officers will book the accommodation direct selecting the most economic option available and utilising the established procurement arrangements in place. Where exceptional circumstances exist, these will be approved in advance by the Finance Officer and reasonable costs will be reimbursed subject to submission of receipts.

The above approach is proposed for dealing with overnight stays (including breakfast). The subsistence rates for other meals, where necessary, are still considered appropriate and would be in addition.

In the case of absence from the usual place of residence for a continuous period which exceeds 4 hours but does not involve an overnight absence, subsistence is payable as per the table set out below:

Breakfast Allowance	£6.15
Lunch Allowance	£8.46
Tea Allowance	£3.33
Evening Meal Allowance	£10.48

Reduction of Subsistence Allowance for Meals Provided Free of Charge:

Reduction for Breakfast provided	£6.15
Lunch provided	£8.46
Tea provided	£3.33
Dinner provided	£10.48

Tyne and Wear Fire and Rescue Authority



A contribution in excess of the above amounts can be made in exceptional extenuating circumstances. Such circumstances must be approved in advance by the Finance Officer.