

**MEETING: 14 OCTOBER 2019**

---

**SUBJECT: PROCEDURE FOR REVIEW OF MEMBERS' ALLOWANCES SCHEME**

**JOINT REPORT OF THE CHIEF FIRE OFFICER/CHIEF EXECUTIVE (CLERK TO  
THE AUTHORITY), THE DEPUTY CLERK AND STRATEGIC FINANCE MANAGER**

---

## **1 INTRODUCTION**

- 1.1 For some years, the Authority has used the Independent Remuneration Panel (IRP) from Sunderland to consider and make recommendations on its scheme of allowances for members. At its meeting in March this year, the Authority agreed that the Chief Fire Officer would undertake a review of the current arrangements. The purpose of this report is to set out the legal background to the adoption of schemes of allowances, outline the result of enquiries of other authorities as to their practice, and suggest options for consideration by the Authority.

## **2 LEGAL BACKGROUND**

- 2.1 The Local Authorities (Members' Allowances) (England) (Regulations) 2003 (the Regulations) set out the main provisions for the approval of allowances schemes by authorities. In addition, guidance has been issued by the HMRC and former Office of the Deputy Prime Minister.
- 2.2 The Regulations do not apply identical requirements to all the different types of authorities to which they apply. While joint authorities established under Part IV of the Local Government 1985 (of which the Tyne and Wear Fire and Rescue Authority is one) are required to adopt an allowances scheme before 1st April each year, unlike district, county and London borough councils, they are not required to establish an IRP. Such joint authorities (together with specified others listed in the Regulations) are to have regard to the recommendations of the panels of the authorities by which its members are nominated, which the guidance states "...will provide some guidance for the secondary authority when making its own scheme."

## **3 PROCEDURE FOLLOWED AT OTHER FIRE AUTHORITIES**

- 3.1 A request for information regarding the process followed at other joint or combined authorities was made through the Fire Lawyers Network, to which five authorities responded, one of which was a Welsh authority, which is governed by a different system and so their response is not referred to below. The responses are summarised as follows:

Authority A - previously had an IRP made up of members drawn from the IRPs of its constituent authorities. The procedure was then changed, so that only one person from one of the panels undertook a desktop review with information

supplied by officers. They asked questions and suggested some changes. This is likely to be the approach followed in future.

Authority B - uses the IRP from the lead authority.

Authority C – does not use an IRP. Every four years, a consultant is commissioned to undertake a review.

Authority D - having undertaken a fundamental IRP review some years ago, has simply built in index linking.

- 3.2 In addition, the websites of other authorities were viewed to see if information could be obtained about their process. While the information was not always readily apparent, a further example was found of an authority that appointed a consultant to undertake the review and make recommendations. Some authorities used an IRP and one did not appear to have any external consideration of its scheme.
- 3.3 While authorities are required to adopt a scheme for each year, none who responded undertook a detailed review each year, as a matter of course. Whether or not such a review was considered appropriate was determined in the light of the prevailing circumstances. From consideration of other authorities' websites, this appears to be a common approach and is an approach often taken by county and district authorities which may undertake "light touch" reviews or simply apply index linking, in between more detailed reviews which are taken at intervals of, typically, three or four years.
- 3.4 The practice for consideration of the IRP recommendations to constituent authorities also varied, with some authorities including the relevant reports and schemes as appendices to the authority report which recommended adoption of the authority scheme, some providing details of allowances paid at other authorities to their IRP, in order to inform its recommendations to the authority (as is the practice at the Tyne and Wear Fire Authority) and some not appearing to consider any information regarding constituent authority's schemes, but rather taking into account the schemes at other fire authorities. (The IRP for this authority has also had regard to the schemes at other comparable fire authorities, as well as those of the constituent authorities.)

#### **4. OPTIONS FOR FUTURE REVIEWS OF THE ALLOWANCE SCHEME**

- 4.1 While there is no requirement for the Authority to use an IRP, members may consider there to be merit in having some form of external review. Members may also wish to consider how frequently they would wish to undertake detailed reviews.
- 4.2 Options that the Authority may wish to consider include:
- (a) Continuing to use the IRP from Sunderland City Council, or

- (b) Authorising the Strategic Finance Manager and Deputy Clerk to appoint a pool of members, drawn from members of the IRPs of constituent authorities who are willing to participate in reviews of the Fire Authority scheme, from which the officers will convene a panel of no less than 3 members to undertake reviews and make recommendations to the Fire Authority, or
- (c) Authorising the Strategic Finance Manager and Deputy Clerk to appoint an external consultant to review the Scheme and make recommendations, or
- (d) Not obtaining any external view on the Scheme at this stage and reviewing the position should any changes be considered appropriate in future. If this is members' preferred option, it may be considered appropriate to agree to undertake a detailed review, with some form of external input, at intervals of no more than four years, even if no specific proposals for change are contemplated. Should there be any changes proposed to the Authorities' governance arrangements and/or allowances scheme in the meantime, this would prompt an earlier review or
- (e) Adopting an annual increase (by CPI) in allowances each year with a review being carried out only in exceptional circumstances when any member role changes.

4.3 Should the Authority choose to appoint an external consultant, they would be remunerated on a commercial basis. If the Authority chose to continue to use a Panel, it should consider what remuneration would be appropriate for Panel members. In this regard, the approach taken by different authorities varies significantly, with some paying expenses only and others paying a daily or annual rate. If the Authority decides to continue to utilise a Panel, it is suggested that it may be appropriate to authorise payment of up to £400 plus reasonable travel and subsistence expenses for the undertaking of a full review and for the Strategic Finance Manager, in consultation with the Chief Fire Officer, to be authorised to pay such lower sum as is considered appropriate in respect of any "light touch" reviews.

## **5. RECOMMENDATION**

- 5.1 That the Authority considers the process it wishes to follow in respect of the review and adoption of its members' allowances scheme, adopts one of the approaches set out above, or such other approach as it considers appropriate, and authorises the Strategic Finance Manager and Deputy Clerk to undertake all associated action to implement the Authority's decision.

### **Background papers**

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

**Tyne and Wear Fire  
and Rescue Authority**  
*Creating the Safest Community*

**[www.twfire.gov.uk](http://www.twfire.gov.uk)**

