



# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

<b>REPORT REFERENCE NO.</b>	DSFRA/12/5
<b>MEETING</b>	DEVON & SOMERSET FIRE & RESCUE AUTHORITY (BUDGET MEETING)
<b>DATE OF MEETING</b>	17 FEBRUARY 2012
<b>SUBJECT OF REPORT</b>	DEVON & SOMERSET FIRE & RESCUE AUTHORITY APPROVED SCHEME OF MEMBERS ALLOWANCES
<b>LEAD OFFICER</b>	Clerk to the Authority
<b>RECOMMENDATIONS</b>	<p>(a) <i>That the contents of this report be considered alongside the report of the Independent Advisor (as appended) and with a view to determining, for the forthcoming (2012/13) financial year:</i></p> <ul style="list-style-type: none"> <li>(i) <i>the rate of Basic Allowance payable;</i></li> <li>(ii) <i>the rates and type of Special Responsibility Allowances (SRAs) payable;</i></li> <li>(iii) <i>the position in relation to payment of more than one SRA with reference to the Commercial Services Committee;</i></li> <li>(iv) <i>rates for reimbursement of travel and subsistence;</i></li> <li>(v) <i>other recommendations as contained in the Independent Advisors report (e.g. performance monitoring etc.);</i></li> </ul> <p>(b) <i>that, following from (a) above and in accordance with the requirements of the relevant Regulations, the Clerk be authorised:</i></p> <ul style="list-style-type: none"> <li>(i) <i>to arrange for publication as soon as possible of those rates agreed in relation to Basic and Special Responsibility Allowances;</i></li> <li>(ii) <i>to amend the Authority Approved Scheme of Members Allowances to reflect, where required, decisions taken at (a) above;</i></li> </ul>

	(c) <i>that, given the change to the standards regime as contained in the Localism Act 2011 and in light of Counsel advice as to sanctions available under the successor regime, the Clerk be further authorised – upon commencement of the new provisions (anticipated for 1 July 2012) - to amend the Approved Scheme of Allowances by removal of reference to full or partial suspension of a Member from duties and associated withholding of allowances.</i>
<b>EXECUTIVE SUMMARY</b>	<p>Regulations require the Authority to determine each year basic and special responsibility allowances, together with levels for reimbursement of travel and subsistence expenses to Members. For the forthcoming financial year, this has been subject to an independent review, the recommendations for which are set out in the appended report from the Independent Advisor.</p> <p>This report sets out the financial implications for the Authority should it be minded to approve those recommendations. It also highlights the requirement for a further amendment to be made to the Approved Scheme once the new standards regime introduced by the Localism Act 2011 is effected.</p>
<b>RESOURCE IMPLICATIONS</b>	As set out in Section 2 of this report.
<b>EQUALITY IMPACT ASSESSMENT</b>	Not applicable
<b>APPENDICES</b>	Report of Independent Advisor
<b>LIST OF BACKGROUND PAPERS</b>	<p>The Local Authorities (Members Allowances) (England) Regulations 2003</p> <p>The Localism Act 2011</p>

## **1. BACKGROUND - LEGISLATIVE FRAMEWORK AND REVIEW PROCESS**

- 1.1 The relevant Regulations governing Members' Allowances require the Authority to pay a basic allowance (to cover all normal duties associated with the office) to all Members. This basic allowance must be the same amount for each Member. The regulations also provide for the payment of Special Responsibility Allowances in certain circumstances (e.g. for chairing duties etc) as specified.
- 1.2 Unlike other public authorities, this Authority is NOT required to appoint an Independent Remuneration Panel (IRP) to review its allowance scheme. It is, however, required to "have regard to" any recommendations made by the IRPs of its constituent authorities in relation to allowances paid by those authorities. Additionally, the Regulations advise that any automatic uprating mechanism contained within an approved Scheme should only be used for a maximum period of four years after which a more fundamental review should be undertaken.
- 1.3 This Authority's Approved Scheme of Members Allowances was last reviewed substantially by an Independent Advisor in 2008. At that time it was considered appropriate to use the services of an Independent Advisor given the sensitivity of this issue and in-keeping with a desire to reflect the impartiality, objectivity and transparency of the arrangements applying to other public authorities.
- 1.4 Applying this rationale again, a quotation exercise was conducted in December 2011 resulting in the appointment of Ms. Bryony Houlden to undertake the current review.
- 1.5 A copy of Ms. Houlden's review, including proposals as to allowances to be paid, is appended to this report. Ms. Houlden has been invited to attend the meeting for this item to address any issues Members may wish to raise in relation to the review and subsequent report as appended to this paper. The remainder of this report addresses the financial implications should the proposals set out in Ms. Houlden's report be adopted.

## **2. FINANCIAL IMPLICATIONS**

- 2.1 The Authority's draft revenue budget for 2012/13 makes a total provision of £125,200 for Members allowances, allowing for a 2.5% increase on allowance lines (including National Insurance), a standard, 5.2% inflationary increase for non-allowances lines and other inescapable commitments. This is broken down as follows:

<b>ITEM</b>	<b>AMOUNT £</b>
Members' Allowances	89,900
Members' National Insurance	2,100
Members Travel	20,900
Members Conference Fees	6,000
Members Subsistence	4,500
Members hotel bookings	1,800
<b>TOTAL</b>	<b>125,200</b>

- 2.2 It should be noted that (with the exception of the National Insurance line), the above does not include provision for the payment of any Special Responsibility Allowances (SRAs) attracting to the Commercial Services Committee. The Authority previously resolved that these SRAs should be met from income generation and should not fall on the Council Tax payer (Minute DSFRA/21(e) of the meeting held on 29 July 2011 refers).
- 2.3 As such, provision for allowances linked to the Commercial Services Committee is, therefore, factored in as part of the recoverable costs associated with commercial trading but it should be noted that any increase in the level of such allowances arising from the Independent Advisors report will need to be met from a corresponding increase in the income target for commercial trading activities.
- 2.4 Should the recommendations as contained in the Independent Advisors report be approved, then expenditure on Members Allowances only (again, excluding SRAs associated with the Commercial Services Committee) would be as follows:

ITEM	AMOUNT £
Basic Allowance (25 x £2,500)	62,500
SRAs	
- Authority Chairman	12,500
- Authority Vice Chairman	6,250
- Committee Chairmen (4 x £3,750)	15,000
- Allowance for Standards Independent Members (3 x £500)	1,500
<b>TOTAL</b>	<b>97,750</b>

- 2.5 This total amount of £97,750 exceeds the provision of £89,900 for allowances only (as contained in the draft revenue budget 2012/13) by £7,850. If approved, this additional amount will be contained from elsewhere within the overall budget for Democratic services.

### **3. LOCALISM ACT – IMPLICATIONS FOR APPROVED SCHEME OF ALLOWANCES**

- 3.1 The current Regulations on Members Allowances provide that a Scheme may specify that, where a Member is wholly or partially suspended from his/her responsibilities in accordance with Part III of the Local Government Act 2000 (the former standards regime), then part or all of any allowances payable may be withheld during the period of suspension. This provision is currently reflected in the Authority's approved Scheme.
- 3.2 At its meeting in December 2011 the Authority received a report on the implications of the recently enacted Localism Act 2011. One of the provisions of this Act is to remove, virtually in its entirety, the standards regime introduced by the Local Government Act 2000. The Authority must replace this with its own "arrangements", which must include adoption of a Code of Conduct and a process for addressing any alleged breaches of this Code.
- 3.3 Significantly, however, the range of sanctions under the former regime has effectively been swept away by the new provisions as required under the Localism Act. Counsel opinion has been sought by the Association of Council Secretaries and Solicitors which has confirmed that suspension will no longer be a sanction available to local authorities under the new regime.

- 3.4 Consequently, it follows that – if suspension is no longer available – then it will no longer be possible to withhold allowance payments on that basis. It is anticipated that the new standards arrangements under the Localism Act will come into force on 1 July 2012. Given this, the Authority is asked to authorise the Clerk to amend the Authority Approved Scheme of Allowances – once the new standards arrangements come into force – to delete reference to the withholding of allowances in the event of suspension.

**MIKE PEARSON**  
**Clerk to the Authority**

**REVIEW OF DEVON AND SOMERSET FIRE AND  
RESCUE AUTHORITY MEMBERS' ALLOWANCES  
SCHEME**

January 2011

## **EXECUTIVE SUMMARY**

Devon and Somerset Fire and Rescue Authority (the Authority) asked for an Independent Review of their Allowances Scheme following the last review in 2008. Since the last review Members have decided to freeze the level of Allowances reflecting the difficult economic climate. This has resulted in the Authority's Allowances moving well below the average in a number of cases when considered against benchmark figures available from other Fire Authorities. Whilst it is recognised that it is a difficult decision to increase payments against a background of funding cuts the Independent Advisor feels it is important to ensure that Members are receiving proper recognition and support in carrying out their work whilst recognising the important element of public service expected in their roles.

The recommendations outlined below, if approved, will result in changes to the current scheme. These include an increase in the Basic Allowance to bring the Authority closer in line with that of other Fire Authorities. Special Responsibility Allowances have also been extensively considered particularly in relation to the Commercial Services Committee which represents a new and innovative approach to delivery of the work of the Authority.

### **Recommendations:**

- (i) The Basic Allowance be set at £2,500;**
- (ii) The Chair's Allowances be set at 5 x the basic (£12,500);**
- (iii) The Vice Chair's Allowance be set at 2.5 x the basic (£6,250);**
- (iv) The Committee Chairs Allowance be set at 1.5 x the basic (£3,750);**
- (v) The Allowance for the Director of SW Fire Control Service be removed;**
- (vi) Commercial Services Committee Members Allowance should be set at 1.5 x basic (£3,750);**
- (vii) Members should only be allowed to receive one Special Responsibility Allowance with the exception of Members of the Commercial Services Committee who should be allowed an Allowance for this Committee in addition to one other SRA;**
- (viii) The Allowance for the Independent Members of the Standards Committee be set at £500 until the provisions of the Localism Act come into effect;**
- (ix) Uprating of Allowances be linked to any annual increase agreed by the NJC for Local Government Services;**
- (x) Travel rates should be linked to the rates published by HMRC and amended accordingly;**
- (xi) Subsistence be linked to the employee scheme and uprated accordingly;**
- (xii) Consideration be given to the introduction of some performance management measures for all Members and particularly those in receipt of a Special Responsibility Allowance;**
- (xiii) The Authority should continue to provide development support to Members as required;**
- (xiv) The Authority considers a partial review before 2016 to assess areas of uncertainty about the relative merits of some of the Special Responsibility Allowances as set out in the Report.**

## 1. Introduction

- 1.1. Devon and Somerset Fire and Rescue Authority (the Authority) is a body corporate and as such is required to have a scheme of allowances. These Allowances are set under *The Local Authorities (Members' Allowances) (England) Regulations 2003*. In setting the level of Allowances the Authority has to have regard to the recommendations made by any Independent Remuneration Panel in relation to any local authority that nominates Members to the Fire and Rescue Authority. Fire and Rescue Authorities are not required to set up their own Independent Remuneration Panel but may conclude that some external, independent advice is appropriate. The Authority decided to appoint an Advisor to undertake a review. The Advisor and author of this Report, Bryony Houlden, is Chief Executive of SW Councils; she is currently the Chair of the Torbay Independent Remuneration Panel, is also a member of the Mid Devon District Council Panel and has previously belonged to other Panels. Her organisation provides training to Independent Panels and regularly collects and produces comparator information on allowances across the South West for the use of Panels and Authorities.
- 1.2. The Authority was established in April 2007 following the merger of Devon FRS and Somerset FRS and the first review of allowances following the merger took place in 2008. Uprating of the scheme was linked to the Local Government Association's Annual Survey of Hours and Earnings although Members have not taken an increase in Allowances since the scheme was last reviewed in 2008.
- 1.3. The Authority has now requested a review of the Allowances Scheme recognising that the Regulations specify that adjustments of allowances must not rely on an index for longer than four years before seeking future recommendations. The review has also been requested in light of changes that have taken place over the last four years in terms of the environment in which the Authority is working. The Authority has a new officer and Member leadership team and is striving to meet the tough challenges presented by current economic circumstances and is looking to find new and effective ways of working.
- 1.4. In developing the recommendations the Advisor was helped by input from Members some of whom submitted questionnaires and others who were interviewed as part of the process. Members provided views on a range of issues around the Basic Allowance, the various Special Responsibility Allowances and the direction of travel of the Authority. The views were very helpful in shaping the recommendations although were not always consistent. The support and input of Members was gratefully received.
- 1.5. In preparing this Report the Advisor was supported by officers who provided factual advice and information. The Advisor found this help extremely useful.



## 2. Background

- 2.1. The Authority is the largest non-metropolitan fire and rescue service in the UK and is based in the South West:
- An annual budget of £75m [drawn from Government Grant, income from fees and charges and Council Tax - on average approx 4% of the total bill received by households];
  - 2279 staff;
  - Operates 85 fire stations, of which 67 are retained, the largest number in England;
  - Operates 178 fire appliances and special vehicles;
  - Operates two training facilities (one shared at Avonmouth).
- 2.2. The Authority is led by 25 elected Members drawn from the four constituent local authorities – Devon County Council, Somerset County Council, Plymouth City Council and Torbay Council. Members set the strategic direction, set and oversee the budget and ensure the delivery of the overall objectives.
- 2.3. The Authority has established the following structure to support the full membership of the Authority:
- Resources Committee
  - Community Safety and Corporate Planning Committee
  - Audit and Performance Review Committee
  - Human Resources Management and Development Committee
  - Standards Committee
  - Commercial Services Committee
- [There is also a Capital Programme Working Party which works via the Resources Committee or elsewhere as required].
- 2.4. The last four years have seen much change across the public sector and within Fire and Rescue Authorities. Budgets have been under severe pressure with overall fire resource expenditure reducing by 13% in real terms and government grant by 25%. Fire Authorities have been given new opportunities as well as challenges through the Localism Act general power linked to their functions which may enable a more innovative approach to delivery. The Authority has been proactive in endeavouring to meet the challenges of the changes to the economic situation by improving efficiency, reducing costs and generating income. The commitment to looking at new ways of generating income led to the setting up of a Commercial Services Committee in July 2011 particularly tasked to oversee the contract with Red One Ltd., the delivery arm of the Authority's commercial trading activities. This Committee was not in existence at the time of the last full review of the Allowances and therefore has been an important consideration in producing the recommendations for the overall Allowances Scheme as set out in this Report.
- 2.5. One notable point is that the intention is for the Commercial Services Committee Allowance to be met from income generated through Red One. As far as the Advisor is aware this is a new approach to the issue of meeting the cost of Allowances.

### 3. Purpose

- 3.1. The purpose of the review was to provide recommendations (together with the rationale for those recommendations) that would cover the following issues:
- The level of the basic allowances for 2012/13;
  - The level and number of special responsibility allowances for 2012/13;
  - The level of allowances payable to Independent members of the Standards Committee for 2012/13;
  - An appropriate mechanism for annual uprating of the basic and special allowances;
  - The level of travel and subsistence reimbursement from April 2012 together with an appropriate mechanism for uprating.

### 4. Methodology

- 4.1. In producing the Report the Advisor has considered:
- i. The Local Authorities (Members' Allowances) Regulations 2003 and the Guidance issued by the Dept. of Communities and Local Government;
  - ii. The current Allowances Scheme and the previous independent report produced in 2008;
  - iii. Evidence from Members all of whom were invited to complete a contact time questionnaire and were given the opportunity to speak to the independent Advisor (which the Chair, Deputy Chair and other Members took the opportunity to do);
  - iv. The Authority's Corporate Plan 2011/12 to 2013/14 and the DSFRS Strategy *Towards 2014*;
  - v. Terms of Reference of Committee, Working Parties etc;
  - vi. The Allowances schemes for the constituent authorities: Devon County Council, Somerset County Council, Plymouth City Council and Torbay Council;
  - vii. Benchmark data on current Fire and Rescue Authority Allowances Schemes across England;
  - viii. The Practical Guide on Allowances produced by SW Councils in 2010.

### 5. Basic Allowance

- 5.1. The current Basic Allowance is set at: £2,000.
- 5.2. As set out in the Guidance (referred to at 4.1 (i) above) the Basic Allowance is intended to: *“recognise the time commitment of all councillors, including such inevitable call on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes”*. The basic allowance paid *“must be the same for each councillor”* and it cannot be based on measures such as attendance at meetings.

- 5.3. In setting the level of allowances the Guidance suggests considering the rate at which, and the number of hours for which, councillors ought to be remunerated – with an important emphasis on some element of the work continuing to be voluntary. The “*public sector ethos*” has to be balanced against encouraging participation and ensuring that financial loss is not suffered. There is no set amount recommended for the “public service “ element – in the previous Report setting the current Allowances a 30% figure was used.
- 5.4. As part of the review Members were invited to record a time log in relation to the Basic Allowance which 5 Members kindly completed. This showed a high variation in the amount of time spent on the “basic” duties. Officers used this information along with information about meetings of the Authority, including committees, to produce a figure for the annual average amount of days involvement by Members. The average number of days spent was recorded via this method as 24.15 days a year. This is a higher figure than recorded at the last review in 2008 of 15.8 and 16.3 days – it cannot, however, be taken as wholly reliable given the wide variation between the responses of the 5 Members on the time log. Part of the increase might reflect Members’ increased interest across the whole Authority in looking at new ways of working and ensuring the development of an effective business model for ensuring the future delivery of services at a time of substantial resource constraint. This was referred to both in the discussions with Members and with officers.
- 5.5. One methodology to use in setting the Basic Allowance would be to apply the current daily rate as advised by the Local Government Association of £152.77 (set 2010 and not changed in 2011) to this average number of days, and then to deduct a public service element of 30%. This would produce a figure for the basic allowance of £2,583.
- 5.6. Another approach is to consider benchmark data. This can be done in two ways. First the benchmark information from constituent Authorities: – the Basic Allowance in the four constituent authorities range from £7,912 - £10,970, giving an average £9,813. The Guidance does not specifically suggest that this is an appropriate benchmark group given the different nature of the activities and business. It may be that other Fire and Rescue Services are a better benchmarking group but it is a useful background figure –and as all the Members of the Authority will be in receipt of one of these Allowances it sets a context.
- 5.7. The other benchmark data is from other combined fire and rescue Authorities (CFRAs). Data obtained by officers for CFRAs in 2011/12 has a range of Basic Allowances from £1,158 - £4,554. The Average Basic Allowance being £2,746 and the median £2,799 (including the Authority). If different benchmark groups are taken from within the whole data set there are other permutations. First, a “South West” grouping: information from 3 other South West CFRAs (Dorset, Wiltshire and Avon) gives an average Basic Allowance of £2,526. Another benchmark group would be authorities with a similar sized budget and type of area: Hampshire, Kent and Essex have budgets between £38m-£75m (website data) and pay an average basic allowance of £2,962.

- 5.8. Feedback from the Chair and most of the Members who met the Advisor was that the current Basic Allowance was not a fair reflection of the amount of work and commitment of Members. However, they also recognised budgetary pressures, the pay restraint being applied to staff and the need, if Allowances rose, to ensure a continued high level of commitment from all Members. This need to ensure a high level of commitment and performance was reiterated by all the members on a number of occasions and is reflected in the final recommendation below.
- 5.9. Taking account of all the benchmarking and other information and comments from Members I **recommend the Basic Allowance be increased to £2,500.** Whilst this represents a substantial increase in percentage terms, it is important to set it against the evidence outlined above including the fact that it is still below all the benchmark averages and the fact that Members have not taken an increase since the rates were last reviewed and set in 2008. I believe it represents a fairer reflection of the role and responsibilities expected of members i.e. the “worth of the job” as described by one Member.
- 5.10. Whatever the level of the Basic Allowance its payment clearly brings with it the expectation that Members will continue to put in the commitment, attending meetings and contributing to the debate and that they will be equipped to do so through support for their continuing development. It is worth noting that two of the constituent authorities have now achieved Member Charter or Charter Plus status recognising the importance of ongoing Member development. It is understood that a number of other CFRAs are also exploring some form of Performance Review Processes for their Members and the Authority may wish to learn from this experience.

## 6. Special Responsibility Allowances

- 6.1. Special Responsibility Allowances (SRAs) are payable to those Members who have significant additional responsibilities. The regulations do not prohibit the payment of more than one SRA to any one Member although it is quite often the adopted practice to limit to one SRA. In the case of the Authority, there has been a restriction with Members only entitled to one SRA with the exception recently of the Commercial Services Committee. Allowances for the Commercial Services Committee were introduced after the last review and are considered in more detail below.
- 6.2. SRAs are often set by reference to the Basic Allowance with a multiplier assessed for each post which attracts a SRA. This is the approach that has been previously adopted with the multipliers noted in 6.3 below.
- 6.3. Based on the previous report and updated subsequently the current scheme pays the following SRAs:

Chair of the Authority (5x Basic)	£10,000
Vice Chair (3x Basic)	£ 6,000
Chair of Committee (2x Basic)	£ 4,000
Director of SW Fire Control Service (1xBasic)	£ 2,000
Commercial Services Committee* (1.5 x Basic) [* As noted above this an allowance was agreed separately following a report from the Chief Fire Officer in July 2011]	£3,000
Standards Committee	£ 500

6.4. The use of a multipliers was continued following the last Independent Report which recommended only one change in the existing multiplier which was to increase the Vice Chair's multiplier from 2x to 3x.

6.5. In reaching conclusions on the way forward consideration has been given to benchmarking information. Using the information about the Combined Fire Authorities and the same benchmark group provides the following data:

	<b>Combined Fire Authorities</b> (Includes Devon & Somerset)	<b>SW Authorities</b> (Avon, Dorset, Wiltshire)	<b>"similar sized" FRSA</b> (Hants, Kent, Essex)
<b>Chair :</b>			
<b>Average</b>	£11,713	£7,747	£16,196
<b>Range</b>	£3,393 -18,819	£5,900 -10,725	£14,469 -18,180
<b>Vice Chair:</b>			
<b>Average</b>	£5,764	£3,764	£5,670
<b>Range</b>	Nil – £11,082	Nil - £4578	£1,769 -7,969
<b>Committee Chair:</b>			
<b>Average</b>	£2,408	£2,360	£3,755
<b>Range</b>	Nil - 7272	£1,985 – £4,578	£1,944 - £7,272

6.6. The benchmarking data shows there is considerable variation across Authorities. Although not all Authorities used a multiplier approach a multiplier can be calculated against these figures which reveal a considerable range with the Chair's Allowance multiplier ranging from 0.88 to 13.10 and the Vice Chairs from 0.83 -5.7. An alternative approach to multipliers is to set the Chair or Leader's salary and then assess other allowances in a "top down" approach.

(i) Chair

6.7. The Chair's Allowance was confirmed at a multiplier of 5 x basic at the last Review, the evidence cited at the time included the fact that the Authority is the largest non-metropolitan fire and rescue authority and that the Chair was chairing the Regional Management Board. There is no longer a formal Management Board but an informal South West Forum of Fire Authorities. The Chair rotates between authorities and requires a reduced time commitment.

6.8. Evidence from the Members interviewed about the role of the Chair suggested a high, and potentially increasing, level of commitment and responsibility given the current challenges – and opportunities – facing the Authority. Taking this evidence into account along with the benchmarking information **I recommend that the multiplier be maintained at 5 x Basic (£12,500 assuming the Basic Allowance is increased as per the recommendation at paragraph 5.9 above).**

(ii) Vice Chair

6.9. As noted above the Vice Chair's allowance was increased following the last Independent Report. This reflected the views that the Vice Chair role carries a greater set of responsibilities than Committee chairmen and substituted quite frequently for the Chair. In addition the Vice Chair was at the time the Authority's representative on the company running the Regional Control Centre. Since the last Report the situation has changed. The Regional Control Project has been abandoned and in any event the current Director appointed by the Authority (and who receives an SRA of £2,000 in that respect) is no longer the Vice-Chair. The Chair reports, however, that the Vice Chair continues to deputise for him. Looking at the benchmarking information and reflecting on the changes in the role the Vice Chair clearly continues to make an important contribution which warrants a multiplier of more than the original 2 x basic. **I therefore recommend that the multiplier for the Vice Chair should be set at 2.5x Basic Allowance (£6,250 assuming the Basic Allowance is increased in line with the recommendation at paragraph 5.9 above).**

(iii) Committee Chairs

6.10. Discussions about the role of Committee Chairs and their workload and level of responsibility suggested that the Authority continues to see these as delivering important ongoing roles. However, Committees only meet every couple of months. In discussion with Members, Committees and their Chairs were seen as playing an ongoing core role, but were not identified as taking as wide ranging a role and responsibility in terms of shaping the future direction and meeting challenges. There was some evidence of different Chairs taking on a higher level of responsibility between meetings and it may be that a future review looks in more detail at whether there should be a different level of allowance for each of the Committee Chair roles, reflecting responsibility and workload. It is not possible on the current evidence to differentiate in this way.

6.11. Reflecting on this my view is that the role of a Committee Chair is on average broadly commensurate with the workload of the Commercial Services Committee. Using this analysis and the benchmarking information which shows the Authority's Committee Chair Allowances to be above all the average benchmark groups **I recommend that the allowance should be set at a multiplier of 1.5x Basic Allowance ( £3,750 assuming the Basic Allowance is increased in line with the recommendation at paragraph 5.9 above).** This still sets the allowance at the average for similar sized authorities and above other benchmark groups. For avoidance of doubt this would not apply to the Chair of the Capital Programme Working Party as it works via other Committees.

(iv) Director of South West Fire Control Service

6.12. The current scheme provides an allowance for being a Director of South West Fire Control Service. This project is coming to an end and I understand will involve little additional work until dissolution which is expected in the summer. This suggests that the workload could easily be covered as part of the basic duties of one Member and **I recommend the the Authority ceases to pay an SRA for this role.**

(v) Commercial Services Committee

- 6.13. The Commercial Services Committee is a new Committee established in 2011 to oversee the commercial activity undertaken by the Authority through Red One Ltd. and any other body established for such purposes. The Authority exercises control over Red One through the contract established with the company and as sole shareholders. The Report proposing the setting up of the Commercial Services Committee foresaw a requirement for the Committee to meet very regularly, at short notice, and required a considerable commitment from Members. Exceptionally the Report recommended that the rules on Members only receiving one SRA should be lifted in relation to this Committee recognising its special nature. The Report also proposed that the costs should be met from income generated by the company. The multiplier agreed was 1.5x Basic Allowance.
- 6.14. In the current climate the work of this Committee was identified by all Members I spoke to as very important. There was a clear conviction and commitment from the Chair and some of the Members I interviewed that moving the commercial work forward whilst maintaining quality service provision within Devon and Somerset was vital. The new approach of meeting the cost of allowances for the work of this Committee from the income of Red One and not from grant or Council Tax is an interesting approach. It is obviously early days for this approach and for Red One, but if successful the Authority may wish to actively share information about the pros and cons of such an approach with other Authorities.
- 6.15. The Commercial Services Committee membership includes a number of Members in receipt of other Special Responsibility Allowances, including the Chair, Vice Chair and a Committee Chair. This reflects the importance attached to this Committee but makes it even more important, in my view, to reflect on performance issues flagged up below. Taking account of all the evidence with which I have been presented **I recommend that it should be set at 1.5x Basic Allowances (£3750 on the basis that Basic Allowance is increased as per the recommendation at paragraph 5.9 above). Exceptionally I also recommend that Members should be able to receive this SRA in addition to one other SRA.** This is in recognition of the important and potentially groundbreaking nature of the Committee's role.
- 6.16. The Commercial Services Committee Allowance may be one that over time, if the workload continues to increase and the approach is successful, could be set at a higher level. However, at this stage given the Authority's past views on the relative weighting, particular of the Committee Chairs, I have not found the evidence to set the Allowance at a higher level than previously agreed. Paying an allowance to all Members of this Committee suggests a strong expectation on Members that Members will, wherever possible, attend meetings and contribute to the debate. As this Committee is setting a new approach in seeking to meet the cost of the Allowances from externally generated income **I recommend that the Authority and the Committee give particular consideration to introducing some form of performance monitoring for this Committee.**

## 7. Standards Committee

- 7.1. The Localism Act has confirmed that the previous Standards Regime will be abolished. The Act further confirms that, while Authorities will be required to have in place arrangements to deal with Standards issues, details as to these arrangements will be for each individual Authority to determine. The latest thinking is that these provisions of the Localism Act will be effected from 1 July 2012. Until that date the previous arrangements apply. Consequently, **I recommend that the current allowance of £500 per Independent Members is retained up to the date by which the replacement provisions as to Standards issues as set out in the Localism Act come into effect.**

## 8. Uprating mechanism

- 8.1. The Authority has been using the Local Government Association daily rate as the measure for Members Allowances uprating. The LGA rate has not been uprated this rate since 2010.
- 8.2. **I am recommending that the Authority moves to linking the Allowances with the level of any annual increase agreed by the NJC for Local Government Services (Green Book).** Presentationally this may be helpful in explaining both to staff and to the public if increases occur and is consistent with practice in some other FRSA's.

## 9. Travel and Subsistence

- 9.1. Having reviewed the current travel and subsistence scheme and considered the schemes in the constituent authorities and the arrangements for staff **I am recommending:**

**(i) reimbursement of approved mileage be linked to the rates published by HMRC.** For 2011/12, namely:

- 45p per mile for the first 10,000 miles pa.
- 25p per mile for mileage over 10,001 miles pa.
- Passenger rate is 5p per passenger per mile (max 4 passengers).
- Bicycle allowance: 20p per mile.

Any increases or decreases to these rates by HMRC should automatically be reflected in the payment to Members in the future.

**(ii) Subsistence allowances should be the same as for employees, with any changes in rates reflecting changes to the employee scheme. Currently set at:**

- Breakfast - £6.90
- Lunch - £9.54
- Tea - £3.76
- Dinner - £11.82

Overnight accommodation would be subject to agreement through the Democratic Services section as under the current arrangements.



## 10. Other Issues

10.1. An issue mentioned in the Report and raised on a number of occasions in discussion with Members was ongoing development and performance of Members. There was a clear commitment by Members to delivering the work of the Authority but also recognition of the need to clearly demonstrate that commitment by all the Members in receipt of an allowance. I recommend:

- (i) that consideration be given to the introduction of some performance management measures for all Members and particularly those in receipt of a Special Responsibility Allowance.**
- (ii) that the Authority works with Members to assess their needs and continues to provide development support as required.**

10.2. Although under the Guidance a full review is not required for another 4 years, there are a number of issues flagged in this Report where there is uncertainty. For example, the work and relative weighting of responsibility of the Commercial Services Committee as set against other roles, whether the approach to payment of Allowances through self-generated income will be successful and replicable and whether all Committee Chairs responsibilities and workloads are of the same level in terms of the need for a SRA. Given these uncertainties the Authority may want to consider a partial review of these issues before 2016.

**Bryony Houlden**  
**January 2012**