

**REPORT BY JANET WAGHORN, INDEPENDENT ADVISOR, ON THE
REVIEW OF THE KMFRA MEMBERS' ALLOWANCES SCHEME**

1 Introduction

At its meeting on 13 June 2013, the Authority appointed me as its Independent Advisor to undertake a review of the KMFRA Members' Allowances Scheme.

2 Members' Allowances Scheme 2013/14

I noted that the Members' Allowances payable under the original scheme adopted for 2013/14, and including the 1% increase backdated to 1 April 2013 in accordance with the scheme's indexation provision, are as shown in the table:

<u>Basic Allowance</u>	-	1402.56
<u>Special Responsibility Allowances:</u>		
<i>Post holder</i>	<i>% of Chairman's SRA</i>	<i>Amount</i>
Chairman	100	18361.80
Vice-Chairman	40	7344.72
Vice-Chairman (when also serving as Chairman of main Committee)	50	9180.90
Opposition Group Leader	40	7344.72
Chairman, main Committee	40	7344.72
Vice-Chairman, main Committee	10	1836.24
Opposition Spokesperson, main Committee	5	918.12
Member Champion	6	1101.72

I also noted that, at its meeting on 13 June 2013, the Authority had decided, pending the outcome of my review of the Members' Allowances Scheme, to adopt an interim scheme which:

- deferred the appointment of Member Champions for 2013/14;
- restricted the SRAs relating to all Committee appointments to just one Chairman, one Vice-Chairman, and one Spokesperson from each of the Opposition Groups;
- continued to pay the Vice-Chairman of the Authority an SRA at 50% of the Chairman's SRA, although the Vice-Chairman no longer chaired a Committee.

3 Methodology of Review

In my review, I gave consideration to:

- the requirements of the relevant Regulations (the Local Authorities' (Members' Allowances) (England) Regulations 2003);
- experience from the operation of the current scheme;
- changes in Members' roles since the last review in 2009;
- the recently adopted schemes proposed by the Independent Remuneration Panels of Kent County Council (May 2013) and Medway Council (April 2012);
- benchmarking information from other combined fire authorities in England.

I circulated a short questionnaire to all Members of the Authority in order gauge views on the existing scheme and how it might be changed. The response rate was 52%.

I also met and discussed a number of the issues relating to the Members' Allowances Scheme with:

Mr Nick Chard, Chairman, KMFRA
Mr Tom Mason, Vice Chairman, KMFRA
Mr Gordon Cowan, Leader, KMFRA Labour Group
Mr Dan Daley, Leader, KMFRA Liberal Democrat Group
Mr Mike Harrison, Member, KMFRA
Miss Ann Millington, Chief Executive, KMFRA

In addition, I undertook a telephone interview with Mr Alan Terry, Leader, KMFRA UKIP Group.

Areas of Focus

The information provided to me through the questionnaire, interviews and data analysis, has given me an understanding of the current roles and responsibilities of the Authority's Members. I paid particular attention to the following areas:

- whether all of the roles identified in the governance arrangements meet the requirements to qualify for a Special Responsibility Allowance (SRA);
- whether the existing SRA levels and the relativities between the different SRAs are correct;
- whether or not Members should be able to receive more than one SRA;
- whether or not there should continue to be some form of annual indexation of allowances.

4. Basic Allowance

I noted that the Authority's current Basic Allowance is set at £1402.53. I considered whether it would be appropriate to alter the Basic Allowance, but decided that the available evidence suggested that the current figure continued to properly reflect the roles and responsibilities of Authority Members. However, if indexation was to be abandoned (as recommended later in the report), there would be sense in rounding the figure down slightly to £1400.00.

Recommendation: The Basic Allowance should remain at its current level subject to a slight rounding down to £1400.00 per annum.

5. Special Responsibility Allowances (SRAs)

In considering SRAs I had regard to Paragraph 70 of the Government's Guidance on Members' Allowances for Local Authorities in England (July 2003), which states that:

"Special Responsibility Allowances may be paid to those members of the council who have significant additional responsibilities, over and above the generally accepted duties of a councillor."

Chairman

I noted that the SRA for the Authority's Chairman is currently set at £18,361.80. I found no evidence that there had been any significant change in the Chairman's role since the last review in 2009. I therefore concluded that the current level of the SRA remained appropriate, apart from a slight rounding down to £18,360 in order to simplify the calculation of other SRAs (which are all defined as a percentage of the Chairman's SRA). This means that all other SRAs where no change in the percentage is recommended will also be subject to a slight rounding-down.

Recommendation: The Chairman's SRA should remain at its current level subject to a slight rounding down to £18,360.00 per annum.

Vice-Chairman

I noted that the SRA for the Authority's Vice- Chairman is currently set at 40% of the Chairman's and felt that this percentage continued to correctly reflect the responsibilities of the Vice-Chairman's role.

The interim scheme has, though, raised an issue relating to the SRA for the Vice-Chairman. The scheme specifies that no Member may receive more than one SRA. However, the Vice-Chairman is effectively in receipt of two SRAs: 40% for the role of Vice-Chairman and a further 10% for serving as Vice-Chairman of a main Committee. (I appreciate that the 10% premium was originally given to recognise the role of the Vice-Chairman in **chairing** one of the Authority's main Committees, although this no longer applies). I have concluded that the 10% premium is impossible to justify, particularly given that the Chairman of the Authority combines his role with that of Chairman of a main Committee, yet receives only one SRA.

I found unanimous support for the continuation of the policy that no Member may receive more than one SRA, and I believe that this should apply to all Members, without exception.

Recommendation: The Vice-Chairman's SRA should be set at 40% of the Chairman's (£7344.00), and the policy that no Member may receive more than one SRA should continue, and apply to all Members without any exceptions.

Chairmen and Vice-Chairmen of Committees

I noted that the SRAs for the Chairmen and Vice-Chairmen of the Authority's Committees are currently set at 40% and 10% respectively of the Chairman's SRA. I concluded that these percentages continued to correctly reflect the responsibilities of these two roles.

Recommendation: The SRAs for the Chairmen and Vice-Chairmen of the Authority's Committees should remain at their current level of 40% (£7344.00) and 10% (£1836.00) respectively of the Chairman's SRA.

Opposition Group Leaders and Opposition Spokespersons on Main Committees

In relation to SRAs for Opposition Groups, I noted that the amount payable (£7272.00) to each of the Authority's Opposition Group Leaders in the current scheme was in excess of that payable to the Leaders of each of the Opposition Groups of Kent County Council (KCC) (£6316.00), and concluded that the responsibilities of being an Opposition Group Leader of the Authority should be paid at a lower level than at present.

I recommend that the Authority move away from SRAs for both the Opposition Group Leaders and the Opposition Committee Spokesperson roles. The scheme recently adopted by KCC where the Leader of each Opposition Group receives an SRA plus an additional amount for each Member of their group in addition to themselves would adequately recognise and differentiate between the increased number of opposition groups now represented on the Authority. This was unanimously supported by all those interviewed, and from the data of the other combined fire authorities, where the Committee Spokesperson role is not eligible for an SRA.

Recommendation: Each Opposition Group Leader should receive an SRA of 30% of the Chairman's (£5508.00) plus £300 for each Member of their Group in addition to themselves. The role of Opposition Committee Spokesperson should no longer be eligible to receive an SRA and should therefore be deleted from the scheme.

Member Champions

The Member Champion role has not been filled since April 2013. I am of the view that championing a particular area or development is not sufficiently different from the normal role of a Member of the Authority to justify an SRA. This was unanimously supported by all those interviewed.

Recommendation: The role of Member Champion should no longer be eligible to receive an SRA and should therefore be deleted from the scheme.

6. Indexation of Allowances

The current scheme includes provision for Members' allowances to be increased each year by the same percentage as the salaries of the Authority's Professional (ie non-uniformed) Staff. It was, of course, this indexation provision that resulted in the 1% increase in Members' allowances backdated to 1 April 2013. 50% of questionnaire respondents (25% of KMFRAs Members) thought Members' allowances should continue to be index-linked, but all those interviewed supported fixed allowances for a four-year period. I have recommended above that there should be no further increase in Basic Allowance or SRAs this year and, given the current economic climate, I recommend that

the level of allowances adopted by the Authority as a result of this review should remain fixed for the next four years (or until the time of the next review, whichever is sooner).

Recommendation: Indexation of Members' Allowances should cease and the level of allowances adopted by the Authority as a result of this review should remain fixed for the next four years or until the time of the next review (whichever is sooner).

7. Other Aspects of the Members' Allowances Scheme

I do not recommend changes to any other aspect of the Scheme for 2013-17, including the mileage rate and the dependent carers' allowance.

8. Summary

The Table below compares the new Members' allowances which I propose to the allowances payable under the current interim scheme:

	Current interim scheme (including 1% increase from 1/4/13)		Proposed new scheme	
<u>Basic Allowance</u>	1402.56		1400.00	
<i>Basic Allowance Total</i>	35064.00		35000.00	
<u>SRAs:</u>				
<i>Post holder</i>	<i>% of Chair</i>	<i>Amount</i>	<i>% of Chair</i>	<i>Amount</i>
Chairman (1)	100	18361.80	100	18360.00
Vice-Chairman (1)	50	9180.90	40	7344.00
Opposition Group Leader (3)	40	7344.72	30% (plus £300 per member)	5508.00 plus £300 per member
Chairman, main Committee (1)	40	7344.72	40	7344.00
Vice-Chairman, main Committee (1)	10	1836.24	10	1836.00
Opposition Spokesperson, main Committee (3)	5	918.12	deleted	0
Member Champion (0)	6	<i>none appointed</i>	deleted	0
<i>SRA Total</i>		<i>61512.30</i>		<i>53718.00</i>
Grand Total		96576.30		88718.00
Savings				-7858.30

The net effect of my recommendations is:

- 1) The Basic Allowance should remain at its current level, rounded down slightly to £1400.00 per annum.
- 2) The Chairman's SRA should remain at its current level, rounded down slightly to £18360.00 per annum.
- 3) The Vice-Chairman's SRA should be reduced to 40% of the Chairman's SRA.
- 4) Each Opposition Group Leader should be paid 30% of the Chairman's SRA plus £300 for each Member of their Group in addition to themselves.
- 5) The SRAs payable to Committee Chairmen and Vice-Chairmen should remain at their current levels of 40% and 10% respectively of the Chairman's SRA.
- 6) The role of Opposition Committee Spokesperson and Member Champion should be deleted from the scheme.
- 7) Only one SRA should be payable to any one Member.
- 8) Allowances should no longer be subject to indexation increases.
- 9) If my proposals are adopted the annual cost of the scheme will reduce from £96,576.30 to £88,718.00, fixed for four years, a saving of £7858.30 per annum.

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