

Report of the Head of Legal Services

Members' Allowances Scheme 2022/23

Purpose of report

1. To propose an increase in the allowances paid to Members for 2022/23 and that future increases be linked to the National Joint Council annual pay award (if any) for 'Green Book' staff.

Recommendation

The Chairman and Vice-chairman recommend that:

- (i) the existing basic and special responsibility allowances paid to Members be increased by 1.75% for 2022/23; and*
- (ii) in subsequent years, allowances be increased by the same percentage as the preceding year's pay award for National Joint Council 'Green Book' staff.*

Introduction and Background

2. The Authority is required to make a scheme each year for its Members to be paid a basic annual allowance, under the Local Authorities (Members' Allowances) (England) Regulations 2003. Authorities may also make provision for other allowances, for example for those Members with special responsibilities or for travel and subsistence. The proposed 2022/23 budget for Members' allowances is £51,000.

Consumer Price Index

3. The Regulations allow for authorities to refer to an index for the purpose of any annual adjustments to the levels of allowances and in the past, the Fire Authority has nominally linked its allowances to the Consumer Price Index (CPI). In reality however, against the backdrop of austerity and restrictions on public sector pay awards, the Authority has not taken any uplift since 2008 with the exception of the decision taken in February 2016, which provided a slight increase of 0.2% for the financial year 2016/17.
4. The Office of National Statistics has reported that the CPI inflation rate was 4.84% in the year to December 2021. By way of example, an equivalent increase for Members allowances would equate to an additional £56.42 on the current basic allowance of £1,165.80 and would increase the requirement for Members' allowances by £2,374.

NCJ Annual Awards

5. The Chairman and Vice-Chairman recognise that it is neither sustainable nor fair on Members to continue freezing the rate of Members' allowances year on year. However, it would be equally inappropriate for Members to award themselves a larger increase than has been offered to staff.
6. To address these concerns, it is proposed that any increase in Members' allowances should in future be linked to the annual pay awards for the Authority's non-operational NCJ Green Book staff.
7. The NCJ Green Book pay settlement for April 2022 has not yet been finalised but the previous offer from employers is 1.75% and it is proposed to use that figure for Members' allowances in 2022/23. This would equate to an increase of £21.39 per Member on the existing basic allowance. The total additional cost (including special allowances) would be £900 which can be funded within existing budgets.
8. The table below shows a comparison of the current allowances, the proposed 1.75% increase and the amount if CPI were applied.

Allowance	Current	Proposed (1.75%)	CPI (4.84%)
Basic	£1165.80	£1187.19	£1222.22
Committee Chairman/ Group Leader	£1357.44	£1382.34	£1423.14
Authority Vice-Chairman	£5429.76	£5529.38	£5692.56
Authority Chairman	£9049.68	£9215.71	£9487.68
Total allowances *	£49,054	£49,954	£51,428

*Members may only receive one special responsibility allowance

9. Any Member who does not wish to receive the allowance either in full or who chooses to decline the proposed increase may do so.

Conclusion/Summary

10. Members' allowances have previously been nominally linked to the annual increase in CPI but in practice, against a backdrop of austerity and public sector pay restraint, Members have declined to make any changes to the Members' Allowances Scheme for several years. It is proposed that linking future increases to the annual pay awards for the Authority's non-operational, NJC 'Green Book' staff would be a more appropriate benchmark than the CPI.
11. The proposed increase of 1.75% for 2022/23 would equate to an additional cost overall of £900, which can be funded from within existing budgets.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	The proposed budget for members' allowances is £51,000. The proposed increase of 1.75% across all allowances could be met within the existing budget.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None directly.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None directly.
Consultation (identify any public or other consultation that has been carried out on this matter)	None.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	The current Members' Allowances Scheme includes a Dependents' Carers' Allowance to assist those members with caring responsibilities in carrying out their approved duties.

Supporting Information

Appendix 1 – Draft Members' Allowances Scheme 2022/23

Background papers –

Local Authorities (Members Allowances) (England) Regulations 2003

Inflation and Price Indices – Office for National Statistics www.ons.gov.uk