

## NOTICE OF MEETING

<i>Meeting</i>	<b>HFRA Standards and Governance Committee</b>	<i>Clerk to the Hampshire Fire and Rescue Authority</i> <b>John Coughlan CBE</b>
<i>Date and Time</i>	<b>Monday, 27th November, 2017 1.30 pm</b>	<i>The Castle, Winchester Hampshire SO23 8UJ</i>
<i>Place</i>	<b>Nightingale Room, Hampshire County Council, Ell Court, The Castle, Winchester</b>	
<i>Enquiries to</i>	<b><u><a href="mailto:members.services@hants.gov.uk">members.services@hants.gov.uk</a></u></b>	

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## Agenda

### 1 **APOLOGIES FOR ABSENCE**

To receive any apologies for absence received.

### 2 **DECLARATIONS OF INTEREST**

To enable Members to disclose to the meeting any disclosable pecuniary interest they may have in any matter on the agenda for the meeting, where that interest is not already entered in the Authority's register of interests, and any other pecuniary or non-pecuniary interests in any such matter that Members may wish to disclose.

### 3 **MINUTES OF PREVIOUS MEETING** (Pages 3 - 6)

To confirm the minutes of the previous meeting

### 4 **DEPUTATIONS**

Pursuant to Standing Order 19, to receive any deputations to this meeting

**5 CHAIRMAN'S ANNOUNCEMENTS**

To receive any announcements the Chairman may wish to make.

**6 HFRA MEMBERS' ALLOWANCES SCHEME (Pages 7 - 16)**

To consider a report of the Clerk regarding the HFRA Members' Allowances Scheme

**ABOUT THIS AGENDA:**

This agenda is available on the Hampshire Fire and Rescue Service website ([www.hantsfire.gov.uk](http://www.hantsfire.gov.uk)) and can be provided, on request, in alternative versions (such as large print, Braille or audio) and in alternative languages.

**ABOUT THIS MEETING**

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# Agenda Item 3

AT A MEETING of the of HFRA Standards and Governance Committee held at  
Fire & Police HQ, Eastleigh on Friday, 15th September, 2017

Chairman:

\* Councillor Luke Stubbs

\* Councillor Roz Chadd  
Councillor Jonathan Glen  
\* Councillor Sharon Mintoff

Councillor Roger Price  
\* Councillor Rhydian Vaughan

\*Present

## 1. **APOLOGIES FOR ABSENCE**

Apologies were received from Cllr Glen and Cllr Price.

## 2. **DECLARATIONS OF INTEREST**

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

## 3. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were reviewed and agreed

## 4. **DEPUTATIONS**

There were no deputations for the meeting.

## 5. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no announcements.

## 6. **EXTERNAL AUDIT REPORT**

The Committee received a covering report from the Treasurer (Item 6 in the Minute Book), along with the External Auditor's Audit Results report.

The Chairman welcomed Adam Swain and Maria Grindley to the meeting from Ernst & Young.

External Audit were pleased to confirm that the Audit had been a smooth process with nothing to cause concern, and it was highlighted that the deadline for signing off the accounts for 2017/18 was the end of July, which would require a meeting of S&G Committee at that time.

It was also noted that given the restricted timescales, the appropriate papers for those meetings were likely to only be available at the actual Committee.

RESOLVED

The Committee:

- a) Received the External Auditor's HFRA Audit results Report for 2016/17; and
- b) Endorsed the proposal to appoint Ernst & Young as external auditors from the 2018/19 audit of accounts for a period of 5 years.

## **7. INTERNAL AUDIT ANNUAL REPORT AND OPINION 2016/17**

The Committee received a report from the Chief Internal Auditor (Item 7 in the Minute Book) which provided an opinion on the adequacy and effectiveness of the Authority's framework of risk management, internal control and governance operated for the year ending in March 2017.

The Chief Internal Auditor confirmed that framework of risk management, control and governance continued to be adequate. A summary of actions for limited opinions had been listed, which were mainly based around procurement and would be monitored going forward.

RESOLVED:

The Committee accepted the Chief Internal Auditor's annual report and opinion statement for 2016/17

## **8. INTERNAL AUDIT PROGRESS REPORT**

The Committee received a report from the Chief Internal Auditor (Item 8 in the Minute Book), which provided an update regarding internal audit work completed in accordance with the approved audit plan, and an overview of the status of 'live' reports.

It was confirmed that some actions were listed as 'pending', meaning that the due date had not yet been reached. Members queried why safeguarding was included in the plan and officers confirmed that it covered every aspect of the service and was particularly important due to firefighters being in contact with vulnerable people and children.

RESOLVED:

The Committee noted the progress of internal audit work for the period ending 31 August 2017.

9. **IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS -  
PROGRESS REPORT**

The Committee considered a report from the Chief Officer (Item 9 in the Minute Book), which provided an overview of work done to oversee the implementation of internal audit recommendations and respective actions, and also an update on actions not yet completed along with their status. It was confirmed that department managers were responsible for agreeing actions to be taken in response to audit findings to mitigate risk. The action plans clearly identify the proposed action, responsible officer and target completion date.

There were some aspects on Page 85 regarding Provided Vehicle Policy where updates were not possible due to the changes in taxable benefits, but this would return to Committee once it had been resolved.

**RESOLVED:**

The progress made towards the implementation of the internal audit management actions was noted and continues to be monitored.

10. **ANNUAL ASSURANCE STATEMENT**

The Committee received a report from the Chief Officer (Item 10 in the Minute Book), which asked Members to approve the Statement of Assurance as part of the Fire and Rescue National Framework requirements.

It was confirmed that the format and interpretation of the Statement was different across Authorities, but the Home Office had been happy with HFRS's version and so it had been continued this year following last years submission.

**RESOLVED:**

The Annual Assurance Statement 2017 was received and approved by the Committee.

11. **STATEMENT OF ACCOUNTS INCLUDING ANNUAL GOVERNANCE  
STATEMENT**

The Committee considered a report from the Treasurer (Item 11 in the Minute Book), which asked Committee to approve the Statement of Accounts for 2016/17 and Letter of Representations.

**RESOLVED:**

- A) The Statement of Accounts for 2016/17 was approved subject to any minor amendments, of which the Treasurer had delegated authority to approve as necessary.
- B) The Letter of Representations contained in Appendix 2 was considered and approved by the Committee

12. **ANNUAL REPORT OF PENSION BOARD**  
Page 5

The Committee received a report from the Chief Finance Officer (Item 12 in the Minute Book) which summarises work of the Pension Board for 2016/17 and provided an update on key issues.

It was confirmed that initially the Board were dealing with historical admin issues early in 2016/17, but more recently, the Board and officers supporting them had been much more proactive in their approach to various issues, including increasing communications with Members and employees. A new interactive pensions website had also been developed which provided up to date information and tools which allowed Officers to more simply request information such as personalised pension estimates.

RESOLVED:

- A) The contents of the report were received and acknowledged by the Committee

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HFRA S&G Chairman,

# Agenda Item 6

Purpose: Decision

Date 27 November 2017

Title HFRA Members' Allowances Scheme

Report of: The Clerk



**HAMPSHIRE  
FIRE AND  
RESCUE  
AUTHORITY**

## 1. EXECUTIVE SUMMARY

1.2 This report sets out the outcomes of the working group, comprising the members of the Standards and Governance Committee, established to review the position of the HFRA Members' Allowances Scheme following the reduction of size of the Authority to 10 Members in June 2017.

## 2. BACKGROUND

2.1 At the Hampshire Fire and Rescue Authority meeting in June 2017, in agreeing the revised Constitution of the Authority, including details of a governance structure based on a reduction from 25 to 10 Members, it was also agreed to suspend the payment of allowances under the Members' Allowances Scheme, pending the outcome of a review of the Scheme to take into account the new governance structure. The Standards and Governance Committee has responsibility for any review of the Scheme and for making recommendations about it to the Full Authority. Responsibility for making or amending a Scheme lies with the Full Authority.

2.2 The change in structure of the Authority, reducing its membership by more than 50 percent, from 25 Members to 10 Members has placed an inevitable increased level of responsibility, workload and accountability on each individual Member. One of the reasons for a change in structure was to take the Fire Authority from the style of a traditional large Combined Fire Authority using the "Committee System" of decision making, to that of a more compact and efficient corporate board. As such, although still using the Committee system of governance, this makes the new Fire Authority structure more similar in approach to the Cabinets found in the majority of Local Authorities. Members of the Fire Authority do not have the individual decision making ability of Executive Members, however an Authority of 10 Members means that the responsibility for collective decision making is substantially more focussed, and all members will need to be involved in a far wider array of the Authority's business. There is also a greater likelihood of being called upon to contribute to activity outside of formal committee meetings, such as working groups. This is particularly the case currently for opposition members, who are in the minority and so are called upon for most activities that require cross party contribution.

## 3. REVIEW OF ALLOWANCES SCHEME

3.1 The Standards and Governance Committee, sitting as an informal Working Group met with officers of the Clerk to the Authority to conduct a review the current scheme and establish possible parameters for the establishment of a new Members' Allowances Scheme for the newly structured Authority. In particular, Members gave initial indications as to the general scale of change to Basic allowances and to Special Responsibility allowances. Consideration and guidance was given to the overall cost of the Scheme and to the possible use of

an index to set allowance rates in future years of the Scheme. It was noted that the previous Scheme, when applied to 25 Members had an overall cost of approximately £130,000. Members of the Working Group were agreed that the new Scheme for the reduced number of Members should result in a reduction to the overall cost in order to contribute to other efficiency savings.

- 3.2 As a result of the meeting, officers drew up initial proposals for a Scheme, based on the indications of Members of the Working Group, the previous Scheme and the position in other local Authorities as a basis.
- 3.3 As the newly structured Authority is now not entirely comparable with its peer group of combined Fire Authorities, a breakdown of the allowances paid to the Members of several District Councils in Hampshire was included in the comparison of local Authorities, which can be seen in Appendix 1. District Councils were selected as an additional level of perspective because their overall annual expenditure is more similar to that of the Fire Authority than the County or Unitary Councils and therefore acts as a yardstick for the fiscal accountability of the Members given that the statutory functions are quite different.
- 3.4 A further meeting of the Working Group took place in early November 2017 to allow discussion of the proposals. As a Combined Fire Authority, before making or amending a Scheme, HFRA is required to “have regard to the recommendations made by any independent remuneration panels in relation to any authority of a description referred to in regulations 3(1)(a),(b) or (c) by which any of its members are nominated.” (The Local Authorities (Members’ Allowances) (England) Regulations 2003, Part 4, para 19.2). Generally this has been interpreted as making any formal recommendations that the respective Independent Remuneration Panels (IRPs) have made to each of the three Authorities available to HFRA when considering proposals to make a Scheme.
- 3.5 Given that the current review is carried out in the context of a substantial change to the structure of the Fire Authority and to the role of its members, there was a widespread consensus that in developing the new Scheme, views of IRP members should be sought.. To this end, members of the Hampshire County Council IRP, who had declared themselves willing to support the HFRA review, were invited to the Working Group meeting to provide an independent perspective on the allowances being proposed.
- 3.6 The meeting was both informative and constructive with both HFRA and IRP representatives able to express their views. It was noted that the views of the IRP did not bind the Authority’s decision, but were to provide an independent perspective to which the Authority could have regard in reaching a decision. In consideration of the Basic allowance and specific SRAs, there was consensus in some areas and in other areas, different views were put forward for consideration. The respective positions and the proposals deriving from them are summarised below.

#### 4. PROPOSED ALLOWANCES:



### **Basic Allowance:**

- 4.1 The Basic Allowance is paid to all Members of the Fire Authority, irrespective of any special responsibility payments they may receive. The current Basic Allowance is set at £2,943 per Member and has been frozen at this level for a number of years.
- 4.2 The Working Group and IRP members discussed the context of the number of Authority Members being more than halved and the consequential increased workload and increased share of collective responsibility for those remaining Members. It was noted that all Members are more directly engaged in decision making, civic style engagements and in training events involving the Authority. Several Members observed that their time commitment to the Fire Authority was similar or greater than that to that given to a City or District Council.
- 4.3 With regard to the levels of Basic Allowance in other Fire Authorities and in local District Councils (see Appendix 1), it was proposed that, in this context, the basic allowance should be increased to £6,000 per Member per annum. This proposal received support from both the members of the Working Group and of the IRP.

### **Special Responsibility Allowances:**

- 4.4 Under the new governance arrangements, the number of identifiable Special Responsibility Allowances (SRAs) has reduced, largely because decision making is now focussed on the Full Authority meetings, with only one Committee (Standards and Governance) being constituted.
- 4.5 It was proposed that the opportunity is taken to establish a clear relationship between the respective SRAs, using the Basic Allowance as an index position. In this way, the level of responsibility associated with each role is recognised through the Scheme. Furthermore any future increases to the Scheme will be applied at a consistent rate. This proposal was supported by the members of the Working Group and recognised as an appropriate structure to use by the IRP. A series of specific SRAs, derived from the Basic Allowance, were considered by the Working Group and IRP Members, noting that these were in addition to the Basic Allowance.
- 4.6 Chairman of the Authority: The role of Chairman of the Authority was recognised as being the most significant role to be appointed to in terms of the individual's need to represent the Authority at external fora and in the media, to act as a liaison point with the Chief Fire Officer and to chair the Full Authority meetings, which have increased in number to six meetings per year. It was noted that personal responsibility does not include formal decision making powers as exercised by an Executive Member in a local Council, but does amount to significant answerability for the actions of the Authority.
- 4.7 An SRA valued at two times the Basic Allowance was considered and supported by both the Working Group and IRP members.

- 4.8 Vice-Chairman of the Authority: It was noted that the Vice-Chairman role was one for which the SRA had rarely been claimed as the post holder was traditionally also a Committee Chairman and therefore in receipt of the (higher) allowance for that role. Under the new governance structure, it was likely that this would not continue to be the case. The role of the Vice-Chairman of the Authority is principally to support the Chairman, but also entails sufficient engagement with the activity of the Chairman to be able to stand in for them when required, potentially at short notice.
- 4.9 An SRA valuing 0.5 times the Basic Allowance was considered. The IRP members observed that under the new structure of the Authority, all Members needed to be engaged with the activity of the Authority and suggested Members may want to consider an SRA of 0.25 times the basic allowance to reflect the additional work falling to a Vice-Chairman.
- 4.10 Chairman of Standards and Governance Committee: It was noted that the Standards and Governance Committee under the new governance structure had a significantly smaller remit than the committee of the same name had previously held. Only two (rather than four) formal meetings per year were scheduled to fulfil its responsibilities and there was general agreement that a comparison with the previous SRA was not appropriate. The Chairmanship role includes liaison with relevant officers as required as well as chairing of the Committee meetings.
- 4.11 An SRA valued at 0.25 times the Basic Allowance was considered. The IRP Members and the Working Group agreed that the SRA for this chairmanship should be proportionately lower than that for Vice-Chairman. Following the suggestions for the Vice-Chairman (above) an SRA of 0.125 times the Basic Allowance was suggested by IRP members.
- 4.12 Vice-Chairman of Standards and Governance Committee: This SRA was payable under the old Scheme in recognition of the responsibility for supporting and standing in for the Chairman of the Committee as required. In light of the changes to the structure of the Authority and in particular to the role and remit of the Committee, and to the agreement for an increase in the basic allowance, there was general support that it should be removed from the Scheme.
- 4.13 Opposition Spokesperson (Group of two or more Members): The Opposition spokesperson plays a significant role in providing political balance to the Authority and is required to maintain sufficient engagement with the activity of the Authority and the Chairman to achieve this. As well as maintaining an oversight of all aspects of the Authority's activity, in a similar way to the Vice-Chairman, the opposition spokesperson is frequently called upon to update political Group colleagues around the Hampshire area. It was noted that the current incumbent is also heavily engaged in Fire Authority matters at a national level (representing their political Group), by virtue of their role on HFRA.
- 4.14 An SRA valued at 0.5 times the Basic Allowance, plus £250 per Group Member was considered. IRP members noted the small size of the Authority resulted in an inevitably small opposition Group. They also noted that the Fire Authority

was traditionally not highly politicised and therefore suggested that the role of opposition spokesperson was smaller in comparison with that of Vice-Chairman. With rereference to their previous suggestions, an SRA of 0.125 times the Basic Allowance, plus £250 per Group Member was suggested for consideration by the IRP Members.

- 4.15 Opposition Member (without Group): The Authority is committed to working constructively across political Groups and therefore frequently seeks to engage all political viewpoints through the formation of cross-Party working groups and other cross-Party activity. In a situation where there is only one Member representing a particular political Party, this causes an increased level of workload and responsibility for that individual as representation of their political Party is not able to be distributed as it is with other Members.
- 4.16 there was general support for the concept of this new SRA being added to the Scheme and an SRA valued at 0.125 times the Basic Allowance was considered. Bearing in mind the relationship with other SRAs and the IRP Members' suggestions relating to these (above), a slight reduction in the SRA to 0.1 times the Basic Allowance was suggested by IRP Members.
- 4.17 As a number of suggestions were made regarding possible SRA levels, the range (where applicable) of these are summarised in the table below, including a demonstration of the actual monetary values based on a Basic Allowance of £6000. Also set out in the table below are details of the potential impact on the overall cost of the Scheme in comparison with the actual cost of the old Scheme in 2016/17 and of the savings that may be achieved.

4.18 Table summarising suggested SRA range and impact on overall cost of the Scheme:

<b>Role</b>	<b>Suggested SRA range (formula)</b>	<b>SRA monetary value range</b>	<b>Previous SRA (for reference)</b>
<b>Chairman of the Authority</b>	2 x Basic	£12,000	£14,469
<b>Vice-Chairman of the Authority</b>	0.25 to 0.5 x Basic	£1,500 to £3000	£1,769
<b>Standards and Governance Committee Chairman</b>	0.125 to 0.25 x Basic	£750 to £1500	£7,305
<b>Standards and Governance Committee Vice-Chairman</b>	0 (remove from Scheme)	n/a	£1,769
<b>Opposition Spokesperson (Group of 2 Members or more)</b>	0.125 to 0.5 x Basic +Number of Members in Group x £250	£1,250 to £3500	£7,328
<b>Opposition Member without political Group</b>	0.1 to 0.125 x Basic	£600 to £750	n/a
<b>Total cost of Basic Allowances</b>			
		£60,000	Actual cost was £73,575 when 25 Members in 2016/17)
<b>Total cost of SRAs in addition to Basic Allowances</b>			
		£16,100 to £20,750	Actual cost was £56,687 when 25 Members in 2016/17)
<b>Total cost of Scheme</b>			
		£76,100 to £80,750 <b>[Potential saving compared to 2016/17: £54,162 to £49,512]</b>	Actual cost for 25 Members was £130,262 in 2016/17)

\* Currently two Members in the Opposition Group

## 5. OTHER FACTORS RELATING TO A SCHEME

- 5.1 Duration: In making a Scheme, an Authority may do so for a period of up to four years. Should a multi-year Scheme be agreed, the Authority would retain the ability to review and amend such a Scheme at any time if circumstances made this appropriate. For reasons of consistency, it is proposed that the Standards and Governance Committee recommend that the new Scheme is made for the period up until the end of financial year 2020/21, but with the payment of allowances backdated to the point at which the existing Scheme was suspended. This proposal was supported by IRP members, with the caveat that a review should take place after two years if Members of the Authority felt it was necessary to do so.
- 5.2 Indexation: With regard to the proposal that a multi-year Scheme be recommended to the Fire Authority, it should be noted that a scheme may make provision for an annual adjustment of allowances by reference to such index as specified by the Authority. The use of an index to provide an annual adjustment to a Scheme would be consistent with other Authorities in similar circumstances and a variety of different indices are commonly used. Members of the Working Group and of the IRP supported the use of an index linked to officer pay and proposed that the local government pay award be specified, noting that this would be consistent with recommendations to Hampshire County Council's Members' Allowances Scheme.
- 5.3 Travel and other expenses: In making a Scheme, an Authority may specify circumstances and rates at which Members may claim for travel and other expenses. It is an established practice that HFRA Members, acting as representatives of their appointing Authority, claim such expenses for HFRA duties from their respective appointing Authority. This being the case, it is not proposed that the HFRA Scheme specifies options for the claiming of expenses.

## 6. PEOPLE IMPACT ASSESSMENT

- 6.1 The proposals in this report are considered compatible with the provisions of equality and human rights legislation.

## 7. OPTIONS

- 7.2 The Standards and Governance Committee is asked to recommend the adoption of a new Members' Allowances Scheme for the reasons outlined in the report above.

## 8. RECOMMENDATIONS:

That the Standards and Governance Committee note and have regard to the outcomes of the review of Members' Allowances by the Working Group, including the input of IRP members, as set out in the report and make a RECOMMENDATION to the Full Authority for the adoption of a new Members' Allowances Scheme consisting of:

- 8.1 A Basic Allowance of £6000 per Member, per annum.
- 8.2 Special Responsibility Allowances to be identified within the suggested range for each role as set out in the table at paragraph 4.18.
- 8.3 Increases in the rate of Allowances to be indexed according to the national Local Government Pay Award for a period up to the end of the financial year 2020/21
- 8.4 Payment of allowances under the new Scheme (including appropriate adjustments to take into account payments already received) to be backdated to 13 June 2017.

## APPENDICES ATTACHED

Appendix 1: Comparison data with other Local Authorities

### **Contact:**

Kevin Greenhough, on behalf of the Clerk to the Authority,  
[kevin.greenhough@hants.gov.uk](mailto:kevin.greenhough@hants.gov.uk)

Appendix 1: Comparison data with other Local Authorities

Authority	Basic	Chairman	Vice-Chairman	Cttee Chairman	Cttee V-Chairman	Opposition spokesperson	Number of Members	Annual Budget (Gross Expenditure)
<b>HFRA (current)</b>	£2,943	£14,469	(£1,769)	£7,305	£1,769	£7,238	10	£64
<b>Essex FRA</b>	£4,400	£15,400	£6,160	Not identified, but £770 for project leads and £2,127 for Chairman of trading company	Not identified	1,540	25	£74
<b>Devon and Somerset FRA</b>	£2,600	£13,000	£6,500	£3,900	Not allocated	Not allocated	26	£76m
<b>Kent and Medway FRA</b>	£1,400	£18,360	£7,344	£7,344	£1,836	£5,508 plus £300 per additional Member	25	£73m
<b>New Forest DC</b>	£5,760	£19,595 (Leader)	£9,798 (portfolio holder)	£2,019 - £5,437	Not identified	£7,349 (reduced if a group has less than 10% of seats)	Max 10 in Cabinet 58 total	£84m

<b>Fareham BC</b>	£6,465	£19,397 (Leader)	£10,776 (portfolio holder)	£808 - £9,698	£161 - £808	£1,616 - £6,465 (according to size of Group)	Max 10 in Cabinet 31 total	£43.2m
<b>Winchester City Council</b>	£5,580	£16,734 (Leader)	£9,129 (deputy Leader)	£1,521 - £7,605		£7,605	Max 10 in Cabinet 45 total	£30.7m