

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on the 20th June 2016

MEMBERS' ALLOWANCE SCHEME – PROPOSED AMENDMENT

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Executive Summary

The Authority has had a Members' Allowance Scheme in place since 2003 in line with the Local Authorities (Members Allowances) (England) Regulations 2003.

The Scheme has been amended in June 2006, April 2008 and April 2012.

The Scheme permits an annual adjustment of allowances by reference to an index which is reviewed every 4 years. Members considered these at its meeting in September 2014 and approved the continuation of the following indices:-

- Basic, Special Responsibility and Co-optees' Allowances are index linked on an annual basis in line with the annual Local Government National Pay Award for green book staff at point 49;
- Subsistence Allowances shall be reviewed annually (with effect from 1 April in every year) in line with the Retail Price Index (all items) published in November of the preceding year;
- Travel Allowances mirror the County Council's rates which are revised annually with effect from 1 April in every year in accordance with the maximum allowance for Income Tax purposes, as determined by HM Revenue and Customs (HMRC).

Recommendations

The Authority is asked to consider and advise whether it wishes to amend the Members' Allowance Scheme to apply the Consumer Price Index or continue with the Retail Price Index (published in the November of the preceding year) for the calculation of overnight accommodation and day subsistence allowances for its 2016/17 Scheme backdated to be with effect from 1 April 2016.

Information

Part 4 of the Local Authorities (Members' Allowances) (England) Regulations 2003 require county and district councils to establish independent remuneration panels to make recommendations regarding Member responsibilities and the amount of basic, special responsibility, travel and subsistence and co-optees allowances payable to Members under the Scheme and any amendments or adjustments to it.

To ensure the Authority complies with the regulations to have regard to the recommendations made by the independent remuneration panels of its home authorities, s19 (2), the last report considered by Members in September 2014 set out the details of home authorities Scheme indices.

At its meeting in February 2016, Lancashire County Council (LCC) approved the recommendation of its Independent Remuneration Panel (the Panel) to adopt the Consumer Price Index (CPI) (published in November of the preceding year) in relation to allowances payable for overnight accommodation, day subsistence and travel abroad. This is a change from the Retail Price Index (RPI). The November 2015 CPI figure was 0.1% and the RPI figure was 1.1%. The Panel recommended the change as it was conscious that the government had replaced the RPI with the CPI as the common measure for inflation effects. LCC also agreed that a full and detailed review would be undertaken by their Panel after the next county council elections in 2017.

A comparison of the effect of the application of each index on the 2015/16 Authority's Scheme figures is detailed below:-

Rate	2015/16	+0.1% CPI	+1.1% RPI
Day Subsistence – a period less than 4 hours	£6.43	£6.44	£6.50
Day Subsistence – a period between 4 – 8 hours	£12.79	£12.80	£12.93
Day Subsistence – a period between 8 – 12 hours	£25.60	£25.63	£25.88
Day Subsistence – a period in excess of 12 hours	£38.37	£38.41	£38.79
Overnight Accommodation in the UK (except London)	£128.00	£128.13	£129.41
Overnight Accommodation in London only	£147.00	£147.15	£148.62

Members are therefore asked to consider whether they wish to continue to apply the Retail Price Index or amend the current Member Allowance Scheme and change to the Consumer Price Index (published in the November of the preceding year) for the calculation of allowances for overnight accommodation and day subsistence. Members are asked to consider the difference between the likely values of both indices given the RPI is always going to be higher than the CPI as they include slightly different things. The RPI includes the costs of housing (mortgage interest costs and council tax for example) while CPI does not. However, the more relevant difference between the two is the calculation.

Should Members agree to amend the index the Scheme will be deemed to have been amended with effect from 1 April 2016.

Financial Implications

The existing arrangements for Members' Allowances have been included in the revenue budget.

Business Risk

None identified

Environmental Impact

None identified

Equality & Diversity Implications

The Authority's Members' Allowance Scheme does not provide for the payment of Members of an allowance in respect of such expenses of arranging for the care of their children or dependants. The Local Authorities (Members' Allowances) (England) Regulations 2003 exclude the Authority from including a provision for dependants carers' allowance in its Scheme. Members are, however, entitled to claim this allowance from their constituent authority.

HR Implications

None identified

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
Report to CFA	28 April 2008	Diane Brooks
Report to CFA	16 April 2012	Keith Mattinson
Report to CFA	8 September 2014	Diane Brooks
LCC report to Full Council	25 February 2016	Diane Brooks
Reason for inclusion in Part 2, if appropriate:		