

Status of Report: Public

Meeting: Combined Fire Authority

Date: 8 February 2023

Subject: Review of Members' Allowance Scheme

Report by: The Solicitor and Monitoring Officer

Author: Lauren Haslam

For: Decision

Purpose

1. This report presents an update in relation to the Leicester, Leicestershire and Rutland Combined Fire Authority's Members' Allowance Scheme following the National Joint Council annual pay award.

Recommendation

2. It is recommended that:
 - a) the existing allowance scheme, as approved by the Combined Fire Authority in December 2021, following review by the Independent Remuneration Panel (IRP) be approved without change for 2022/23.
 - b) a full review of the CFA Members' Allowance Scheme be undertaken in 2023 to include the matters prescribed in the relevant regulations at that point which is likely to include:
 - i) Members' allowances rates and the arrangement for indexation;
 - ii) Roles which should receive the Special Responsibility Allowances;
 - iii) Travel and Subsistence Allowances; and
 - iv) Independent Members' Allowances.

Executive Summary

3. At its meeting on 2 December 2021 following the recommendation of the Corporate Governance Committee and the review by the IRP, the CFA reviewed and approved the arrangement for indexation of the CFA Members' Allowance Scheme, as attached as an Appendix to this report. This meant that the Basic and Special Responsibility Allowance would continue to be index-linked to the NJC Local Government Employee (Support Staff) Pay Award for a period of two years between April 2021 and April 2023.

4. At the same time, it was agreed that a full review of the Members' Allowance Scheme should be carried out in 2023.
5. In July 2022 the National Joint Council (NJC) for England, Wales and Northern Ireland, made a final pay offer to local government employees. Unusually that offer was for a flat rate increase on all spinal column points of £1,925, to be implemented from 1 April 2022 (i.e. payment to be backdated to that date). That offer was accepted by the recognised Trade Unions on 2nd November 2022.
6. The impact of applying the 2022 flat rate pay award to the CFA allowances is as set out in paragraph 13 below and for this reason, it is recommended that the allowances are 'frozen' at their current rate for 2022/23 pending the full review referred to, which it is proposed will address the issue for 2023 onwards.

Background

The Regulations

7. The Local Authorities (Members' Allowances) (England) Regulations 2003 require the CFA to make a scheme which shall provide for the payment of the basic allowance in respect of each year to each member of the CFA and to pay that allowance only in accordance with that approved scheme.
8. The payment of allowances to members is governed by the Local Government (Members' Allowances) (England) Regulations 2003/1021. Briefly, these regulations cover the following:-
 - a) The amount of Basic Allowance which should be paid to Members;
 - b) The responsibilities or duties which roles should receive Special Responsibility Allowances and the amount of such allowances;
 - c) The amount of Child Care and Dependants Carers Allowances;
 - d) Travelling and Subsistence Allowances;
 - e) Independent and Co-opted members' allowances.
9. The Regulations contain a provision to increase allowances on an annual basis by reference to an index for no longer than a period of four years and states in Part 3 – 10 (4 and 5) that:
 - (4) A scheme may make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority and where the only change made to a scheme in any year is that effected by such annual adjustment in accordance with such index the scheme shall be deemed not to have been amended.

(5) Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel established in respect of that authority on the application of an index to its scheme.

10. The Local Authorities (Members' Allowances) (England) Regulations 2003/1021 require that the members basic allowance, special responsibility allowance and travel and subsistence allowance be set out in a scheme.
11. The constituent councils of the CFA may not make or amend their schemes unless they have first had regard to the recommendations made in relation to the issue by an Independent Remuneration Panel. This does not however apply to the CFA who are instead required to have regard to the recommendations made by any Independent Remuneration Panels in relation to the local authorities which nominate members to the Fire and Rescue Authority. In the case of the CFA, therefore, the Leicester City Council, Leicestershire County Council and Rutland County Council. The Scheme in all constituent authorities had been historically index-linked to the NJC Pay Award.
12. Although there is no statutory requirement to have an Independent Remuneration Panel for CFA allowances, any review by the IRP may be regarded as simply reflective of good practice and helpful in achieving consistency with constituent member schemes.

Implications of the flat rate pay award for CFA allowances

13. The current CFA allowances are £3,309 pa. It can be seen that applying the flat rate award to these will result in an uplift in allowances to £5234 and an effective increase of 58.6% pa.

CFA constituent member allowances

14. The position of the CFA constituent members is as follows:

Constituent Member	Position
Leicestershire County Council	No increase proposed. Next IRP review will consider the approach should there be further flat rate staff pay awards in future
Leicester City Council	No increase proposed. Next IRP review will consider the approach should there be further flat rate staff pay awards in future
Rutland County Council	IRP recommended a rise to RCC Basic Rate of 6.99% for 2022-23 but members have elected to keep the Basic Rate frozen at this point until a further review has been undertaken, but in any event index-linked rises will continue albeit linked to the JNC pay award for Chief Officers rather than the NJC.

15. In light of the above it would appear reasonable for the CFA allowances to mirror that of the respective constituent members and for the current allowance, as agreed by the CFA on 2nd December 2021, to remain in force pending the review planned to address allowances from April 2023.

Report Implications/Impact

Legal (including crime and disorder)

16. As set out above.

Financial (including value for money, benefits and efficiencies)

17. The costs associated with the current Members' Allowances scheme are included in the budgeting for the CFA. Should the CFA wish to apply the flat rate increase the implications of this are as set out above in paragraph 13. In due course a full review of Members' Allowances may lead to an increase in costs.

Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)

18. There are no risk implications arising from this report.

Staff, Service Users and Stakeholders (including the Equality Impact Assessment)

19. There are no Staff, Service Users, Stakeholders or equality implications arising from this report.

Environmental

20. There are no environmental impacts arising from this report.

Impact upon "Our Plan" Objectives

21. There is no direct impact on "Our Plan" arising from this report.

Appendix

CFA Allowance Scheme.

Background Papers

Report to the CFA September 2022 – Review of Members' Allowances
<https://leics-fire.gov.uk/your-fire-service/decision-making/cfa-meetings/>

Officer to Contact

Lauren Haslam

Lauren.Haslam@leics.gov.uk

0116 305 6240

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