

Status of Report: Public

Meeting: Combined Fire Authority

Date: 22 September 2021

Subject: Review of Members' Allowances – Independent Remuneration Panel

Report by: The Solicitor and Monitoring Officer

Author: Lauren Haslam

For: Decision

Purpose

1. To seek approval for the scope of the Review of the Leicester, Leicestershire and Rutland Combined Fire Authority's Members' Allowances Scheme by an Independent Remuneration Panel (IRP).

Recommendation

2. It is recommended that the CFA agree that
 - i. an Independent Remuneration Panel should be constituted to review the arrangement for the indexation of Members' Allowance rates to the employee pay award each year; and
 - ii. a full review of the Members' Allowances Scheme should be undertaken in 2023 and that this will include a review of the
 - i. members' allowances rates and the arrangement for indexation;
 - ii. roles which should receive the Special Responsibility Allowances.
 - iii. Travel and Subsistence Allowances;
 - iv. arrangements in place for Childcare and Dependent Carers' Allowances; and
 - v. Independent Members' Allowances.

Executive Summary

3. At its meeting in September 2010, the CFA agreed that the Members' Allowances rates would be indexed linked each year in line with the employee pay award agreed by the National Joint Council (NJC) for Local Government Services. The Local Government (Members' Allowances) (England) Regulations 2003 state that such an arrangement for indexation can only be in place for a period of four years before a review by an Independent Remuneration Panel should be held. The Chairman and Vice Chairman have

been consulted and have agreed that there is currently no appetite to increase the Members' Allowance rates other than to continue with indexation and, as such, do not wish for a full review of the Members' Allowances Scheme to be carried out at this time. The IRP has been consulted on the scope of the review and, whilst they agreed with the approach agreed by the Chairman and Vice Chairman, they asked that the full CFA also be consulted.

Background

The Regulations

4. The payment of allowances to members is governed by the Local Government (Members' Allowances) (England) Regulations 2003. Briefly, these regulations cover the following:-
 - i. The amount of Basic Allowance which should be paid to Members;
 - ii. The responsibilities or duties which roles should receive Special Responsibility Allowances and the amount of such allowances;
 - iii. The amount of Child Care and Dependants Carers Allowances;
 - iv. Travelling and Subsistence Allowances;
 - v. Independent and Co-opted members' allowances.

5. 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.

6. Before the CFA can make changes to its Members' Allowances Scheme it is required to consult with an Independent Remuneration Panel and then to have regard to its findings before any amendments are made to the existing Scheme.

Current Review

7. The Combined Fire Authority at its meeting in September 2010, agreed that members' allowance rates would be index linked to the employee pay award and this would be applied on an annual basis.
8. As the Regulations require that arrangements for indexation of the members' allowances rates to the employee pay award be independently reviewed after a period of four years, it is now timely to arrange an IRP
9. The Chairman and the Vice Chairman of the CFA have been consulted on the need for a review of the Members' Allowances Scheme and have agreed that there is no appetite for increasing the rates of allowances at this time considering the current economic climate, and they do not wish for a full review to be carried out. However, as the allowances (Basic and Special Responsibility) are indexed linked to employee pay increases from 1 April each year, it is this arrangement that they wish to have reviewed by the Panel, in order to comply with the Regulations. As such, they have asked for an IRP to be constituted.

CFA Independent Remuneration Panel

10. The IRP has been formed by bringing together the Chairmen of the IRPs in each of the constituent authorities of the CFA. These are:
 - Michael Pearson, Chairman of the Leicestershire IRP
 - Declan Hall, Chairman of the Leicester City IRP
 - John Cade, Chairman of the Rutland IRP
11. The Panel met on 6 August 2021 to agree the scope of the Members' Allowances Review and took in to account the view of the Chairman and Vice Chairman that only the indexation of Members' Allowance Rates should be reviewed at this time. They agreed with this suggestion, and for a full review to be undertaken in two years' time which would consider all members' allowances rates, travel and subsistence rates, and the arrangement for indexation. However, they asked that the full CFA be consulted on the scope of the review. Members will also have the opportunity to input to the review and will receive a copy of the report to the IRP. Any input received from Members will be considered by the IRP as part of the review.

The CFA Members' Allowances Scheme

12. A copy of the current Members' Allowances Scheme, Part 6 of the CFA's Constitution, is appended to this report.

Current Arrangements - Indexation

13. Employees of the Leicestershire Fire and Rescue Service receive an annual pay award and it is the Service's policy to award officers the national pay award

agreed by the National Joint Council (NJC) for Local Government Services or in default of an agreement the award set by the employer's side. The arrangement has been in place to use this index to increase on an annual basis the rates of the Basic and Special Responsibility Allowances for members.

[Please note that when employees receive this increase it is from the 1 April i.e. start of the new financial year. However, in some years it has been known for the award not to be made until a few months into the financial year and when this has occurred the award is backdated to the 1 April. If this were to happen it would require backdating of allowances which the regulations allow for.]

Report Implications/Impact

14. Legal (including crime and disorder)

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. There is no statutory requirement to have an Independent Remuneration Panel for CFA allowances and any review therefore is simply reflective of good practice and to achieve consistency with constituent member schemes.

15. Financial (including value for money, benefits and efficiencies)

The costs associated with the indexation of the Members' Allowances rates to the NJC Pay Award for staff is included in the budgeting for the CFA. Should the CFA wish to conduct a full review of Members' Allowances rates, this could potentially lead to an increase in costs.

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

There are no risk implications arising from this report.

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

There are no Staff, Service Users, Stakeholders or equality implications arising from this report. All members of the CFA are being consulted on the arrangement to review the Members' Allowances Scheme through the presentation of this report and will also have the opportunity to input to the review carried out by the IRP.

18. Environmental

There are no environmental impacts arising from this report.

19. Impact upon "Our Plan" Objectives

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

Appendix

CFA Members' Allowances Scheme.

Officer to Contact

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