

**Status of Report: Public**

**Meeting: CFA Corporate Governance Committee**

**Date: 24 November 2021**

**Subject: Review of Members' Allowance Scheme – Report of the Independent Remuneration Panel**

**Report by: The Solicitor and Monitoring Officer**

**Author: Lauren Haslam**

**For: Decision**

### **Purpose**

1. This report presents the report of the Independent Remuneration Panel established to review the Leicester, Leicestershire and Rutland Combined Fire Authority's Members' Allowance Scheme and invites the Committee to make recommendations to the Combined Fire Authority for consideration in December on proposals for the Members' Allowance Scheme in light of the contents of that report.

### **Recommendation**

2. It is recommended:
  - a) That the report of the Independent Remuneration Panel (IRP) established to review the Leicester, Leicestershire and Rutland Combined Fire Authority's Members' Allowances Scheme (appended to this report), be noted; and
  - b) That the Committee recommends that the CFA accepts the recommendations of the Independent Remuneration Panel, namely:
    - i. That the arrangement for indexation of the Leicester, Leicestershire and Rutland Combined Fire Authority's Members' Allowances Scheme to the NJC Employee (Support Staff) Pay Award continues until 2023 applied on an annual basis on 1 April each year, effective from 1 April 2021 until 2023;
    - ii. That a full review of the CFA Members' Allowance Scheme be undertaken in 2023 and that this will include a review of the matters prescribed by the 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 22 September 2021, the CFA agreed to constitute an Independent Remuneration Panel to review the arrangement for indexation of the CFA Members' Allowance Scheme to the employee pay award agreed by the National Joint Council (NJC) for Local Government Services and that a full review of the Members' Allowance Scheme should be carried out in 2023.
4. The Local Government (Members' Allowances) (England) Regulations 2003 do not require an Independent Remuneration Panel to be convened for CFA allowances and any review therefore is simply reflective of good practice and to achieve consistency with constituent member schemes.
5. The IRP met on 4 October 2021 to consider the CFA Members' Allowance Scheme and the report detailing the outcome of the Panel is appended to this report.

## **Background**

### The Regulations

6. 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.
7. 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.

8. 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. However, the Regulations do provide that before the authority makes or amends its Scheme, the Authority shall 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 are index-linked to the NJC Pay Award.

#### Current Arrangements - Indexation

9. 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.

#### Scope of the Review

10. At its meeting on 22 September 2021, the CFA agreed that the IRP would review the arrangement for indexation of the CFA Members' Allowance Scheme to the employee pay award agreed by the National Joint Council (NJC) for Local Government Services only, and that a full review of the Members' Allowance Scheme would be carried out in 2023.

#### CFA Independent Remuneration Panel

11. The IRP met on 4 October 2021 to review the arrangement under the CFA Members' Allowance Scheme for the indexation of Basic and Special Responsibility Allowances to the employee pay award determined by the National Joint Council (NJC) for Local Government Services.
12. CFA Members received a copy of the report considered by the IRP with opportunity to input to the review for consideration by the Panel. No comments were received.

## Report Implications/Impact

### 13. 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.

### 14. 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.

### 15. 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.

### 16. 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.

### 17. Environmental

There are no environmental impacts arising from this report.

### 18. Impact upon "Our Plan" Objectives

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

## Appendix

Report of the CFA Independent Remuneration Panel.

## **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**

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