

**REPORT OF THE
INDEPENDENT REMUNERATION PANEL
ON MEMBERS' ALLOWANCES
FOR THE
LEICESTER, LEICESTERSHIRE AND RUTLAND COMBINED
FIRE AUTHORITY**

OCTOBER 2021

Introduction

1. This report sets out the recommendations of the Independent Remuneration Panel (IRP) appointed by the Leicester, Leicestershire and Rutland Combined Fire Authority (CFA) to review the Members' Allowance Scheme with specific regard to the indexation of allowances. Although not a statutory requirement, the IRP was constituted applying the principles under the Local Authorities (Members' Allowances) (England) Regulations 2003/1021.
2. The Regulations require that the members basic allowance, and where applicable, special responsibility allowance and travel and subsistence allowance be set out in a scheme. There is no statutory requirement, however, to have an Independent Remuneration Panel for CFA allowances, although the Regulations require that before a Fire and Rescue 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, this is Leicester City Council, Leicestershire County Council and Rutland County Council.
3. Consequently, the IRP has on behalf of the CFA fulfilled the statutory duty to have regard to the recommendations of the constituent Council IRPs by referring to the following IRP reports:
 - a. Leicestershire County Council, Review of Members' Allowances by the Independent Remuneration Panel, August 2021
 - b. A Review of Allowances for Leicester City Council, A Report by the Independent Remuneration Panel, February 2020
 - c. The Welland Partnership Independent Remuneration Panel, Report to Rutland Council, October 2019

Membership of the IRP

4. Leicester, Leicestershire and Rutland Combined Fire Authority's Independent Remuneration Panel comprised the Chairmen of the IRPs in each of the constituent authorities of the CFA. These are:
 - Michael Pearson, Chairman of the Leicestershire IRP
 - Dr. Declan Hall, Chairman of the Leicester City IRP
 - John Cade, Chairman of the Rutland IRP

Support to the IRP

5. The IRP was supported by the Monitoring Officer to the CFA who provided advice and background information to support the IRP's deliberations.

Scope of the Review

6. At its meeting on 22 September 2021, the CFA agreed to convene an Independent Remuneration Panel and for the IRP to be asked to review the arrangement for the indexation of the Members' Allowance rates to the employee pay award each year. In addition, it agreed that a full review of the Members' Allowances Scheme should be undertaken in 2023 and that this would 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.

Indexation

7. The CFA has an arrangement in place for the Members' Allowances rates for Basic and Special Responsibility Allowances to be indexed linked each year in line with the employee pay award agreed by the National Joint Council (NJC) for Local Government Services in accordance with Part 3 – of the Regulations, 10 (4 and 5), which are set out below:

(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 IRP, therefore, considered whether it wished to recommend the continuation of the arrangement for the indexation of allowances to the NJC Pay Award and also considered the following alternatives for indexation:-
 - NJC for Local Authority Fire and Rescue Services for operational staff;
 - Consumer Price Index;
 - Average Earnings Indicator;
 - Retail Price Index.
9. The IRP noted the alternatives for indexation presented in the report, particularly the arrangement to index-link the Members' Allowance Rates to the NJC Pay Award for Local Authority Fire and Rescue Services for operational staff, which some Fire and Rescue Services use.

10. The IRP also noted that the statutory IRPs of the three constituent Councils of the CFA recommended that the applicable index should be the National Joint Council (NJC) for Local Government Services and all three constituent Authorities use this for the indexation of member allowances. Further, the NJC index is the most common index mechanism utilised across English local government.

11. Following careful deliberation, and bearing in mind

- i. the recommendations of the statutory IRPs of the constituent Councils,
- ii. common practice elsewhere
- iii. the historical indexation mechanism utilised by the CFA

the IRP concluded that the Basic and Special Responsibility Allowance should continue to be index-linked to the NJC Local Government Employee (Support Staff) Pay Award for a period of two years, rather than the four-year period detailed in the Regulations, and that this would be backdated to 1 April 2021, and applied each year in April until 2023.

12. The IRP agreed with the decision of the CFA, set out in paragraph 6 above, that a full review of the Members' Allowances Scheme should be undertaken in 2023.

Recommendations of the IRP

The IRP recommends that:-

- a) 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;
- b) A full review of the CFA Members' Allowance Scheme be undertaken in 2023 and 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.