

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

JANUARY 2024

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 Council.
3. Consequently, the IRP has on behalf of the CFA fulfilled the statutory duty to have regard to the recommendations of the constituent authority IRPs by considering the position taken by those authorities during this financial year.

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 along with an additional panel member from Leicestershire County Council and Leicester City Council. These are:
 - Michael Pearson, Chairman of Leicestershire County Council IRP
 - Dr Declan Hall, Chairman of the Leicester City Council IRP
 - John Cade, Chairman of the Rutland Council IRP
 - Jayne Kelly, Member of Leicestershire County Council IRP
 - Mehrunnisa Lalani, Member of Leicester City Council IRP

Support to the IRP

5. The IRP was supported by the Head of Civic and Member Support and the Head of Democratic Services from Leicestershire County Council who provided advice and background information to support the IRP's deliberations.

Scope of the Review

6. At its meeting on 4th October 2023, the CFA agreed to convene an IRP and that it be asked to review the arrangements for :-
 - i. members' allowances rates and the arrangement for indexation;
 - ii. roles which should receive the Special Responsibility Allowances.
 - iii. Travel and Subsistence Allowances; and
7. At the subsequent CFA meeting, 29th November, the CFA agreed that the IRP's review relate to the indexation of allowances only.
8. The IRP also noted that the CFA, at its meeting on 4th October made reference to it reviewing the Dependent Carers' Allowance, as the CFA had felt that if this was capped, it could be a barrier to single parents becoming a member.

Indexation

9. Member Allowances are governed by the Local Authorities (Members' Allowances) (England) Regulations 2000. Part 3 of the Regulations and in particular paragraphs 10 (4 and 5), set out below, allow the Panel to recommend an indexation figure.
 - (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 CFA since 2011 and as recommended when it last met in 2021 has indexed CFA Allowances to the National Joint Committee (NJC) employee pay award which in the main has been a straight percentage increase.
11. However, in 2022/23 the NJC pay settlement was a fixed sum of £1925.00 per annum across all scale points. If the fixed amount of £1925.00 had been applied to the CFA Basic Allowance the Panel noted it would have resulted in an increase of 58.6%. The Panel therefore noted that Members of the CFA therefore decided to freeze their allowances in 2022/23 to the 2021/22 rate.
12. The NJC Pay Award for 2023/24 was agreed in November 2023. The settlement was in two parts, one part being a fixed amount of £1925.00 per annum up to SCP 43, the CFA use the same pay spines, of the green book pay scales and the other part being a 3.88% increase for those paid above the maximum pay spine but graded below deputy chief officer.

13. 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:-

- Consumer Price Index;
- Average Earnings Indicator;
- Retail Price Index.
- Joint Negotiating Committee for Chief Officer pay

14. The IRP noted the alternatives for indexation and that for 2023/24 two of the three constituent authorities had implemented different indexation rates. Leicestershire County Council used the NJC offer of 3.88% for those on Spinal Column Point 43 whereas Rutland Council had used the JNC, Chief Officer, offer of 3.5%. Leicester City Council members had frozen their allowances and asked that their IRP carry out a review during the 2023/24 financial year.

15. After careful deliberation the IRP agreed that the applicable index should be the NJC for Local Government Services pay award which is also the most common index mechanism utilised across English local government.

16. The IRP noted that for the 2023/24 NJC pay award was in two parts a fixed amount of £1925.00 per annum up to and including the top of the pay spine, Spinal Column Point (SCP) 43, and a percentage figure of 3.88% for those above and up to but graded below deputy Chief Officer.

17. Once again following thoughtful deliberation, the IRP was therefore minded to recommend that the Basic and Special Responsibility Allowances increase by 3.88 % i.e. the equivalent percentage increase at the top of the pay spine, SCP 43, from 1st April 2024.

18. The IRP also concluded that Basic and Special Responsibility Allowances should continue to be index-linked to the equivalent percentage increase awarded to SCP 43 on the pay spine for a four-year period i.e. up to 31st March 2028.

Dependant Carers Allowance

19. The IRP noted the request of the CFA at its meeting that it look at reviewing the Dependent Carers' Allowance. However, the IRP noted that this allowance was already covered in the CFA's Constitution, <https://leics-fire.gov.uk/wp-content/uploads/2023/03/constitution-2023.pdf>, Members' Allowance Scheme, in that members of the CFA should claim this from their constituent authority.

Recommendations of the IRP

The IRP recommends that:-

- a) That Basic and Special Responsibility Allowances increase by 3.88 % from 1st April 2024
- b) That the arrangement for indexation of the Leicester, Leicestershire and Rutland Combined Fire Authority's Members' Allowances Scheme to the NJC Pay Award continues until 31st March 2028 applied on an annual basis on 1 April each year, based upon the equivalent percentage increase on SCP 43 of the pay spine.
- c) That the Dependants Carers' Allowance continues to be claimed from the CFA member's constituent authority.

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