

**NORTH WALES FIRE AUTHORITY**

**EXECUTIVE PANEL**

**25 APRIL 2005**

**REVIEW OF LEGISLATION ON MEMBERS' ALLOWANCES**

Report by the Clerk

**Purpose of Report**

- 1 To agree a response to the Minister's letter of 9 February (annex 2).

**Background**

- 2 On 31 January, the Panel agreed to lobby the Welsh Assembly Government about empowering it to pay allowances to independent members of the standards committee. The Minister's letter contains such a proposal and I therefore wrote on 16 February to support it.

**Advice**

- 3 Apart from reiterating this point, I suggest that the four issues on which the Panel will wish to submit comments are:
  - 3.1 the proposal that "members of more than one authority (i.e. county councillors who also serve on national park authorities, police or fire authorities) should not be able to receive more than one SRA". The authority was strongly opposed to such a suggestion when the regulations for fire authority allowances were under consideration last year;
  - 3.2 the proposal that allowances should not be payable to a councillor whose membership is suspended. This should apply to fire authorities;
  - 3.3 the proposal that the Wales Independent Remuneration Panel should make recommendations only on allowances paid by councils. There seems no reason why its functions should not include recommendations on allowances paid by fire authorities;
  - 3.4 the absence of action to make allowances paid by fire authorities pensionable, a matter that we have been raising for two years.

4 A draft response is in annex 1 for the Panel's consideration.

**Recommendation**

5 That the Panel agrees that the draft response in annex 1 should be sent, subject to any changes agreed in the meeting.

## **Annex 1**

### **Draft response to the Minister's consultation letter**

#### **REVIEW OF COUNCILLORS' ALLOWANCES REGULATIONS**

The Executive Panel of the North Wales Fire Authority considered the Minister's letter of 9 February at its meeting on 25 April and agreed that the following response should be submitted, which deals with the issues so far as they relate to fire authorities.

The authority is disappointed that, less than a year after the Local Authorities (Allowances for Members of Fire Authorities) (Wales) Regulations 2004 were made, the Minister has raised again the question of whether councillors who receive a special responsibility allowance from their own council should receive an additional similar allowance from other bodies including fire authorities. No evidence is presented in the Minister's letter of the reasons for her proposal. What policy or other aim is the proposal intended to achieve?

The North Wales Fire Authority believes that the additional responsibilities that some councillors may be asked to discharge – by being, for example, a Cabinet member as well as a member of a police authority or a chair or vice-chair of a fire authority or national park authority – should be fairly reflected in their remuneration. Indeed the UK Government is seeking such arrangements with the proposal in paragraph 5.101 of "Building Communities, Beating Crime" (November 2004) that, in unitary authorities, the Cabinet member with responsibility for community safety should serve as a member of the police authority.

A fire authority allowance is now paid to all members of fire authorities in addition to the basic allowance paid by councils, which acknowledges the additional time commitment of the role. It is not clear what the logic is for denying the possibility of a councillor receiving two responsibility allowances – for example as chair of a council's scrutiny committee and vice chair of a police authority. It is not necessarily the case, as the Minister's proposal may suggest, that the additional responsibilities on the second body are offset by a reduction in workload in the Cabinet or other responsible post at the home council.

The decision on who should receive the allowance in respect of a second body is rarely, if ever, taken by that council. Police, fire and national park authorities choose their own chairs and vice chairs; appointments to police authorities and local health boards are not made directly by councils, although they may submit nominations. Denying access to an allowance that is paid in acknowledgement of the additional responsibilities might unduly and unnecessarily restrict the pool of candidates who wish to be considered for appointment.

That said, the authority is conscious that additional, sometimes onerous responsibilities attached to some posts, such as membership of a local health board, are not reflected by additional allowances. It is suggested that this should be addressed by considering whether membership of bodies such as local health boards should attract an additional allowance, rather than by removing access to the second allowance that a few recipients of SRAs may receive from their work with police, fire or national park authorities.

In the fire authority's view, the central requirement is for a consistent approach that can legitimately be implemented by regulations under section 19 of the 1989 Act. The Minister's letter does not address the position of councillors who may receive a special responsibility allowance and a payment as a member of a whole range of other public bodies (although it is appreciated that many of the Welsh bodies that pay their board members are scheduled for abolition in 2006 or 2007). **This inconsistency and the absence of an explanation for the Minister's proposal lead the North Wales Fire Authority to conclude that the case for change has not been made and that it would be unreasonable to proceed as she proposes.**

On a technical point, the allowances paid by police authorities and fire authorities to their chairs, vice chairs and members are not defined in legislation as special responsibility allowances. It is therefore not clear how the Minister's proposal could be implemented in its present form.

The authority supports the proposal that allowances should not be payable to councillors whose membership is suspended. Such a provision should apply in respect of fire authority allowances.

The authority believes that, if it is to be put on a permanent footing, the Wales Independent Remuneration Panel's role should be extended to include recommendations on allowances of fire authorities. The case for limiting the Panel to allowances paid by county and county borough councils only has not been made.

In my letter of 16 February, the authority has already expressed support for the extension of a power to pay allowances to co-optees, such as independent members of standards committees.

Finally, the authority records again the need for provision to extend the pension scheme so that it covers allowances paid by fire authorities. It first raised this issue in October 2003 and again during passage of what became the Fire and Rescue Services Act 2004. The collective failure by the Welsh Assembly Government and UK Government to address this point is disappointing, when there was a perfectly good legislative vehicle available in 2004. The authority therefore reiterates its call for legislation to be changed to permit allowances paid by fire authorities to be pensionable.