



AGENDA ITEM: 10

NORTH WALES FIRE AND RESCUE AUTHORITY

16th March 2009

MEMBER ALLOWANCE SCHEME

**Report by Colin Everett
Clerk to the Authority**

Purpose of Report

- 1 Members are asked to consider the recommendations of the Independent Remuneration Panel for Wales and their application to the North Wales Fire and Rescue Authority.

Background

- 2 The Local Authorities (Allowances for Members) (Wales) Regulations 2007 provide for the establishment of an Independent Remuneration Panel for Wales to determine the range and maximum levels of allowances that county and county borough councils may pay their elected members and certain co-opted members.
- 3 The Remuneration Panel published its Initial Report in July 2008 along with a commitment to provide a Supplementary Report in which the maximum level of adjustment (uprating) would be prescribed for 2009/2010 and would come into force from 1st April 2009. This Supplementary Report was published in December 2008. Any changes to the Initial Report are highlighted within this report under the relevant sections.

- 4 In determining the uprating the Panel took into consideration a range of issues including the feedback and representations that it had received on matters in the Initial Report.
- 5 The Panel will also commence a comprehensive consultation on Members' Allowances during the period February to June 2009. This will be the first opportunity (since the role of the modern and professional councillor was established by the Local Government Act 2000) for stakeholders to contribute to a comprehensive review of Members' Allowances. A verbal report on the participation of the Authority in this consultation will be made at the meeting.
- 6 The 2007 Regulations require authorities to amend their schemes of allowances within four months of the Welsh Assembly Government receiving the initial report.
- 7 Whilst the Panel's remit does not extend to the determinations of allowances specifically for members of National Park Authorities (NPA) and Fire and Rescue Authorities (FRA), their views were invited during the consultation period. The National Park and the Fire and Rescue Authorities are also required by the 2007 Regulations to have regard to the matters prescribed by the Panel to the types and maximum levels of allowances payable by their constituent authorities.
- 8 This overall review of Members Allowances is consistent with the arrangements made by the constituent authorities. The Clerks to each of the three Fire Authorities in Wales have met and discussed how to deal with this in their respective authorities and are collectively recommending this review to their individual authorities.
- 9 Attached as Appendix 1 to this report is a table showing the increases applied by the constituent authorities to Councillors' Basic and Special Responsibility Allowances for 2008/09 for information.

Remuneration Panel's Determinations

- 10 The Panel's determinations are shown below.

Basic Allowances

- 11 The increase in Basic Allowance should be based upon the relevant percentage increase in local government pay. Accordingly basic allowances for 2008/09 will be increased (retrospectively) in line with the 2.45% pay offer for local government employees in 2008/09.

Special Responsibility Allowances (SRAs)

- 12 The Panel considered that the link between the remuneration level of council leaders and "backbench" Members of the National Assembly for Wales was no longer relevant. Accordingly it has been decided that Special Responsibility Allowances for 2008/09 should be increased in line with the increase in Basic Allowances i.e by 2.45%.

Care Allowances

- 13 In the interests of consistency, the level of Care Allowance payable in 2008/09 has been increased by 2.45% in line with the Basic Allowance. Care Allowances will remain as an allowance that contributes towards caring costs rather than a reimbursement of actual costs.

Travelling Allowances

- 14 Travel allowances should continue to be claimed for undertaking approved duties rather than as lump sums or other forms of payment. For 2008/09 the maximum travel rates payable will be the rates set by HM Revenue & Customs for the use of private cars plus any passenger supplement i.e. 40p per mile plus 5p per mile passenger supplement (if appropriate).

- 15 All other claims for travel, such as bus/taxi fares should be accompanied by appropriate receipts showing the actual expense, subject to any requirement or limitation that authorities may determine. Members should always be mindful of choosing the most cost effective method of travel.

Subsistence Allowances

- 16 A daily subsistence rate of £28 per day has been set in the Supplementary Report (having previously been set at £26 within the Initial report.) This includes breakfast when not provided as part of overnight accommodation. This would be a reimbursement of actual costs for approved duties with receipts to be provided.
- 17 Allowances for overnight stay had been set at a maximum of £105 for London and £90 for elsewhere within the Initial Report. However the Supplementary Report has updated this to £124 and £95 respectively.
- 18 A maximum of £25 is available for an overnight stay with friends or relatives whilst on approved duties.

Co-optees' Allowances

- 19 For co-optees who chair committees the allowance is set at a maximum of £1,450 per year. For other co-optees the allowance is set at a maximum of £760 per year.

Other Recommendations from the Panel

- 20 To reflect the modern professional role of the councillor the Panel suggests that the term "allowance" be replaced with "remuneration" and adopted in any future legislative changes.
- 21 The Welsh Assembly Government should seek measure making powers on councillors' allowances to enable the possibility of significant reform to the existing structure of allowances, which would enable the Panel to prescribe levels of allowances rather than set maximums.

- 22 Over the publicity requirement concerning allowances, the Panel recommends that details of the total sum of each allowance paid in that year to each council member be published on the authority's website and in an appropriate newspaper at the same time as the authority's Statement of Accounts i.e. the end of June.
- 23 Not all councils enable their councillors to join the Local Government Pension Scheme (LGPS). The Panel recommends that all councillors should be entitled to join the LGPS.

APPLICATION TO FIRE AND RESCUE AUTHORITIES

- 24 As stated previously the Panel's remit does not extend to the determinations of allowances specifically for members of National Park Authorities (NPA) and Fire and Rescue Authorities (FRA) but their views were invited during the consultation period. The NPA and the FRAs are required by the 2007 Regulations to have regard to the matters prescribed by the Panel for the types and maximum levels of allowances payable by their constituent authorities.

Basic Allowances

- 25 Five of the constituent authorities have approved the maximum increase in basic allowance of 2.45% with one authority opting not to increase their allowances for 2008/09.
- 26 The average increase of the six constituent authorities is the maximum that the North Wales Fire and Rescue Authority can apply. Accordingly the maximum increase that can be applied by this Authority for 2008/09 is 2.04% i.e. from £1,103.64 to £1,126.15. This has been implemented.

Special Responsibility Allowances (Chair & Vice Chair's Allowances)

- 27 As above, five of the constituent authorities have approved the maximum increase in special responsibility allowances of 2.45% with one authority opting not to increase allowances for 2008/09. Accordingly the maximum increase that can be applied by this Authority for 2008/09 is 2.04% i.e. an increase in the Chair's

Allowance from £9,451.30 to £9,644.11 and an increase in the Vice Chair's Allowance from £7,263.90 to £7,412.08. This has been implemented.

Care Allowances

- 28 Not all of the constituent authorities currently provide for Care Allowances. This would be a new allowance for the North Wales Fire and Rescue Service if considered and approved.
- 29 For those authorities that do make such provision, increases have either been in accordance with the increase in basic and special responsibility allowances or are to be reviewed shortly.
- 30 The Supplementary Report recommends that the level of Care Allowance payable in 2009/10 be increased by 5% in line with the Retail Price Index (RPI) to a maximum of £403 per month.

Subsistence Allowances

- 31 The current subsistence allowances with the North Wales Fire Authority, where no overnight stay is required, are as follows:

Breakfast Allowance Payable for absences from home for at least 4 hours, before 11.00am	£6.40
Lunch Allowance Payable for absence from home for at least 4 hours, including the whole of the period 12 noon to 2.00pm	£8.50
Evening Meal Payable for absences from home for at least 4 hours, ending after 7pm	£19.20

- 32 The sum total of the existing allowance is £34.10. The Panel has set a 'daily' subsistence rate of a maximum of £26.00 per day (for 2008/09), which has subsequently been increased to £28.00 (for 2009/10) in the Supplementary Report.

- 33 The Authority can consider two options:
- i) continue with the existing rates in respect of individual allowances and impose a cumulative cap of £28.00 on any one day; or
 - ii) scale back the existing allowances so that they cumulatively add up to the £28.00 maximum. i.e. Breakfast £4.00, Lunch £5.00 and Evening Meal £19.00.
- 34 A variety of methods have been applied by the constituent Authorities. It is considered that option i) affords a pragmatic solution.

Overnight Allowances

- 35 The current Overnight Allowance (including breakfast) is as follows:

- London £125.00
- All other cases £ 96.00

- 36 The Panel determined the new rates for 2008/09 as follows:

- London £105.00
- All other cases £ 90.00

- 37 The Supplementary Report (for 2009/10) further determines the new rates as:

- London £124.00
- All other cases £ 95.00

Travelling Allowances

- 38 For 2008/09, the Panel has determined that the maximum travel rates payable should be the rates set by HM Revenue & Customs (HMRC) for the use of private cars, motor cycles and pedal cycles plus any passenger supplement. These rates remove the historic links to the travel rates for Assembly Members. The current HMRC rates are:

- 39 All vehicle sizes of private motor vehicle:
- | | |
|----------------------|---------------------------|
| Up to 10,000 miles | 40p per mile |
| Over 10,000 miles | 25p per mile |
| Private Motor Cycles | 24p per mile |
| Pedal Cycles | 20p per mile |
| Passenger supplement | 5p per passenger per mile |
- 40 As these rates replicate the current rates, there will therefore be no change in the rate of travelling allowance.

Co-optees' Allowance

- 41 This is a new allowance, which would apply to the Independent Members who sit on the Authority's Standards Committee. This role will not be such a 'full' role in terms of its breadth, knowledge, involvement and frequency of meetings.
- 42 There are three options available for consideration:
- 43 Option 1 – pay no allowance.
- 44 Option 2 – Provide an average allowance. Currently such members only receive travelling and subsistence allowances. The Panel has set maxima of £1,450 per annum for Chairs and £760 for other independent members. Such figures have been based on the assumption of four meetings per year multiplied by the current daily fee for Chairs and Members of Band 2 Assembly Government Sponsored Bodies, and in the case of the Chair, 2 additional meetings on "Chair duties".
- 45 In terms of application, given that on average the Authority's Standards Committee meets twice a year (half day meetings), excluding any training events, the level of allowances could be set at a quarter of the maximum amount i.e. £362.50 per annum for Chairs and £190 for other independent members.
- 46 Option 3 – an allowance could be payable based on a proportion of the total Fire Authority membership, for example 25% of the maximum allowance for a Fire Authority Member.

- 47 The Clerks to the three Fire Authorities in Wales have discussed these options and would recommend that a consistent approach across Wales is adopted and Option 2 would be desirable.

Recommendations

- 48 That the Authority:
- i. considers whether to introduce a Care Allowance in accordance with the non-mandatory recommendation of the Remuneration Panel;
 - ii. approves the level of subsistence allowances as outlined in paragraphs 33-34;
 - iii. approves the overnight allowances as outlined in paragraphs 36-37;
 - iv. notes that the travelling rates will remain unchanged;
 - v. gives consideration to whether or not a Co-optee's allowance is payable. The Authority is asked to consider recommending Option 2 (paragraph 44) above which would be effective from 1st January 2009 and is consistent with the comparative authorities;
 - vi. considers changing the name of the Scheme from Member Allowance Scheme to Member Remuneration Scheme as suggested by the Remuneration Panel.
- 49 The current scheme is included within the Members' Handbook.

APPENDIX 1

INCREASES APPLIED BY THE CONSTITUENT AUTHORITIES TO COUNCILLORS' BASIC AND SPECIAL RESPONSIBILITIES ALLOWANCES FOR 2008/09

COUNCIL	BASIC ALLOWANCE ANNUAL ADJUSTMENT INCREASE APPLIED	SRA ANNUAL ADJUSTMENT INCREASE APPLIED
CONWY	2.45	2.45
DENBIGHSHIRE	2.45	2.45
FLINTSHIRE	2.45	2.45
GWYNEDD	0	0
WREXHAM	2.45	2.45
YNYS MÔN	2.45	2.45
TOTAL		
AVERAGE (the maximum that NWFRA can apply for 2008/09)	2.04	2.04

(*WAG Max increases on both Basic and SRA is 2.45%)

NWFRA ALLOWANCES

	2007/08	MAX. INC	TOTAL ANNUAL INCREASE	TOTAL ALLOWANCES PAYABLE IN 2008/09
BASIC ALLOWANCE	£1103.64	2.04	22.51	£1126.15
SRA – CHAIR	£9451.30	2.04	192.81	£9644.11
SRA – VICE-CHAIR	£7263.90	2.04	148.18	£7412.08