



AGENDA ITEM: 13

NORTH WALES FIRE AND RESCUE AUTHORITY

17th March 2008

THE INDEPENDENT REMUNERATION PANEL FOR WALES

**Report by Ian Miller,
Clerk to the Authority**

Purpose of Report

- 1.** To inform members of the establishment of the Remuneration Panel for Wales and the implications for fire and rescue authorities; and to agree a response to its first consultation letter.

Background

- 2.** On 1 January 2008 the Welsh Assembly Government (WAG) announced the establishment of an independent panel to review councillors' allowances.
- 3.** The Independent Remuneration Panel for Wales (the Panel) has been established under provisions made in The Local Authorities (Allowances for Members) (Wales) Regulations 2007 (the Regulations). The provisions of these Regulations and how they apply to fire and rescue authorities was previously reported to the Authority at its meeting on 18 June 2007. Following a discussion on the Regulations the Authority approved consequential amendments to its 'Scheme for the Payment of Members' Allowances'.



Background *(continued)*

4. As reported to the Authority in June 2007 the Regulations would come into force in two stages. The first stage came into force on 1 June 2007 with the second stage coming into force during the latter part of 2008.

Information

5. The establishment of the Panel, a permanent body, independent of both local and central government and whose membership will be reviewed every four years, sees the commencement of the process to enact the latter part of the Regulations.
6. Initially, the Panel is required to undertake a comprehensive review of the type and level of allowances available for county and county borough councillors. This review will include looking at the responsibilities and duties that attract Special Responsibilities Allowances (SRAs), the duties that may attract the new Co-optees' Allowances, and determining the maximum level of allowances payable in respect of Basic Allowance, SRA, care allowance, travel and subsistence allowances, and Co-optees' Allowances. The Panel also has powers to prescribe different maximum amounts for different councils and, for the purpose of the SRA and Co-optees' Allowances, different maximum amounts for different responsibilities and duties. The Panel does not have direct powers in respect of the allowances for the chair, vice-chair and members of fire authorities because they are governed by the Local Authorities (Allowances for Members of Fire Authorities) (Wales) Regulations 2004. Nor can the Panel make any recommendations about members' ability to have pensions in respect of fire authority allowances.



Panel Reports

- 7.** The Regulations stipulate that the Panel is required, by 31 July 2008, to produce an 'Initial Report'. In its 'Initial Report' the Panel will prescribe the responsibilities and duties that may attract SRAs and Co-optees' Allowances and the maximum levels for all the allowances listed in paragraph 6 above.
- 8.** In performing its functions the Panel can seek information or advice from any body or person. Whilst producing its 'Initial Report' the Panel must give consideration to any representations received from 'authorities' in response to the exercise. Although for the purpose of the 2007 Regulations the definition of 'authorities' is restricted to county or county borough councils and the Panel is obliged to consider only their representations, its consultation letter (appendix 2) invites representations from fire and rescue and national park authorities as part of the 'Initial Report' exercise.
- 9.** Following the production of its 'Initial Report' the Panel is then required to produce an 'Annual Report' which will prescribe the maximum uprating levels for allowances. As with the 'Initial Report' the Panel will be able to prescribe different maximum uprating levels for different councils. The 'Annual Report' has to be produced by 31 December in the year preceding the year in which the report relates i.e. the first annual report will relate to the 2010/11 financial year and therefore must be produced by 31 December 2009.
- 10.** Following the production of its 'Initial Report', and in addition to its 'Annual Reports', the Panel also has the powers to produce, at such times as it deems necessary, 'Supplementary Reports'. Under the 'Supplementary Report' mechanism the Panel can respond to specific requests from county or county borough councils on matters relating to allowances and the maximum levels of allowances payable



Panel Reports *(continued)*

- 11.** All of the Panel's reports are required to be sent to the WAG who is then obliged to provide each county and county borough council, fire and rescue authority and National Park Authority with a copy of the Initial and Annual Reports. In the case of 'Supplementary Reports' the WAG is only required to send copies of these reports to the county or county borough council to which the report relates and to any fire and rescue authority and/or National Park Authority whose area lies within the local authority which is the subject of the report.

Impact on Fire and Rescue Authorities

- 12.** Due to the formula by which the Fire Authority Allowance, Fire Authority Chairperson and Fire Authority Vice-Chairperson's Allowances are calculated (the maximum increase permitted being an average of the increases in the constituent authorities' corresponding allowances) the Panel's findings will have an indirect effect on fire and rescue authorities.

Co-optee's Allowance

- 13.** The 2007 Regulations make provision for fire and rescue authorities to pay a Co-optee's Allowance to non-elected members with voting rights, such as independent members of their Standards Committees. This Allowance will only become payable four months following the date the WAG receives the Independent Remuneration Panel's 'Initial Report' i.e. sometime in late autumn 2008, assuming the Report emerges in June/July. In determining the responsibilities and duties for which Co-optees Allowances are payable to independent members of their Standards Committees, fire and rescue authorities must give regard to matters prescribed by the Panel in relation to the corresponding allowances payable by the Authority's constituent councils. In addition, if fire and rescue authorities resolve to award Co-optees Allowances to



Co-optee's Allowance *(continued)*

independent members of their Standards Committees, the maximum amount of Co-optee's Allowance payable cannot exceed the average of the amounts payable by the constituent councils to their co-opted members.

Response to the consultation letter

- 14.** While the letter specifies a closing date of 14 March for responses, we have agreed with the Panel's administrators that the Fire Authority can submit a response following its meeting on 17 March. The draft response (appendix 1) argues for a common approach to allowances for care, travel and co-optees who are independent members of standards committees, there being no obvious reason why different councils should be set different maxima for such allowances. While the Panel has no powers in respect of pensions for fire authority allowances, the draft response raises again the need for legislation to permit the possibility of such pensions. It also suggests that regulation of fire authority allowances should be brought within the same regime as that applying to allowances paid by councils, so that there is consistency of approach.

Recommendations

- 15.** That:
- 15.1** members note the information provided;
 - 15.2** Approve the draft response in appendix 1; and
 - 15.3** following the publication of the Independent Remuneration Panel's 'Initial Report' and dependent upon its recommendations, the Authority considers awarding a Co-optee's Allowance to the independent members of its Standards Committee and the level of the allowance payable.



Appendix 1

Draft response to the Independent Remuneration Panel for Wales' letter of 11 February

North Wales Fire Authority welcomes the opportunity to respond to the Panel's consultation letter of 11 February.

The Authority believes that the same maxima should be prescribed for all councils in respect of

- Care allowance
- travel and subsistence allowance
- co-optee's allowance, so far as it relates to independent members of standards committees.

There is no obvious reason why different maxima for these allowances should be set for different councils.

The Panel has sought views on whether there should be any changes to the existing pension arrangements for elected members of county and county borough councils. The Fire Authority repeats an observation that it has frequently made to the Welsh Assembly Government over some years, namely that legislation should be changed to permit the possibility that allowances paid to councillors who are members of a fire authority should be pensionable. We would welcome the Panel's support in recommending that this anomaly is removed at the earliest opportunity.

Consideration should also be given to adopting a joined up approach for allowances across the local government family, such that the Panel would set maxima for fire authority allowances rather than having them specified in separate legislation.