

REGULATORY APPRAISAL

THE LOCAL AUTHORITIES (ALLOWANCES FOR MEMBERS OF COUNTY AND COUNTY BOROUGH COUNCILS) (PAST SERVICE AWARDS) (WALES) REGULATIONS 2003

Purpose and intended effect of the legislation

The purpose of The Local Authorities (Allowances for Members of County and County Borough Councils) (Past Service Awards) (Wales) Regulations 2003 (“the regulations”) is to enable local authorities to determine which of their members should be entitled to receive past service awards.

The regulations include a provision amending regulations on functions and responsibilities – and also on alternative arrangements – to the effect that decisions on both past service awards and pensions are not to be taken by the executive or board of a council but are the responsibility of the full council.

The amounts of past service awards to be paid will be determined by the local authority concerned under the provisions of The Local Government (Gratuities) (Members of County and County Borough Councils) (Wales) Regulations 2003 which are the responsibility of the Office of the Deputy Prime Minister (ODPM).

In order to qualify for an award, a councillor must have served 15 years (which need not be continuous) with their current and predecessor authorities by May 2003, applied for an award within 5 weeks of the regulations coming into force, still be in office at close of nominations for the 2004 elections, is not a candidate in those elections and is not an AM, MP, MEP or member of the House of Lords.

Risk assessment

This is a measure being introduced for the first time in Wales. Similar policies have not been introduced elsewhere in the United Kingdom. The regulations are designed to enable councils to make a one-off payment to long serving councillors who retire at the 2004 elections. Without this measure, fewer vacancies would be created and it would be more difficult to achieve the policy objective that new and more diverse candidates should stand successfully for election.

Options

The scheme was proposed in an independent review carried out for the Welsh Assembly Government¹, which was commissioned to examine and make

¹ “Recognising councillors’ worth to their communities, University of Birmingham, 2001

recommendations on ways in which a range of people more representative of the population as a whole could be encouraged to stand for election to their local council.

As originally drafted, the decisions on past service awards within the council could have been considered to be a function of the executive or board. It is suggested that this matter, as is the case with councillors' allowances, are more properly the preserve of the full council.

Benefits

Approval of these regulations should lead to a situation whereby certain councillors on principal councils in Wales would, in 2004 only, be entitled to past service awards in recognition of their long period in office. This would serve as recompense for many years of public service with little financial reward, during which time their careers and pensions contributions in outside work may have suffered.

It is the aim of the policy that the vacancies so created will be filled by councillors who would better reflect the diversity of the electorate although it is accepted that this aim will not be achieved through the awards alone.

Costs

The actual cost of the exercise will not be known until shortly before the 2004 elections so will fall to 2004/2005 budgets. Preliminary estimates have indicated a total cost in the region of £3 million. The Assembly Government has undertaken to meet this cost by way of a specific grant.

Competition assessment

The introduction of these regulations is not likely to have any impact on other sectors and no competition filter is necessary.

Consultation

The policy intention to introduce past service awards for councillors was included in the policy statement "Freedom and Responsibility" in March 2002 and was widely welcomed by local government. A further consultation with local authorities and other relevant parties took place before the draft regulations were presented to the Assembly. The majority of responses dealt with technical issues of detail. Some members of the public have commented that the awards are not deserved and that councillors already receive generous allowances. However the level of allowances only increased substantially in 2002 and the councillors to whom these regulations apply will have served for many years for far less recompense.

The draft regulations have also been the subject of discussion at the Local Government and Public Services Committee.

Review

The impact of this policy will be short and should be easy to evaluate. It is a one-off exercise which will be evaluated after the 2004 elections and reported to the Local Government and Public Services Committee. It is likely that any difficulties in administering the regulations would be reported by local authorities.

Summary

The regulations will impact on local government only, who will be recompensed by the Assembly for the costs. The introduction of past service awards for long-serving councillors is considered to be an important step in widening participation in local government which is viewed as a necessary part of the modernisation process.