

Report of Administration & Democratic Services Manager and Deputy Monitoring Officer

Subject: Independent Remuneration Panel for Wales Draft Annual Report 2023/24

Purpose of Report

To inform Members of the consultation draft Annual Report of the Independent Remuneration Panel for Wales (the Panel) on the proposed level of Members' salaries for 2023/24 and to seek their views thereon.

Introduction/Background

The Independent Remuneration Panel for Wales was appointed in January 2008 under the provisions of The Local Authorities (Allowances for Members) (Wales) Regulations 2007. The Panel was established on a permanent basis to determine the maximum levels of allowances payable by county and county borough councils.

Following the passing of the Local Government (Wales) Measure on the 10th May 2011, the Panel's remit was extended to include National Park Authorities, Fire and Rescue Authorities and 'civic heads' in local authorities. Not only that, Section 142 of the Measure extended the Panel's powers to enable it to prescribe payments rather than determine the maxima as it had done previously.

The Panel has now published its draft Annual Report for 2023/24 and the deadline for responses is the 1st December 2022.

Draft Annual Report 2023/24

A copy of the draft Annual Report is attached to this report. Members will note that the format of the report has changed dramatically to that of previous years, and now only focuses on the changes that have been determined by the Panel which, for this Authority means an uplift of 4.76% will be made to the Basic Salary for 2023/24. In essence, therefore:

- the Basic Salary will increase by £226 to £4,964 per annum;
- the Senior Salary for the Chair of the Authority will increase accordingly to £13,764 per annum;
- the Senior Salary for the Deputy Chair of the Authority and any other Committee Chairs or other senior posts will increase accordingly to £8,704 per annum, and
- all other Panel Determinations for 2022/23 will apply in 2023/24, e.g. payments to Independent Members of the Standards Committee, contributions towards costs of care and personal assistance, travel and subsistence costs, etc.

These changes will be implemented on the 1st April 2023.



Independent Remuneration Panel for Wales

Annual Report

DRAFT

February 2023

Annual Report 2023 to 2024

Section	Page number
1. Introduction	2
2. Role and Responsibilities of the Panel	4
3. Deliberations and Determinations	5
4. Consultation and Summary of Determinations	13

Section 1: Introduction

Welcome to the draft Report of the Independent Remuneration Panel for Wales, setting the Decisions and Determinations on pay, expenses and benefits for elected members of principal councils, community and town councils, National Park Authorities and Fire and Rescue Authorities for implementation from April 2023.

This is my first Report as Chair of the Panel, having been appointed in June this year. I would like to take this opportunity to thank John Bader, the outgoing Chair, for his service over many years and who led the Panel through two significant pieces of work last year – the [Independent 10 Year Review of the Panel](#) and restoring the link between elected members salaries and average earnings in Wales. I also thank Joe Stockley for his service and I am pleased to announce the appointment of Bev Smith in June this year. Saz Willey, Vice Chair, and Ruth Glazzard have continued to lead the work of the Panel during this period of change and I thank them for the support they have given both Bev and I, as new members.

This year the Panel has continued to focus on and take forward the recommendations from the [Ten-Year Review](#). There are four key strands to this work – review the way we work, set out a three year strategy for the Panel, improve how we communicate and engage with stakeholders and build a robust evidence base to inform decisions.

We have embarked on the recommended Effectiveness Review of the way we work and have started developing our longer-term strategy with a Panel Development Day in August. We have agreed that our mission should be to deliver a fair and accountable reward framework for Wales' communities to have their voices heard within our democracy. We will use our expertise and professionalism to build trusting, sustainable partnerships to inform our work and deliver the changes Wales needs.

We aim to improve the way we communicate and engage both with our immediate stakeholders and the general public. As a first step we now publish a summary of our monthly meetings on our [website](#), but recognise there is much more to do. We aim to improve the accessibility and ease of use of our website and develop it into a more useful resource tool for people. We intend it to be an easy-to-use store of information on our Determinations, and, building on our current [Frequently Asked Questions](#) page, develop our Guidance on how all decisions should be applied.

Whilst we are an independent body, we will continue to work collaboratively with key stakeholders engaged in promoting participation in local democracy. We look forward to participating in the forthcoming events hosted by the Welsh Government and Minister for Finance and Local Government, to share knowledge, experience, and best practice across a range of subjects related to the role of a councillor to develop a shared understanding of how we can take collective action to increase diversity in local democracy.

The Welsh Government will soon be publishing research which explores the barriers to standing for elected office and the changing role of the councillor and is

developing a programme of work around the role of the community and town Councils.

The Panel has decided that this year will be a year of consolidation. Major changes were put in place last year, and a significant uplift in salary levels was agreed. We wish to allow time for last year's Determinations to bed in and to allow the Panel to continue its development of a research and evidence base to inform future decisions and move to a longer term planning cycle. This report reflects that decision.

During the past few years, we have been considering the structure of our reports and how we can make them more accessible to all. We have concluded that much of the information published replicates previous years, often without significant change. For this report we decided to focus on the changes made as a result of the proposals. We have therefore decided that the majority of the content set out in previous reports will be removed from the report and placed on the Panel's website. We will make arrangements for those who are unable to access the website.

This change has significantly reduced the size of the report and made it more manageable to navigate. This approach is also in line with our efforts to respect the challenges facing us in protecting our planet.

This is a work in progress, and we would be interested in your views about this approach and so have specifically asked for some feedback as part of our [Consultation questions](#) at the end of the Report.

Panel Membership

Frances Duffy, Chair
Saz Willey, Vice Chair
Ruth Glazzard
Bev Smith

Detailed information about the members can be found on the website: [Panel website](#)

Section 2: Role and responsibilities of the Panel

Role of the Panel

The Panel is responsible for setting the levels and arrangements for the remuneration of members of the following organisations.

- Principal Councils – county and county borough councils
- Community and Town Councils
- National Park Authorities
- Fire and Rescue Authorities
- Corporate Joint Committees

The Panel is an independent body and is able to make decisions about:

- The salary structure within which members are remunerated
- The type and nature of allowances to be paid to members
- Whether payments are mandatory or allow a level of local flexibility
- Arrangements in respect of family absence
- Arrangements for monitoring compliance with the Panel's decisions

The Panel is an independent organisation and the organisations listed above are required, by law, to implement the decisions it makes.

The Panel is also consultee for proposed changes to the pay of principal council Chief Executives.

Principles

The work of the Panel is underpinned by a set of principles which guides its approach, methodology and decision making. They are:

- **Upholding trust and confidence** – Citizens rightly expect that all those who choose to serve in local authorities uphold the public trust by embracing the values and ethics implicit in such public service.
- **Simplicity** – The Framework is clear and understandable.
- **Remuneration** – The Framework provides for payment to members of authorities who carry a responsibility for serving their communities. The level of payment should not act as a barrier to taking up or continuing in the post.
- **Diversity** – Democracy is strengthened when the membership of authorities adequately reflects the demographic and cultural make-up of the communities such authorities serve.
- **Accountability** - Taxpayers and citizens have the right to receive value for money from public funds committed to the remuneration of those who are elected, appointed or co-opted to serve in the public interest.
- **Fairness** - The Framework will be capable of being applied consistently to members of all authorities within the Panel's remit as a means of ensuring that levels of remuneration are fair, affordable and generally acceptable.

- **Quality** - The Panel recognises that the complex mix of governance, scrutiny and regulatory duties incumbent upon members requires them to engage with a process of continuous quality improvement.
- **Transparency** - Transparency of members' remuneration is in the public interest.

Section 3: Summary of Deliberations and Determinations

Methodology

Each year the Panel engages with members of the bodies for which it sets remuneration levels, officers within those organisations, clerks, Welsh Local Government Association, One Voice Wales and the Society for Local Council Clerks. It does this through a range of meetings which, at the moment, remain mostly online. The Panel will continue with these discussions. They provide an opportunity for the Panel to explore views about existing arrangements, the impact decisions are having on individuals, how the arrangements are operating in practice and any issues or concerns individuals wish to raise. It also provides an opportunity for discussion about emerging situations which the Panel may need to consider in respect of its decision making.

The draft report is published widely and members of the public are encouraged to and have provided valuable feedback and we welcome this.

The Panel also considers feedback from the publishing of the Annual Report in the previous year. The changes made in last year's Report, in particular the uplift in the basic salary, seem to have been well received by stakeholders. The issues raised with the Panel have all been centred around the detail of the Determinations, asking for guidance on how they should be applied or asking for points of clarification where the text of the Report was unclear.

The Panel has therefore agreed to review the format and structure of the main Report and make better use of the Panel website to provide information and guidance.

The Panel has a duty to set payments that are fair and that encourage and enable democratic participation. It must also take account of affordability and acceptability.

In making its determinations for this Draft Report, the Panel considered a range of benchmarks, including past, current and projected indices and actual figures and the known and forecast extent and impact of multiple economic and social factors. These included post Brexit and COVID work environments and the cost of living, energy and climate crises.

The Panels proposals are consulted on and following consideration of the views received in response to its consultation the Panel makes its final determinations which are published each year in its Annual Report.

Panel's Determinations for 2023 to 2024

Basic salary for elected members of principal councils - Determination 1

The basic salary, paid to all elected members, is remuneration for the responsibility of community representation and participation in the scrutiny, regulatory and related functions of local governance. It is based on a full time equivalent of three days a week. The Panel regularly reviews this time commitment and no changes are proposed for 2023 to 2024.

Last year the Panel reset the basic salary to align with the [2020 Annual Survey of Hours and Earnings \(ASHE\)](#) published by the Office of National Statistics. This reduced the imbalance that had arisen between the basic salary of members of principal councils and the average salaries of their constituents. The change took effect from the May 2022 local elections. The rationale for this significant step can be found in last year's Annual Report and a detailed explanatory paper setting out the historical context and analysis is available on the Panel's website.

Building on this decision the Panel has determined that for the financial year 1 April 2023 to 31 March 2024 it is right to retain a link between the basic salary of councillors and the average salaries of their constituents. **The basic salary will be aligned with three fifths of the all Wales [2021 ASHE](#), the latest figure available at drafting. This will be £17,600. This will represent a 4.76% increase in the basic salary.**

Salaries paid to Senior, Civic and Presiding members of principal councils: Determination 2

The limit on the number of senior salaries payable ("the cap") will remain in place. At the 2022 local elections boundary reviews changed the number of members for some councils. The Panel adjusted the senior salary cap for these councils in its 2022 to 2023 Annual Report. As there are no further changes for 2023 to 2024, the maximum number of senior salaries payable within each council remains as set out in the 2022 to 2023 [Report](#).

All senior salaries include the basic salary payment. The different levels of additional responsibility of and between each role is recognised in a banded framework. The framework was revised last year after a review of differentials and market comparators. No changes to banding are proposed this year. Early next year the Panel will gather evidence from principal councils to explore whether and how the workload of elected members has changed.

The [ASHE 2021](#) increase applies to the role element of Band 1 and Band 2 salaries – leader, deputy leader and executive members.

To complete the last year's realignment of the framework, Band 3 and Band 4 salary holders will receive a small increase to the role element of their pay and the role element of Band 5 pay will remain frozen. The increase in basic salary will apply. The salary of a leader of the largest (Group A) council will therefore be £66,000. All other payments have been decided in reference to this and are set out in Table 1.

Table 1 – Salaries payable to Basic, Senior, Civic and Presiding Members of Principal Councils

Description	Remuneration		
Elected Members of Principal Councils			
Basic salary (payable to all elected members)	£17,600		
Senior salaries (inclusive of basic salary)	Group A	Group B	Group C
Band 1:			
Leader	£66,000	£59,400	£56,100
Deputy Leader	£46,200	£41,580	£39,270
Band 2:			
Executive Members	£39,600	£35,640	£33,660
Band 3:			
Committee Chairs (if remunerated): Civic Head Presiding Officer	£26,400		
Band 4:			
Leader of Largest Opposition Group	£26,400		
Band 5:			
Leader of Other Political Groups Deputy Civic Head	£21,340		
Deputy Presiding Member – no role payment	£17,600		

Group A: Cardiff, Rhondda Cynon Taf, Swansea

Group B: Bridgend, Caerphilly, Carmarthenshire, Conwy, Flintshire, Gwynedd, Newport, Neath Port Talbot, Pembrokeshire, Powys, Vale of Glamorgan, Wrexham

Group C: Blaenau Gwent, Ceredigion, Denbighshire, Merthyr Tydfil, Monmouthshire, Torfaen, Isle of Anglesey

There are no further changes to the payments and benefits paid to elected members and therefore all other Determinations from 2022 to 2023 still stand and should be applied in 2023 to 2024, including those covering:

- Travel and subsistence;
- Care and Personal Assistance;
- Sickness Absence;
- Corporate Joint Committees,
- Assistants to the Executive,
- Additional salaries and Job sharing arrangements and
- Co-opted Members

Salaries for Joint Overview and Scrutiny Committees: Determination 3

The salary of a chair of a Joint Overview and Scrutiny Committee will be £8,800.

The salary of vice-chair will be £4,400.

There are no other changes.

Payments towards costs and expenses of members of Community and Town Councils; Determination 4

Last year the Panel carried out a major review of the remuneration framework for community and town councils and undertook a comprehensive consultation exercise with the sector. The Framework was updated then and this year the Panel has decided to make limited but important changes.

The Panel recognise that all members of community and town councils necessarily spend time working from home on council business. This was the case before and during COVID and is continuing. As a result, members have extra domestic costs and also need office consumables.

The Panel considers members should not be out of pocket for carrying out their duties. It therefore proposes the following.

Basic payment for extra costs of working from home

All councils must pay their members £156 a year (equivalent to £3 a week) towards the extra household expenses (including heating, lighting, power and broadband) of working from home.

Set payment for consumables

Councils must either pay their members £52 a year for the cost of office consumables required to carry out their role, or alternatively councils must enable members to claim full reimbursement for the cost of their office consumables. It is a matter for each council to make and record a policy decision in respect of when and how the payments are made and whether they are paid monthly, yearly or otherwise. The policy should also state whether and how to recover any payments made to a member who leaves or changes their role during the financial year.

The level of payments is set out in Table 2.

Table 2 – Payments to Community and Town Councils

Type of payment	Requirement
Group 1	Electorate over 14,000
Extra Costs Payment	Mandatory for all Members
Senior Role	Mandatory for 1 member; optional for up to 7
Mayor or Chair	Optional - Up to a maximum of £1,500
Deputy Mayor or Deputy Chair	Optional - Up to a maximum of £500
Attendance Allowance	Optional
Financial Loss	Optional
Travel and Subsistence	Optional
Costs of Care or Personal Assistance	Mandatory

Type of payment	Requirement
Group 2	Electorate 10,000 to 13,999
Extra Costs Payment	Mandatory for all members
Senior Role	Mandatory for 1 member; optional up to 5
Mayor or Chair	Optional - Up to a maximum of £1,500
Deputy Mayor or Deputy Chair	Optional - Up to a maximum of £500
Attendance Allowance	Optional
Financial Loss	Optional
Travel and Subsistence	Optional
Cost of Care or Personal Assistance	Mandatory
Group 3	Electorate 5,000 to 9,999
Extra Costs Payment	Mandatory for all members
Senior Role	Optional up to 3 members
Mayor or Chair	Optional - Up to a maximum of £1,500
Deputy Mayor or Deputy Chair	Optional - Up to a maximum of £500
Attendance Allowance	Optional
Financial Loss	Optional
Travel and Subsistence	Optional
Cost of Care or Personal Assistance	Mandatory
Group 4	Electorate 1,000 to 4,999
Extra Costs Payment	Mandatory for all members
Senior Role	Optional up to 3 members
Mayor or Chair	Optional - Up to a maximum of £1,500
Deputy Mayor or Deputy Chair	Optional - Up to a maximum of £500
Attendance Allowance	Optional
Financial Loss	Optional
Travel and Subsistence	Optional
Cost of Care or Personal Assistance	Mandatory
Group 5	Electorate less than 1,000
Extra Costs Payment	Mandatory for all members
Senior Role	Optional up to 3 members
Mayor or Chair	Optional - Up to a maximum of £1,500
Deputy Mayor or Deputy Chair	Optional - Up to a maximum of £500
Attendance Allowance	Optional
Financial Loss	Optional
Travel and Subsistence	Optional
Cost of Care or Personal Assistance	Mandatory

Group number	Size of Electorate
Group 1	Electorate over 14,000
Group 2	10,000 to 13,999
Group 3	5,000 to 9,999
Group 4	1,000 to 4,999
Group 5	Under 1,000

There are no further changes to the payments and benefits paid to elected members and therefore all other Determinations from 2022 to 2023 still stand and should be applied in 2023 to 2024, including those covering:

- Payments for undertaking senior roles;
- Contributions towards costs of care and personal assistance;
- Reimbursement of Travel and subsistence costs;
- Compensation for financial loss:
- Attendance allowance and
- Co-opted Members

Payments to National Parks Authorities and Fire and Rescue Authorities: Determination 5

The three national parks in Wales - Brecon Beacons, Pembrokeshire Coast and Snowdonia were formed to protect spectacular landscapes and provide recreation opportunities for the public. The Environment Act 1995 led to the creation of a National Park Authority (NPA) for each park.

National Park authorities comprise members who are either elected members nominated by the principal councils within the national park area or are members appointed by the Welsh Government through the Public Appointments process. Welsh Government appointed and council nominated members are treated equally in relation to remuneration.

The three fire and rescue services (FRAs) in Wales: Mid and West Wales, North Wales and South Wales were formed as part of Local Government re-organisation in 1996. FRAs comprise elected members who are nominated by the Principal Councils within each fire and rescue service area.

Payments will increase as a result of the uplift proposed for elected members of principal councils. Therefore, there will also be an uplift of 4.76% in the basic salary element.

The remuneration for Chairs will remain linked to a Band 3 senior salary of principal councils. Therefore there will be a small increase to the role element of their pay. Deputy Chairs, Committee Chairs and other senior roles will remain linked to Band 5. Therefore their role element of pay will remain frozen. The increase in basic salary will apply. Full details of the levels of remuneration for members of National Park Authorities and Fire and Rescue Authorities, is set out in Table 3.

Table 3 – Payments to National Parks Authorities and Fire and Rescue Authorities

National Parks Authorities	
Basic salary for ordinary member	£4,964
Chair	£13,764
Deputy Chair (where appointed)	£8,704
Committee Chair or other senior post	£8,704
Fire and Rescue Authorities	
Basic salary for ordinary member	£2,482
Chair	£11,282
Deputy Chair (where appointed)	£6,222
Committee Chair or other senior post	£6,222

All other Determinations for 2022 to 2023 will still stand and should be applied in 2023 to 2024, including those covering;

- Contributions towards costs of care and personal assistance;
- Reimbursement of Travel and subsistence costs;
- Compensation for financial loss;
- Co-opted Members and
- Restrictions on receiving double remuneration where a member holds more than one post.

Section 4: Consultation on Draft – Questions

We welcome feedback on this draft Report and have included some additional questions where we would appreciate your views. The consultation period will end on the 1 December 2022 and you can either email us your comments or complete the form on our website [HERE](#).

Question 1

The Panel has continued to use the Annual Survey of Hours and Earnings (ASHE) published by the Office for National Statistics as the benchmark for setting the basic salary of elected members of principal councils. There is a corresponding proportionate increase proposed for the members of National Park and Fire and Rescue Authorities. The Panel has continued to refer to the last published ASHE which was 2021. Do you agree that the basic salary element should be referenced to the [ASHE 2021](#) data.

Yes
No
No Opinion

Any additional comments

Question 2

The Panel has made changes to the payment of costs and expenses of members of community and town councils. Do you agree with the addition of the “consumables” element?

Yes
No
No Opinion

Any additional comments

Question 3

The Panel will gather evidence from principal councils to explore whether and how the workload of elected members has changed to inform future Determinations. Are you content that the Panel should build this review into its future work plan and build the evidence base to support decisions?

- Yes
- No
- No Opinion

Any additional comments

Question 4

We have significantly reduced the size of the report this year to concentrate on key decisions made and intend to make more use of the website to provide easy to use guidance to users. This approach is also in line with our efforts to respect the challenges facing us in protecting our planet.

How would you would like to access information and guidance from the Panel?
(choose all that apply)

- Summary report with links to detailed guidance
- Easy to use guidance notes
- Frequently asked questions
- Website
- Social media
- Information events
- Other

If other, please specify:

Have you experienced any challenges accessing or understanding our guidance and information through our website? Please let us know how we can make it easier for you?

Question 5

The Panel intend to undertake a series of engagements with all relevant stakeholders over the next year as part of the development of its forward planning and building of its evidence and research strategy.

Have you any comments that would help the Panel shape this engagement?

For example, a preference for online polls, the holding of engagement events, virtual or face to face, which groups should be involved, how do we engage with prospective candidates etc.

Would you like to be involved in any future engagement events?

Yes
No

<input type="checkbox"/>
<input type="checkbox"/>

Contact details

Summary of Determinations:

Determination 1:

The basic level of salary for elected members of principal councils will set at £17,600.

Determination 2:

The salary of a leader of the largest (Group A) council will be £66,000. All other payments have been decided in reference to this.

Determination 3:

The salary of a chair of a Joint Overview and Scrutiny Committee will be £8,800.

The salary of vice-chair will be £4,400.

Determination 4:

Members of Community and Town Councils will be paid £156 a year (equivalent to £3 a week) towards the extra household expenses (including heating, lighting, power and broadband) of working from home. And Councils must either pay their members £52 a year for the cost of office consumables required to carry out their role, or alternatively councils must enable members to claim full reimbursement for the cost of their office consumables.

Determination 5:

The basic pay of members of National Park Authorities and Fire and Rescue Authorities has been increased by 4.76%. All payments are set out in Table 3.

Determination 6:

All other Determinations set out in the 2022 to 2023 [Annual Report](#) of the Panel remain valid and should be applied.

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The Report and other information about the Panel and its work are available on our website at:

[Independent Remuneration Panel for Wales](#)

Members will note that the draft annual report also includes a number of consultation questions at the end of the document, on which the Panel welcome comments.

Financial considerations

The resource implications associated with the Panel's determinations can be met from existing budgets.

RECOMMENDATION:

Members' opinion is sought:

- (a) whether to submit a response to the Independent Remuneration Panel for Wales' draft Annual Report and, if so**
- (b) the content of such a response.**

Background Documents

Independent Remuneration Panel for Wales' Annual Report 2023/24: consultation draft

(For further information, please contact Janet Evans, Administration & Democratic Services Manager and Deputy Monitoring Officer on 01646 624834 or by e-mailing janete@pembrokeshirecoast.org.uk)

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