

Report of Democratic Services Manager

Subject: Independent Remuneration Panel for Wales Draft Annual Report 2024/25

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 2024/25 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 2024/25 and the deadline for responses is the 8th December 2023.

Draft Annual Report 2024/25

Extracts from the draft Annual Report are attached to this report. Members will note that as last year, it now only focuses on the changes that have been determined by the Panel. As in previous years, the Panel intends to align levels of remuneration for elected members of Principal Councils, National Park and Fire and Rescue Authorities within the context of average Welsh earnings. This has meant using the Annual Survey of Hours and Earnings within Wales (ASHE) published by Office for National Statistics (ONS) as the main benchmark for setting remuneration. In essence, therefore:

- the Basic Salary will increase by £301 to £5,265 per annum;
- the Senior Salary for the Chair of the Authority will increase by £834 to £14,598 per annum, and
- the Senior Salary for the Deputy Chair of the Authority and any other Committee Chairs or other senior posts will increase by £301 to £9,005 per annum.

In addition, changes have been made in respect of payments to co-opted members of the relevant bodies (in the Authority's case this applies to Independent Members of the Standards Committee). The current Determination (made in the 2022 to 2023 Annual Report) states that these should be remunerated on a day or half day basis.

In addition, the relevant officer may decide on the total number of days remunerated in a year and set a reasonable time for meeting preparation.

Due to changes in meeting patterns resulting from Covid, it is proposed to grant local flexibility to the relevant officer to decide when it will be appropriate to apply a day or a half day rate or to use an hourly rate where it is sensible to aggregate a number of short meetings. Rates are outlined in the following table, however the full and half day rates remain unchanged from 2023/24.

Role	Hourly rate payment	Up to 4 hours payment rate	4 hours and over payment rate
Chairs of Standards Committees	£33.50	£134	£268
Ordinary Members of Standards Committees	£26.25	£105	£210

All other Panel Determinations for 2022/23 will apply in 2024/25, e.g contributions towards costs of care and personal assistance, travel and subsistence costs, etc.

These changes will be implemented on the 1st April 2024.

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. Suggested responses are provided, however Members views in particular are sought in respect of question 3 on sustainable travel and question 6 consolidation of the travel and subsistence expenses of Members.

Financial considerations

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

RECOMMENDATION:

That Members provide any additional comments they wish incorporated in the response to the Independent Remuneration Panel for Wales' draft Annual Report by 1st December 2023.

Background Documents

[Independent Remuneration Panel for Wales' Annual Report 2024/25: consultation draft](#)

(For further information, please contact Caroline Llewellyn Democratic Services Manager on 01646 624804 or by e-mailing carolinel@pembrokeshirecoast.org.uk)

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Independent Remuneration Panel for Wales

Annual Report

DRAFT

October 2023

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Foreword

Welcome to the draft report of the Independent Remuneration Panel for Wales, setting out our proposals on pay, expenses and benefits for elected members of Principal Councils, Town and Community Councils, National Park Authorities and Fire and Rescue Authorities for implementation from April 2024.

This has been a year of change for the Panel, with 1 longstanding member leaving us and the appointment of 2 new members. I would like to thank Helen Wilkinson for her contribution over the years to the Panel and wish her well for the future.

Last year we were down to only 3, which is the minimum for a Panel meeting to be quorate. Earlier this year we were able to appoint 2 new members to bring our current complement up to 5. I welcome Dianne Bevan and Kate Watkins to the Panel and thank Saz Willey, Vice Chair, and Bev Smith for their continued contribution throughout the year. You can find out more about our Panel members on our website.

The Local Government (Wales) Measure 2011, Part 8 (The Measure), which gives the statutory authority for the Panel's work, allows the appointment of a minimum of 3 and up to 7 members.

This draft annual report is now issued for consultation. We have again put forward a set of specific questions where we would welcome your feedback. We welcome any additional comments either on the detail of the proposed Determinations or on other relevant areas you think the Panel should consider.

The Consultation period ends on 8 December and after deliberating on your feedback, and taking cognisance of any change in circumstances, the Panel will issue its final Determinations and annual report by the 28 February 2024.

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Frances Duffy

Chair

Panel Membership

- Saz Willey, Vice Chair
- Bev Smith
- Dianne Bevan
- Kate Watkins

Detailed information about the members, our strategic plan, our deliberations and supporting research and evidence can be found on the [Panel website](#).

Introduction

This year we published our first strategic plan. This covers the period from 2023 until 2025 and sets the framework for our deliberations and wider context for our decisions. The key elements are set out below under Roles and Responsibilities of the Panel.

With a strengthened Panel, we were able to focus on building our research and evidence plan to support our discussions on our remuneration framework. Our evidence plan will be published on our website inline with our aim to be open and transparent in all our decision making.

Our goal continues to be to ensure that levels of remuneration are fair and reasonable. We agreed to continue to align levels of remuneration for elected members of Principal Councils, National Park and Fire and Rescue Authorities within the context of average Welsh earnings. This has meant using the Annual

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Survey of Hours and Earnings within Wales (ASHE) published by Office for National Statistics (ONS) as the main benchmark for setting remuneration.

The Measure states that “the Panel must take into account what it considers will be the likely financial impact on relevant authorities” of its decisions. The Panel considered evidence on public sector finances and the impact on Principal Authorities’ budgets. Whilst the total cost of remuneration for elected members is relatively low in terms of overall budgets, the Panel were mindful of the heightened economic and fiscal strain on Principal Councils.

In reaching our decision to continue the link between elected members remuneration and the average earnings of their constituents, the Panel remain of the view that a fair and reasonable remuneration package will continue to support elected members and not act as a barrier to participation. This is an important principle, underpinning our considerations on appropriate remuneration.

In line with our commitment to simplifying reporting and compliance, the Panel this year looked at the reporting requirements for Community and Town Council. We continue to receive queries regarding the PAYE treatment of the mandatory allowance for working from home (£156 per annum) and the option of a flat rate of £52 a year for consumables. We will update our guidance on this issue which should ensure clarity for local clerks.

We are also mindful of a continuing, albeit reducing, number of Community and Town councillors who decide to forego all or part of their entitlement. We strongly believe that councillors should be reimbursed for some of the expenses they necessarily incur whilst carrying out their duties.

Currently each council must annually report to the Panel, and publish on its website, the details and names of each councillor in receipt of any expenses. In previous years we agreed that in respect of costs of care and personal assistance allowances, it would be inappropriate to name individual councillors,

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and that it would be sufficient to simply list the total amounts paid and the total number of recipients.

The Panel feels that it would be appropriate to extend this to the mandatory payment for working from home, the flat rate consumables allowance and travel and subsistence claims. This will give the right balance between public accountability and individual privacy, and we hope will encourage all to accept the payments they are entitled to.

We will therefore provide a new template report for use from September 2024 and will continue to monitor the level of payments made.

The final area that the Panel considered this year, was the method of calculating payments made to co-opted members of Principal Councils, National Park and Fire and Rescue Authorities.

Following feedback on last year's annual report and queries raised through the year by some co-opted members and by several Heads of Democratic Services, the Panel took evidence from the correspondents on the impact of both the increase in numbers of co-opted members and the changing nature of working patterns. This showed that the current arrangement of either a half day rate for anything up to 4 hours and a full day rate for anything over, was insufficiently flexible to reflect the patterns of working now more normally in place, mainly due to more online or hybrid working.

The Panel therefore proposes that the local relevant officer should have the flexibility to decide when it will be appropriate to apply a day or a half day rate and when to use an hourly rate where it is sensible to aggregate a number of short meetings.

The Panel is aware of feedback that our website can be difficult to navigate and that finding the right Determination to deal with a specific issue is not always straightforward, especially for new elected members or officials. We will

therefore update the links on the website and created a new link to a page setting out all the current Determinations that should be applied. It will be updated every year when the final annual report is issued, and we hope this will be easier to navigate than having to refer to every year's report.

We are also reviewing our guidance (previously called the Regulations) and frequently asked questions pages.

Role and responsibilities of the Panel

Our Role

The Panel is responsible for setting the levels and arrangements for the remuneration of elected and co-opted members of the following organisations:

- Principal Councils: County and County Borough Councils
- Community and Town Councils
- National Park Authorities
- Fire and Rescue Authorities
- Joint Overview Scrutiny Committees
- Corporate Joint Committees

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

We make determinations on:

- 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

Our aim

- supporting local democracy and giving communities their voice, through setting up an appropriate and fair remuneration framework, which encourages inclusion and participation

Our goals

- our determinations should ensure that levels of remuneration are fair, reasonable, represent value for money for the taxpayer, and are set within the context of Welsh earnings and the wider financial circumstances of Wales
- our Determinations should support elected members from a diverse range of backgrounds, and levels of remuneration should not act as a barrier to participation

Our strategic objectives

- to make evidence, based Determinations
- to use clear and accessible communications
- to proactively engage and consult
- to simplify compliance and reporting
- to work collaboratively

The Panel

- Frances Duffy (Chair)

- Saz Willey (Vice Chair)
- Dianne Bevan (Member)
- Bev Smith (Member)
- Kate Watkins (Member)

Further information on Panel members can be found on the [Panel's website](#).

Methodology

As set out in our strategic objectives the Panel has committed to making evidence-based decisions. This year we prepared an evidence and research paper to pull together the various sources of information that the Panel considered in making its draft Determinations. This provided a wide range of data, evidence and contextual factors to inform the Panel's decision-making process in relation to its Determinations for the 2024 to 2025 financial year. This included:

- data on average UK and Wales weekly earnings, including ASHE the Annual Survey of Hours and Earnings
- annual CPIH and CPI inflation rates
- benchmarks, including councillor remuneration in Scotland
- research on councillor workload, views and attitudes to remuneration and diversity (Welsh Government)
- findings of Senedd Cymru Equality, Local Government and Communities Committee (2019)
- data collected on the take up of remuneration and benefits packages by councillors
- data on local authority finances

The full set of evidence and research considered, will be published on our [website](#).

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The Panel engaged directly with key stakeholder representative groups including the Welsh Local Government Association and its Heads of Democratic Services committee, One Voice Wales, the Society for Local Council Clerks and North and Mid Wales Association of Local Councils. These discussions 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 Panel helped facilitate sessions at the Welsh Government's "Diversity in Democracy" events earlier this year. This gave us the opportunity to hear the direct experiences of a range of elected members, prospective candidates and organisations working to broaden representation in local government. We have drawn on that information to inform this report and to explore areas for future consideration.

This year this focused on 3 main issue, affordability, payments made to co-opted members and reporting requirements for Community and Town Councils. The Panel would like to thank all those that contributed to our deliberations either directly or through feedback and questions on our last report.

The Panels' proposals will now be consulted on and following consideration of views received in response to this consultation the Panel will make its final determinations and issue the 2024 to 2025 final report, in February 2024.

Deliberations and determinations for 2024 to 2025

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 t3 days a week. The Panel regularly reviews this time commitment, and no changes are proposed for 2024 to 2025.

The Panel is fully aware of the current constraints on public funding and the impact its decisions will have on the budgets of Principal Authorities. The Panel is also mindful of our aims and objectives to provide a fair and reasonable remuneration package to support elected members and to encourage diversity of representation.

The Panel also noted that in previous electoral cycles, the remuneration of councillors fell far behind the key benchmark of Average Hourly Earnings in Wales (ASHE) and a significant uplift was therefore required in 2022.

The Panel has therefore determined that for the financial year 1 April 2024 to 31 March 2025 it is right to retain the link between the basic salary of councillors and the average salaries of their constituents. The basic salary will be aligned with three fifths of all Wales 2022 ASHE, the latest figure available at drafting. This will be £18,666.

There are no further changes to the payments and benefits paid to elected members. All current Determinations will be published on our [website](#).

There have been no changes made to allowances for:

- travel and subsistence
- care and personal assistance
- sickness absence
- corporate joint committees
- assistants to the executive
- additional salaries and job-sharing arrangements

Salaries for Joint Overview and Scrutiny Committee: Determination 3

The salary of a chair of a Joint Overview and Scrutiny Committee will continue to be aligned to Band 3 and will be set at £9,333.

The salary of a vice-chair is set at 50% of the Chair and will be £4,667.

There are no other changes.

Payments to national parks authorities and fire and rescue authorities: Determination 4

The 3 national parks in Wales, Eryri (Snowdonia), Pembrokeshire Coast and Bannau Brycheiniog (Brecon Beacons), 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 3 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.

In line with the Panel's decision to increase the basic salary of elected members of principal councils, the remuneration level for ordinary members of both NPAs and FRAs is also increased in line with ASHE.

The remuneration for Chairs will remain linked to a principal council Band 3 senior salary. Their role element will therefore increase accordingly. Deputy chairs, Committee chairs and other paid senior posts will remain linked to a Band 5. This means the role element of their pay will continue to be temporarily frozen. Full details of the levels of remuneration for members of NPAs and FRAs is set out in Table 2.

Table 2: payments to national parks authorities

National parks authorities	Amount
Basic salary for ordinary member	£5,265
Chair	£14,598
Deputy chair (where appointed)	£9,005
Committee chair or other senior post	£9,005

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Table 2: payments to fire and rescue authorities

Fire and rescue authorities	Amount
Basic salary for ordinary member	£2,632
Chair	£11,965
Deputy chair (where appointed)	£6,372
Committee chair or other senior post	£6,372

All current Determinations, including restrictions on receiving double allowances, will be published on our website. Other than the above increases, there are no changes proposed this year.

Payments made to co-opted members of Principal Councils, National Park Authorities and Fire and Rescue Authorities: Determination 5

The current Determination (made in the 2022 to 2023 Annual Report) states that co-opted members of the relevant bodies should be remunerated on a day or half day basis. In addition, the relevant officer may decide on the total number of days remunerated in a year and set a reasonable time for meeting preparation.

The Panel has noted the changes to working practices, put in place during Covid and now becoming more routine, that has meant a move towards more frequent use of online meetings and or training courses, often short, as well as more regular committee meetings. The panel also received feedback from Heads of Democratic Services raising this issue.

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The Panel considered moving to an hourly rate instead. This would better reflect new ways of working and hours actually worked. However, the Panel recognised that this may not always be appropriate, especially to cover in person meetings scheduled to last several hours.

The Panel therefore proposes there should be local flexibility for the relevant officer to decide when it will be appropriate to apply a day or a half day rate or to use an hourly rate where it is sensible to aggregate a number of short meetings, as outlined in Table 3.

Table 3: payments made to co-opted members of Principal Councils, National Park Authorities and Fire and Rescue Authorities

Role	Hourly rate payment	Up to 4 hours payment rate	4 hours and over payment rate
Chairs of standards, and audit committees	£33.50	£134	£268
Ordinary Members of Standards Committees who also chair Standards Committees for Community and Town Councils	£29.75	£119	£238
Ordinary Members of Standards Committees; Education Scrutiny Committee; Crime and Disorder Scrutiny Committee and Audit Committee	£26.25	£105	£210
Community and Town Councillors sitting on Principal Council Standards Committees	£26.25	£105	£210

Consultation on Draft Report 2024 to 2025

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 **8 December 2023**, and you can either [email us](#) your comments or complete the form on our [website](#).

You are also welcome to submit comments in writing to the address below.

To request a printed versions of the Report please [email us](#) or write to:

Independent Remuneration Panel for Wales
Third Floor East
Crown Buildings
Cathays Park
Cardiff
CF10 3NQ

Question 1 - Uplift of remuneration using the Annual Survey of Hours and Earnings (ASHE)

The Panel is fully aware of the current constraints on public funding and the impact its decisions will have on the budgets of Principal Authorities. The Panel is also mindful of our Aims and Objectives to provide a fair and reasonable remuneration package to support elected members and to encourage diversity of representation. We therefore propose to uplift their remuneration based on the average earnings of their constituents.

Do you think that the Panel has struck the right balance between affordability and adequate remuneration for representatives? If not, do you have other suggestions?

Yes

X

No

No Opinion

Any additional comments

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Question 2 - Local flexibility for payments to co-opted individuals

The Panel has received evidence that it would be more cost effective and fairer to provide for flexibility in paying those who are co-opted to serve on committees of Principal Councils, National Park Authorities and Fire and Rescue Authorities.

The Panel has therefore proposed there should be local flexibility for the relevant officer to decide when it will be appropriate to apply a day or half day rate or to use an hourly rate where it is sensible to aggregate a few short meetings.

Do you agree with this proposal? If not, do you have any suggested alternatives?

Yes

No

No Opinion

Any additional comments

Question 3 - Encouraging sustainable travel

The Panel would like to ensure that we support environmental sustainability in our decisions about remuneration. We are aware that there are schemes in many bodies in Wales which encourage sustainable travel and we have advised that, if possible, elected members should be encouraged to participate in these schemes.

Do you have any examples of good practice or other ideas of ways in which we might use our powers to encourage more sustainable travel among members?

Yes

No

No Opinion

Any additional comments

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Question 4 - Awareness of the entitlements of representatives

The Panel has seen evidence of a lack of awareness amongst local elected members of the payments to which they are entitled. We would like to find out if this is a significant issue, and if so, we will aim to raise awareness further, targeted at areas where this may be a problem.

Please identify which type of body you serve (select all that apply):

Principal Council	<input type="checkbox"/>
Community or Town Council	<input type="checkbox"/>
Fire and Rescue Authority	<input type="checkbox"/>
National Park Authority	<input checked="" type="checkbox"/>

What is your status?

Member	<input type="checkbox"/>
Co-opted Member	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>

Did you know that you may be entitled to some of or all the following?

- Remuneration for your role

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

- Pension (Principal Councils only)

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

- Reimbursement of expenses

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

- Reimbursement for caring responsibilities

Yes
No

x

- Family absence payments (Principal Councils only)

Yes
No

What steps does your council or authority take to make its elected members and co-opted members aware of their entitlements?

Meetings for which Members are entitled to claim travelling expenses are highlighted to them each month. Members are made aware of their entitlements regarding costs of care at induction.

Question 5 - Publication of consolidated sums for Community and Town Councils

Community and Town Councils are required to submit an annual statement of payments to the Panel by 30 September each year, and also publish this on their website. The Panel have provided a template return for clerks to use. The Panel have discussed and considered changing the requirements for Community and Town Councils when submitting their statement of payment returns. The Panel's aim is to simplify administration and encourage Councils to ensure all mandatory payments are made to individual members.

The Panel proposes that from September 2024, the returns need only show the total amounts paid in respect of the mandatory payments mentioned above. That is the £156 contribution to the costs of working from home, the £52 set rate consumables allowance and the travel and subsistence expenses paid.

This brings these in line with the reporting of the costs of care and personal assistance allowances.

Do you agree that these figures may be published as a global total rather than individually?

Yes

No

No View

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

What are the reasons for your view?

Question 6 - Publication of consolidated sums for other bodies

In future reports, we are thinking of allowing consolidation of the travel and subsistence expenses of members of principal councils, National Park Authorities and Fire and Rescue Authorities and would be interested in your views.

Do you agree that these figures may be published as a global total rather than individually?

Yes

No

No View

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

What are the reasons for your view?