

**REPORT OF ADMINISTRATION & DEMOCRATIC SERVICES MANAGER**

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**SUBJECT:  
INDEPENDENT REMUNERATION PANEL FOR WALES DRAFT ANNUAL  
REPORT**

Purpose of Report

1. To inform Members of the consultation draft Annual Report of the Independent Remuneration Panel for Wales on Members' 'salaries';
2. To canvass Members' opinion on the decisions contained in the report, and
3. To authorise the Administration and Democratic Services Manager to draft a response to the consultation, to be considered at the Extraordinary Meeting of the National Park Authority scheduled to be held on the 21<sup>st</sup> September 2011.

Introduction/Background

The Independent Remuneration Panel for Wales was appointed in January 2008 by the (then) Welsh Assembly Government Minister for Social Justice and Local Government 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 10<sup>th</sup> May 2011, the Panel's remit has been extended to include National Park Authorities, Fire and Rescue Authorities and 'civic heads' in local authorities. Not only that, the Measure has extended the Panel's powers to enable it to prescribe payments rather than determine the maxima as it has done in the past.

Members of the Panel met with Members and Officers of all three Welsh National Park Authorities in April 2011 to gather evidence on the level of remuneration currently payable to their Members and on the workload involved with being a Member and/or Chair of the Authority and its Committees.

The Panel's first Annual Report under its extended powers has now been published for consultation, with a response deadline of the 3<sup>rd</sup> October 2011.

Current situation

The Authority currently pays a Basic Allowance of £2,664 to each Member of the Authority, whilst a Special Responsibility Allowance is payable to the under-mentioned office holders:

<b>Office held</b>	<b>£</b>
Chair of the Authority	5,156
Vice-Chair of the Authority	2,578
Chair of Development Management Committee	2,165

Vice-Chair of Development Management Committee	1,429
Chair of Audit & Corporate Services Review Committee	238
Chair of Conservation & Planning Review Committee	238
Chair of Recreation & Tourism Review Committee	238
Chair of Personnel Committee	357

The draft annual report has been circulated to Members but, in short, the Panel has decided:

- A. that a Basic Salary (allowance) of £3,550 per year be paid to 'NPA ordinary Members';
- B. that a Senior Salary (previously known as Special Responsibility Allowance) be paid to the following office holders:

Chair of the Authority	£8,875
Vice-Chair of the Authority	£5,920
Chair of Committee	£4,440

- C. that the Senior Salary is payable to a maximum of 4 Members;
- D. a £256 daily fee (£128 for ½ day) is paid to the Chair of the Standards Committee, with a daily fee of £198 (£99 for ½ day) payable to 'ordinary Members' of the Standards Committee (these payments are capped at a maximum of 4 full days per year), and
- E. that a local authority Member who is also a Council executive office holder should not be additionally remunerated for a role as an ordinary or senior Member of an NPA.

### Conclusion

If implemented today, the salaries detailed in the Panel's report would amount to an increase of approximately 14.7% on the existing Members' allowances budget, however if in future the Authority did not comprise any Council executive office holders the increase would be 42.2%. Once the final report has been published, the Authority will have no option but to abide by the Panel's decision. It is, therefore, imperative that the Authority responds to the consultation draft.

### Recommendation

**Members' opinion is sought in order that a response to the Independent Remuneration Panel's consultation can be drafted for consideration at the Extraordinary Meeting of the Authority scheduled to be held on the 21<sup>st</sup> September 2011.**

### Background Documents

Independent Remuneration Panel for Wales Annual Report: consultation draft

*(For further information, please contact Janet Evans, Administration & Democratic Services Manager on extension 4834 or by e-mailing janete@pembrokeshirecoast.org.uk)*

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Leaders and Chief Executives of County and County  
Borough Councils  
Chairs and Chief Executives of National Park Authorities  
Chairs and Clerks of Fire and Rescue Authorities  
Chair and Chief Executive of One Voice Wales  
Leader and Chief Executive of Welsh Local Government  
Association  
Head of Democratic/Members Services of County and County  
Borough Councils, National Park Authorities and Fire and  
Rescue Authorities  
Community & Town Councils

Eich cyf . Your ref :  
Ein cyf . Our ref : qA932122  
1<sup>st</sup> August 2011

Dear Colleague

### **DRAFT ANNUAL REPORT FOR 2012/13**

In accordance with the requirements of Section 146 of the Local Government (Wales) Measure 2011, I enclose for your information a copy of the Panel's draft Annual Report, including proposals, which would have effect for the financial year 2012/13. A copy has also been sent to the Minister for Local Government and Communities. In order to meet the Measure's requirement to publish this report by 31<sup>st</sup> December 2011, any representations you may wish to make about this report should be received by no later than 3<sup>rd</sup> October 2011. Representations received after this date will not be considered.

This will be the first Annual Report published under the Panel's extended remit and powers provided by the Measure. Under this extended remit the Panel has made determinations on the range and level of allowances available to members of National Park Authorities and Fire and Rescue Authorities as well as members of County and County Borough Councils.

The Panel has also used its new and extended powers to prescribe amounts to be paid, rather than setting maximums. In prescribing amounts the Panel has not only responded to frequent requests from councillors from its various consultation exercises to take the setting of allowances out of the political arena of the council chamber and avoid a potentially damaging "race to the bottom", but we have also taken into account the likely financial impact of doing so on those authorities. For local authorities the Panel proposes to reduce Basic and Senior Salaries by 5% and 10% respectively below the current maximums. Whilst this will result in considerable annual savings across Welsh local government as a whole there will be additional costs for a small number of councils who have been paying

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significantly less than average. Inevitably, by moving towards this consistent payment structure across Wales there will be a small number of councillors who will either gain or lose next year, on a one-off basis, as a consequence of the Panel's prescription.

In previous reports we have identified those local authority councillor positions which we regard as full-time, specifically leaders and executive members, and have set their remuneration levels accordingly. In our recent consultations with National Park Authorities and Fire & Rescue Authorities we have found that some senior councillors also sit as members on these Authorities, with some also holding positions of responsibility, which until now have not been remunerated. Whilst the Panel recognises that senior councillors bring a wealth of experience to the other bodies they serve on, we consider that councillors who serve their councils in full-time positions do not have sufficient time to undertake such additional duties with other bodies. We regard the remuneration they receive with National Park and Fire & Rescue Authorities as "double-payments" and have taken the view, which we expound in this Report, that such responsibilities should not be additionally remunerated.

The Panel understands that the Regulations which currently provide for the setting of allowances for members of County and County Borough Councils, National Park Authorities and Fire and Rescue Authorities and Community and Town Councils will shortly be revoked by the Welsh Government. Saving provisions will provide for continued payment under the regulations until 1<sup>st</sup> April 2012.

Whilst the Measure requires that the Annual Report takes effect from 1<sup>st</sup> April 2012, the implementation date for the Panel's determinations will be the day after the annual meeting of each authority. The Panel appreciates that AGMs will take place during May 2012 for County and County Borough Councils and slightly later for National Park Authorities and Fire and Rescue Authorities. Between 1<sup>st</sup> April and the date of an AGM the Panel requires that County and County Borough Councils, National Park Authorities and Fire and Rescue Authorities maintain the level of allowances each has set for the 2011/12 financial year.

The levels of allowances currently available to members of Community and Town Councils will also be maintained until we are in a position to make our determinations. We anticipate that, following a process of evidence gathering a national remuneration framework for these bodies will be introduced for the 2013/14 financial year.

The draft Annual Report makes determinations concerning the salary levels available to Civic Heads and Deputy Civic Heads of County and County Borough Councils. The Panel appreciates that this power is not yet available to it. We understand that the Welsh Government will be amending sections 22 and 24 of the Local Government Act 1972 to provide for such payments to be determined by the Panel for the 2012/13 financial year.

Under the new Senior Salary structure introduced by the Annual Report, the Panel anticipates a reduction in the number of applications being made for particular positions to be recognised as involving special responsibility for which the post-holder could receive a senior salary. Authorities will also wish to note that as from 1<sup>st</sup> April 2012 the process for the Panel's consideration of such applications will change in two respects as a result of the Measure. Whilst the Panel's decisions on these applications must continue to be published in the form of a supplementary report, the Measure now requires that the Panel consult with relevant authorities, the Minister and interested parties about the content of a draft supplementary report (as well as an annual report). The Measure also requires that the Panel's determinations cannot come into force until 3 months after the publication of a report.

Copies of this letter and the draft Report are also being sent to the Wales Audit Office, Wales Council for Voluntary Action, the main political parties and the Tax Payers Alliance.

An electronic copy of this draft Report, together with copies of the Panel's previous reports, is available on our website at [www.remunerationpanelwales.org.uk](http://www.remunerationpanelwales.org.uk)

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Penn', followed by a small period.

Richard Penn  
Chairman



# Independent Remuneration Panel for Wales

Annual Report

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December 2011

## Foreword



This is the first Annual Report to be based on the extended powers and functions of the Panel following the passing of the Local Government (Wales) Measure 2011<sup>1</sup> on 10 May 2011 and is, as required by the Measure, a draft for consultation<sup>2</sup>. In using its revised powers the Panel is sensitive to the general economic climate that necessitates continuing prudence in relation to remuneration in the public sector. Wage restraint, redundancies, pension reform and doing '*more with less*' all contribute to the atmosphere of austerity that provides the backdrop to the decisions set out in this report.

This has been the fourth year of work for the Panel and this is our fourth Annual Report. Since producing our last Annual Report in December 2010 we have published two Supplementary Reports, the first in relation to Special Responsibility Allowances (SRAs) at three councils and a second Supplementary Report setting out the Panel's decisions about the payment of SRAs to councillors on the Isle of Anglesey. In April 2011 the Panel advised all local authorities of the changes to the HMRC mileage rates and this advice also appeared in the form of a Supplementary Report.

The Panel also published a position paper – '***Moving Forward: Proposals Beyond 2010***' – in which we analysed the implementation of the Panel's framework across Wales and made proposals for future development, some of which we could implement ourselves but some of which required the approval of the Measure<sup>3</sup>. Part 8 of that Measure deals with members' payments and pensions and addresses the Panel's functions, powers and reports.

Despite the difficult financial climate, we have also concluded that now is the opportune moment to use our new powers to prescribe payments rather than simply only to determine maxima as we have done in the past. The evidence available to us has confirmed that prescription is the key to establishing a consistent and equitable remuneration framework across Wales. However, in order to minimise the potential additional costs arising from this approach the Panel has decided to reduce both Basic and Senior Salaries from the current maxima by 5% and 10% respectively. Whilst this will mean considerable annual savings across Welsh local government as a whole there will be additional costs for a small number of councils. There will also be individual councillors who either gain or lose significantly next year as a consequence of prescription.

We have also extended the national framework to include payments to members of National Parks, to members of Fire and Rescue Authorities and to civic heads in local authorities, with payments aligned to the reduced local authority payments. Whilst the Measure has given the Panel additional powers in relation to payments to

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<sup>1</sup> <http://www.legislation.gov.uk/mwa/2011/4/contents/enacted>.

<sup>2</sup> Section 146 (7) Local Government Wales Measure 2011.

<sup>3</sup> <http://www.assemblywales.org/bus-home/bus-legislation/bus-leg-measures/business-legislation-measures-localgov.htm>.



members of community and town councils, we have decided to leave consideration of further extending the national framework to a future year. This decision will allow the Panel time to undertake a more considered analysis of such payments.

The Panel acknowledges that not everyone affected by our decisions this year will be content with the outcome. However, we are satisfied that, on the evidence available to the Panel and in the current circumstances, we have achieved an integrated, fair and affordable national framework. Under the Measure the Panel is obliged to consider representations by those who are affected by its proposals, so we look forward to receiving any views by 3 October 2011. You can make your views known by writing to the Panel Secretariat at the address which appears on the final page of this report, or by emailing [irpmailbox@wales.gsi.gov.uk](mailto:irpmailbox@wales.gsi.gov.uk).



**Richard Penn**  
Chairman

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# Contents

	<b>Page No</b>
Summary of Allowances	1
Chapter 1 Introduction	5
Chapter 2 The Panel's Framework: Principles of Remuneration	11
Chapter 3 Payments to Members and Co-opted Members of Local Authorities	13
Chapter 4 Payments to Members of National Park authorities	25
Chapter 5 Payments to Members of Welsh Fire and Rescue Authorities	31
Chapter 6 Payments to Members of Community and Town Councils	37
Chapter 7 Pension Provision for Members of Relevant Authorities in Wales	39
Chapter 8 Monitoring Compliance with Panel Requirements	41
Annex 1 Independent Remuneration Panel for Wales Regulations	43
Annex 2 Guidance: Schedule of Member Responsibility and Remuneration	55
Annex 3 Guidance: Publicity Requirements	57

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# Summary Of Responsibility And Remuneration For Members Of Relevant Authorities

## Local authorities, National Park authorities and Welsh fire and rescue authorities in 2012/2013

An annual Basic Salary shall be paid as follows:

Local Authority (LA)	£13,175 (22 principal local authorities in Wales)
National Park authority (NPA)	£3,550 (3 National Park authorities in Wales)
Welsh fire and rescue authority (FRA)	£1,350 (3 combined Fire and Rescue authorities in Wales)

### Senior Salaries

Numbers of Senior Salaries (inclusive of the Basic Salary) payable in each Group of Councils shall not exceed the following:

- **Group A: a maximum of 17 senior salaries payable.**
- **Group B: a maximum of 16 senior salaries payable.**
- **Group C: a maximum of 15 senior salaries payable.**

Where a Council decides to pay a Senior Salary it shall be paid at the following prescribed levels:

Band 1	Leader (LA Group A)	£52,700 per year	(Cardiff, Rhondda Cynon Taf, Swansea)
	Leader (LA Group B)	£47,500	(Bridgend, Caerphilly, Carmarthenshire, Conwy, Flintshire, Gwynedd, Newport, Neath Port Talbot, Pembrokeshire, Powys, Vale of Glamorgan, Wrexham)
	Leader (LA Group C)	£42,300	(Blaenau Gwent, Ceredigion, Denbighshire, Isle of Anglesey, Merthyr Tydfil, Monmouthshire, Torfaen)
	Deputy Leader (LA Group A)	£37,100	(as above)
	Deputy Leader (LA Group B)	£33,460	(as above)
	Deputy Leader (LA Group C)	£29,820	(as above)

Band 2	Other Executive (LA Group A)	£31,900	(as above)
	Other Executive (LA Group B)	£28,780	(as above)
	Other Executive (LA Group C)	£25,660	(as above)
Band 3	Committee Chairs (LA)	£21,910	
	Group Leader (LA)	£21,910	(Leader of largest opposition group)
	Civic Head (LA Group A)	£23,715	(Mayor/Chair of Council)
	Civic Head (LA Group B)	£21,375	(Mayor/Chair of Council)
	Civic Head (LA Group C)	£19,035	(Mayor/Chair of Council)
	Chair of NP authority	£8,875	(Brecon Beacons, Pembrokeshire, Snowdonia)
	Chair of Welsh FRA	£10,085	(Mid and West Wales, North Wales, South Wales)
Band 4	Group Leader (LA)	£16,920	(Leader of political groups not less than 10% of all council members)
	Deputy Civic Head (LA Group A)	£18,445	(Deputy Mayor/ Deputy Chair of Council)
	Deputy Civic Head (LA Group B)	£16,625	(Deputy Mayor/ Deputy Chair of Council)
	Deputy Civic Head (LA Group C)	£14,805	(Deputy Mayor/ Deputy Chair of Council)
	Deputy and Main Committee Chair (NPA)	£5,920	(Brecon Beacons, Pembrokeshire, Snowdonia)
	Other Committee Chair (NPA)	£4,440	(Brecon Beacons, Pembrokeshire, Snowdonia)
	Deputy/Committee Chair (FRA)	£5,095	(Mid and West Wales, North Wales, South Wales)
	Other Committee Chair (FRA)	£3,400	(Mid and West Wales, North Wales, South Wales)

**Note:** The Panel's Supplementary Report dated 13 April 2011 shall continue to apply in respect of payments to members of the Isle of Anglesey County Council until such time as the Council's operations return to normal, that is the functions of the authority and its executive are carried out by the elected members. From that date, the Council's payments arrangements should fall in line with the Panel's determinations for Group C authorities.

## Co-opted Member payments

Chair, Standards Committee (LA)	£256 daily fee	(22 principal local authorities in Wales)
Chair, Standards Committee (NPA)	£256 daily fee	(3 National Park authorities in Wales)
Chair, Standards Committee (FRA)	£256 daily fee	(3 Welsh fire and rescue authorities)
Ordinary member (LA)	£198 daily fee	(of 22 LAs standards committee and 22 education scrutiny committee and crime and disorder scrutiny committee)
Ordinary member (NPA)	£198 daily fee	(as above)
Ordinary member (FRA)	£198 daily fee	(as above)
Ordinary member/chair (LA)	£226 daily fee	(ordinary members of LA Standard committees who also chair standards committees for community and town councils)

## The Reimbursement of Expenses

### Allowances for:

- **Care of Dependents.**
- **Travel and Subsistence**

up to the maximum limits set out below, are for the reimbursement in 2012/13 of actual sums expended when conducting the official business of 22 principal local authorities and 3 National Park authorities in Wales and 3 Welsh fire and rescue authorities.

**Care allowance:** a maximum of £403 per month on the production of receipts.

**Travel Allowance:** at revised (2011/12) HMRC rates as follows:

- 45p per mile – up to 10,000 miles.
- 25p per mile – over 10,000 miles.
- 5p per passenger per mile – passenger supplement.

- 24p per mile – private motor cycles.
- 20p per mile – bicycles.

**Subsistence Allowance:** £28 per day allowance for meals, including for breakfast when not provided in the overnight charge (local authority members may not use this allowance when conducting official business in-county).

- £150 London overnight.
- £120 Cardiff overnight.
- £95 elsewhere overnight.
- £25 overnight staying with family or friends.

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# 1. Introduction

1.1 This is the fourth annual report of the Independent Remuneration Panel for Wales, and the first published under the requirements of the Local Government (Wales) Measure 2011. Under the powers provided by the Measure the Panel has developed a new set of Regulations (IRPW Regulations) which come into effect on 1 April 2012 and which apply to payments made to members and co-opted members of local authorities, National Park authorities, and Welsh fire and rescue authorities as set out in the Measure at Sections 142 and 147. These new regulations appear in full at Annex 1 to this report.

1.2 Whilst the Measure requires that this Annual Report takes effect from 1 April 2012, the implementation date for the Panel's determinations will be the day after the annual meeting of each authority. For local authorities the allowances payable between 1 April 2012 to the day of the annual meeting of the relevant authority must be in accordance with the requirements of the Panel's Annual Report, dated December 2010, and Supplementary Reports for the 2011/12 financial year.

1.3 In regard to the Measure itself:

- Section 141 provides for the continuation of the Panel.
- Section 142 sets out the Panel's principal functions relating to payments which a relevant authority will be required, or will be authorised to make to members of the authority (subsection(1)), the relevant matters which the Panel may decide (subsection(2)), the amounts that may or must be paid to members (subsection(3)), whether the determined payment may not be paid to more than a fixed proportion of members of the authority (subsection(4))<sup>4</sup> and the official business (subsection(10)) which qualifies relevant matters for payment.
- Section 143 sets out the Panel's functions relating to pensions for elected members.
- Section 144 defines a "relevant authority" (subsection(2)) provides inclusive definitions of "member" (subsection(4)) and "co-opted member" (subsection (5)), and
- Sections 145-147 set out the requirements for the continued Panel's first and subsequent annual and supplementary reports.
- Section 154 sets out the arrangements by which members who wish to forgo payments (in whole or in part) may do so.

1.4 The powers under Section 142 to decide payments to members of relevant authorities have enabled the Panel to move beyond its current powers that are limited to setting maximum limits for member payments. The Panel has decided to use these powers and, for the municipal year following the local government elections in 2012, to prescribe the actual level of payments to members and co-opted members. The Panel's framework for remuneration, which includes specific

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<sup>4</sup> Which may not exceed fifty per cent unless the consent of the Welsh Ministers has been obtained.



decisions about payments to members and co-opted members in the relevant authorities, is set out in the chapters that follow.

- 1.5 i. The Measure extends the Panel's remit with regard to member remuneration in the 22 principal local authorities for which the Panel has made determination since 2008, to include payments for
- Civic responsibilities (Section 142 (1) and (2)(a))<sup>5</sup>.
  - Family absence (Section 23 and Section 142 (2)(b)).
  - Democratic Services Committees (Section 11 and Section 142 (1) and (2)(b)).
- ii. Chapter 3 sets out the Panel's proposals in these matters.
- iii. Section 144 of the Measure extends the remit of the Panel to include:
- National Park authorities.<sup>6</sup>
  - Welsh Fire and Rescue authorities.<sup>7</sup>
  - Community and town councils.<sup>8</sup>
- iv. Chapters 4, 5 and 6 set out the Panel's proposals in these matters.
- v. The Panel's proposal in respect of elected members' pensions (Section 143 of the Measure) is set out in Chapter 7.
- 1.6 i. In keeping with the Panel's intentions set out in '**Moving Forward: Proposals Beyond 2010**', payments made from the 2012/2013 municipal year to councillor members in the 22 principal local authorities as remuneration for the basic or additional special responsibility they carry as community representatives in local governance is referred to as *salary*. The Panel has decided, from the 2012/2013 municipal year, also to use *salary* to refer to the payments made to the following members of relevant authorities as recompense for their time, worth and responsibility:
- Members of National Park authorities (including Welsh Government appointees).
  - Members of Welsh Fire and Rescue authorities.
- ii. This does not include payments to co-opted members who from 2012/13 will receive a daily fee.

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<sup>5</sup> Previously under Sections 22 & 24 of the Local Government Act 1972.

<sup>6</sup> Established under Section 63 of the Environment Act 1995.

<sup>7</sup> Established under Section 2 or Section 4 of the Fire and Rescue Services Act 2004.

<sup>8</sup> Established under the Local Government Act 1972 as amended by Section 88 of the Local Government (Wales) Measure 2011.

- iii. The term *allowance* is reserved for payments which are reimbursement of expenses necessarily incurred in the performance of duties (such as for care, travel and subsistence) by councillor and co-opted members of local authorities, Welsh fire and rescue authorities and National Park authorities, and by Welsh Government appointees to National Park authorities.

1.7 With the Measure in place, Regulations<sup>9</sup> which, *inter alia*, legitimated payments to members (e.g. for ‘approved duty’) and which required councils annually to agree a ‘Members’ Allowances Scheme’ setting out annual payments made to members, are revoked. In order to meet the compliance requirements in Section 153 (2) & (3) of the Measure which set out the Panel’s monitoring function, the Panel has concluded that it will be of benefit to the relevant authorities (as it will be to the Panel) to be specific about payments which may or must be made to their members under Section 142 (1-3). The Panel is also specific about the information to be supplied by relevant authorities about such payments (Section 150) in order to monitor compliance with Panel requirements (including those relating to publicity) set out in Section 151 of the Measure. Chapter 8 of this report sets out the Panel’s intentions in respect of a monitoring and compliance programme.

### **The Population Framework for Deciding Authority Groups**

- 1.8 i. The Panel’s framework is unchanged in respect of population groups. While there has been population growth throughout Wales, the most recent mid-year estimates<sup>10</sup> do not suggest that it has been sufficient to move any local council to a higher or lower population group, and the distribution of councils remains as:

Group A: (Populations over 200,000)  
Cardiff, Rhondda Cynon Taf, Swansea.

Group B: (Populations of 100,000 to 200,000)  
Bridgend, Caerphilly, Carmarthenshire, Conwy, Flintshire, Gwynedd, Neath Port Talbot, Newport, Pembrokeshire, Powys, Vale of Glamorgan, Wrexham.

Group C: (Populations up to 100,000)  
Blaenau Gwent, Ceredigion, Denbighshire, Isle of Anglesey, Merthyr Tydfil, Monmouthshire, Torfaen.

- ii. It is recognised in the chapters that follow, that National Park authorities, Welsh fire and rescue authorities and community and town councils serve population groups of a different size to those set out above.

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<sup>9</sup> The Local Authorities (Allowances for Members of County and County Borough Councils and National Park Authorities) (Wales) Regulations 2002, the Local Authorities (Allowances for Members of Fire Authorities) (Wales) Regulations 2004 and the Local Authorities (Allowances for Members) (Wales) Regulations 2007.

<sup>10</sup> June 2009 estimated resident population by local authority: Office of National Statistics.

1.9 i. Similarly, there is no change in the Panel's framework in respect of bands of responsibility that may be payable, which remain for local authorities as:

Band 1 Leader and Deputy Leader.

Band 2 Members of the Executive.

Band 3 Chair of a Committee (as defined by the Council).  
Leader of the largest opposition group.

Band 4 Leader of other political group.

ii. Responsibility posts in National Park authorities and in Welsh fire and rescue authorities, together with additional responsibility posts in local authorities for civic duties and for the Democratic Services Committee, are incorporated in the framework as set out in the chapters that follow.

### **The Panel's Task**

1.10 The Panel's decisions about payments to members have been and continue to be underpinned by a set of Principles. The Panel holds strongly to the view that supporting local democratic representation cannot be cost-free. Elected and co-opted members of the relevant authorities within the Panel's remit are required to undertake a number of functions and roles. They not only represent the interests of local people, but also undertake the governance of local communities, and secure value-for-money public services for local tax-payers through effective scrutiny.

1.11 These are significant and considerable tasks in challenging times for all members of the relevant authorities within the Panel's remit. To ensure that personal income (or the lack of it) does not act as a barrier to a diverse range of willing and able local people to undertake local governance, publicly funded remuneration is made available for their elected and co-opted role, as is also the case for Welsh Government appointees. The Panel has taken the opportunity provided by this first annual report under the Measure to re-cast in Chapter 2 the Principles which underpin its decisions, both in the light of Panel experience and in view of its extended remit.

1.12 As a charge on the public purse, payments to members for their time, worth and responsibility must be (and must be seen to be) fair and reasonable in the context of the prevailing economic climate.

1.13 The Panel has decided to establish a link between levels of payments to members of National Park authorities and Welsh fire and rescue authorities with those that obtain in local councils.

1.14 In its previous decisions about member payments the Panel has sought to meet its principle of 'acceptability' by determining maximum levels that are not "*so great as to require a significant diversion of resources from key council priorities*".

However, Section 142 (8) of the Measure is more explicit on what is meant by 'reasonable' when it states that "*when setting an amount*<sup>11</sup> ... .. *the Panel must take into account what it considers will be the likely financial impact of doing so on relevant authorities*". It has proved a real challenge to the Panel to meet the requirement of the Measure in regard to 'financial impact' within a context where demand for service provision by relevant authorities' remains buoyant but the supply is increasingly constrained.

1.15 However, the Measure provides checks and balances to the Panel's increased powers:

- Sections 146 (6) & (7) and Section 147 (7) & (8) require the Panel to consult on the first and subsequent annual reports.
- Section 148 (1) specifies a minimum period of 8 weeks between publication of an annual or supplementary report in its draft and final form.
- Section 149 enables Welsh Ministers to direct the Panel to reconsider any provision it makes.

1.16 While the Panel has previously conducted a number of consultation exercises to gather evidence, this will be the first occasion on which specific proposals for the Panel's framework of members' payments for implementation in the next municipal year are made generally available for consultation. The Panel anticipates widespread interest in the decisions it makes under its new powers in what will be testing times for the newly constituted relevant authorities in Wales formed following the local government elections in 2012.

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<sup>11</sup> That a relevant authority (Section 144 (2)) may or must pay to a member (Section 144 (4-5)) of the authority (Section 142 (3)), for relevant matters (Section 142 (2)), which a relevant authority will be required or will be authorised to make (Section 142 (1)).

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## 2. The Panel's Framework: Principles of Remuneration

### Upholding Trust and Confidence

2.1 Citizens rightly expect that all those who choose to serve in public authorities uphold the public trust by **embracing the values and ethics** implicit in such public service. The ***Principles of Remuneration*** show the contribution that the work of the Panel and its Framework make towards upholding public trust and confidence.

### Simplicity

2.2 The Framework is **clear and easily understandable**. This is essential for the Panel to communicate effectively its priorities to all those who are affected by, or have an interest in, its work.

### Remuneration

2.3 The Framework provides for **payment** to members of public authorities who carry a responsibility for serving their identified communities of geography and of interest. The level of remuneration should not act as a barrier to taking up or continuing in post. The Framework provides additional recompense for those who are given greater levels of responsibility.

### Diversity

2.4 Democracy is strengthened when the membership of public authorities **adequately reflects** the demographic and cultural make-up of the communities such authorities serve. The Panel will consider what contribution its Framework can make in encouraging the participation of those who are significantly under-represented at local authority level.

### Accountability

2.5 The taxpayer has the right to expect to receive **value for money** from public funds committed to the remuneration of those who are elected, or appointed, to serve in the public interest. The Panel works to ensure that all local authorities make information readily available about the activities of their members in support of public services. In particular, the Panel expects all local authority councillors to produce an annual report of their council-related activity.

### Fairness

2.6 As an essential test of the Framework's **fairness**, the Panel ensures that its decisions on remuneration for members take account of the annual earnings of the Welsh electorate. The Framework will be capable of being **applied consistently** to members of all public authorities as a means of ensuring that levels of remuneration are fair, affordable and generally acceptable.

## Quality

2.7 The Panel recognises that the complex mix of governance, scrutiny and regulatory duties incumbent upon members of local authorities requires all members to engage with a process of continuous quality improvement. **The Panel expects each member** of a local authority to undertake such training and personal development opportunities as are required to properly discharge the duties for which they are remunerated.

## Transparency

2.8 Transparency of members' remuneration is **in the public interest**. Some members receive additional levels of remuneration by virtue of being elected, or appointed, to more than one public body. The Framework serves to ensure that knowledge of all members' remuneration is made easily available to the public.

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### 3. Payments to Members and Co-opted Members of Local Authorities

#### Background

3.1 The Panel's decision to prescribe actual payment levels for basic and senior salaries derives from views received through its previous consultation exercises reinforced by feedback in the past year. As our 2010 annual report shows, support for prescription has been consistently expressed to the Panel by elected members across Wales. The Panel remains concerned that pressure on local authorities in the current economic climate to set member remuneration at an artificially low level may result in an unedifying, and potentially damaging, 'race to the bottom'. Such a process would serve to fundamentally undermine the Panel's principle of consistency in respect of member remuneration.

3.2 This perspective has been supported by the Panel's analysis of the outcomes of councils' decision-making in respect of members' remuneration since the Panel's inception in 2008. In the three years following 2008, when the Panel's powers were limited to determining maximum payment levels, most local councils, (increasing to fifteen out of twenty-two by 2010) chose not to implement the Panel's maxima:<sup>12</sup>

- In 2009/2010, ten out of twenty-two councils did not pay the then maximum Basic Allowance of £13,356 pa and by 2010/2011 councils not paying the increased maximum of £13,868 pa had increased to fifteen. The average Basic Allowance paid in these fifteen councils in 2010/11 was £12,837 pa.
- Similarly, in 2009/10, fourteen out of twenty-two councils did not pay the then designated maximum Special Responsibility Allowances (SRAs). While the substantive changes made to the SRA framework by the Panel do not permit a like-for-like comparison, councils' implementation of the Panel's 2010/11 SRA determinations demonstrate a similar pattern in not adopting maxima across the SRA Bands.
- The variation in the levels of payment of SRAs is noticeably much greater than the variation in the levels of payment of the Basic Allowance. It is of particular note that councils operating alternative arrangements did not adopt the maxima for leadership roles applicable to councils operating executive arrangements, even though the Panel determined for 2010 that there was "*no continuing justification for the current different levels of SRAs for leaders and executive members and board chairs and board members*".
- The variation in payments for co-optees is so great that the Panel has decided to take a different approach regarding their remuneration.

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<sup>12</sup> *Independent Remuneration Panel for Wales: Annual Report 2010, Chapter 5 and Annex 1 & 2 presents a review of councils' implementation of Panel 2010/11 determinations.*



3.3 Analysis of councils' 2010/2011 schemes revealed that fewer councils implemented the Panel maximum in respect of Leader (5 councils) and Deputy Leader (5 councils) than implemented the maximum Basic Allowance (7 councils), with as many implementing the maximum for Cabinet/Board members (7 councils). More councils implemented the Panel's maximum payment for Scrutiny Chair (10 councils), Planning Chair (9 councils), Licensing Chair (8 councils) and Audit Chair (7 councils) than implemented Panel maxima for leadership roles, but the number scarcely improved on those implementing the maximum Basic Allowance and never approximated to even half the number of councils in Wales.

3.4 In accordance with its principles of simplicity and accountability, the Panel has linked both the Basic Allowance and the level of SRAs to the median annual gross full-time earnings of the Welsh electorate<sup>13</sup>. Reflecting the minimum expected time commitment of 'back bench councillors', the Basic Allowance for 2010/11 was set at three-fifths of the All Wales Median Gross Salary for full-time employees benchmarked at its 2009 level. SRAs for leadership and executive roles, which the evidence indicated required a full-time commitment, were based on multipliers of the median salary geared to the relative population size of councils, and SRAs for committee chairs were equalised throughout Wales to reflect their functional nature. But with the majority of councils adopting levels of councillor allowances less than the Panel's maxima, the link to the median full-time gross earnings of the Welsh electorate has become more tenuous, thus undermining the Panel's principles of remuneration.

3.5 It is clear that the individual decisions of the majority of councils to adopt less than the Panel's maxima in their own schemes of councillor allowances for 2010/11 has worked against the Panel's development of a consistent national remuneration framework. Councils' decisions on member remuneration under the current arrangements for 2011/2012 are not available at the time of writing<sup>14</sup>, but it is not anticipated that many councils will adopt the Panel's maxima in a year of reduced financial settlements and rising costs when they have not done so earlier. It is the Panel's view that this undermines the worth determined by the Panel of the value added by democratically elected councillors to the responsibilities of community representation and the leadership and scrutiny of local governance: a level of remuneration which acknowledges both the time spent on these significant tasks and the additional time many devote as unpaid public service. It remains the case that individual councillors can forgo all or part of their salaries if they so wish, but the Panel is firmly of the view that permitting the current arrangements to continue, whereby councils individually agree a variety of reduced payments for all their councillors, has the potential to impact negatively both on the electorate's perception of the value and worth of the councillor's role today and on future councillor recruitment and retention.

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<sup>13</sup> The median gross earnings of all full-time employees resident in Wales, as reported in the Annual Survey of Hours and Earnings (ASHE).

<sup>14</sup> Councillor Allowances Scheme are normally available by end June following council Annual General Meetings. It is anticipated that the final Annual Report 2011 following consultation on this draft, will be updated to include evidence from councils' 2011/2012 allowances schemes.

3.6 Consequently, the Panel has concluded that the implementation of a national councillor remuneration framework will not be achieved in the next municipal term (2012-2016) unless it utilises now the powers acquired under the Measure and prescribes the actual level of Basic and Senior Salaries to be paid to newly elected councillors, newly formed executives, newly appointed committee chairs and civic heads following the local government elections in 2012.

### **Prescribing Basic and Senior Salaries in 2012/2013**

3.7 Deciding on the level at which member salaries should be prescribed has presented a real challenge to the Panel. The Panel has been very reluctant to compromise the link it has established with the median annual gross earnings of the Welsh electorate but recognises that, in its determination of member remuneration for 2011/2012, it has already moved away from a precise alignment. This is because the median annual gross earnings of all full-time employees resident in Wales increased by 1.6% between 2009 and 2010 and the median gross earnings in Wales rose from £23,114 (the 2009 benchmark for a Basic Allowance of £13,868 in 2010/11) to £23,494. Had the Panel not determined a standstill for all councillor remuneration in 2011/12, an aligned maximum Basic Allowance would have risen to £14,096, with proportionate rises in SRAs in keeping with the chosen multipliers.

3.8 The maximum levels in Basic Allowance and SRAs were not increased in alignment with median earnings because the Panel judged, as 2010 drew to a close and the 1.6% rise in 2010 Welsh median gross earnings became evident, that any increase in member remuneration in 2011/12, however slight, would be inappropriate while the full effects of cost pressures in the public sector remained unknown. Moreover, the Panel was clear that any increases in alignment with the Welsh electorate's median gross earnings would in all probability not be accepted by the wider public or even councillors themselves as 'fair' in a year that was likely to see the electorate's personal incomes and council services on which many of the electorate rely, under severe pressure.

3.9 At the time of writing it is still not known whether any of the councils that pay at levels below the Panel's maxima have taken the opportunity in their decisions for 2011/12 to 'catch-up'. What is known is that reductions in Basic Allowance and SRAs are under serious consideration in several councils where members' remuneration is already below the Panel's maximum. There is a possibility that the decisions reached by councils will so jeopardise the alignment between member remuneration and Welsh median gross earnings as to make the link both invisible and unsustainable.

3.10 The Panel has reached the view, however, that reductions in member remuneration, planned or consequential, are unavoidable in the current economic climate. But because the majority of councils in Wales pay members at less than the Panel's maxima, if the Panel was to prescribe Basic and Senior Salaries for 2012/13 at the current maxima benchmarked on the 2009 Welsh median gross earnings, it would mean that:

- 872 (69%) councillors throughout Wales would benefit from increases in Basic Salary up to 18%, most (57%) between 5%-10%.

- 13 out of 22 Leaders (59%) would benefit from increases in Senior Salary<sup>15</sup> up to 22%, on average 13%<sup>16</sup>.
- 12 out of 19 Deputy Leaders (63%) would benefit from increases in Senior Salary up to 25%, on average 14%<sup>17</sup>.
- 111 out of 208 Executive members (53%) would benefit from increases in Senior Salary up to 17%, on average 6%; a further 45 out of 208 Executive members (22%) averaging a 31% increase<sup>18</sup>.
- 153 out of 213 Committee Chairs and Opposition Group Leaders (72%) would benefit from increases in Senior Salary up to 36%, on average 12%.

3.11 From an All Wales perspective a further £1.87m<sup>19</sup> would need to be found to fund councillor remuneration, with a number of councils needing to find an additional annual sum of up to £320,000. Only six councils would not need to find any additional sums because they already pay at the Panel's maxima in 2010/11. As the financial impact to councils of prescribing members' salaries in 2012/2013 on the basis of the Panel's 2010/11 maxima is so great and because the financial impact would not be acceptable to councils nor understood by the wider public, it follows that if the Panel prescribes the actual level of member salaries the levels need to be set at less than the maxima which the Panel determined for 2011/12.

3.12 The Panel acknowledges that any further reduction of member salaries will further compromise the alignment of Basic and Senior Salaries with Welsh median gross earnings. The extent to which the alignment is compromised is to a large extent affected by movements in the income of fulltime employees resident in Wales. It will be affected also by any continuing lack of clarity in the full effects of downward pressures on council budgets. But the extent of any disparity in the alignment of member salary and Welsh median gross earnings will be open and transparent and published in the Panel's annual reports. It is impossible to say how long the current economic circumstances will necessitate member salary levels being below Welsh gross median earnings. Mindful that, by the decision of most councils and contrary to Panel determination, member salary levels have not been aligned to Welsh median gross earnings, the Panel will continue to examine closely what may be a significant financial impact on councils and councillors and on public perceptions of affordability and acceptability, before it deems it appropriate to fully restore the alignment.

3.13 The Panel has concluded that a planned reduction in member salaries which is prescribed in all Welsh local authorities has the advantage of being both ordered and orderly and is preferable to any free-fall in member allowances which may occur under local pressure in the current arrangements as the local government elections approach in 2012. The fact that new councils will be elected in 2012 makes it

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<sup>15</sup> Senior Salary is inclusive of Basic Salary.

<sup>16</sup> 45% is the average increase in ex alternative arrangements councils – Merthyr Tydfil and Powys – and also Gwynedd which will move to executive arrangements in 2012/13 under the requirements of the Measure.

<sup>17</sup> Gwynedd 43% and Merthyr Tydfil 30%; Powys did not pay a Deputy Leader in 2010/2011.

<sup>18</sup> Wrexham included with Gwynedd, Powys and Merthyr Tydfil in the 45 executives because it pays all SRAs at the same level, excepting Leader and Deputy Leader.

<sup>19</sup> Exclusive of additional employer NI costs.

opportune to institute a prescribed salary in 2012, although at reduced rates. Underlying this decision by the Panel is a strong view that income continuity – either as a backbench councillor or as an office holder within a council – cannot be assumed by any currently serving councillor seeking election.

3.14 Given the wide disparity in the level of Basic and SRAs agreed by local councils for 2010/2011, and the varying extent to which member remuneration levels agreed by councils fall below the Panel's maxima, the Panel has therefore decided that it is necessary to determine Basic and Senior Salaries payable following the 2012 municipal elections at a reduced level that minimises the number of councils which may face, as a consequence of the Panel's decisions, an increase in their member remuneration costs and a consequential increase in their councillor remuneration. Modelling various percentage reductions on its 2010/11 maxima, the Panel has concluded that a 10% reduction on the Senior Salary of Band 1, Band 2, Band 3 and Band 4 office holders, and a 5% reduction on the Basic Salary of all councillors will not result in increased expenditure for most councils, particularly when combined with "*managing more with less*" (see paragraph 3.16). On the contrary, as well as reducing significantly the total cost across Wales, it will result in cost savings for many councils and restrict cost increases to a minimal level for a small number of councils. Some councillors will face reductions in their personal income depending on the actual Basic and SRA agreed in their council for 2010/11, but, by the same account, the personal income of some may rise. The overall financial impact will be a decreased level of expenditure on councillor remuneration across Wales and a consequential saving of over £1 million to the public purse.

3.15 The financial impact on councillors of prescribing Basic and Senior Salaries on a 5% and 10% reduction of the Panel's 2010/11 maxima is that:

- On a prescribed Basic Salary for 2012/13 of £13,175, the annual Basic Salary of a councillor in 12 of the 22 county councils will increase by between £1,833 (in Cardiff) and £145 (in Caerphilly, Newport, Blaenau Gwent and Denbighshire) and will reduce in the other 10 county councils by between £693 and £298.
- On a prescribed Senior Salary reduced for 2012/13 by 10%, (and differentiated by population groups) Leaders' salaries will reduce in 8 councils by between £5,085 and £127 from the level paid in 2010/11. Leaders' salaries will increase in 11 of the other 14 councils by between £7,564 and £119. In Merthyr Tydfil and Powys (these two councils previously operated under Alternative Arrangements but did not adjust to a higher band in 2010 when they moved to a Leader and Cabinet model) and also in Gwynedd (which will move from Alternative Arrangements in 2012/13) the increases will be much greater, up to £23,633.
- There will be similar increases and reductions for Deputy Leader salaries in the 19 councils that paid a Band 2 salary in 2010/11.
- On a prescribed Senior Salary reduced for 2012/13 by 10%, and differentiated by population group, Executive salaries in 15 councils will be reduced between £3,051 and £332 from the level paid in 2010/11, and increased by between £8,901 and £74 in the other seven councils.

- On a prescribed Senior Salary reduced for 2012/13 by 10% Band 3 salaries will be reduced by between £2,207 and £493 from 2010/11 levels in 12 councils and increased by between £4,082 and £41 in the other 10 councils.
- Only 12 of the 22 councils paid a Band 4 salary in 2010/11. Of those, 7 would see a reduction in the amounts paid in 2012/13 of up to £1,500 and the other 5 would see an increase of up to £1,000

### **Senior Salary: Managing 'More with Less'**

3.16 One of the ways in which public service authorities have responded to financial stringency has been to manage services more efficiently by doing 'more with less'. The Panel believes that the election of new councils in 2012 provides an opportunity to mirror this philosophy of managing 'more with less' by prescribing the number of leadership and functional office holders that can be remunerated.

3.17 The analysis undertaken by the Panel reveals significant variations in current numbers of cabinet members (Bands 1 & 2) and functional chairs and opposition leaders (Bands 3 & 4) - both between councils in the same population group and between councils in different population groups - and it has not been possible to establish any substantive reason why this should be so. The Panel considers that senior councillors throughout Wales should be challenged to do 'more with less' in the new councils formed in 2012/13, and has decided accordingly that the number of senior salary office holders in each council will be limited to a maximum of:

- 17 in Group A councils.
- 16 in Group B councils.
- 15 in Group C. councils

Councils may distribute cabinet and functional officeholders across the responsibility bands as they see fit, but the maximum number of remunerated posts must not be exceeded, save for any period in which a temporary office holder substitutes for the family absence of an appointed office holder.

### **Senior Salaries: Democratic Services Committee**

3.18 Having reviewed the responsibilities of the Democratic Services Committees newly established by the Local Government (Wales) Measure 2011, the Panel has decided that the time, worth and responsibilities of the Chair is comparable to those of Band 3 functional chairs where paid.

### **Senior Salaries: Civic Heads**

3.19 Payments to civic heads are now within the Panel's remit. The Panel convened a meeting of an expert group of civic officers to advise the Panel on civic responsibilities and remuneration of civic heads. The outcomes of the meeting were used by the Panel to carry out a survey of all 22 principal councils during April 2011. Sixteen responses were received and the information contained in these responses

assisted the Panel greatly in assessing the remit and responsibilities of the civic role and in deciding how best the civic role may be remunerated:

- The evidence confirmed that members who carry civic responsibilities perform senior roles in councils, but that these roles are distinct from political or executive leadership. The civic head role encompasses a distinct 'first citizen' leadership responsibility in representing the council to a wide variety of civil society institutions and carries with it a requirement to exemplify, and promote, good citizenship.
- Councillors appointed to civic leadership in the office of Mayor/Deputy Mayor or Council Chair/Deputy Chair retain their ward duties to their electorate during the year in which they serve as civic heads.
- The workload and responsibility of a civic head (and the deputy civic head) is broadly related to the size of the council and the community it serves. It is appropriate therefore to utilise the population groupings in determining the level of payments to civic heads.
- There is wide variation in the civic allowance payable directly to the civic heads. The intention of the civic allowance is to pay the chair and vice-chair of a council an allowance which it thinks reasonable for the purpose of meeting the expenses of those offices s3(5) and s5(4) of the Local Government Act 1972].
- In addition, civic heads are generally able to access a separate hospitality budget managed and controlled by a civic support office.
- It was generally reported that without the assistance of an appointed deputy civic head with responsibility for a separate schedule of events, it would not be possible to meet the requirement for civic leadership and representation.

3.20 In the light of the evidence received the Panel has decided that the responsibilities of a civic head and a deputy civic head can be met within its expectation of the time requirement of a Band 3 functional office holder but differentiated on the basis of population groupings. The Senior Salary paid to Band 3 office holders is on the basis of a four day a week commitment in respect of the additional senior responsibility of appointed office and subsuming the basic responsibility of every councillor for ward duties although the Panel accepts that many civic office holders do commit more time to civic duties than four days a week.

3.21 Having regard to the time, worth and senior responsibilities of civic heads and deputy civic heads, the Panel has concluded that for 2012/2013:

- the civic head (Mayor/Chair of a council) is paid a Senior Salary based on 45% of the relevant Band 1 Senior Salary, as follows:
  - Group A £23,715.
  - Group B £21,375.
  - Group C £19,035.

- The deputy civic head (Deputy Mayor/Deputy Chair of a council) is paid a Senior Salary based on 35% of the relevant Band 1 Senior Salary as follows:
  - Group A £18,445.
  - Group B £16,625.
  - Group C £14,805.

3.22 The Panel proposes that for 2012/13, the Basic and Senior Salaries set out below shall be paid to elected members of local authorities:

	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
<b>Basic Salary</b>	£13,175	£13,175	£13,175
<b>Senior Salaries</b>			
<b>Band 1</b>			
Leader	£52,700	£47,500	£42,300
Deputy Leader	£37,100	£33,460	£29,820
<b>Band 2</b>			
Executive	£31,900	£28,780	£25,660
<b>Band 3</b> <sup>20</sup>			
Committee Chairs	£21,910	£21,910	£21,910
Leader of largest opposition group <sup>21</sup>			
Civic Head (Mayor/Chair of Council)	£23,715	£21,375	£19,035
<b>Band 4</b>			
Leader of other political groups	£16,920	£16,920	£16,920
Deputy Civic Head	£18,445	£16,625	£14,805

#### **Basic and Senior Salaries: Other Matters**

3.23 The Panel stipulates the following:

- The Basic Salary is paid for the basic responsibility of community representation and participation in the scrutiny, regulatory or related function of local governance at the time equivalent of three days a week, and remains payable during periods of family absence as defined under the Measure. Any time commitment beyond three days is an unpaid public service contribution.

<sup>20</sup> As a means of equalising Band 3 salaries across Wales, the office of the Group B Leader is chosen as the marker reflecting most Welsh councils and reflective of the typical urban/rural mix.

<sup>21</sup> See the Panel's Regulations in Annex 1 for a definition of largest opposition group (Band 3) and other political group (Band 4).

- A councillor must not be paid more than one Senior Salary.
- All Senior Salaries are paid inclusive of Basic Salary.
- The remuneration of Council Leaders and Executive Members (Band 1 and 2 Senior Salaries) is based on an assumption that these roles require a full-time commitment by the office holder.
- Band 3 and 4 Senior Salaries are paid on the basis of the office holder's part-time commitment.
- Given that the Panel has determined that remuneration of Band 1 and 2 office holders is based on the Panel's expectation that such posts require a full-time commitment, office holders should consider very carefully whether they are able to effectively discharge any further public responsibilities they may hold elsewhere, including representing the interests of their authority as members of National Park authorities/fire and rescue authorities.
- No member in receipt of a Band 1 or Band 2 Senior Salary should receive any additional salary for representing his/her council on a National Park or a fire and rescue authority.
- It is the policy of the Panel that the annual public declaration of payments made to local authority members must include remuneration from all public service nominations and appointments held by local authority members. The Panel intends to draw the attention of the Minister for Local Government and Communities to its position on this issue.

3.24 In addition the Panel's expects that:

- Councils will provide, without charge to individual councillors, as much support as is necessary (e.g. telephones, postal costs, IT equipment) to enable councillors to fulfil their duties.
- Councils will make publicly available a statement of the basic responsibility of a councillor, identifying clearly the duties expected.
- Councils will negotiate with HMRC block tax dispensations for councillors in respect of the full range of allowable expenses and to secure timely tax and benefit advice for councillors in respect of their earnings and expenses.

### **Co-opted Member Payment**

3.25 The Panel determined a maximum of £1,200 in 2010/11 as an allowance for co-opted members of local authorities' standards committees, education scrutiny committees and scrutiny committees covering the work of its local community safety partnership, provided they are co-opted members with voting rights<sup>22</sup>. The maximum annual payment to the chair of a council standards committee was £2,230 and for co-opted members of standards committees who chair standards committees for community and town councils was £1,400. These maxima were held for 2011/12. It is

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<sup>22</sup> Local authorities should be aware that co-opted members on scrutiny committees may receive remuneration from their nominating body for attending meetings of local authorities' scrutiny committees.



clear from the Panel's review as reported in its *Annual Report December 2010* that only seven councils paid co-opted chairs and members at the maximum. Five councils made no payment in 2010 at all and only 3 made payment to the chair of a standards committee for community and town councils. Payments made in 2011 are not yet known by the Panel.

3.26 The level of payments to co-opted members, instituted in 2008, derived from a calculation made by the Panel as to time commitment, with an assessment of responsibility analogous to the daily rates for Chair and Members of the Welsh Government's Band 2 Sponsored Bodies. The Panel considers that this is still the appropriate basis for payment but that payment to co-opted chair and co-opted members should be prescribed as a daily fee (with a provision for half day payments) which takes account of the considerable variation in the workloads of co-opted members across authorities in Wales.

3.27 The Panel has decided, therefore, that for 2012/13, local authorities must provide:

Chair, Standards Committee	£256 daily fee (£128 for ½ day)	(22 principal local authorities in Wales)
Ordinary member	£198 daily fee (£99 for ½ day)	(of 22 LAs standards committees and 22 education scrutiny committee and crime disorder scrutiny committees.
Ordinary member/chair	£226 (£113 for ½ day)	(ordinary members of LA standard committees who also chair standards committees for community and town and councils)

These payments are capped at a maximum of 10 full days a year for any individual co-opted member.

### **Reimbursement of Care Expenses**

3.28 The Panel has noted the upward movement in the 2011 Retail Price Index (RPI) that affects care costs but does not consider it appropriate to determine any increase in the maximum amount that may be claimed in 2012/13. The Panel is aware that this will be the second year in which it has determined there will be no change to the rate payable.

3.29 The Panel has decided that for 2012/13 councils should make provision for a maximum rate payable of £403 per month to members and co-opted members of local authorities<sup>23</sup> who incur necessary expenses for the care of children or dependants

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<sup>23</sup> Note the inclusion of co-opted members in this entitlement, newly permitted under the Measure.

whilst undertaking their member duties. Payments shall only be made in response to actual and receipted costs.

### **Reimbursement of Travel Expenses**

3.30 The Panel had decided there will be no change in 2012/13 to mileage rates that can be claimed for travel. These remain linked to current HMRC rates:

45p per mile – up to 10,000 miles.

25p per mile – over 10,000 miles.

5p per passenger per mile – passenger supplement.

24p per mile – private motor cycles.

20p per mile – bicycles.

3.31 All other claims for travel, such as bus and taxi fares, shall continue to be accompanied by receipts showing the actual expense, and are subject to any requirement or further limitation that a council may determine. Members and co-opted members should always be mindful of choosing the most cost-effective method of travel.

### **Approved Duties – Extension**

3.32 The Panel has decided to permit an extension to the range of duties for which travel expenses may be claimed. Hitherto, travel expenses have been met only where 'approved duties' are undertaken under the 2007 Regulations.<sup>24</sup> Many councillors, particularly those serving rural areas, have requested that travel expenses also be made available for ward duties. Section 142 (10) of the Measure states that the 'relevant matters' for which payment may be made to members of a relevant authority relate to 'official business of a member of a relevant authority if it is a matter which a member undertakes as a member of a relevant authority'. The Panel accepts that ward duties in relation to the interests of constituents or in relation to the interests of community organisations fall within an understanding of the 'official business' of an elected member. Therefore, the Panel has decided that councils may define 'official business' to include ward duties for which travel expenses may be reimbursed. Councils will need to ensure that proper checks and balances are put in place, and the Panel reminds councils that these payments are subject to the Panel's monitoring compliance proposals (see Chapter 8).

### **Reimbursement of Expenses: Subsistence**

3.33 The Panel has noted the upward movement in the 2011 RPI that affects subsistence costs but does not consider it appropriate to revise the maximum rates for subsistence accordingly. The Panel has decided that for 2012/13 the maximum rates for subsistence will be as set out below, with all claims to be supported by receipts:

- A maximum of £28 per day, including breakfast if not included in overnight cost.

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<sup>24</sup> The Local Authorities (Allowances for Members) (Wales) Regulations 2007.

- Overnight costs to a maximum of £150 in London; £120 in Cardiff and £95 elsewhere.
- A maximum of £25 per night if staying with friends or relatives.

3.34 The Panel reiterates its view that, wherever possible, overnight accommodation should be reserved and paid for by the council itself. Furthermore, the Panel reminds councils that it is not necessary to allocate the maximum daily rate (£28 per day) between different meals, as the maximum daily rate reimbursable covers a 24 hour period and can be claimed for any meal if relevant, *provided such a claim is supported by receipts*.

### **Subsistence claims within council boundaries**

3.35 The Panel has decided to introduce a restriction to subsistence claims. This relates to subsistence that has hitherto been claimed by councillors in respect of approved duties within the boundaries of a county or county borough. The evidence received by the Panel indicates that it is difficult to justify using public funds to support subsistence which would be required irrespective of whether the member was, or was not, on official business within the boundaries of the authority.<sup>25</sup> The Panel has decided that for 2012/13 subsistence expenses for official business which takes place in-county shall not be reimbursed by the council

3.36 The Panel accepts that different considerations apply when official business requires a member to travel beyond county boundaries when additional subsistence costs may be incurred. In this case, reimbursement of subsistence, subject to the specified limits, is acceptable. Nor does the Panel insist that where refreshments are provided by the local authority, such as during a meeting, councillors should be asked to contribute towards costs. This is a matter for the local authority and the Panel has noted that some relevant authority members are asked to pay a standard sum for refreshments provided at in-county meetings.

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<sup>25</sup> Using the terminology of the Measure in place of 'approved duty'.

## **4. Payments to Members of National Park authorities**

### **Background**

4.1 Since 2008 National Park authorities (NPA) in Wales have been required to take account of the determinations of the Panel in setting their own members' allowances. In order to understand how NPAs have responded to this requirement, Panel members met senior members and officers in each Welsh NPA in May 2009 when it was made clear to the Panel that NPAs were supportive of the Panel's remit being extended to include responsibility for the remuneration of NPA members.

4.2 The Panel's remit has been extended in this respect under the Local Government (Wales) Measure 2011 and we concluded that it was necessary to gather more detailed information about the current schemes of members' allowance in each NPA and to learn more about the roles and responsibilities of members. Written submissions from each NPA indicated that member allowances had been held at a standstill in recent years pending progress on the Measure. Panel members made information-gathering visits to each authority - Brecon Beacons NP, Pembrokeshire NP and Snowdonia NP - during April 2011. In each NP authority, the Panel met with the Chair and Vice-Chair and usually a committee chair along with Welsh Government (WG) appointed members. Panel members also met separately with senior officers.

### **Current Context**

4.3 Those interviewed were clear that they would wish NPAs to be included in the Panel's national framework in 2012/2013, as local government elections in 2012 would provide a new council-appointed membership from the 10 constituent local councils involved. There will be 40 councillors appointed to serve on the 3 NPAs in addition to the 20 WG appointed members. This presents an ideal opportunity for a new scheme of member remuneration to be put in place.

4.4 Some key points from these visits that underpin the Panel's proposals for NPA members' payments in 2012/13 are:

- That the most important and strategic responsibilities of a NPA are allied to its planning functions, together with maintaining the sustainability and biodiversity of the Park. The promotion of regeneration through, for example, tourism, support of countryside communities, outdoor leisure pursuits, and the availability of affordable housing are all matters of significant concern.
- WG appointees constitute one-third of the membership of each NPA. There was recognition of the particular expertise contributed by WG appointees and that the scope of constituency duties for councillor members was less than would be required of them in their local authorities. There was no wish to treat WG appointees and councillor members differently in respect of remuneration. WG appointees made the point that the level of member remuneration needed to be sufficient to attract persons of calibre and experience to apply for WG appointment.

- The interviewees supported the alignment of their Basic and Senior salaries (from 2012/13 onwards) with local authority Basic and Senior salaries.<sup>26</sup> It was accepted also that all NPAs should be treated on an equal basis with regard to member remuneration, notwithstanding that policy emphasis and structure may differ from authority to authority.
- Given the strategic functions of national parks, the role of the NPA Chair was seen, in terms of status, to be related to that of the civic head and the political leader of a local authority, combining representational and policy leadership, albeit across a reduced scope and scale of function. No current chairs of an NPA (those who were councillor members) also hold executive offices in their own local authorities, but the Panel is aware that this has not always been the case.
- In the main, NPA committee vice-chairs supported their chairs by acting in their place when necessary. In one NPA the vice-chair held an additional and distinct responsibility for member development and, consequently, was acting more in the capacity of a deputy chair. NPAs accept that the Panel withdrew allowances from committee vice-chairs in local authorities in 2010/11, and those NPAs that have continued to pay vice-chairs plan to review their practice accordingly.
- The Panel made it clear that a salary continued to be assigned in its framework for local authorities in respect of office holders functioning in a deputy chair role where the position involved a clearly identified and sustained senior responsibility.
- The number of NPA special responsibility allowances paid in 2010/11, in addition to those paid to the chair and vice-chair of the NP authority, was 4 in two authorities (reduced from 6), and 6 in one authority (reduced from 8). Committee chairs were not all paid at an equalised amount, and some were paid nominal sums.
- Ordinary NPA members participated in at least one committee as well as undertaking site visits and inspection panels, and in all authorities there was an expectation that members participate in training and development sessions. In one NPA, members complete annual reports that are reviewed by the chair and senior officers.
- In respect of time commitment for ordinary members there was variation between the anticipated commitment (as laid out in WG guidance<sup>27</sup>), of 36 - 48 days per year and the time commitment claimed by the interviewees, and based on their own experience, of between 48-60 days per year. The additional time commitment required of Chairs, as claimed by the interviewees, ranged between 48-100 days per year.
- While the travel expenses of co-opted members to NPA standard committees were paid in all authorities, payment of the co-opted member

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<sup>26</sup> In keeping with the terminology adopted by the Panel in reference to member payments in 2012/13, 'basic salary' and 'senior salary' are used here in place of 'basic allowance' and 'special responsibility allowance' in use in the National Park authorities at the time of writing.

<sup>27</sup> Statutory Guidance – Allowances for Members of County and County Borough Councils and National Park Authorities, August 2002.

allowance varied: one authority paid a financial loss allowance, another paid an attendance allowance and the third paid no allowance.

- Similarly, the care allowance was not available in all NPAs.
- Travel and subsistence rates in all NPAs were paid at the rates determined by the Panel for local authorities, and where subsistence was provided at meetings, a charge was made to members in two of the three NPAs.

## **National Park Basic and Senior Salaries**

4.5 Having considered the evidence gathered at its visits to NPAs, the Panel has decided that:

- The worth and responsibility of ordinary members of NPAs warrants alignment to the Basic Salary of local authority members, and paid for a time requirement of 42 days per year (which is in the middle of the time-commitment guidance issued by the Welsh Government). The Panel regards any additional time inputs beyond the 42 days used for arriving at the National Park Basic Salary as the 'public service' element.
- The 'size' (by which the Panel means the scope, remit and responsibility) of the role of an NPA Chair has been determined by the Panel as a multiple of the National Park Basic Salary. The Panel has determined a multiple of 2.5 which is slightly less than the current average multiple.
- The size of the role of a Deputy Chair and a main Committee Chair has been determined at two-thirds of a Chair's role, and this is based on the evidence provided to the Panel.
- The role of a Chair of another Committee has been determined by the Panel at 50% of the Chair's role, based on the information provided by the interviewees.
- As is the case with local authorities, the Panel considers that NPAs should also manage 'more with less'. Consequently, the Panel has decided to establish a maximum limit of 4 paid Senior Salaries for each NPA.
- The Panel accepts that the assumed part-time commitment of a local authority councillor in receipt of a Basic Salary or a Band 3 or 4 Senior Salary allows sufficient time for such a councillor to undertake the part-time duties of a NPA ordinary member or senior office holder. However, it is the Panel's view that those local authority members who are also council executive office holders (and remunerated by the Panel on an assumed full-time basis) need to consider carefully whether the additional time commitment of ordinary or senior membership of a NPA can be properly met. The Panel's conclusion is that this required time commitment cannot be properly met and that the role should not be additionally remunerated.

## **The Panel's decisions for National Park Basic and Senior Salaries**

4.6 The Panel has decided that for 2012/13 the Basic Salary set out below must be paid to all NPA members, and the Senior Salary set out below must be paid up to a maximum of 4 NPA members appointed in the office of Chair, Deputy Chair and Committee Chair:

- A National Park Basic Salary of £3,550 per year for NPA ordinary members (42/156 x £13,175).
- A National Park Senior Salary of £8,875 for the NPA Chair (£3,550 x 2.5).
- A National Park Senior Salary of £5,920 for the NPA Deputy Chair and main Committee Chair (£8,850 x 2/3).
- A National Park Senior Salary of £4,440 for the NPA Chair of another Committee (£8,850 x 0.5).

4.7 The Panel is required under the Measure to consider the financial impact of its determinations on relevant authorities. In this respect the Panel notes that the Basic Salary for 2012/2013 represents an increase on the Basic Allowance rates currently payable in all NPAs. Whilst this will result in upward pressure on NPA budgets for member remuneration, the Panel anticipates that the Senior Salary levels, coupled with the reduction in the number of Senior Salaries payable, will result in a counterbalancing reduction. Moreover, the Panel notes that in the past the remuneration for NPA members has not been indexed and, as such, the increased Basic Salary represents some element of 'catching up'.

## **The Panel's decisions for National Park Co-opted Members payments**

4.8 The Panel notes the non-payment to date of remuneration to independent members of standards committees in NPAs. However, it is the Panel's view that the worth and responsibility of such co-opted members needs to be recognised in the same way as for their counterparts in local authorities. As a consequence, the Panel has decided to introduce a daily fee for co-opted members with voting rights.

4.9 The level of payments to co-opted members of local authorities is derived from a calculation made by the Panel as to time commitment, with an assessment of responsibility analogous to the daily rates for Chair and Members of the Welsh Government's Band 2 Sponsored Bodies. The Panel considers that this is also the appropriate basis for payment of co-opted members of NPAs, but that payment to co-opted chair and co-opted members should be prescribed to recognise the importance of the function. It is open to co-opted chairs and members to forgo part, or all, of their payments if they so wish.

4.10 The Panel has decided therefore, that for 2012/13, NPAs shall provide:

Chair, Standards Committee (NPA)	£256 daily fee (3 National Park authorities in Wales)
	(£128 for ½ day)
Ordinary member (NPA)	£198 daily fee (as above)
	(£99 for 1/2day)

These payments are capped at a maximum of 4 full days a year for any individual co-opted member.

## **National Park Basic and Senior Salaries: Related Matters**

4.11 The Panel stipulates that:

- Members must not receive more than one NPA Senior Salary.
- A NPA Senior Salary is paid inclusive of the NPA Basic Salary.
- A local authority member who is also a council executive office holder should not be additionally remunerated for a role as an ordinary or senior member of an NPA.
- It is accepted that many NPA members devote more time to their NPA duties than the time commitments noted above. As with local authority members this additional time is acknowledged by the Panel as unpaid public service.

## **Reimbursement of Care, Travel and Subsistence Expenses**

4.12 In respect of expenses arising from Care, Travel and Subsistence, the Panel has decided that the provision for reimbursement currently in place for local authorities, be put in place for NPAs in 2012/13. This means that:

- All NPAs shall make provision for the reimbursement of necessary expenses for the care of dependant children and adults (provided by informal or formal carers) up to a maximum of £403 per month, when claimed on the basis of a receipt by the NPA member or co-opted member as necessary for the fulfilment of NPA duties. Payments shall only be made to actual and receipted costs.
- All NPAs continue to reimburse travel expenses for their members and co-opted members undertaking official business/approved duties at current HMRC rates which are:

45p per mile – up to 10,000 miles.

25p per mile – over 10,000 miles.

5p per passenger per mile – passenger supplement.

24p per mile – private motor cycles.

20p per mile – bicycles.

4.13 All other claims for travel, such as bus and taxi fares, shall continue to be accompanied by receipts showing the actual expense, and are subject to any requirement or further limitation that an NPA may determine. Members and co-opted members should always be mindful of choosing the most cost-effective method of travel.



4.14 All NPAs continue to reimburse subsistence expenses for their members and co-opted members on the maximum rates set out below on the basis of receipted claims:

£28 per day - day allowance for meals, including breakfast where not provided in the overnight charge.

£150 – London overnight.

£120 – Cardiff overnight.

£95 – elsewhere overnight.

£25 – overnight staying with friends and family.

(NPAs may continue to charge individual members for subsistence where refreshments are provided by the authority at meeting)

4.15 Wherever possible, overnight accommodation should be reserved and paid for by the NPA itself. It is not necessary to allocate the maximum daily rate (£28 per day) between different meals, as the maximum daily rate reimbursable covers a 24 hour period and can be claimed for any meal if relevant, *provided such a claim is supported by receipts.*

## 5. Payments to Members of Welsh Fire and Rescue Authorities

### Background

5.1 Established in 2004, the statutory framework of the three Welsh fire and rescue authorities (FRAs) allowed the indexation of their member allowances at the average increase obtaining in their constituent local authorities. With the inception of the Panel in 2008 FRAs were further obliged to take the determinations of the Panel into account in setting members' remuneration. When representatives of the FRAs met with Panel members in 2009 they made clear their wish for the Panel's remit to be extended to cover their members' remuneration.

### Current Context

5.2 Following the extension of the Panel's remit under the Local Government (Wales) Measure 2011, the Panel invited written submissions from FRAs on their current member allowance schemes and followed this up with a visit to each authority – Mid and West Wales FRA, North Wales FRA and South Wales FRA – during March and April 2011. At these visits Panel members met with the FRA chair and usually a committee chair in the absence of the deputy-chair. The Panel also and separately met with senior officers.

5.3 Those interviewed were clear that they would wish to be included in the Panel's national framework in 2012/2013. This presents an ideal opportunity for a new scheme of member remuneration to be put in place because it would coincide with the election of new local councils, from which 25 councillors from the 6 constituent councils forming the Mid and West Wales FRA, 28 councillors from the 6 constituent councils forming the North Wales FRA and 24 councillors from the 10 constituent councils forming the South Wales FRA, would be nominated, usually for a 4 year term.

5.4 Some key points from the visits that underpin the Panel's proposals for FRA member remuneration in 2012/2013 are that:

- A committee structure is now evident in all Welsh FRAs, but chairs of committee do not receive an SRA as these have only been available for the chair and vice-chair of each authority<sup>28</sup>. FRAs committees vary in function, with finance, audit, and human resources most commonly in place.
- Involvement of ordinary members in the work of FRA committees, working groups and associated training/development has improved their understanding of FRA core functions and has improved attendance and participation at meetings of the full authority. The responsibility of FRA members equates to their role as committee members in local authorities, and there is some limited constituency contact work in relation to FRA

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<sup>28</sup> The Local Authorities (Allowances for Members of Fire Authorities) (Wales) Regulations 2004.

matters. The time commitment claimed to be a minimum requirement for ordinary FRA members varied from between 12 and 16 days a year.

- There appears to be no distinct, sustained, senior responsibility role for the vice-chairs of FRA committees other than to act in the chair's absence. FRA senior members who met with the Panel were made aware that whilst there is no provision in the Panel's framework for the remuneration of committee vice-chairs there is provision for a deputy role to be remunerated where there is evidence of a distinct role of sustained and senior responsibility – for example, a deputy leader or a deputy chair of a council.
- Two of the FRA chairs are also executive office holders in their home authorities.
- The time commitment of a FRA chair was estimated at between 3-8 days per month. There was common agreement that the responsibility included an important representational element akin to that of a civic head of a local authority. In respect of policy responsibility the Panel concluded that the leadership role of a FRA chair equated best with that of a Band 3 chair in a local authority.
- FRAs hope that the Panel would prescribe and equalise the actual level of FRA Basic and Senior Salaries<sup>29</sup> and that FRA remuneration would be aligned to that pertaining in local authorities. Members drew attention to what was perceived as a low level of remuneration for the responsibility discharged, a situation exacerbated by the fact that FRA allowances have been held at a standstill for some time (bar indexation) pending any extension of the Panel's remit.
- Allowances to independent members of standard committees are paid in one FRA, but that travelling expenses are available in all.
- Travel and allowances are available in all FRAs but there are different maxima.

### **Welsh FRAs: Basic and Senior Salaries**

5.5 Having considered the evidence gathered at the visits to the three Welsh FRAs, the Panel has decided that:

- The worth and responsibility of ordinary members of the Welsh FRAs should be aligned to the Basic Salary of a local authority member, and be paid for a time commitment of 16 days per year.
- The time, worth and responsibility of the chair of a Welsh FRA should be aligned to the Senior Salary of a Band 3 functional office holder in a local authority (that is, to that part of the Band 3 Senior salary which is not the Basic Salary of a local authority member).

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<sup>29</sup> Using the terms 'Basic Salary' and 'Senior Salary' in place of 'Basic Allowance' and 'Special Responsibility Allowance' used hitherto in Welsh fire and rescue authorities.

- The time, worth and responsibility of a deputy chair of a Welsh FRA where there is distinct and sustained senior responsibility should be aligned to the Senior Salary of a Band 4 functional office holder in a local authority (that is, to that part of the Band 4 Senior Salary which is not the Basic Salary of a local authority member).
- The time, worth and responsibility of a committee chair of a Welsh FRA is such as to warrant alignment to the Senior Salary of a Band 4 functional office holder in a local authority (that is, that part of the Band 4 Senior Salary which is not the Basic Salary of a local authority member).
- The Panel accepts that the assumed part-time commitment of a local authority councillor in receipt of a Basic Salary or a Band 3 or 4 Senior Salary allows sufficient time for such a councillor to undertake the part-time duties of a Welsh FRA ordinary member or senior office holder. However, it is the Panel's view that those local authority members who are also council executive office holders (and remunerated by the Panel on an assumed full-time basis) need to consider carefully whether the additional time commitment of ordinary or senior membership of a Welsh FRA can be properly met. The Panel's conclusion is that this required time commitment cannot be properly met and that the role should not be additionally remunerated.

5.6 The Panel has decided that, for 2012/13, the Basic Salary set out below shall be paid to all Welsh FRA members, and the Senior Salaries set out below shall be paid up to a maximum of 3 Welsh FRA members appointed in the office of Chair, Deputy Chair and Committee Chair:

- A Welsh FRA Basic Salary of £1,350 payable to all ordinary FRA members (16/156 x £13,175).
- A Welsh FRA Senior Salary of £10,085 payable to the Chair of a Welsh FRA (£1,350 + £8,735).
- A Welsh FRA Senior Salary of £5,095 payable to the Deputy Chair of a Welsh FRA (£1,350 + £3,745).
- A Welsh FRA Senior Salary of £5,095 payable to the main Committee Chair of a Welsh FRA (£1,350 + £3,745).
- A Welsh FRA Senior Salary of £3,400 payable to the Chair of another Committee of a Welsh FRA (£1,350 + £2,050).

### **Welsh FRA Basic and Senior Salaries: related matters**

5.7 The Panel stipulates that:

- Members must not receive more than one FRA salary.
- A FRA Senior Salary is paid inclusive of the Welsh FRA Basic Salary.
- A local authority member who is also a council executive office holder should not be additionally remunerated for a role as an ordinary or senior member of an FRA.

- It is accepted that many FRA members devote more time to their FRA duties than the time commitments noted above. As with local authority members this additional time is acknowledged by the Panel as unpaid public service.

### **The Panel's decisions for Welsh FRA Co-opted Member payments**

5.8 The Panel notes the non-payment to date of remuneration to independent members of standards committees in FRAs. However, it is the Panel's view that the worth and responsibility of such co-opted members needs to be recognised to the same extent as they are for their counterparts in local authorities. As a consequence, the Panel has decided to introduce a daily fee for co-opted members with voting rights.

5.9 The level of payments to co-opted members of local authorities is derived from a calculation made by the Panel as to time commitment, with an assessment of responsibility analogous to the daily rates for the Chair and Members of the Welsh Government's Band 2 Sponsored Bodies. The Panel considers that this is also the appropriate basis for payment of co-opted members of FRAs, but that payment to co-opted chair and co-opted members should be prescribed to recognise the importance of the function. It is open to co-opted chairs and members to forgo part, or all, of their payments if they so wish.

5.10 The Panel has decided therefore, that for 2012/13, FRAs shall provide:

Chair, Standards Committee (FRA)	£256 daily fee (£128 for ½ day)	(3 Welsh fire and rescue authorities)
Ordinary member (FRA)	£198 daily fee (£99 for ½ day)	(as above)

These payments are capped at a maximum of 4 full days a year for any individual co-opted member.

### **Reimbursement of Care, Travel and Subsistence Expenses**

5.11 In respect of expenses arising from Care, Travel and Subsistence, the Panel has decided that the provision for reimbursement of expenses currently in place for local authorities, be put in place for FRAs in 2012/13. Hence the Panel has decided that:

- All FRAs shall make provision for the reimbursement of necessary expenses for the care of dependant children and adults (provided by informal or formal carers) up to a maximum of £403 per month, when claimed on the basis of receipts by the FRA member or co-opted member as necessary for the fulfilment of FRA duties. Payments shall only be made to actual and receipted costs.
- all FRAs shall continue to reimburse travel expenses for their members undertaking approved duties / official business at current HMRC rates which are:

45p per mile – up to 10,000 miles.

25p per mile – over 10,000 miles.

5p per passenger mile – passenger supplement.

24p per mile – private motor cycles.

20p per mile – bicycles.

5.12 All other claims for travel, such as bus and taxi fares, shall continue to be accompanied by receipts showing the actual expense, and are subject to any requirement or further limitation that an FRA may determine. Members and co-opted members should always be mindful of choosing the most cost-effective method of travel.

5.13 All FRAs should continue to reimburse subsistence expenses for their members and co-opted members on the maximum rates set out below and paid on the basis of receipted claims:

£28 per day – day allowance for meals, including breakfast where not provided in the overnight charge.

£150 - London overnight.

£120 - Cardiff overnight.

£95 - elsewhere overnight.

£25 – overnight staying with family or friends.

(FRAs may continue to charge individual members and co-opted members for subsistence where refreshments are provided by the authority at meetings.)

5.14 Wherever possible, overnight accommodation should be reserved and paid for by the FRA itself. It is not necessary to allocate the maximum daily rate (£28 per day) between different meals, as the maximum daily rate reimbursable covers a 24 hour period and can be claimed for any meal if relevant, *provided such a claim is supported by receipts.*

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## 6. Payments to Members of Community and Town Councils

### Current Context

6.1 In its evidence to the Legislation Committee on the proposed Local Government (Wales) Measure [2011], the Panel (whilst welcoming the extension of its remit to include community and town councils) acknowledged that the large number of community and town councils in Wales would create a very different set of circumstances for the Panel's oversight of members' remuneration. Differences were noted in the ways that community and town councils are structured and operate. The very smallest councils may meet only once or twice annually to promote community cohesion, whilst larger town councils that employ staff and provide services may control annual budgets of £1 million or more.

6.2 Community and town councils vary greatly in terms of the proportion of their members who are directly elected. In many cases community and town council elections are not contested and the 'elected' council comprises mainly of co-optees. There has been no comprehensive approach to the remuneration of members except for the reimbursement of expenses associated with attendance at meetings.

### Progress

6.3 The Panel advised the Legislation Committee<sup>30</sup> that it would require a considerable investment of time and effort on its part to devise a remuneration framework which could be seen to be both fair and equitable, and which would give proper regard to the number and variety of community and town councils in Wales. The Panel intends to start a process of evidence gathering which is likely to require written submissions from all community and town councils and may include visits to a broadly representative selection.

6.4 The Panel anticipates that proposals for a national remuneration framework for community and town councils in Wales will be ready for consultation in summer 2012 and for implementation in 2013/2014. Until then allowances for members of community and town councils will continue to be payable under the Local Authorities (Allowances for Members of Community Councils) (Wales) Regulations 2003.

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<sup>30</sup>See paragraph 134 ,Record of Proceedings - Legislative Committee 3, 4<sup>th</sup> November 2010  
<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-perm-leg/bus-committees-third-lc3-agendas.htm?act=dis&id=202928&ds=11/2010>.



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## **7. Pension Provision for Members of Relevant Authorities in Wales**

7.1 In its 2010 Annual Report the Panel commented that it understood that only one county council in Wales – Conwy County Borough Council – did not enable its councillors to access the Local Government Pension Scheme (LGPS). At the time of writing it is not known whether the position has changed for 2011/12.

7.2 The Panel reiterates its view that councillors should be entitled to join this Scheme and that making access possible can help to reduce barriers to elected public service in local government and thus open it up to wider sections of the public. The Local Government (Wales) Measure 2011 provides a power to the Panel to make determinations on pension entitlement for members of local authorities, and the Panel will consider doing so for 2013/14.

7.3 During its visit to one fire and rescue authority (FRA), FRA councillor members drew attention to their dissatisfaction that their FRA service could not be counted as part of their contribution to the LGPS. The Panel has no powers to rectify this because eligibility for membership of the LGPS is regulated by the Superannuation Act 1972.

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## 8. Monitoring Compliance with Panel Requirements

### Current Context

8.1 Section 153 of the Measure requires a relevant authority to comply with the requirements imposed on it by a Panel annual report and enables the Panel both to monitor and require compliance with Panel determinations on payments and pensions. The Panel believes that this new power sits well with its intention to provide a comprehensive national framework for member remuneration that is consistently applied in all relevant authorities.

8.2 The Panel's remuneration framework, underpinned by Principles promoting fairness, value-for-money, quality, accountability to local taxpayers and transparency, derives from the proposition that maintaining democracy in local government is not cost-free: councillors receive remuneration in return for the added value of their role in the governance of local communities. The remuneration of members must be capable of justification in terms of member activity and achievement, particularly if it is to be perceived by the wider public as a reasonable cost. Publicising the full range of members' responsibilities and the remuneration they receive for discharging such responsibilities is a useful contribution both to transparency and to improving public understanding of the roles of members in the governance of local authorities, NPAs and Welsh fire and rescue authorities.

### Monitoring Compliance: Progress

8.3 The Panel has previously made it clear that it intends moving beyond monitoring the payments made to members towards monitoring the performance for which such payments are made. But the Panel considers this a matter for the longer term and intends to make it the subject of further consultation. However, it is the Panel's view that a start can be made in 2012/13 in identifying how relevant authorities may report the performance of their members in terms of attendance and activity.

### Monitoring Compliance

8.4 The Panel's intentions to monitor compliance of its 2012/13 determinations in all relevant authorities are as follows:

- A relevant authority must maintain an annual **Schedule of Member Responsibility and Remuneration** (IRPW Regulations 4 & 5) Guidance at Annex 2 sets out the content which must be included in the Schedule.
- A relevant authority must make arrangements for the Schedule's publication within the authority area (IRPW Regulation 40) as soon as practicable after determination and not later than 31 July next following the start of the year (as relating to the authority) to which it applies.
- A relevant authority must send the Schedule to the Panel as soon as practicable after determination and not later than 31 July next following the start of the year (as relating to the authority) to which it applies.

- A relevant authority must make arrangements for publication within the authority area of the total sum paid by it to each member and co-opted member in respect of salary, allowances and fees (IRPW Regulation 41) as soon as practicable and no later than 30 September following the close of the year (as relating to the authority) to which it relates. Guidance at Annex 3 sets out the content that must be included in the Publicity Requirement.
- A relevant authority must send its Publicity Requirement to the Panel at the same time as it seeks local publication.

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## **Annex 1**

### **Independent Remuneration Panel For Wales (IRPW) Regulations For The Remuneration of Members And Co-opted Members of Relevant Authorities**

#### **Introduction**

Part 8 (sections 141 to 160) and schedules 2 and 3 of the Local Government (Wales) Measure 2011 (the Measure) set out the arrangements for the payments and pensions for members of relevant authorities and the functions and responsibilities of the Independent Remuneration Panel for Wales.

The powers contained in part 8 and schedules 2 and 3 replace the following Statutory Instruments:

- The Local Authorities (Allowances for Members of County and County Borough Councils and National Park Authorities) (Wales) Regulations 2002 (No. 1895 (W.196)).
- The Local Authorities (Allowances for Members of Fire Authorities) (Wales) Regulations 2004 (No. 2555 (W.227)).
- The Local Authorities (Allowances for Members) (Wales) Regulations 2007 (No.1086 (W.115)).

These Statutory Instruments are timetabled to be revoked on 31 July 2011, although their provisions will remain in force by way of saving provisions made under section 176(3) of the Measure until the Panel's Annual Report takes effect on 1 April 2012.

The Measure also replaces the sections of the Local Government Act 1972, the Local Government and Housing Act 1989 and the Local Government Act 2000 relating to payments to councillors in Wales, except those pertaining to community and town councillors. Allowances for members of community and town councils will continue, for now, to be payable under The Local Authorities (Allowances for Members of Community Councils) (Wales) Regulations 2003 (No. 895(W.115)).

#### **Part 1**

##### **General**

1. a. The short title of these Regulations is: "IRPW Regulations".  
b. The Annual Report, dated December 2011, and the IRPW Regulations will come into force on 1<sup>st</sup> April 2012 although their implementation date will be the day after the annual meeting of the relevant authority.  
c. Allowances payable between 1<sup>st</sup> April 2012 to the day of the annual meeting of the relevant authority must continue, as if the statutory

instruments had not been revoked, and for local authorities must be in accordance with the requirements of the Panel's Annual Report, dated December 2010, and Supplementary Reports for the 2011/12 financial year.

- d. The Panel's determinations in the Annual Report, dated December 2011, and any supplementary reports, will apply from the day after the annual meeting of the authority until 31 March 2013.
- e. These IRPW Regulations apply to payments made to members and co-opted members of local authorities, National Park authorities and Welsh fire and rescue authorities as set out in the Measure at Sections 142 and 147.
- f. Authorities are required to produce a schedule of payments to members and co-opted members no later than 4 weeks following the Annual Meeting.

## Interpretation

### 2. In the IRPW Regulations:

- "The 1972 Act" means the Local Government Act 1972.
- "The 2000 Act" means the Local Government Act 2000.
- "Allowance" means the actual or maximum amount which may be reimbursed to members and co-opted members of a relevant authority for expenses necessarily incurred when carrying out the official business of the relevant authority.
- "Annual report" means a report produced by the Panel in accordance with section 145 of the Measure.
- "Authority" means a relevant authority in Wales as defined in Section 144(2) of the Measure, and includes a local authority (county or county borough council), a National Park authority and a Welsh fire and rescue authority.
- "Basic salary" has the same meaning as set out in paragraph 6 of these regulations, and may be qualified as "LA Basic Salary" to refer to the basic salary of a member of a local authority; "NP basic salary" to refer to the basic salary of a member of a National Park authority; and "FRA basic salary" to refer to the basic salary of a member of a Welsh fire and rescue authority.
- "Care allowance" has the same meaning as set out in paragraph 21 of these regulations.
- "Committee" includes a sub-committee.
- "Community or town council" means in relation to Part 8 of the Measure, that as set out in Part 7 of the Measure.

- “Consultation draft” means the draft of a Panel annual report under Section 146 (7) or 147(8) of the Measure, representations on which must be taken into account by the Panel.
- “Constituent authority” – for National Park authorities this is a local authority falling within the area of a National Park authority; for Welsh fire and rescue authorities it is a local authority falling within the area of a fire and rescue authority.
- “Controlling group” means a political group in a local authority where any of its members form part of the executive.
- “Co-opted member” has the meaning contained in section 144 (5) of the Measure, that is those with the right to vote on matters within the purview of the committee on which they serve.
- “Co-opted member fee” has the same meaning as set out in paragraph 19 of these regulations.
- “Democratic Services Committee” means the local authority committee established under section 11 of the Measure.
- “Executive” means the executive of an authority in a form as specified in sections 11(2) to (5) of the 2000 Act, as amended by section 34 of the Measure.
- “Executive arrangements” has the meaning given by section 10(1) of the 2000 Act.
- “Family absence” as defined in Section 142 (2)(b) of the Measure has the meaning given to it by Part 2 of the Measure.
- “Fire and rescue authority” means an authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies.
- “First annual report” means the report of the Panel as set out in section 146 of the Measure.
- “largest opposition group” means a political group other than a controlling group which has a greater number of members than any other political group in the authority.
- “Local authority” means a county or county borough council.
- “Member” means in respect of a local authority a person who has been elected to serve as a councillor for that authority; for a National Park authority means a member appointed by a constituent authority and also a person appointed by Welsh Ministers; for fire and rescue authorities means a member appointed by a constituent authority.
- “National Park authority” means a National Park authority established under section 63 of the Environment Act 1995.
- “Official business” has the meaning contained in Section 142 (10) of the Measure in relation to the payment of allowances for care, travel and subsistence as reimbursement of expenses necessarily incurred by members and co-opted members of a relevant authority when:



- a. Attending a meeting the authority or any committee of the authority or any body to which the authority makes appointments or nominations or of any committee of such a body.
  - b. Attending a meeting of any association of authorities of which the authority is a member.
  - c. Attending a meeting the holding of which is authorised by the authority or by a committee of the authority or by a joint committee of the authority and one or more other authorities.
  - d. Attending any training or development event approved by the authority or its executive.
  - e. A duty undertaken for the purpose of or in connection with the discharge of the functions of an executive within the meaning of Part 2 of the 2000 Act, as amended.
  - f. A duty undertaken in pursuance of a standing order which requires a member or members to be present when tender documents are opened.
  - g. A duty undertaken in connection with the discharge of any function of the authority to inspect or authorise the inspection of premises.
  - h. A duty undertaken by members of local authorities in connection with constituency or ward responsibilities which arise from the discharge of local authority functions.
  - i. Any other duty approved by the authority, or any duty of class so approved, undertaken for the purpose of, or in connection with, the discharge of the functions of the authority or any of its committees.
- “Other political group” means a political group other than a controlling group or the largest opposition group (if any) which comprises not less than ten per cent of the members of that authority.
  - “Overview and scrutiny committee” means a committee of the authority which has the powers set out in sections 21(2) and (3) of the 2000 Act, as amended by Part 6 of the Measure.
  - “Panel” means the Independent Remuneration Panel for Wales as set out in section 141(1) and schedule 2 of the Measure.
  - “Proper officer” has the same meaning as in section 270(3) of the 1972 Act.
  - “Relevant authority” is set out in Section 144(2) of the Measure and, for the purposes of these Regulations, includes a local authority, a National Park authority and a Welsh fire and rescue authority.
  - “Relevant matters” are as defined in Section 142(2) of the Measure.
  - “Schedule” means a list setting out the authority’s decisions in respect of payments to be made during the year (as relating to that authority) to all members and co-opted members of that authority.

- “Senior salary” has the same meaning as set out in paragraph 11 of these regulations and may be qualified as “Local Authority Senior Salary” to refer to the senior salary of a member of a local authority; “National Park Senior Salary” to refer to the senior salary of a member of a National Park authority; or “Fire and Rescue authority Senior Salary” to refer to the senior salary of a member of a Fire and Rescue authority.
- “Supplementary report” has the meaning contained in section 146(4 to 8) of the Measure.
- “Travelling and subsistence allowance” has the same meaning as set out in paragraph 25 of these regulations.
- “Year” has the following meanings: qualified as “financial year” – the period of twelve months ending 31 March; “calendar year” – the period of twelve months ending 31 December; “municipal year” – the year commencing on the date of the annual meeting of the local authority and ending the day before the annual meeting of the following year; for National Park and Fire and Rescue authorities it is the period of twelve months following the annual meeting of the authority.

## **Part 2**

### **Schedule of Member/Co-opted Member Responsibility and Remuneration**

#### **Commencement of Term of Office**

3. The term of office of:
  - A member of a local authority begins on the date which that member makes a declaration of acceptance of that office under section 83(1) of the 1972 Act.
  - A councillor member of a National Park authority begins on the date on which that member is appointed as such by a constituent authority and the term of office of a Welsh Government appointed member begins on the date of that appointment. The term of office of the Chair and Deputy Chair of the National Park authority begins on the date of election by that authority to that office.
  - A councillor member of a Welsh fire and rescue authority begins on the date on which that member is appointed as such by a constituent authority and the term of office of the Chair and Deputy Chair of the fire and rescue authority begins on the date of election by that authority to that office.
  - A co-opted member of a relevant authority begins on the date of appointment by the relevant authority.

## **Schedule of Member Responsibility and Remuneration (the Schedule)**

4. An authority must produce annually, a schedule of payments it intends to make to its members and co-opted members. The amount of those payments must accord with the Panel's determinations made for that year in its First Annual Report or subsequent Annual or Supplementary Reports. The Schedule must be produced no later than four weeks following the annual meeting of the authority.

### **Amendment to the Schedule**

5. An authority may amend the Schedule at any time during the year (as relating to the authority) provided that such amendments accord with the Panel's determinations for that year.

### **Basic Salary**

6. An authority must provide for the payment of a basic salary, as determined by the Panel in its First Annual Report and subsequent Annual or Supplementary Reports, to each of its members. The amount of the salary must be the same for each member. For local authorities only, this salary remains payable during a period of family absence.

7. A member may not receive more than one basic salary from a relevant authority, but a member of one relevant authority may receive a further basic salary by being appointed as a member of another relevant authority (except in the case as indicated in paragraph 16).

8. The amount of the basic salary will be set in accordance with section 142(3) of the Measure and will be one of the following:

- The amount the authority must pay to a member of the authority.
- The maximum amount that the authority may pay to a member of the authority.

9. Where the term of office of a member begins or ends other than at the beginning or end of the year (as relating to the authority), the entitlement of that member is to such proportion of the basic salary as the number of days during which the member's term of office subsists during that year bears to the number of days in that year.

10. Where a member is suspended or partially suspended from being a member of an authority (Part 3 of the 2000 Act refers) the part of the basic salary payable to that member in respect of the responsibilities or duties from which that member is suspended or partially suspended must be withheld by the authority (Section 155(1) of the Measure).

### **Senior Salary**

11. Subject to paragraphs 12 to 18 an authority can make payments of a senior salary to members that it has given specific responsibilities. Such payments must

accord with the Panel's determination for the year (as relating to the authority) that the payments are made and must be set out in the Schedule of that authority. For local authorities only, a senior salary will remain payable during the family absence of the office holder.

12. The Panel will prescribe in its First Annual Report and subsequent Annual or Supplementary Reports the following:

- The categories of members eligible for the payment of a senior salary which may not be the same for all authorities or categories of authorities.
- The discretion available to authorities in relation to the payment of senior salaries which may not be the same for all authorities or categories of authorities.

13. The amount of the senior salaries payable will be in accordance with section 142(3) of the Measure and specify.

- The amount that a relevant authority must pay to a member of the authority.
- The maximum amount that a relevant authority may pay to a member of the authority.

14. The senior salary will comprise an amalgam of the basic salary and an additional amount for the relevant specific responsibility determined by the Panel in its First Annual Report and subsequent Annual or Supplementary Reports. This may not be the same for all authorities or categories of authorities.

15. The Panel in its First Annual Report and subsequent Annual or Supplementary Reports will determine the maximum number of senior salaries that an authority can pay. This will be expressed as a specific number or as a percentage of the total number of members of the authority. The number or the percentage may vary between authorities or categories of authorities but will not exceed fifty percent without the express approval of Welsh Ministers. (Section 142(5) of the Measure). For local authorities only the maximum number may be exceeded to include payment of a senior salary to an additional member who is appointed to provide temporary cover for the family absence of a senior salary office holder.

16. An authority must not pay more than one senior salary to a member. A local authority member in receipt of a senior salary as leader or executive member of a local authority (determined as full-time by the Panel) may not receive a second salary as a member appointed to serve on a National Park authority or a Welsh fire and rescue authority.

17. Where a member does not have, throughout the year specific responsibilities that allow entitlement to a senior salary, that member's payment is to be such proportion of the salary as the number of days during which that member has such special responsibility bears to the number of days in that year.

18. Where a member is suspended or partially suspended from being a member of the authority (Part 3 of the 2000 Act refers) the authority must not make payments of the member's senior salary for the duration of the suspension (Section 155(1) of the Measure) If the partial suspension relates only to the specific responsibility element of the payment, the member may retain the basic salary.

### **Co-opted Member payment**

19. An authority must provide for the payment of a fee to a co-opted member as determined by the Panel in its First Annual Report or subsequent Annual or Supplementary Reports. In relation to this regulation co-opted member means a member as determined in Section 144(5) of the Measure and set out in paragraph 2 of these regulations.

20. Where a co-opted member is suspended or partially suspended from an authority (Part 3 of the 2000 Act refers) the authority must not make payment of a co-opted member fee for the duration of the suspension (Section 155(1) of the Measure).

### **Allowances**

#### **Care Allowances**

21. Authorities must provide for the payment to members and co-opted members of an authority an allowance ("care allowance") in respect of such expenses of arranging the care of children or dependents as are necessarily incurred in carrying out official business as a member or co-opted member of that authority. Payments under this paragraph must not be made:

- In respect of any child over the age of fifteen years or dependent unless the member/co-opted member satisfies the authority that the child or dependent required supervision which has caused the member to incur expenses that were necessary in respect of the care of that child or dependent in the carrying out of the duties of a member or co-opted member.
- To more than one member/co-opted member of the authority in relation to the care of the same child or dependent.
- Of more than one care allowance to a member or co-opted member of the authority who is unable to demonstrate to the satisfaction of the authority that the member/co-opted member has to make separate arrangements for the care of different children or dependents.

22. The maximum amount of the care allowance payable by an authority is to be determined by the Panel in its First Annual Report or subsequent Annual or Supplementary Reports.

23. Where a member/co-opted member is suspended or partially suspended from being a member or co-opted member of the authority (Part 3 of the 2000 Act refers) the part of the care allowance payable to that member/co-opted member in receipt of

the responsibilities or duties from which that member/co-opted member is suspended or partially suspended must be withheld by the authority (Section 155(1) of the Measure).

24. An authority's Schedule must stipulate the maximum amount of the care allowance payable each month and its arrangements for making claims, taking full account of the Panel's determinations in this respect.

### **Travel and Subsistence Allowances**

25. Subject to paragraphs 26 and 27 below a member or co-opted member is entitled to receive payments from the authority by way of travelling and subsistence allowances at rates determined by the Panel in its First Annual Report or subsequent Annual or Supplementary Reports. Such allowances are in respect of expenditure incurred by a member or co-opted in the performance of the official business of the authority.

#### **(paragraphs 26 & 27 apply only to local authorities)**

26. Payment of a subsistence allowance to a local authority member for the performance of official business within the boundaries of a county or county borough where s/he is a member must not be made. This does not apply in respect of co-opted members of a local authority who live outside that authority.

27. A local authority may make provision, subject to any limitations it thinks fit, for members to claim mileage expenses for official business in connection with constituency or ward responsibilities where they arise out of the discharge of the of the functions of the county or county borough.

28. Where a member or co-opted member is suspended or partially suspended from being a member or co-opted member of the authority (Part 3 of the 2000 Act refers), travelling and subsistence allowances payable to that member/co-opted member in respect of the responsibilities or duties from which that member is suspended or partially suspended must be withheld by the authority. (Section 155(1) of the Measure).

## **Part 3**

### **Further Provisions**

#### **Pensions**

29. Under Section 143 of the Measure, the Panel may make determinations in respect of pension arrangements for local authority members in its First Annual Report and subsequent Annual or Supplementary Reports. Such determinations may:

- Decide the description of members for whom a local authority will be required to pay a pension.

- Decide the relevant matters in respect of which a local authority will be required to pay a pension.
- Make different decisions for different local authorities.

### **Allowances to support the function of a local authority member**

30. A local authority must provide for the requirements of a member to undertake his or her role and responsibilities more effectively. Such support may be provided in kind or by way of a specific allowance as determined by the Panel in its First Annual Report or subsequent Annual or Supplementary Reports.

### **Payment of expenses for official and courtesy visits**

31. The arrangements contained in Section 176 of the Local Government Act 1972 will continue to apply but no payment may be made to a person under that arrangement when a payment has been made to that person pursuant to any payment made under these regulations.

### **Arrangements in relation to Family Absence**

32. Part 2 of the Measure sets out the rights of local authority members in relation to family absence. The Panel will set out its determinations and the administrative arrangements in relation to the payment of salaries and allowances by local authorities in this respect in its First Annual Report and any amendments in its subsequent Annual or Supplementary Reports.

## **Part 4**

### **Repayment of salaries, allowances or fees**

33. An authority must require that such part of a salary, allowance or fee be repaid where payment has already been made in respect of any period during which the member or co-opted member concerned:

- Is suspended or partially suspended from that member's/co-opted member's duties or responsibilities in accordance with Part 3 of the 2000 Act or regulations made under that Act.
- Ceases to be a member or co-opted member of the authority.
- Or in any way is not entitled to receive a salary, allowance or fee in respect of that period.

### **Forgoing salaries, allowances or fees**

34. Under Section 154 of the Measure, any member or co-opted member may by notice in writing to the proper officer of the authority elect to forgo any part of their entitlement to a salary, allowance or fee under the determination of the Panel for that particular year (as relating to the authority).

## **Part 5**

### **Miscellaneous**

#### **Arrangements for payments**

35. The Schedule of an authority must set out the arrangements for the payment of salaries, allowances and fees to all members and co-opted members of that authority. Such payments may be made at such times and at such intervals as determined by the authority.

#### **Claims**

36. An authority must specify a time limit from the date on which an entitlement to travelling or subsistence allowance arises during which a claim for those allowances must be made by the person to whom they are payable. However, this does not prevent an authority from making a payment where the allowance is not claimed within the period specified.

37. Any claim for payment of travelling or subsistence allowance in accordance with these regulations (excluding claims for travel by private motor vehicle) shall be accompanied by appropriate receipts proving actual expenses.

#### **Avoidance of duplication**

38. A claim for a payment of travelling allowance or subsistence allowance must include, or be accompanied by, a statement signed by the member or co-opted member that the member/co-opted member has not made and will not make any other claim in respect of the matter to which the claim relates.

#### **Records of Salaries, Allowances and Fees**

39. An authority must keep a record of the payments made in accordance with these regulations. Such record must:

- Specify the name of the recipient and the amount and nature of each payment.
- Be available, at all reasonable times, for inspection (without charge) by any local government elector (within the meaning of section 270(1) of the 1972 Act) for the area of the authority.
- Allow a person who is entitled to inspect the record to make a copy of any part of it upon payment of such reasonable fee as the authority may require.



## **Publicity Requirement (paragraph 42 applies only to local authorities)**

(Guidance on the required contents of Publicity Requirements is given at Annex 3)

40. An authority must, as soon as practicable after determining its Schedule of payments for the year (as relating to the authority) under these regulations and any Report of the Panel, and not later than 31 July of the year to which the Schedule refers, make arrangements for the schedule's publication within the authority's area.

41. As soon as practicable and no later than 30 September following the end of a year (as relating to the authority), an authority must make arrangements for the publication within the authority's area, the total sum paid by it to each member/co-opted member in respect of basic salary, senior salary, co-opted member fee, care, travel and subsistence allowances.

42. In the same timescale and in the same manner, a local authority must make arrangements for the publication of any further remuneration received by a member nominated to, or appointed by any public service body (including any other relevant authority) as an ordinary member or an office holder

## **Publicising the Reports of the Panel**

43. Under Section 146(7) (a) and (b) of the Measure, the Panel will send a consultation draft of its annual report or supplementary report to all relevant authorities for circulation to authority members and co-opted members, so that representations can be made by members/co-opted members to the Panel, normally in a period of eight weeks.

44. The Panel will determine in its First Annual Report and subsequent Annual or Supplementary Reports the arrangements publicising its Reports in accordance with Section 151 and 152 of the Measure.

## **Monitoring compliance with the Panel's determinations**

45. Section 153 of the Measure determines that relevant authorities must comply with the requirements imposed by the Panel in its Annual Reports. It also empowers the Panel to monitor the payments made by relevant authorities and for it to require the provision of information that it specifies. The requirements under this section will be set out in each Annual Report of the Panel.

## Annex 2

### Guidance: Schedule of Member Responsibility and Remuneration

1. Local authorities, NPAs and Welsh fire and rescue authorities ('relevant authorities' within the Panel's remit) must maintain an annual Schedule of Member Responsibility and Remuneration (the 'Schedule') which is in accord with the Panel's determinations on member salary and co-opted member payments and which must contain the following information:
  - a. Named members who are to receive only the Basic Salary.
  - b. Named members who are to receive Band 1 and Band 2 Senior Salary, the office and portfolio held and the amount to be paid.
  - c. Named members who are to receive Band 3 and Band 4 Senior Salary, the office and portfolio held and the amount to be paid.
  - d. Named members who are to receive the Co-opted Member fee and whether chair or ordinary member.
2. Amendments made to the Schedule during the year (as relating to the authority) must be communicated to the Panel as soon as it is practicable.
3. Local authorities must confirm in their annual Schedule that the maximum limit of senior salaries set for the council has not been exceeded, except to include a temporary senior salary office holder providing temporary cover for the family absence of the appointed office holder.
4. Local authorities, NPAs and Welsh fire and rescue authorities must include a statement of allowable expenses and the duties for which they may be claimed for Care, Travel and Subsistence in their annual Schedule which is in accord with the Panel's determinations.
5. The Schedule must set out the arrangements for the payment of salaries, allowances and fees to all members and co-opted members of the relevant authority (IRPW Regulation 35); arrangements for making claims for care, travel and subsistence expenses (IRPW Regulations 24 and 36-37); arrangements for the avoidance of duplication (IRPW Regulation 38) and arrangements for re-payment of salaries, allowances and fees (IRPW Regulation 33). This schedule must also include the duties for which members and co-opted members are able to claim travel, subsistence and care allowances.
6. Local authorities, NPAs and Welsh fire and rescue authorities must declare in the Schedule that records of salaries, allowances and fees will be kept in accord with IRPW Regulation 39.
7. Local authorities must declare in the Schedule what support (for example, telephones, laptops, postage, stationary) has been provided without charge to the individual councillor to enable councillors to perform their basic and senior responsibility (Regulation 30).

8. Local authorities must declare in the Schedule whether they have negotiated with HMRC block tax dispensations in respect of allowable expenses for councillors, and whether they have secured tax and benefit advice for councillors in respect of their earnings and expenses.

9. Local authorities must declare in the Schedule whether:

- A statement of the basic responsibility of a councillor is in place.
- Role descriptors of senior salary office holders is in place.
- Records are kept of councillor attendance.
- Records are kept of any councillor activity.
- Annual reports are prepared by councillors, and published on the council website.

10. Local authorities, NPAs and Welsh fire and rescue authorities must make arrangements for the publication of the Schedule of Member Responsibility and Remuneration as soon as practicable after its determination and no later than 31 July of the year (as relating to the authority) in which it applies.

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## Annex 3

### Guidance: Publicity Requirements

1. Local authorities, NPAs and Welsh fire and rescue authorities ('relevant authorities' under the Panel remit) must make arrangements for the publication within the authority area of the remuneration received by its members and co-opted members. This information must be published as soon as practicable after the end of a year (as relating to the authority), and no later than 30 September next following the end of the year (as relating to the authority) to which the payments relate. The following information must be provided:

- a. The amount of Basic Salary, Senior Salary, and Co-opted Member fee paid to each named member/co-opted member of the relevant authority, including where the member had chosen to forego all or part of the salary, or fee for the year (as relating to the authority) in question. Where a senior salary has been paid, the title of the senior office held is to be provided.
- b. The amount of any further remuneration received by any named member nominated to, or appointed by, any public service body (including any other relevant authority) as an ordinary member or as an office holder.
- c. All care, travel and subsistence expenses received by each named member and co-opted member of the relevant authority, with each category identified separately.
- d. Named members who chose to forego all or part of their salary showing that part which is to be paid.
- e. Named members who received a Senior Salary on a temporary basis to cover for the family absence of Senior Salary office holder for all or part of the annual period to which the Schedule applies (local authorities only).
- f. Named members who received remuneration as ordinary members or office holders of other public service bodies, including other relevant authorities, showing any office held and the amount of remuneration received.
- g. Named members who did not receive Basic or Senior Salary because they were suspended for all or part of the annual period to which the Schedule applies.

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[www.remunerationpanelwales.org.uk](http://www.remunerationpanelwales.org.uk).

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