

**REPORT OF ADMINISTRATION & DEMOCRATIC SERVICES MANAGER**

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

Purpose of Report

To inform Members of the consultation draft Annual Report of the Independent Remuneration Panel for Wales on the proposed level of Members' salaries for 2014/15.

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 was extended to include National Park Authorities, Fire and Rescue Authorities and 'civic heads' in local authorities. Not only that, the Measure extended the Panel's powers to enable it to prescribe payments rather than determine the maxima as it had done in the past.

The Panel's first draft Annual Report was published for consultation in 2011, when Members felt that it was inappropriate to comment on matters relating to their own remuneration. Members may still be of the same opinion.

**RECOMMENDATION:**

**Members to indicate whether they wish to discuss the matter of remuneration or not. Should Members wish to discuss this issue in detail, please refer to the details below.**

Draft Annual Report 2014/15

An extract from the Panel's report relating to National Park Authorities is appended to this report but, in summary, the main changes to Members' salaries for the financial year 2014/15 are:

- A. that the Basic Salary be increased from £3,550 to £3,600 per annum;

- B. that the Senior Salary payable to the Chairman of the Authority be increased from £8,875 to £12,300 per annum;
- C. that the Senior Salary payable to the Deputy Chairman and Chairmen of other Committees be paid at either of the following levels to “reflect the appropriate responsibility” (the current salary is £5,920 per annum):
- Level 1 - £7,300 or  
Level 2 - £6,000;
- D. Travel and subsistence rates remain unchanged, although the Panel has decided to remove the particular rate for overnight stays in Cardiff to “... bring payable rates in line with Welsh Government rates. Recommended practice is that overnight accommodation should usually be reserved and paid for on behalf of Members by the relevant authority, in which case an authority may set its own reasonable limits.”

#### Financial considerations

Should the Panel's recommendations be implemented, there will be an increase to the Authority's Members' salaries budget of £7,035 (if the Level 1 payment is implemented), or £4,435 per annum for Level 2.

#### **RECOMMENDATION:**

**Members' opinion is sought as to:**

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

#### Background Documents

*Extract from the Independent Remuneration Panel for Wales' Annual Report: consultation draft*  
*Report to, and minutes of, National Park Authority: 10<sup>th</sup> August 2011*

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### 6. Payments to members of National Park authorities

6.1 The visits made by the Panel to each NPA in 2011 produced valuable information that assisted in setting our previous determinations. The Panel repeated these visits in 2013 and once again met with chairs, members and officers gathering information and views about the application of the Panel's framework in NPAs.

6.2 Key points from the 2013 consultation that underpin the Panel's determinations for NPA member remuneration in 2014/15 are that:

- The functions of the National Parks have not materially changed since the Panel's visits in 2011 except they are subject to significant financial pressures. Development control continues to be a key function.
- NPA Members are drawn from two sources. Welsh Government appointees make up one third of the total of members, and two thirds are local authority members nominated by constituent authorities.
- In addition standards committees of NPAs have co-opted members whose remuneration is included in the framework.
- Welsh Government appointees and council nominated members are treated equally in relation to remuneration. A team-working ethos is promoted in NPAs to support a productive working relationship between members who have joined the authority through different routes.
- NPAs manage their work via formal Authority meetings, committees and task and finish groups. Each has a Development /Management/ Planning Committee and other committees include Performance and Resources and Audit and Scrutiny. Ordinary NPA members are members of at least one committee as well as being involved in site visits and inspection panels.
- NPAs encourage member 'champions' for different aspects of the work of the Authority.
- There is an expectation that members will participate in training and development. Some NPAs reported issues of attendance from some members from principal authorities. Members are encouraged to take on their responsibilities with the support and encouragement of a member development process including mentoring in some instances.
- Generally it was *not* thought that the level of remuneration was a factor in low attendance, but the option of a hybrid form of remuneration was raised, for example, an annual retainer and an attendance allowance for each meeting.
- The chair of the NPA has a leadership and influencing role in the Authority, a representational role similar in some respects to that of a civic head and a high level of accountability especially when controversial issues arise that can lead to high exposure in local media. The chair is not only the leader of the Authority but is also the public face of the particular Park and the link with the Minister and with AMs with whom

they have regular meetings. The role requires a high level of commitment and time.

### **Basic and Senior Salaries**

6.3 The Panel has previously determined (in its 2011 Annual Report) that the role of ordinary members of an NPA warranted alignment to the basic salary of a member of a principal authority and be paid for a time commitment of 42 days per year. The Panel has made no change to this level of remuneration beyond the application of the same percentage rise as applies to the basic salary for members of principal authorities.

6.4 However, the Panel has reached the view that the current remuneration of NPA Chairs was too low in relation to the level of responsibility they carry. The Panel based its previous determination in 2011 on a multiple of the NPA basic salary that reflected the historical payments for this role prior to the Panel being given responsibility. The Panel has carefully reconsidered its previous determination and has concluded that the payment of an NPA chair should be set on the same basis as that of chairs of FRAs whereby the role of the chair has been aligned to that part of a Band 3 senior salary that remunerates a committee chair of a principal authority. Although this is a significant increase for the three NPA chairs involved it reflects what the Panel considers to be the appropriate payment for a role which has been previously under remunerated.

6.5 The Panel's determination in 2011 was that the size of the role of a deputy chair and a committee chair equated to two thirds of the chair's role. In its 2013 consultation the Panel was told that the workload and level of responsibility of the chair of development control/planning was greater than that of some of the other committee chairs. Planning applications are often contentious. There can be high exposure in the media for the chair of the committee and a risk of reputational damage to the NPA. The workload of an NPA chair of development control was considered by some to be at least equal to the chair of planning in a principal authority.

6.6 The Panel has therefore concluded that to provide local flexibility an NPA can decide at which of two levels the roles of deputy chair and other committee chairs can be remunerated. An NPA may choose to pay its deputy chair and/or committee chairs a salary of either a. £7,300, or b. £6,000 commensurate with the duties to be discharged in a particular role. The Panel has therefore determined that:

**Determination (13) The basic salary for NPA ordinary members should be £3,600 (42 /156 x £13,300)**

**Determination (14) The senior salary of the chair of an NPA should be £12,300 (£3,600 + £8,700)**

**Determination (15) The senior salary of a deputy chair and chairs of NPA committees can be paid at either of the following levels to be decided by the authority to reflect the appropriate responsibility:**

**Level 1: £7,300 (£3,600 + £3,700)**

**Level 2: £6,000 (£3,600 + £2,400)**

**Determination (16) Members must not receive more than one NPA senior salary**

**Determination (17) An NPA senior salary is paid inclusive of the NPA basic salary**

**Determination (18) Members of principal local authorities in receipt of a Band 1 or Band 2 senior salary cannot receive a salary from any NPA to which they have been appointed**

**Reimbursement of travel, subsistence and care costs when on official authority business**

**Reimbursement of travel costs**

6.7 The Panel has decided there will be no change to mileage rates that can be claimed for travel. All authorities may only reimburse travel costs for their members undertaking official business at current HMRC rates which are:

45p per mile	Up to 10,000 miles in a year by car
25p per mile	Over 10,000 miles by car
5p per passenger per mile	Passenger supplement
24p per mile	Private motor cycles
20p per mile	bicycles

**Reimbursement of other travel and subsistence costs**

6.8 All other claims for travel must only be reimbursed on production of receipts showing actual expense, and are subject to any requirement or further limitation that an authority may determine. Members should always be mindful of choosing the most cost effective method of travel.

£28 per day	Day allowance for meals, including breakfast, where not provided in the overnight charge
£150 per night	London overnight
£95 per night	Elsewhere overnight

6.9 The Panel has removed the particular rate for overnight stays in Cardiff. This brings payable rates in line with Welsh Government rates. Recommended practice is that overnight accommodation should usually be reserved and paid for on behalf of members by the relevant authority, in which case an authority may set its own reasonable limits.

6.10 All authorities must continue to reimburse subsistence expenses for their members up to the maximum rates set out above on the basis of receipted claims except for occasions when members stay with friends and/or family.

6.11 It is for the members of each authority to determine its policy for when the reimbursement of mileage/travel costs are appropriate. If an authority has determined that costs are reasonable and in the discharge of official business then such costs may be reimbursed for journeys made within and/or outside the authority's boundaries. The limits which apply when an individual member claims in arrears for overnight accommodation costs do not apply when the respective authority reserves and pays directly for accommodation.

6.12 There may be instances where an authority has determined that travel costs within its boundaries are payable and require a journey to be repeated on consecutive days. Where in such a case it is reasonable and cost effective to reimburse overnight accommodation costs instead of repeated daily mileage costs then it is permissible to do so.

6.13 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 accompanied by receipts.

#### **Reimbursement of costs of care**

6.14 All authorities must provide for the reimbursement of necessary costs for the care of dependent children and adults (provided by informal or formal carers) up to a maximum of £403 per month. Reimbursements shall only be made on production of receipts from the carer.

6.15 The reimbursement of costs of care allowance is intended to enable any person whose ability to participate as a member of an authority would be limited by their responsibilities as a carer. Following its 2013 consultation the Panel urges authorities to encourage greater take-up of this support to facilitate increased diversity amongst authority members.

6.16 Such provision would be especially relevant to those individuals in sectors of the population which may currently be under-represented on authorities but who may become engaged when awareness of the support available for the costs of care becomes more widely known.