

REPORT OF ADMINISTRATION & DEMOCRATIC SERVICES MANAGER

SUBJECT: MEMBERS' SALARIES 2014/15

Purpose of Report

1. To inform Members of the Independent Remuneration Panel for Wales' decisions in relation to the salaries payable to National Park Authority Members for the financial year 2014/15, and
2. To canvass Members' opinion on the payment of such Senior Salaries.

Introduction/Background

The Independent Remuneration Panel for Wales (the Panel) 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 10th May 2011, the Panel's remit and powers were 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 published a draft Annual Report last autumn, which was considered by the Authority at its meeting held on the 23rd October 2013, and when it was resolved not to comment on the Panel's recommendations. The final Annual Report was published in February 2014.

Panel determinations

The relevant extracts from the Panel's report relating to National Park Authorities is attached to this report at Appendix 1 but, in summary, the main changes to Members' salaries for the financial year 2014/15 are:

- A. that the Basic Salary for an "ordinary Member"¹ be increased from £3,550 to £3,600 per annum;

¹ As referred to in the Independent Remuneration Panel for Wales Annual Report 2014/15

- B. that the Senior Salary payable to the Chair of the Authority be increased from £8,875 to £12,300 per annum;
- C. that the Senior Salary payable to the Deputy Chair of the Authority and Chair(s) of other Committees be paid at either of the following levels to “reflect the appropriate responsibility”² (the current salary for both positions is £5,920 per annum):
- Level 1 - £7,300 or
Level 2 - £6,000, and
- 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.”

The Panel has decided not to change the fees for Independent Standards Committee Members, or the level of care costs available, although the Authority is now required to determine the maximum number of days for which Independent Standards Committee Members may be paid in any one year (currently 4 days per annum). The Annual Report also reiterates the following facts:

- (i) that a Senior Salary is paid **inclusive** of the Basic Salary;
- (ii) that a Senior Salary can be paid to the Chair and Deputy Chair of the Authority, and **up to** two other Committee Chairs;
- (iii) that Members must not receive more than one Senior Salary, and
- (iv) that a local authority Member who is in receipt of a Band 1 or Band 2 Senior Salary (i.e. as a County Council Leader, Deputy Leader or other executive office holder) **cannot** be remunerated for his/her role as an ordinary or senior Member of a National Park Authority.

The new salary framework will come into effect on the date of the Annual General Meeting (11th June 2014).

Options for remuneration

The Authority is entitled to pay a Senior Salary for **up to** four posts (Chair and Deputy Chair of the Authority, together with two Committee Chairs). Three are currently remunerated; the posts of Chair and Deputy Chair of the Authority, together with the Chair of the Development Management Committee. The Senior Salary at present being paid to the Deputy Chair and Chair of Committee is the same, although the Panel has now concluded that the Authority “...can decide at which of two levels...” these posts can be remunerated, “...commensurate with the duties to be discharged in a particular role”.

² As referred to in the Independent Remuneration Panel for Wales Annual Report 2014/15

Members are, therefore, requested to determine:

- (a) which posts will be eligible to receive a Senior Salary for 2014/15, and
- (b) what level of remuneration should be payable to the posts of Deputy Chair of the Authority and Committee Chair(s), i.e. whether the Senior Salary will be at Level 1 or Level 2.

It should be noted that the same level of remuneration does not have to apply to all the posts referred to in (b) above.

Financial considerations

The minimum increase to the Members' salaries budget is £4,335 while the maximum possible increase is £10,585. The permutations in between, dependent upon which level of Senior Salary is decided for the posts of Deputy Chair of the Authority and the Chair of Development Management Committee (and, indeed, on the number of Senior Salaries remunerated) are many, therefore they have been appended to this report as an aid for Members (see Appendix 2).

Compliance

The Independent Remuneration Panel for Wales has prescribed the levels of Basic and Senior Salaries referred to in the report. However, this does not preclude Members from opting out of receiving a Salary increase at any time during their term of office.

Recommendations

1. **To note the Independent Remuneration Panel for Wales Annual Report for 2014/15 and the resultant increases in the Members' Basic and Senior Salaries;**
2. **To determine which post(s) should be remunerated with a Senior Salary;**
3. **To determine which level of Senior Salary should be payable to appropriate posts, and**
4. **To determine the maximum number of days for which Independent Standards Committee Members may be paid in any one year (currently 4 days per annum).**

Author: Janet Evans, Administration & Democratic Services Manager

Background Documents

Independent Remuneration Panel for Wales Annual Report: February 2014
Report to NPA: 23rd October 2013

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

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 an 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 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 extent 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 £7,300 or £6,000, commensurate with the duties to be discharged in a particular role.

The Panel has therefore determined that:

Determination (21) The basic salary for NPA ordinary members should be £3,600 ($42/156 \times \text{£}13,300$)

Determination (22) The senior salary of the chair of an NPA should be £12,300 ($\text{£}3,600 + \text{£}8,700$)

Determination (23) 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 (24) Members must not receive more than one NPA senior salary.

Determination (25) An NPA senior salary is paid inclusive of the NPA basic salary.

Determination (26) 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 Mileage Costs

6.7 The Panel has decided there will be no change to mileage rates which members are entitled to claim. All authorities may only reimburse travel costs for their members undertaking official business within and/or outside the authority's boundaries 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

Authorities should pay mileage at the prescribed rates to a member who has been a passenger in a vehicle driven by someone else provided the authority is satisfied that a cost has been incurred by the member.

Reimbursement of other Travel 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.

Reimbursement of Subsistence Costs

£28 per day	Day allowance for meals, including breakfast, where not provided in the overnight charge
£150 per night	London
£95 per night	Elsewhere
£25 per night	Staying with friends and/or family

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 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.

Table 2 Notes

(i) The Panel has determined that a council must make a senior salary available to the leader of the largest opposition group (subject to the 10% requirement).

Table 3: Civic salaries (where paid) shall be payable as follows to members of principal councils

Remuneration of civic leaders and deputy civic leaders <i>(inclusive of basic salaries)</i>		
	Civic leaders	Deputy civic leaders
a	24,000	18,000
b	21,500	16,000
c	19,000	14,000

Table 4: Fees for co-opted members (with voting rights) of local authorities (including national park authorities and fire and rescue authorities)

Chairs of standards committees and audit committees	£256 (4 hours and over) £128 (up to 4 hours)
Ordinary members of standards committees who also chair standards committees for community and town councils	£226 daily fee (4 hours and over) £113 (up to 4 hours)
Ordinary members of standards committees; education scrutiny committee; crime and disorder scrutiny committee and audit committee	£198 (4 hours and over) £99 (up to 4 hours)

Table 5: Basic and senior salaries shall be payable as follows to members of national park authorities (NPAs)

Basic salary	£3,600
Senior salaries (inclusive of basic salary)	
Chair ⁴ (Band 3)	£12,300
Deputy chair/committee chair (see note i)	
Level 1	£7,300
Level 2	£6,000

⁴ Brecon Beacons, Pembrokeshire Coast, Snowdonia.

Table 6: Basic and senior salaries shall be payable as follows to members of Welsh fire and rescue authorities (FRAs)

Basic salary	£1,700
Senior salaries (inclusive of basic salary)	
Chair ⁵ (Band 3)	£10,400
Deputy chair	£5,400
Committee chair (see note i)	£5,400

Tables 5 & 6 notes

- (i) An NPA/FRA senior salary can be paid to the chair, deputy chair, and up to two other members.
- (ii) National park authorities and Welsh fire and rescue authorities, as in the case of principal councils, can decide on the maximum number of days for which co-opted members may be paid in any one year.

⁵ Mid & West Wales, North Wales, South Wales.

APPENDIX 2

Remuneration permutations

If Members determine to maintain the status quo and remunerate only three posts, i.e. the Chair and Deputy Chair of the Authority and the Chair of the Development Management Committee, the increase in costs (dependent upon what level(s) of Senior Salary paid) would be one of the following:

Option	Increase in cost (£)
Senior Salaries: Chair of NPA Deputy Chair of NPA (Level 1) Chair of Development Management Committee (Level 1)	3,425 1,380 1,380
Basic Salaries x 15 Total increase in cost:	<u>750</u> 6,935
Senior Salaries: Chair of NPA Deputy Chair of NPA (Level 1) Chair of Development Management Committee (Level 2)	3,425 1,380 80
Basic Salaries x 15 Total increase in cost:	<u>750</u> 5,635
Senior Salaries: Chair of NPA Deputy Chair of NPA (Level 2) Chair of Development Management Committee (Level 1)	3,425 80 1,380
Basic Salaries x 15 Total increase in cost:	<u>750</u> 5,635
Senior Salaries: Chair of NPA Deputy Chair of NPA (Level 2) Chair of Development Management Committee (Level 2)	3,425 80 80
Basic Salaries x 15 Total increase in cost:	<u>750</u> 4,335

However, were Members minded to remunerate the maximum number of posts prescribed by the Panel, i.e. remunerate a second Committee Chair in addition to the posts referred to above, the increase in costs would be one of the following:

Option	Increase in cost (£)
Senior Salaries: Chair of NPA Deputy Chair of NPA (Level 1) Chair of Development Management Committee (Level 1) Additional Chair of Committee (Level 1)	3,425 1,380 1,380 3,700
Basic Salaries x 14 Total increase in cost	<u>700</u> 10,585
Senior Salaries: Chair of NPA Deputy Chair of NPA (Level 1) Chair of Development Management Committee (Level 1) Additional Chair of Committee (Level 2)	3,425 1,380 1,380 2,400
Basic Salaries x 14 Total increase in cost	<u>700</u> 9,285
Senior Salaries: Chair of NPA Deputy Chair of NPA (Level 1) Chair of Development Management Committee (Level 2) Additional Chair of Committee (Level 2)	3,425 1,380 80 2,400
Basic Salaries x 14 Total increase in cost	<u>700</u> 7,985
Senior Salaries: Chair of NPA Deputy Chair of NPA (Level 2) Chair of Development Management Committee (Level 1) Additional Chair of Committee (Level 1)	3,425 80 1,380 3,700
Basic Salaries x 14 Total increase in cost	<u>700</u> 9,285
Senior Salaries: Chair of NPA Deputy Chair of NPA (Level 2) Chair of Development Management Committee (Level 1) Additional Chair of Committee (Level 2)	3,425 80 1,380 2,400
Basic Salaries x 14 Total increase in cost	<u>700</u> 7,985
Senior Salaries: Chair of NPA Deputy Chair of NPA (Level 2) Chair of Development Management Committee (Level 2) Additional Chair of Committee (Level 1)	3,425 80 80 3,700

Basic Salaries x 14	<u>700</u>
Total increase in cost	7,985
Senior Salaries:	
Chair of NPA	3,425
Deputy Chair of NPA (Level 2)	80
Chair of Development Management Committee (Level 2)	80
Additional Chair of Committee (Level 2)	2,400
Basic Salaries x 14	<u>700</u>
Total increase in cost	6,685