



DEMOCRATIC SERVICES COMMITTEE – 22ND NOVEMBER 2023

SUBJECT: DRAFT REPORT OF THE INDEPENDENT REMUNERATION
PANEL FOR WALES FOR 2024/2025

REPORT BY: HEAD OF DEMOCRATIC SERVICES AND DEPUTY
MONITORING OFFICER

1. PURPOSE OF REPORT

- 1.1 To seek the views of the Committee on the Independent Remuneration Panel for Wales (the Panel's) draft report for 2024/25 which will be communicated to the Panel prior to the response deadline of 8th December 2023. The Panel has also provided some additional questions for consideration.

2. SUMMARY

- 2.1 This report seeks members views on the draft Annual Report for 2024/25 attached at Appendix 1. The Panel have also provided an additional document raising some additional questions for consideration which is set out in Appendix 2.
- 2.2 Members will note that a summary of the new and updated determinations is set out in the draft report which are as follows:-

Determination 1

The basic level of salary for elected members of principal councils will be set at £18,666.

Determination 2

The salary of a leader of the largest (Group A) council will be £69,998. All other payments have been decided in reference to this. All payments are set out in Table 1.

Determination 3

The salary of a chair of a Joint Overview and Scrutiny Committee will be £9,333. The salary of vice-chair will be £4,667.

Determination 4

The basic pay of members of National Park Authorities and Fire and Rescue authorities has been increased. All payments are set out in Table 2. All current Determinations, including restrictions on receiving double allowances, will be published on our website. Other than the above increases, there are no changes proposed this year.

Determination 5

For co-opted member payments, the Panel proposes there should be local flexibility for the relevant officer to decide when it will be appropriate to apply a day or a half day rate or to use an hourly rate where it is sensible to aggregate a number of short meetings. The full and half day rates remain unchanged from 2023 to 2024. The only change is the stipulation of hourly rates, as set out in Table 3.

Determination 6

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

Determination 7

Compensation for financial loss is an optional payment. The amount for financial loss was not increased last year. Previously, the Panel determined that an appropriate level of payment should be set at the daily rate of ASHE. To maintain this link, the figures for 2024 are now proposed as £119.62 for a full day and £59.81 for a half day. Determination 8 The Panel proposes that from September 2024, the returns need only show the total amounts paid in respect of the mandatory payments mentioned above. That is the £156 contribution to the costs of working from home and the £52 set rate consumables allowance and the travel and subsistence expenses paid. This brings these in line with the reporting of the costs of care and personal assistance allowances.

Determination 8

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

All other Determinations set out in the **Annual Report 2023-2024** remain valid and should be applied.

- 2.3 Members will be fully apprised of the Panel's final determinations for 2023/24 following the publication of the Report in February next year.

3. RECOMMENDATIONS

- 3.1 The Democratic Services Committee is asked
- (a) to comment on the Panel's draft Annual Report for 2024/25 attached at Appendix 1 together with the additional questions set out in Appendix 2 which will be submitted to the Independent Remuneration Panel for Wales by the Head of Democratic Services by 9th December 2023.
 - (b) to note the consultation feedback from Co-opted members and officers which will also be fed back to the Independent Remuneration Panel for Wales.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that members are aware of the content of the draft Annual Report 2024/25 and are provided with an opportunity to comment on the proposals which will be considered by the Independent Remuneration Panel for Wales prior to the publication of their final report in February 2024.

5. THE REPORT

- 5.1 The Panel is responsible for setting the levels and arrangements for the remuneration of elected and co-opted members of the following organisations:
- Principal Councils: County and County Borough Councils
 - Community and Town Councils
 - National Park Authorities
 - Fire and Rescue Authorities
 - Joint Overview Scrutiny Committees
 - Corporate Joint Committees
- 5.2 The Panel is an independent organisation and the organisations listed above are required, by law, to implement the decisions it makes. The Panel makes determinations on:
- the salary structure within which members are remunerated
 - the type and nature of allowances to be paid to members
 - whether payments are mandatory or allow a level of local flexibility
 - arrangements in respect of family absence
 - arrangements for monitoring compliance with the Panel's decisions
- 5.3 The Panel has committed to making evidence-based decisions and have prepared an evidence and research paper which will be published on their website, to pull together the various sources of information that the Panel considered in making its draft Determinations.
- 5.4 This year this focused on 3 main issues, affordability, payments made to co-opted members and reporting requirements for Community and Town Councils.
- 5.5 The Panel's draft Annual Report for 2024/25 is attached at Appendix 1 to this report, which contains a summary of the updated determinations. All other determinations in the draft report remain valid and applicable to 2023/24. Members comments are sought on the draft report in general however the following determinations are specifically brought to members attention.

Deputy Chair (where appointed)	£6,372
Committee Chair or other senior post	£6,372

5.9 **Payments made to co-opted members of Principal Councils, National Park Authorities and Fire and Rescue Authorities**

The current Determination for these payments stipulates that they are to be made on a half day or full day basis, with the Council able to decide on the total number of days remunerated in a year and set a reasonable time for meeting preparation. The Panel has noted changes to working practices which arose during Covid and have become more routine. This has meant a move towards more frequent use of online meetings and or training courses, often short as well as more regular committee meetings. The Panel also received feedback from Heads of Democratic Services.

The Panel considered moving to an hourly rate instead but recognised that this may not always be appropriate, especially to cover in person meetings which may last several hours.

The Panel is therefore proposing decisions to be made on a local basis so the relevant officer may decide when it will be appropriate to apply a day or half day rate or to use the hourly rate.

Therefore the proposed rates are as follows

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

The Co-opted members who sit on the Council's Governance and Audit Committee, Standards Committee and Scrutiny Committees together with relevant officers were

consulted on the proposals and an overview of the responses is set out in paragraph 10 of this report. These responses will be provided separately to the IRPW in addition to any comments from this Committee.

- 5.10 Determinations 6, 7 and 8 relate to Town and Community Councils details of which are set out in the draft report and in the summary outlined in paragraph 2.2 above.
- 5.11 Members will note that all other Determinations set out in the 2023 to 2024 Annual Report of the Panel remain valid and should be applied.
- 5.12 On a general note, members are advised that levels of payments to which members are entitled cannot be varied by a vote of Council. Only an *individual member* may communicate in writing to the proper officer (the Chief Executive) if as an individual they wish to decline all or part of the payment to which they are entitled. In relation to the final report Members will be fully appraised following its publication in February 2024.

5.13 **Conclusion**

Members will note the provisions of the draft Annual report as outlined above.

6. ASSUMPTIONS

- 6.1 No assumptions are necessary as this report reflects the content of the draft report from the Independent Remuneration Panel for Wales.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 No Integrated Impact Assessment has been undertaken as the Independent Remuneration Panel for Wales has the power under the Local Government (Wales) Measure 2011 to set Members Allowances.

8. FINANCIAL IMPLICATIONS

- 8.1 Based on the existing numbers of senior and civic salary payments made costs could increase by approximately £90,000. This additional cost will need to be factored into the forthcoming budget round for the 2024/25 financial year.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no personnel implications arising from this report.

10. CONSULTATIONS

- 10.1 Consultation has been undertaken as listed below and any responses received have been incorporated into the report. A summary of the views of the Co-optees are set out as follows

Response 1

When I took on the role of co-opted memberseveral years ago, I did so without prior knowledge that the position had any form of remuneration and as such I have no strongly held views on how future payments are to be calculated.

Response 2

When I put myself forward to become a co-opted member I was unaware of any payments available to me. So to find that I was going to be paid for something that I was willing to do voluntary was a lovely surprise.

Response 3

A co-opted member noted that whilst feedback was taken from Heads of Democratic Services, they were not aware of any feedback received or sought from co-opted Members and suggested that opportunities to engage with the forum of Ethics & Standards Committee Chairs and forum of Governance & Audit Committee Chairs organised by WLGA are taken when drafting future Reports.

They agree with decision of IRPW to recommend increase in the level of remuneration for elected Members; Members of National Park and Fire & Rescue Authorities, but does not agree that the level of remuneration for co-opted Members of Local Authorities is not increased and comments that the reasoning given by IRPW to recommend the increase for elected Members surely applies equally to co-opted Members. If the IRPW believes this not to be the case, then detail as to how the decision re co-opted Members was made should be outlined within the Annual Report. The IRPW has determined that the total cost of remuneration for elected members is relatively low in terms of overall Council budgets, and so how much then is this more so for remuneration of co-opted Members?

They agree with the core aim of IRPW to ensure that levels of remuneration are fair and reasonable. But, by not increasing payments to co-opted Members this is not achieved as it is unfair and unreasonable to increase payments to one cohort of Members and not another. This gives the impression that elected Members are somehow more valued for commitment to their roles than co-opted Members.

The hourly rate to be approved by designated officers is endorsed and would be more cost effective and may encourage and facilitate more engagement with officers when needed. However, clear guidance will need to be published regarding how an hourly rate may reflect the number of days allocated by a Council that co-opted Members are allowed to claim remuneration for.

Regarding the question concerning knowledge of remuneration etc, the information provided clearly outlined levels of remuneration and expenses. On appointment Officers were very clear as to what could and could not be claimed for in respect of remuneration and expenses.

Finally, they were keen that IRPW be made aware there is variation across Councils as to what can and cannot be claimed for and would encourage examination of this further by IRPW to ensure greater consistency across all Councils. Such inconsistencies include number of meetings that can be claimed for; whether or how much preparation time ahead of meetings can be claimed for; whether Corporate IT

support is available; whether IT equipment and/or running costs and working from home costs can be claimed for; and whether other payments such as subsistence costs when travelling a distance to attend meetings in person can be claimed for.

Response 4

1-Determination 5

The Panel has noted the changes to working practices, put in place during Covid and now becoming more routine has meant a move towards more frequent use of online meetings and or training courses, often short, as well as more regular committee meetings.

I do not see this as being the case with CCBC. The meetings are no more frequent, they remain long meetings. They currently are led by the officers in terms of content that may on occasions not meet the requirements to be able for the Committee to fulfil their obligations. This may mean that there needs to be an overhaul of agenda management.

CCBC are at the outset of their journey in how to best use the skills of lay members. This may include supporting the council outside of the current severely constrained and officer orchestrated meeting schedule.

2 -The Panel considered moving to an hourly rate as this would better reflect new ways of working and hours actually worked. However this is based on the straight forward premise that it takes every member the same length of time to deal with the matters that are being put in front of them and a straight forward approach of the risk that each committee manages or faces.

The current sessional approach provides the best opportunity for the participation and growth in numbers putting themselves forward for lay member roles specifically. The reason for this is recompense for the loss of income from existing employment as diaries would still need to be clear for the dates of meetings etc. Many lay members work and need certainty about how long sessions would be rather than an ad hoc approach to meeting lengths, preparation time etc to continue with their participation.

From a governance perspective this weakens the very nature of oversight.

The paper sets out that the proposal would not always be relevant as in person meetings can be scheduled for several hours. The proposal should be agnostic as to the method of meeting. This is not about in person attendance and should focus of the risk of lay members not fulfilling their responsibilities.

I would suggest that to encourage participation that the current situation remains in place.

3- I note that there is a section on Mandatory payments. Lay members are not covered by Determination 6 Payment for extra costs of working from home or consumables. Appreciating that the proposal is for each Council to determine their approach my comment in general is that these differentials could also be a barrier for individuals putting themselves forward to participate as a lay member.

4-I note that Determination 5 For co-opted member payments, the Panel proposes there should be local flexibility for the relevant officer to decide when it will be

appropriate to apply a day or a half day rate or to use an hourly rate where it is sensible to aggregate a number of short meetings. I would urge against local determination as this undermines the total governance system which is based on commonality. The risk could be that ultimately an individual local authority applies their own approach and falls foul of meeting its obligations of oversight as specifically the recruitment and capacity within that group of lay members falls away.

Members are also advised that the following feedback was received from officers in terms of the Governance and Audit Committee and the Scrutiny Manager as outlined below.

The role requires more than reading of papers plus meeting attendance, there is mandatory training required by the PSIAS (Public Sector Internal Audit Standards), the chair may also be invited to regular meetings with Head of IA and or S151 and will also have membership of the Governance Panel and other networks such as the WLGA G&A Chairs network. The 12 days limit is more than sufficient for lay members but feels that it would not be appropriate to limit the claimable allowance for the Chair. The attendance of a Chair at relevant events are to be encouraged as this will help with development and understanding of the role of Chair and the wider role of the Governance and Audit Committee. If we wish to attract retain and develop skilled and knowledgeable people into these roles we should remunerate them appropriately.

In terms of scrutiny we usually pay a half day rate which will allow for preparation time, the pre-meeting and attendance at the actual meeting which may be 1-2 hours. It may be useful to have the hourly rate when co-opted members are asked to attend training as in those cases there is no preparation required.

11. STATUTORY POWER

- 11.1 Local Government and Housing Act 1989, the Local Government Act 2000, Local Government Wales Measure 2011, Local Government (Democracy) (Wales) Act 2013 and Family Absence for Members of Local Authorities Wales Regulations 2013.

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Appendix 1 Draft report Independent Remuneration Panel for Wales 2024/25

Appendix 2 Additional Consultation Questions