

CARDIFF COUNCIL CYNGOR CAERDYDD

STANDARDS AND ETHICS COMMITTEE:

29 JANUARY 2013

REPORT OF THE MONITORING OFFICER

AGENDA ITEM:

INDEPENDENT REMUNERATION PANEL FOR WALES ANNUAL REPORT 2012

Reason for this Report

1. To consider the prescribed levels of remuneration and allowances that are payable to elected members and co-opted members in Wales in 2013/14, as determined by the Independent Remuneration Panel for Wales (IRPW).

Background

2. The IRPW published its Annual Report 2012 in December 2012. The report prescribes actual payment levels of remuneration and maximum allowances payable to elected members and co-opted members of principal councils in the 2013/14 financial year. A copy of the report is attached as **Appendix A** to this report.

Issues

3. The IRPW Annual Report 2012 confirms that there will be no increases in 2013/14 in the level of payments that were determined by the IRPW for 2012/13. The levels of remuneration or fees (i.e. Basic Salary, Senior Salary, Civic Salary and Co-opted Member Payments) payable to elected members or co-opted members of principal councils in the 2013/14 financial year can be summarised as follows:

Basic Salary

4. The IRPW has determined that the level of Basic Salary which is payable to all councillors in Wales in 2013/14 will remain unchanged at **£13,175**. The Basic Salary is paid for time equivalent to three days a week and any time commitment beyond three days is an unpaid public service contribution.

Senior Salary

5. The IRPW has determined that the levels of Senior Salary which are payable in 2013/14 by local authorities in Population Group A (i.e. those with populations over 200,000, which includes Cardiff) will remain unchanged at the following levels, according to the various bands of responsibility:

Bands of Responsibility	Role(s)	Senior Salaries determined by the IRPW for 2013/14 (inclusive of Basic Salary)
Band 1	Leader	£52,700
	Deputy Leader	£37,100
Band 2	Other Cabinet Members	£31,900
Band 3	Committee Chairs	£21,910
	Leader of largest opposition group	£21,910
Band 4	Leader(s) of other political group(s) comprising at least 10% membership of the Authority	£16,920

Civic Salary

6. The IRPW has determined that the level of Civic Salary which is payable in 2013/14 will remain unchanged as follows:

Civic Salary Positions	Civic Salary (inclusive of Basic Salary)
Mayor/Chair of Council	£23,715
Deputy Mayor/Deputy Chair of Council	£18,445

Co-opted Member Payments

7. The IRPW has determined the following payments or fees which must be paid to Co-opted Members with voting rights in 2013/14 will remained unchanged as follows:

Co-opted Members	Co-opted Member Payments/Fees
Committee Chairs: <ul style="list-style-type: none"> Standards & Ethics Committee; Audit Committee (if chaired by independent/lay member). 	£256 daily fee (£128 for ½ day)
Ordinary Members of Standards Committees who also chair Standards Committees for Community and Town Councils	£226 daily fee (£113 for ½ day)
Committee Members: <ul style="list-style-type: none"> Standards & Ethics Committee; Audit Committee; Education Scrutiny Committee; Crime & Disorder Scrutiny Committee. 	£198 daily fee (£99 for ½ day)

8. The IRPW has determined that, in 2013/14, relevant authorities can decide on the maximum number of days for which co-opted members may be paid in any one year in order to suit its own circumstances. In 2012/13, as set out previously in the IRPW's Annual Report 2011, this is currently capped at a maximum of the equivalent of 10 full days a year for each Committee to which an independent/lay member has been co-opted.
9. The IRPW has also clarified that Co-opted Member payments cannot cover time spent on preparation for meetings, but can include authorised training events, conferences and pre-meetings with officers. For the purposes of claiming the Co-opted Member fee/payment, a half day meeting is defined as up to 4 hours and a full day meeting is defined as over 4 hours.
10. Co-opted Members are also eligible to claim for Care, Travel and Subsistence Allowances, where applicable.

Payments to Community Councillors

11. The Local Authorities (Allowances for Members of Community Councils)(Wales) Regulations 2003 allow community and town councils to make payments to their members in respect of travel costs and subsistence expenses, as well as an Attendance Allowance and Financial Loss Allowance, for attending approved duties outside the specific area of the community or town council.
12. The Local Government (Wales) Measure 2011 extended the remit of the IRPW to include payments to members of community and town councils in Wales and, as part of the Regulations set out by IRPW in its Annual Report 2012, there are new specific provisions contained in Annex 2 Part 5 of the report covering community and town councils that will replace the current Regulations from 1 April 2013.
13. Following consultation with community and town council representatives during 2012/13, the IRPW has made a number of initial determinations as part of its Annual Report 2012. For example, the IRPW has determined that, in 2013/14, each community and town council in Wales is permitted to make a payment to its members of a maximum amount of £100 per year for costs incurred in respect of telephone usage, information technology, consumables etc. This seeks to reflect the *"unremunerated cost to individual [community and town] councillors who perform an important role on behalf of their communities"* which has been identified by the IRPW as part of its consultation process.
14. In addition, community and town councils are also authorised to provide a Civic Allowance to the Mayor/Chair and Deputy Mayor/Chair of the Council of an amount that each council deems appropriate to undertake the functions of that office.
15. The IRPW has also determined the actual levels of payments for travel, subsistence, Attendance and Financial Loss Allowances in 2013/14, which are payable for attending approved duties outside the specific area of the community or town council and which are set out in more detail within the Annual Report 2012.

16. It should be noted that the IRPW's determinations (7-12) relating to community and town councils are permissive powers that require a formal decision by each community or town council. Where a community or town council makes such a decision, the decision must apply to all its members at the amounts payable as determined by the IRPW.
17. As is already the case with county councillors and co-opted members, an individual elected member may make a personal decision to elect to forgo part or all of the entitlement to any of these payments or allowances by giving notice in writing to the proper officer of the community or town council.

Legal Implications

18. There are various legal issues arising out of the subject matter of this report. These issues are discussed in the body of the report and the accompanying Annual Report.

Financial Implications

19. The report notes the recommendation from the Independent Remuneration Panel for Wales to freeze member allowances for 2013/14 at the same rate as 2012/13. There are therefore no additional costs as a result of this report.

RECOMMENDATION

The Committee is recommended to note the Independent Remuneration Panel for Wales Annual Report 2012 and its determinations for 2013/14.

Melanie Clay

Chief Officer, Legal & Democratic Services and Monitoring Officer

23 January 2013

APPENDIX A: Independent Remuneration Panel for Wales Annual Report 2012



Independent Remuneration Panel for Wales

Annual Report

December 2011



ISBN 978 0 7504 6871 8

© Crown copyright 2011

WG12592

Foreword



This is the first Annual Report to be based on the extended powers and functions of the Panel following the approval of the Local Government (Wales) Measure 2011¹ on 10 May 2011. 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 '*managing 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 Measure². 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 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.

We have also extended the national framework to include payments to members of National Parks, to members of Welsh 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 members of community and town councils, we have decided to leave consideration of further extending the national framework to a future year. 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

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

² <http://www.assemblywales.org/bus-home/bus-legislation/bus-leg-measures/business-legislation-measures-localgov.htm>.

Panel and in the current circumstances, we have determined an integrated, fair and affordable national framework for the remuneration of members in Wales.

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

Richard Penn
Chairman

Contents

	Page No
Summary of responsibility and remuneration for members of relevant authorities	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 principal local authorities	13
Chapter 4 Payments to members of National Park authorities	23
Chapter 5 Payments to members of Welsh fire and rescue authorities	29
Chapter 6 Payments to members of Community and Town Councils	33
Chapter 7 Pension provision for members of relevant authorities in Wales	35
Chapter 8 Compliance with Panel requirements	37
Chapter 9 Implementation 2012/13	39
Annex 1 Independent Remuneration Panel for Wales (IRPW) Regulations for the remuneration of members and co-opted members of relevant authorities	41
Annex 2 Schedule of member remuneration	55
Annex 3 Publicity requirements	57
Annex 4 Supplementary Report – Anglesey – April 2011	59
Annex 5 Review of the implementation by councils of the Panel's 2011/12 determinations on payments to members	61
Annex 6 Review of councils' implementation of the Panel's 2011/12 determinations on subsistence rates	63

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 to all members as follows:

Local Authority (LA)	£13,175
National Park authority (NPA)	£ 3,550
Welsh fire and rescue authority (FRA)	£ 1,350

Senior Salaries (see note 1)

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

Band 1	Leader (LA Group A)	£52,700	(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, 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
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)
	Chair of NPA	£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 Chair of Authority / Committee Chair (NPA)	£5,920	(Brecon Beacons, Pembrokeshire, Snowdonia)
	Deputy Chair of Authority / Committee Chair (FRA)	£5,095	(Mid and West Wales, North Wales, South Wales)

Civic Salaries

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)
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)

Notes

(1) The maximum proportion of the membership of a council which can be paid a Senior Salary (inclusive of the Basic Salary) is set out in Table 1 of paragraph 3.17.

(2) The posts of civic head and deputy civic head do not count towards the maximum proportion of Senior Salaries that a council is allowed to pay.

(3) The Panel's Supplementary Report dated 13 April 2011 (see Annex 4) shall continue to apply in respect of payments to members of the Isle of Anglesey County Council until such time as the functions of the authority and its executive are fully the responsibility of elected members.

Co-opted member payments

Chair, Standards Committee (LA)	£256 daily fee	
Chair, Standards Committee (NPA)	£256 daily fee	
Chair, Standards Committee (FRA)	£256 daily fee	
Ordinary member (LA)	£198 daily fee	(Standards committee; education scrutiny committee; and crime and disorder scrutiny committee)

Ordinary member (NPA)	£198 daily fee	
Ordinary member (FRA)	£198 daily fee	
Ordinary member/chair (LA)	£226 daily fee	(ordinary members standards committees who also chair standards committees for community and town councils)

The reimbursement of expenses

Allowances for:

- Care of dependants.
- Travel and subsistence.

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

Care allowance: a maximum of £403 per month payable 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.

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 produced 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 are set out 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 specific implementation dates for the Panel's determinations can be found at Chapter 9.

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))³ 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 has enabled the Panel to move beyond its previous powers which were limited to setting maximum amounts for member payments. The Panel has decided to use these new powers and, for the municipal year following the local government elections in 2012, to prescribe the actual level of payments to members. The Panel's framework for remuneration, which includes specific decisions about payments to members in the relevant authorities, is set out in the chapters that follow.

³ Which may not exceed fifty per cent unless the consent of the Welsh Ministers has been obtained.

- 1.5 i. The Measure has the effect of bringing within the Panel's remit:
- Civic responsibilities.
 - Family absence.
 - Democratic Service Committees and Audit Committees.
- ii. Chapter 3 sets out the Panel's determinations in these matters.
- iii. Section 144 of the Measure extends the remit of the Panel to include:
- National Park authorities.⁴
 - Welsh fire and rescue authorities.⁵
 - Community and town councils.⁶
- iv. Chapters 4, 5 and 6 set out the Panel's determinations in these matters.
- v. The Panel's decision 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 2012/13 municipal year to councillor members in the 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 2012/13 municipal year, also to use *salary* to refer to the payments made to the following members of relevant authorities as recompense for their time, role 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.
- 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.

⁴ Established under Section 63 of the Environment Act 1995.

⁵ Established under Section 2 or Section 4 of the Fire and Rescue Services Act 2004.

⁶ Established under the Local Government Act 1972 as amended by Section 88 of the Local Government (Wales) Measure 2011.

1.7 With the Measure in place, the Regulations⁷ which, legitimised payments to members 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 sets out the Panel's monitoring function, the Panel has concluded that it will be of benefit to the relevant authorities to be specific about the 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 arrangements for implementation and the Panel's determinations in respect of a monitoring and compliance programme.

The population framework for deciding authority groups

1.8 The Panel's framework is unchanged in respect of population groups. While there has been population growth throughout Wales, the most recent mid-year estimates⁸ 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.

It is recognised 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.

1.9 Similarly, there is no change to 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.

⁷ 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.

⁸ June 2010 estimated resident population by local authority: Office of National Statistics.

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 and the Audit Committee, are incorporated in the framework.

The Panel's task

1.10 The Panel's decisions 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 taxpayers 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, roles and responsibilities 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 available to both members of National Park authorities and Welsh fire and rescue authorities with those available to 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 states that *when setting an amount "the Panel must take into account what it considers will be the likely financial impact of doing so on relevant authorities"*⁹. The Panel has kept this requirement very much in mind when reaching its determinations.

1.15 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.

⁹ 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)).

- 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.

In line with these requirements, the Panel produced a draft annual report for consultation and this final report reflects the outcomes of that consultation.

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.

3. Payments to members and co-opted members of principal local authorities

The context for the Panel's determinations

3.1 The Panel's decision to prescribe actual payment levels for Basic and Senior Salaries and payments to civic heads derives from views received through its previous consultation exercises reinforced by feedback in the past year. Support for prescription has been consistently expressed to the Panel over the last three years by elected members. The Panel is 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 concern was highlighted by the Panel's analysis of the outcomes of councils' decision-making in respect of members' remuneration. In the three years following 2008, when the Panel's powers were limited to determining maximum payment levels, most local councils, (fifteen out of twenty-two by 2010) chose not to implement the Panel's maxima:¹⁰

- In 2009/10, ten councils did not pay the then maximum Basic Allowance of £13,356 pa and by 2010/11 councils not paying the 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 councils did not pay the maximum Special Responsibility Allowances (SRAs).
- The variation in the levels of payment of SRAs has been noticeably much greater than the variation in the levels of payment of the Basic Allowance.
- The variation in payments for co-optees has been so great that the Panel has decided to take a different approach regarding their remuneration.

3.3 Our analysis of the schemes approved by councils in 2010/11 showed that fewer councils implemented the Panel maximum in respect of the Leader (5 councils) and Deputy Leader (5 councils) than implemented the maximum Basic Allowance (7 councils). Only 7 councils implemented the maximum for Cabinet/Board members. 10 councils implemented the Panel's maximum payment for Scrutiny Chair, 9 for Planning Chair, 8 for Licensing Chair and 7 for Audit Chair.

3.4 In accordance with its principles of simplicity and accountability, the Panel has previously linked both the Basic Allowance and the level of SRAs to the median annual gross full-time earnings of the Welsh electorate¹¹. To reflect the minimum expected time commitment of 'back bench councillors', the Basic Allowance for

¹⁰ *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.

¹¹ The median gross earnings of all full-times employees resident in Wales, as reported in the Annual Survey of Hours and Earnings (ASHE).

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 collected by the Panel indicated a requirement for a full-time commitment) were based on multipliers of the median salary geared to the relative population size of councils. SRAs for committee chairs were equalised throughout Wales to reflect the Panel's conclusion that these roles were functional and did not vary according to population.

3.5 The median annual gross earnings in 2010 increased by 1.6%. This would have resulted in a maximum basic allowance of £14,096 in 2011/12 with proportionate rises in senior salaries. Any increase in member remuneration would have been unacceptable to the wider public, as well as many councillors, at a time when the electorate's personal incomes and council services were under severe financial pressure.

3.6 A number of responses to the Panel's draft report commented on the fact that the proposed prescribed salaries would discontinue this link. The Panel acknowledges that the link has already been discontinued.

3.7 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 has worked against the Panel's development of a consistent national remuneration framework. The Panel has concluded that permitting the current arrangements to continue, impacts negatively both on the electorate's perception of the value and worth of the councillor's role and on future recruitment and retention of councillors.

3.8 Consequently, the Panel has decided that the consistent implementation of the national framework for councillor remuneration will not be achieved unless it utilises the powers under the Measure to prescribe actual levels. It remains the case that individual councillors can forgo all, or part, of their salaries if they so wish.

3.9 If the Panel had prescribed Basic and Senior Salaries for 2012/13 at the current maxima, the total cost of councillor remuneration would have increased significantly. The Panel therefore concluded that the levels prescribed needed to be set at less than the maxima for 2011/12.

Prescribing Basic and Senior Salaries in 2012/13

3.10 The Panel modelled a range of options for reducing member remuneration in line with the Measure's requirement that when setting an amount, the Panel "*must take into account what it considers will be the likely financial impact on the relevant authorities*". Consequently, the Panel decided to prescribe the Basic Salary at 5 per cent below and Senior Salaries at 10 per cent below the 2011/12 maxima. This decision will reduce the total cost of member remuneration nationally and will result in cost savings for some councils and restrict cost increases for others.

3.11 The election of new councils in 2012 is an appropriate time to introduce prescription as continuity of income cannot be assumed by any currently serving councillor seeking re-election.

Senior Salaries: 'Managing more with less'

3.12 Many public sector organisations have responded to the current financial stringency by delivering services more efficiently. In considering how best to apply the '*managing more with less*' agenda to our own determinations, the Panel was guided by its analysis which showed significant variation 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. No substantive explanation has been identified for this variation.

3.13 This analysis formed the basis of the Panel's original proposals to restrict the number of Senior Salaries. However, it accepts the views expressed by respondents to the draft report that its original proposals were too restrictive and had the potential to negatively impact on the ability of councils to govern and manage effectively.

3.14 The draft Report proposed that the posts of civic head and deputy civic head should be included in the maximum proportion of Senior Salaries that councils could establish ('the cap'). The Panel has subsequently decided to exclude these posts from the cap but they will remain within the Panel's framework (see section on civic heads below).

3.15 In addition, the Panel has decided to increase the maximum proportion of each council's membership that can be paid a Senior Salary.

3.16 The table below sets out the maximum proportion of each council's membership that can be paid a Senior Salary. The percentages in the table give effect to a numerical product which varies for each of the population groups but is the same for each council within that group (except in the case of Merthyr Tydfil where the maximum is retained at 50% in accordance with the Measure). These maximum proportions represent a significant increase over those proposed in the draft report.

3.17 A Council may distribute cabinet and functional officeholders across the responsibility bands as it sees fit, but the maximum proportion of remunerated posts must not be exceeded, except for any period in which a temporary office holder substitutes for the family absence of an appointed office holder.

TABLE 1 Maximum proportion of membership eligible for payment of a Senior Salary

Local Authority	No. councillors	Max. senior salaries %
Group A		
Cardiff	75	25
Rhondda Cynon Taff	75	25
Swansea	73	26

Local Authority	No. councillors	Max. senior salaries %
Group B		
Bridgend	54	33
Caerphilly	73	24
Carmarthenshire	74	24
Conwy	59	30
Flintshire	70	25
Gwynedd	75	24
Neath Port Talbot	64	28
Newport	50	36
Pembrokeshire	60	30
Powys	73	24
Vale of Glamorgan	47	38
Wrexham	52	34
Group C		
Blaenau Gwent	42	40
Ceredigion	42	40
Denbighshire	47	36
Isle of Anglesey	40	NA*
Merthyr Tydfil	33	50
Monmouthshire	43	39
Torfaen	44	38

(* Isle of Anglesey County Council – See note 3, of the Summary of responsibility and remuneration for members of relevant authorities.)

The numerical product of the individual percentages should be rounded to the nearest whole number, except for Merthyr Tydfil where it should be rounded down. For information, the equivalent numbers are Group A (all 19), Group B (all 18) and Group C (all 17). For Merthyr Tydfil the equivalent number is 16.

Payments to Civic Heads (Civic Salaries)

3.18 Payments to civic heads are now within the Panel's remit. The Panel carried out a survey of all principal councils during April 2011. The information received was used by the Panel to assess the remit and responsibilities of the civic role and how it should 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 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 was wide variation in the civic allowance paid in 2010/11 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.

3.19 Having regard to the time, role and senior responsibilities of civic heads and deputy civic heads, the Panel has concluded that for 2012/13:

- the civic head (Mayor/Chair of a council) must receive (if paid) a Civic 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) must receive (if paid) a Civic 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.

3.20 As indicated in paragraph 3.14 these posts do not count toward the maximum proportion of the membership of a council that can be paid a Senior Salary.

3.21 The Panel has determined that all councillors will receive a Basic Salary of £13,175 in 2012/13 as set out below.

3.22 Where a council decides to pay a Senior/Civic Salary, the Panel has determined that for 2012/13, payment (inclusive of Basic Salary) shall be as set out below:

	Group A	Group B	Group C
Basic Salary	£13,175	£13,175	£13,175
Senior Salaries (inclusive of Basic Salary)			
Band 1			
Leader	£52,700	£47,500	£42,300
Deputy Leader	£37,100	£33,460	£29,820
Band 2			
Executive	£31,900	£28,780	£25,660
Band 3			
Committee Chairs	£21,910	£21,910	£21,910
Leader of largest opposition group ¹²			
Band 4			
Leader of other political groups	£16,920	£16,920	£16,920
Civic Salaries (inclusive of Basic Salary)			
Civic Head (Mayor/Chair of Council)	£23,715	£21,375	£19,035
Deputy Civic Head	£18,445	£16,625	£14,805

Basic, Senior and Civic Salaries

3.23 Other matters:

- The Basic Salary is paid for the basic responsibility of community representation and participation in the scrutiny, regulatory or related functions 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.
- A councillor must not be paid more than one Senior Salary.
- A councillor must not be paid a Senior Salary and a Civic Salary.
- All Senior and Civic Salaries are paid inclusive of Basic Salary.
- If a council chooses to have more than one Deputy Leader, the difference between the Senior Salary for the Deputy Leader and other Executive members should be divided by the number of Deputy Leaders and added to the Senior Salary for other Executive members, in order to calculate the Senior Salary payable to each Deputy Leader.
- The remuneration of Council Leaders and Executive Members (Band 1 and 2 Senior Salaries) is based on the Panel's assumption that these roles are full-time.

¹² See the Panel's Regulations in Annex 1 for a definition of largest opposition group (Band 3) and other political group (Band 4).

- A member in receipt of a Band 1 or Band 2 Senior Salary cannot receive a salary from any National Park authority or fire and rescue authority for which s/he has been nominated.

3.24 In addition the Panel expects that councils should:

- 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 as determined by the council.
- Make publicly available a statement of the basic responsibility of a councillor, identifying clearly the duties expected.
- In the interests of transparency, in their annual public declarations of payments to members include remuneration from all public service appointments held by elected members.
- Negotiate with HMRC block tax dispensations for councillors in respect of the full range of allowable expenses and secure timely tax and benefit advice for councillors in respect of their earnings and expenses.

Co-opted member payments

3.25 The level of payments to co-opted members (provided they are co-opted members with voting rights) in 2011/12 is equivalent 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.

3.26 The Panel has decided, therefore, that for 2012/13, local authorities must pay the following fees to co-opted members:

Co-opted Chair, Standards Committee	£256 daily fee	
Co-opted Chair, Audit Committee	(£128 for ½ day)	
Co-opted Ordinary member	£226 (£113 for ½ day)	(ordinary members of LA standard committees who also chair standards committees for community and town and councils.)
Co-opted Ordinary member	£198 daily fee (£99 for ½ day)	(Standards committees; education scrutiny committee crime and disorder scrutiny committee and audit committee.)

These payments are capped at a maximum of the equivalent of 10 full days a year for each committee to which an individual may be co-opted. Payments are for meeting time only and include time spent on preparation and travelling. For the purposes of claiming:

- A half day meeting is defined as up to 4 hours.
- A full day meeting is defined as over 4 hours.

Reimbursement of care expenses

3.27 The Panel has decided that for 2012/13 councils must provide for a maximum payment of £403 per month to members and co-opted members of local authorities¹³ who incur necessary expenses for the care of children or dependants whilst undertaking their member duties. Reimbursements shall only be made on production of receipts from the carer.

Reimbursement of travel expenses for official business

Mileage

3.28 The Panel has decided there will be no change in 2012/13 to mileage rates that can be claimed for travel. These are the 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.

Other travel

3.29 All other claims for travel will only be reimbursed on production of a receipt 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.

Official business (constituency responsibilities)

3.30 A council, if it so determines, may specify in its definition of official business (for the purposes of claiming travel allowances), that this includes members undertaking constituency responsibilities.

3.31 However, the consultation on the draft Report highlighted some concern about how claims for reimbursement of travel costs while undertaking constituency responsibilities may be verified. Where a council chooses to extend its definition of official business to include constituency responsibilities it can impose such limitations as it thinks are appropriate to ensure that proper checks and balances are in place.

3.32 Where a council has in place tax dispensations for members using their own vehicles for undertaking constituency responsibilities, such as in rural areas, it will

¹³ Note the inclusion of co-opted members in this entitlement, newly permitted under the Measure.

need to seek further advice on the tax implications for its members if it wishes to extend its definition of approved responsibilities to include members undertaking constituency responsibilities.

Reimbursement of subsistence expenses for official business

3.33 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.
- 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 Wherever possible, overnight accommodation should be reserved and paid for by the council itself. There may be circumstances where councils deem it reasonable and cost effective to arrange overnight accommodation within the council area.

3.35 Councils are reminded 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 during this period, provided such a claim is supported by receipts.

Subsistence claims within council boundaries

3.36 The Panel has decided to introduce a restriction in respect of subsistence claims. This relates to subsistence that councillors until now have been able to claim in respect of official business within the boundaries of a county or county borough. The Panel has concluded 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 authority¹⁴. Therefore the Panel has decided subsistence expenses for official business which takes place in-county shall not be reimbursed by the council in 2012/13.

Subsistence claims outside council boundaries

3.37 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.

¹⁴ 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 members' allowances. Panel members met senior members and officers of each 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 was extended through the Local Government (Wales) Measure 2011 and we concluded that we needed to gather more information about the current schemes of members' allowance in each NPA and the roles and responsibilities of members. Panel members visited each authority during April 2011, and in each NPA meetings took place with the Chair, Vice-Chair and usually a committee chair along with Welsh Government appointed members at each NPA. There were also separate meetings with senior officers.

Current Context

4.3 Following these meetings the Panel concluded that NPAs should be included in the national framework in 2012/13. Local government elections in May 2012 will result in a new council-appointed membership from the 10 constituent local councils involved to serve on the 3 NPAs in addition to the Welsh Government appointed members. This is an appropriate time to put in place a new scheme of member remuneration.

4.4 Key points from these visits which underpin the Panel's determinations for NPA members' payments in 2012/13 are that:

- The most important and strategic responsibilities of an 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 significant matters dealt with by the NPAs.
- Welsh Government appointees constitute one-third of the membership of each NPA. There is recognition of the particular expertise they contribute. Welsh Government appointees and councillor members should be treated equally in relation to remuneration. The level of member remuneration for appointees needs to be appropriate to attract candidates of the right calibre and experience.
- Basic and Senior Salaries (from 2012/13 onwards) should be aligned with local authority Basic and Senior Salaries and all NPAs should be treated similarly with regard to member remuneration, notwithstanding that policy emphasis and structure may differ between authorities.

- The role of the NPA Chair can be compared to that of civic heads and leaders of local authorities, combining representational and policy leadership, albeit across a much narrower scope and scale of function.
- Two NPAs currently pay 4 SRAs in addition to those paid to the Chair and Vice-Chair and one pays 6 SRAs. SRAs are not all paid at the same amount, and some SRAs for committee Chairs are paid nominal sums.
- Ordinary NPA members are members of at least one committee as well as undertaking site visits and inspection panels, and in all NPAs there is an expectation that members participate in training and development sessions. In one NPA, members produce annual reports that are reviewed by the Chair and senior officers.
- There is a variation between the anticipated time commitment (as laid out in Welsh Government guidance for appointees)¹⁵, of 36-48 days per year and the time commitment claimed by those interviewed, based on their own experience, of between 48-60 days per year. The additional time commitment required of Chairs, as claimed by those interviewed, ranged between 48-100 days per year.
- The travel expenses of co-opted members to NPA standard committees are paid in all NPAs but payment of the co-opted member allowance varied: one authority pays a financial loss allowance, another pays an attendance allowance and the third pays no allowance.
- Similarly, the care allowance is not available in all NPAs.
- Member allowances have not been increased in recent years pending progress on the Measure.
- Travel and subsistence rates in all NPAs are paid at the rates determined by the Panel for local authorities, and where subsistence is provided at meetings, a charge is made to members in two of the three NPAs.

Basic and Senior Salaries

4.5 The Panel has concluded that:

- The role 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 warranting a multiple of the National Park Basic Salary. The Panel has

¹⁵ Statutory Guidance – Allowances for Members of County and County Borough Councils and National Park Authorities, August 2002.

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 Committee Chair has been determined at two-thirds of a Chair's role.
- As is the case with local authorities, the Panel considers that NPAs should also '*manage more with less*'. Consequently, the Panel has decided to specify the roles in each NPA for which Senior Salaries may be payable as set out in paragraph 4.6.

4.6 The Panel has decided that for 2012/13 the Basic Salary set out below must be paid to all NPA members. Where an NPA decides to pay a Senior Salary it must be paid at the following levels:

- A National Park Basic Salary of £3,550 per year for NPA ordinary members ($42/156 \times £13,175$).
- A National Park Senior Salary of £8,875 for the NPA Chair ($£3,550 \times 2.5$).
- A National Park Senior Salary of £5,920 for the NPA Deputy Chair ($£8,875 \times 2/3$).
- A National Park Senior Salary of £5,920 for up to two NPA Committee Chairs ($£8,875 \times 2/3$).

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 2012/13 represents an increase on the Basic Allowance rates currently payable in all NPAs. However, as noted above, the remuneration for NPA members has not been indexed and, as such, the increased Basic Salary represents an element of 'catching up'.

4.8 Related matters:

- Members must not receive more than one NPA Senior Salary.
- An NPA Senior Salary is paid inclusive of the NPA Basic Salary.
- A member of a principal local authority in receipt of a Band 1 or Band 2 Senior Salary cannot receive a salary, from any NPA to which s/he has been appointed.

Co-opted Members payments

4.9 The Panel notes that to date independent members of standards committees in NPAs have not been paid. However, it is the Panel's view that the role 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 establish a daily fee for co-opted members with voting rights.

4.10 The level of payments to co-opted members of principal authorities (provided they are co-opted members with voting rights) in 2012/13 is equivalent 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.

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

Co-opted Chair, Standards Committee (NPA)	£256 daily fee (£128 for ½ day)
Co-opted Ordinary member (NPA)	£198 daily fee (£99 for ½ day)

These payments are capped at a maximum of 4 full days a year for any individual co-opted member. Payments are for meeting time only and include time spent on preparation and travelling. For the purposes of claiming:

- A half day meeting is defined as up to 4 hours.
- A full day meeting is defined as over 4 hours.

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 must provide 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. Reimbursements shall only be made on production of receipts from the carer.
- All NPAs continue to reimburse travel expenses for their members and co-opted members undertaking 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 per mile – passenger supplement.

24p per mile – private motor cycles.

20p per mile – bicycles.

4.13 All other claims for travel will only be reimbursed on production of a 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 meetings).

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 The statutory framework of the three Welsh fire and rescue authorities (FRAs) allowed the indexation of member allowances since 2004 at the average increase obtaining in their constituent local authorities. Since 2008 FRAs have been obliged to take the determinations of the Panel into account in setting members' remuneration. Panel members met senior members and officers of each FRA in May 2009 when it was made clear to the Panel that FRAs were supportive of the Panel's remit being extended to include responsibility for the remuneration of FRA members.

Current context

5.2 The Panel's remit was extended through the Local Government (Wales) Measure 2011, and we concluded that we needed to gather more information about the current schemes of members' allowance in each FRA and the roles and responsibilities of members. We invited written submissions from FRAs on their current member allowance. Panel members visited during March and April 2011. Each FRA meeting took place with a Chair and usually a committee chair. The Panel also met separately with senior officers. Following these meetings, the Panel concluded that FRAs should be included in the Panel's national framework in 2012/13.

5.3 Key points from the visits which underpin the Panel's determinations for FRA member remuneration in 2012/13 are that:

- There is a committee structure in all FRAs, but a Chair of a committee does not receive an SRA as these have only been available for the Chair and Vice-Chair of each authority¹⁶. FRAs committees vary in function, with finance, audit, and human resources committees most common.
- 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 matters. The time commitment claimed to be a minimum requirement for ordinary FRA members varied from between 12 and 16 days a year.
- The time commitment required for an FRA chair was estimated at between 3-8 days per month. The responsibility involved included an important representational element akin to that of a civic head of a council and a policy responsibility that equates to that of a Band 3 chair in a local authority.

¹⁶ The Local Authorities (Allowances for Members of Fire Authorities) (Wales) Regulations 2004.

- Basic and Senior salaries (from 2012/13 onwards) should be aligned with local authority Basic and Senior Salaries, and all FRAs should be treated similarly with regard to member remuneration, notwithstanding that policy emphasis and structure may differ between authorities¹⁷.
- Allowances to independent members of standard committees are paid in one FRA, but that travelling expenses are available in all.
- Travel and subsistence allowances are available in all FRAs but there are different maxima.

Basic and Senior Salaries

5.4 The Panel has concluded that:

- The role of ordinary members of an FRA warrants alignment to the Basic Salary of a local authority member, and be paid for a time commitment of 16 days per year.
- The 'size' (by which the Panel means the scope, remit and responsibility) of the role of an FRA Chair warrants alignment 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).
- The role of a deputy chair of an FRA where there is distinct and sustained senior responsibility warrants alignment 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 role of a committee chair of an FRA warrants 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).
- As is the case with local authorities, the Panel considers that FRAs should also '*manage more with less*'. Consequently, the Panel has decided to specify the roles in each FRA for which Senior Salaries may be payable as set out in paragraph 5.5.

5.5 The Panel has decided that, for 2012/13, the Basic Salary set out below shall be paid to all FRA members. Where an FRA decides to pay a Senior Salary it must be paid at the following levels:

- An FRA Basic Salary of £1,350 per year for FRA ordinary members (16/156 x £13,175).
- An FRA Senior Salary of £10,085 for the FRA Chair (£1,350 + £8,735).

¹⁷ 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.

- An FRA Senior Salary of £5,095 for the FRA Deputy Chair (£1,350 + £3,745).
- An FRA Senior Salary of £5,095 for up to two FRA Committee Chairs (£1,350 + £3,745).

5.6 Related matters:

- Members must not receive more than one FRA salary.
- An FRA Senior Salary is paid inclusive of the FRA Basic Salary.
- A local authority member in receipt of a Band 1 or Band 2 Senior Salary cannot receive a salary, from any FRA for which s/he has been nominated.

Co-opted member payments

5.7 The Panel notes that to date independent members of standards committees in FRAs have not been paid. However, it is the Panel's view that the role of such co-opted members needs to be recognised in the same way as their counterparts in local authorities. As a consequence, the Panel has decided to establish a daily fee for co-opted members with voting rights.

5.8 The level of payments to co-opted members of principal authorities (provided they are co-opted members with voting rights) in 2012/13 is equivalent 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.

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

Co-opted Chair, Standards Committee (FRA)	£256 daily fee (£128 for ½ day)
Co-opted Ordinary member (FRA)	£198 daily fee (£99 for ½ day)

These payments are capped at a maximum of 4 full days a year for any individual co-opted member. Payments are for meeting time only and include time spent on preparation and travelling. For the purposes of claiming:

- A half day meeting is defined as up to 4 hours.
- A full day meeting is defined as over 4 hours.

Reimbursement of care, travel and subsistence expenses

5.10 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. This means that:

- All FRAs must provide 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. Reimbursements shall only be made on production of receipts from the carer.
- All FRAs shall continue to reimburse travel expenses for their members undertaking 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.

5.11 All other claims for travel will only be reimbursed on production of a receipt 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.

5.12 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.)

5.13 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.*

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 provision for the reimbursement of expenses associated with attendance at meetings.

Progress

6.3 The Panel advised the Legislation Committee¹⁸ 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 undertake evidence gathering next year which is likely to require written submissions from community and town councils and may include visits to a broadly representative selection of councils.

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.

¹⁸See paragraph 134, Record of Proceedings - Legislative Committee 3, 4th 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>.

7. Pension provision for members of relevant authorities in Wales

7.1 In its 2010 Annual Report the Panel commented that only one county council in Wales – Conwy County Borough Council – did not enable its councillors to access the Local Government Pension Scheme (LGPS). This position has not 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.

8. Compliance with Panel requirements

The Panel's remit under the Measure

8.1 Section 153 of the Measure empowers the Panel to require a relevant authority to comply with the requirements imposed on it by a Panel annual report and further enables the Panel to monitor relevant authorities 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.

Monitoring compliance

8.2 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 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, fees and reimbursements (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. Annex 3 sets out the content that must be included in the Publicity Requirement.
- A relevant authority must send its Schedule of Member Responsibility and Remuneration to the Panel at the same time as it sends it for local publication.

8.3 The Panel notes the duty on local authorities, set out at Section 5 of the Measure, to make appropriate arrangements for each member of the authority to publish an annual report of his/her council-related activity. The Panel welcomes this and may in the future consider ways in which remuneration might be related to performance.

9. Implementation 2012/13

9.1 The arrangements for implementation of the Panel's decisions for 2012/13 are affected by the local government elections in Wales which will take place on the 3 May 2012. The following will apply:

For Local Authorities:

- Section 26(3) of the Local Government Act 1972 determines that on the 4th day following an election:
 - a) The persons who were councillors immediately before the election shall retire; and
 - b) The newly elected councillors shall assume office.
- From 1 April to 7 May 2012 the Panel's determinations in its December 2010 Annual Report will continue to apply.
- From the 7 May 2012 all the determinations in its 2011 Report will apply except for those relating to Senior Salaries subject to the newly elected councillors having signed the requisite declaration of office.
- For Senior Salaries the provisions of the 2011 report will take effect from the date of the annual meeting of each authority (i.e., the commencement of the municipal year).

For National Park authorities and fire and rescue authorities:

- The current regulations will continue from the 1 April 2012 until the date of the annual meeting. Thereafter the Panel's determinations as contained in its 2011 report will apply.

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 will 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 due to be revoked in a commencement order early in 2012, 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 April 2012 although their implementation date for local authorities will be:
 - For basic salary from the 4th day after the election to the relevant authority subject to the individual member having signed the appropriate declaration under section 83(1) of the 1972 Act.
 - for Senior Salaries from the date of the annual meeting.
 - c. Basic allowances payable between 1 April 2012 and the 7 May 2012 will 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. Senior Responsibility Allowances will cease on the 3 May 2012.
 - d. 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 and will apply from the date of the annual meetings of these authorities. From the 1 April 2012 until the annual meeting, the current allowances will continue, as if the statutory instruments had not been revoked.
 - e. 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 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 proportion of its membership that an authority can pay as Senior Salaries. This will be expressed as a percentage of the total number of members of the authority. 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 proportion 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. For National Park authorities and Welsh fire and rescue authorities Senior Salary payments will be restricted to specified post-holders as determined by the Panel in its First or subsequent Annual or Supplementary Reports.

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. A relevant 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 dependants as are necessarily incurred in carrying out official business as a member of 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 dependant unless the member/co-opted member satisfies the authority that the child or dependant required supervision which has caused the member to incur

expenses that were necessary in respect of the care of that child or dependant 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 dependant.
- 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 dependants.

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:

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

(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 or appointed to another relevant authority.

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

Schedule of Member Remuneration

1. Local authorities, National Park authorities (NPAs) and Welsh fire and rescue authorities (FRAs) ('relevant authorities' within the Panel's remit) must maintain an annual Schedule of Member 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 FRAs 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 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.

7. Local authorities, NPAs and FRAs must make arrangements for the publication of the Schedule of Member 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.

Annex 3

Publicity requirements

1. Local authorities, National Park authorities (NPAs) and Welsh fire and rescue authorities (FRAs) ('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, another relevant authority. All care, travel and subsistence expenses received by each named member and co-opted member of the relevant authority, with each category identified separately.
- c. 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).
- d. 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.

Annex 4

Supplementary Report – Anglesey – April 2011



David Bowles

Interim Managing Director

Isle of Anglesey County Council

c/o davidbowles@anglesey.gov.uk

Eich cyf. Your ref :

Ein cyf. Our ref :

13th April 2011

Dear David

SUPPLEMENTARY REPORT – ISLE OF ANGLESEY COUNTY COUNCIL

This letter constitutes a supplementary report from the Panel produced under the provisions of regulation 36 of The Local Authorities (Allowances for Members) (Wales) Regulations 2007. The determinations contained in it pertain only to the members of the Isle of Anglesey County Council, with effect from the date of this letter.

The following posts will no longer provide an entitlement to a special responsibility allowance (SRA):

1. Leader of the authority
2. Deputy Leader of the authority
3. Member of the council executive
4. Leader of the largest opposition group
5. Leader of any other political group

The maximum SRA payable to posts within Responsibility Band 3 (other than the Leader of the opposition) shall be £7,474 per annum.

The maximum amount of Basic Allowance payable to each member of the authority shall be £11,664 per annum.

You will need to make arrangements under regulation 6 of the 2007 regulations to amend the authority's scheme of allowances.

The above determinations will have effect until such time as the Panel produces a report revoking or amending these decisions. I am copying this letter to Carl Sargeant, Assembly Minister for Social Justice and Local Government; Steve Thomas CBE, Chief Executive of the WLGA, and the Independent Commissioners for the Isle of Anglesey Council, and to David Elis Williams and Lynn Ball in your authority, for information.

Yours sincerely

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

Richard Penn
Chairman

Annex 5 – Review of Councils’ Implementation of the Panel’s 2011/12 Determinations on Allowances

	Basic Allowance	SRA Band 1	SRA Band 2 - Deputy Leader	SRA Band 2	SRA Band 3 - Chairs O&S Committees	SRA Band 3 - Chairs of Planning Committees	SRA Band 3 - Chairs of Licensing Committees	SRA Band 3 - Chairs of Audit Committees	SRA Band 3 - Leader: Largest Opposition Group	SRA Band 4	Care Allowance	Co-optees Allowance - Chairs Standards Committees	Co-optees Allowance - Chairs of Standards Committee for C&T Councils	Co-optees Allowance - Other
Group A														
Maximum Payable	13,868	43,917	26,582	20,803	9,708	9,708	9,708	9,708	9,708	4,161	403	2,230	1,400	1,200
Cardiff	11,342	41,239	22,670	20,610	Max	Max	8,249	Not paid	Max	4,125	Max	Not paid	Not paid	Not paid
Rhondda Cynon Taf	Max	Max	Max	Max	Max	Max	Max	Max	Max	Not paid	Max	Max	Not paid	Max
Swansea	12,858	32,418	17,830	16,209	Max	Max	Max	Max	Max	Max	Max	Max	Max	Max
Group B														
Maximum Payable		38,139	22,537	17,336	9,708	9,708	9,708	9,708	9,708	4,161	403	2,230	1,400	1,200
Bridgend	Max	Max	Max	Max	Max	Max	Max	Max	Max	Max	Max	Max	Not paid	Max
Caerphilly	13,030	34,597	19,028	17,298	5,547	5,547	2,774	5,547	Max	Not paid	384	1,486	Not paid	779
Carmarthenshire	Max	35,461	18,618	Max	Max	Max	Max	Max	Max	Max	Max	1,486	Not paid	779
Conwy	Max	30,144	Not paid	15,957	7,091	7,091	7,091	3,545	9,575	Not paid	Not paid	1,086	Not paid	525
Flintshire	12,996	33,027	18,162	16,510	Max	7,133	7,133	6,987	8,914	Max	Max	Max	Not paid	Max
Gwynedd	12,747	17,508	8,115	6,853	4,546	4,546	2,272	2,272	Not paid	Not paid	Max	980	Not paid	784
Neath Port Talbot	13,089	34,753	19,114	16,989	9,514	9,514	9,514	9,514	9,514	4,078	Max	1,000	Not paid	800
Newport	13,030	30,791	15,396	15,396	9,236	9,236	9,236	Not paid	9,236	3,079	Max	1,488	Not paid	804
Pembrokeshire	12,973	29,513	15,493	14,756	8,854	8,854	5,902	Not paid	Not paid	2,951	Max	1,486	Not paid	779
Powys	11,925	24,092	Not paid	13,675	6,516	6,516	3,258	3,258	4,344	2,172	Max	Max	Max	Max
Vale of Glamorgan	Max	Max	Max	Max	Max	Max	Max	Max	Max	Max	Max	Max	Not paid	Max
Wrexham	12,681	34,597	Not paid	6,918	6,918	6,918	6,918	6,918	Not paid	Not paid	384	Not paid	Not paid	Not paid
Group C														
Maximum Payable		32,360	18,492	13,869	9,708	9,708	9,708	9,708	9,708	4,161	403	2,230	1,400	1,200
Blaenau Gwent	13,030	27,679	15,223	13,839	8,304	8,304	8,304	8,304	8,304	Not paid	Max	1,450	Not paid	760
Ceredigion	12,736	27,692	15,230	13,846	8,308	8,308	8,308	8,308	8,308	2,770	394	849	Not paid	446
Denbighshire	13,030	27,679	15,223	13,839	8,304	5,534	5,534	5,534	8,304	2,768	384	1,450	Not paid	760
Isle of Anglesey	11,664	0	0	0	7,473	7,473	Not paid	7,473	0	Not paid	Max	Not paid	Not paid	Not paid
Merthyr Tydfil	13,356	14,185	9,363	8,512	8,512	8,512	Not paid	8,512	Not paid	Not paid	Max	Not paid	Not paid	Not paid
Monmouthshire	Max	Max	Max	Max	Max	Max	Max	Max	Not paid	Max	Not paid	Max	Not paid	Not paid
Torfaen	Max	Max	Max	Max	Max	Max	Max	Max	Max	Not paid	Max	Max	Not paid	Max

Annex 6 – Review of Councils’ Implementation of the Panel’s 2011/12 Determinations on Subsistence Rates

	Day Allowance	London Overnight	Cardiff Overnight	Elsewhere Overnight	Overnight stay with Friends and Family
Maximum Payable	£28	£150	£120	£95	£25
Group A					
Cardiff	Max	Max	Max	Max	Max
Rhondda Cynon Taf	Max	Max	Max	Max	Max
Swansea	Max	Max	Max	Max	Max
Group B					
Bridgend	Max	Max	Max	Max	Max
Caerphilly	Max	105	90	90	Max
Carmarthenshire	Max	Max	Max	Max	Max
Conwy	Max	124	95	Max	Max
Flintshire	Max	124	Max	Max	Max
Gwynedd	Max	Max	Max	Max	Max
Neath Port Talbot	Max	Max	Max	Max	Details not provided
Newport	Max	Max	95	Max	Max
Pembrokeshire	Max	Max	Max	Max	Max
Powys	24.68	Max	Max	Max	Not paid
Vale of Glamorgan	Max	Max	Max	Max	Max
Wrexham	Max	Max	90	90	Max
Group C					
Blaenau Gwent	Max	Max	Max	Max	Max
Ceredigion	Max	124	95	Max	Not paid
Denbighshire	26	105	90	90	Max
Isle of Anglesey	Max	Max	Max	Max	Max
Merthyr Tydfil	26	124	95	Max	Not paid
Monmouthshire	Max	Max	Max	Max	Max
Torfaen	Max	Max	Max	Max	Max

For further copies of this report contact:

Secretariat
Independent Remuneration Panel for Wales
Room M.05
First Floor
Crown Buildings
Cathays Park
Cardiff
CF10 3NQ

Telephone: 029 2082 6913

E-mail: irpmailbox@wales.gsi.gov.uk.

The Report is available on our website at:

www.remunerationpanelwales.org.uk.