

Meeting of:	Democratic Services Committee
Date of Meeting:	Monday, 27 November 2023
Relevant Scrutiny Committee:	All Scrutiny Committees
Report Title:	Independent Remuneration Panel for Wales Draft Annual Report 2024/25 - Consultation
Purpose of Report:	To consult and comment on the Independent Remuneration Panel for Wales (IRPW) Draft Annual Report 2024/25. The response of the Democratic Services Committee will be submitted to the IRPW by the deadline of 8 th December 2023.
Report Owner:	Head of Democratic Services
Responsible Officer:	Head of Democratic Services
Elected Member and Officer Consultation:	This is an internal matter and consultation is, therefore, not necessary. However, all Members of the Council have been circulated by email on 16 th October, 2023, a link to the IRPW's draft Annual Report for 2024/25 including information on how to respond to the consultation by the stated deadline.
Policy Framework:	As indicated within the report, the Council has resolved to abide by the determinations of the IRPW as set out in its Annual Report each year.
<p>Executive Summary:</p> <p>To apprise Members of the draft IRPW Annual Report for 2024/25.</p> <p>In accordance with the requirements of Section 147 of the Local Government (Wales) Measure 2011, the IRPW is required to publish an Annual Report, which would have effect for the financial year 2024/25.</p> <p>Any representations on the draft IRPW Annual Report should be submitted to the IRPW Secretariat by no later than 8th December, 2023.</p> <p>All the Determinations contained in the IRPW's Annual Report will apply in respect of Principal Councils and Town and Community Councils and where relevant, Fire and Rescue and National Park Authorities.</p> <p>The IRPW proposes setting the salaries as detailed in Appendix A of this report in order to avoid further erosion in relation to average earnings.</p>	

The Committee's observations are sought in regard to the consultation questions as set out at Appendix B to the report which also contains proposed draft responses for the Committee to consider.

Any Member may forego all or some of their entitlement in any one year by notifying the Head of Democratic Services in writing.

Recommendations

1. T H A T the Committee notes the Independent Remuneration Panel for Wales' (IRPW) draft Annual Report 2024/25 proposals.
2. T H A T the Committee approves the draft response to the IRPW Determinations as set out in Appendix A to the report.
3. T H A T the Committee considers and agrees the proposed draft responses to the consultation questions set out in Appendix B to the report.

Reasons for Recommendations

1. In acknowledgement of the IRPW draft proposals for 2024/25.
2. To provide the opportunity for the Committee to submit comments on behalf of the Council by the consultation deadline of 8th December, 2023.
3. To agree a response to the consultation by 8th December, 2023.

1. Background

- 1.1 The Independent Remuneration Panel for Wales (IRPW) is tasked with setting the remuneration levels for Councils in Wales. Each year, they publish a Draft Annual Report which is circulated for consultation. The Draft Report may be viewed at

[Independent Remuneration Panel for Wales Draft Annual Report – February 2024;](#)

[Panel Annibynnol Cymru ar Gydabyddiaeth Ariannol: adroddiad blynyddol drafft 2024 i 2025 | LLYW.CYMRU](#)

- 1.2 The consultation period closes on 8th December, 2023.
- 1.3 All Members of the Council were emailed details of the consultation exercise and a link to the IRPW Draft Annual Report for 2024/25 on 16th October, 2023, inviting them to respond directly to the consultation by the deadline. The final IRPW Annual Report will be published in February 2024.

2. Key Issues for Consideration

- 2.1 This report sets out the determinations affecting the Vale of Glamorgan County Borough and proposed responses as necessary.
- 2.2 The Panel this year has concentrated on 3 main areas:

The continuation to ensure that levels of remuneration are fair and reasonable by aligning levels of remuneration for elected members of Principal Councils, National Park and Fire and Rescue Authorities within the context of average Welsh earnings

by using the Annual Survey of Hours and Earnings within Wales (ASHE) published by Office for National Statistics (ONS) as the main benchmark for setting remuneration.

For the Committee's information, the Annual Survey of Hours and Earnings (ASHE) is a survey conducted by the Office for National Statistics (ONS) in April each year and collects information on the earnings and hours worked of employees in the UK. It is based on a 1% sample of employee jobs taken from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) records. The survey covers all industries and occupations and provides data on various aspects of earnings, such as gross weekly pay, hourly pay, annual pay, overtime pay, and gender pay gap. The survey also provides information on pension arrangements and paid leave entitlements of employees. It is the most comprehensive source of information on the structure and distribution of earnings in the UK and is widely used by researchers, policymakers, and employers.

The Panel remains of the view that a fair and reasonable remuneration package will continue to support Elected Members and not act as a barrier to participation.

In line with their commitment to simplifying reporting and compliance, the Panel this year looked at the reporting requirements for Community and Town Council and the number of Community and Town councillors who decide to forego all or part of their entitlement. The Panel continues to hold a strong view that Councillors should be reimbursed for some of the expenses they necessarily incur whilst carrying out their duties. In previous years the Panel agreed that costs of care and personal assistance allowances, would be changed to only requiring the recording of the total amounts paid and the total number of recipients. The Panel feels that it would be appropriate to extend this requirement to the mandatory payment for working from home (£156 per annum), the flat rate consumables allowance (£52) and travel and subsistence claims. The Panel believe this will strike the right balance between public accountability, individual privacy and further encourage Town and Community Councillors to accept the payments they are entitled to. The Panel will provide updated guidance on this issue to Town and Community Clerks.

The remaining area that the Panel considered this year related to the method of calculating payments made to co-opted members of Principal Councils, National Park and Fire and Rescue Authorities as the result of the impact of the changing nature of working patterns. Following queries and receipt of evidence, the Panel have taken the view that the current arrangement of either a half day rate for anything up to 4 hours and a full day rate for 4 hours or more, was insufficiently flexible to reflect the patterns of working now more normally in place, mainly due to increasing online or hybrid working. The Panel proposes that the local relevant officer should have the flexibility to decide when it will be appropriate to apply a day or a half day rate and when to use an hourly rate of payment where it is sensible to aggregate a number of short meetings.

Determinations within the IRPW Draft Annual Report 2024/25

- 2.3** An "Extract of the Determinations of the IRPW Draft Annual Report" is appended at Appendix A with suggested responses to the IRPW consultation for the Committee's consideration.

- 2.4** The Local Government (Wales) Measure 2011 requires the Panel’s Annual Report to take effect from 1st April. In most years, this is in line with the financial and administrative arrangements of all Authorities.

Consultation on Draft Report – Questions

- 2.5** In addition to the determinations, the IRPW asks 6 consultation questions relating to the Draft Annual Report. These are attached at Appendix B and include suggested draft responses. The Committee’s comments / response are sought on these.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

Integrated Assessment Implications

- 3.1** The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure and must, in the exercise of their functions, have due regard to the need to:

Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts;

Advance equality of opportunity between people who share a protected characteristic and those who do not;

Foster good relations between people who share a protected characteristic and those who do not;

Deliver better outcomes for those people who experience socio-economic disadvantage;

Consider opportunities for people to use the Welsh language;

Treat the Welsh language no less favourably than English;

Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

- 3.2** The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development; Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the “well-being goals”.

4. Climate Change and Nature Implications

- 4.1** There are no climate change or nature implications associated with this report.

5. Resources and Legal Considerations

Financial

- 5.1** The IRPW proposes setting the salaries as set out in Appendix A. Members can forego all or some of their entitlement. This is a personal individual decision which must be notified in writing to the Head of Democratic Services. As the IRPW determinations are updated annually with payments based on the financial year, Members would need to notify the Head of Democratic Services each year whether they wished to forego payment in that financial year.
- 5.2** The total theoretical financial cost as a result of these draft IRPW determinations in relation to Salaries is £93,665 (including employer superannuation and National Insurance). This will need to be fully reflected in future budgets from 2024/25. The actual cost in any one year will depend upon who holds any of the Civic or Senior Salary Offices in year (i.e. where one Councillor might discharge two roles but only receives one higher salary).
- 5.3** There are no further changes to remuneration and benefits paid to Elected Members and therefore all other Determinations from 2023/2024 still stand and are to be applied in 2024/2025, including those covering:
- Reimbursement of travel and subsistence.
 - Contributions towards the costs of care and personal assistance.
 - Co-opted Members.
 - Restriction on receiving more than one salary where a member holds more than one post.
- 5.4** It is important to put the proposed salary for Councillors into context. An Independent Member of a Welsh Health Board would currently earn £15,936 pa in line with Welsh Government set remuneration levels, based on a minimum commitment of 4 days per month. The IRPW have based a Councillor's salary on 3 days per week.

Employment

- 5.5** There are no employment implications associated with this report.

Legal (Including Equalities)

- 5.6** There are no specific legal implications associated with this report,

6. Background Papers

IRPW Annual Report 2023/24.

Summary of Determinations:

Determination 1:

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

Determination 2:

The salary of a Leader of a Group B Principal Council will be £62,998. All other payments have been decided in reference to this.

Determination 3:

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

The salary of vice-chair will be £4,667.

Determination 4:

The basic pay of members of National Park Authorities and Fire and Rescue Authorities has been increased by 6.06%. All payments are set out in Table 3 of the IRPW Annual Report.

Determination 5:

The proposed introduction of local flexibility for the relevant Council Officer to decide when it would be appropriate to use an hourly rate payment to aggregate a number of short meetings.

Proposed hourly rates are:

- | | |
|--|--------|
| • Chair of Standards and Governance and Audit Committees | £33.50 |
| • Ordinary Members of Standards Committee who also Chair Standards Committees for Community Councils | £29.75 |
| • Ordinary Members of Standards Committee, Education Scrutiny Committees, Crime and Disorder Scrutiny Committees and Governance and Audit Committees | £26.25 |
| • Community and Town Councillors sitting on Principal Councils Standards Committees | £26.25 |

Determination 6:

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

Determination 7:

Compensation for financial loss is an optional payment. The amount for financial loss was not increased last year. Previously, the Panel determined that an appropriate level of payment should be set at the daily rate of ASHE.

Determination 8:

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

Extract of the Determinations of the IRPW Draft Annual Report 2023-2024 and the Vale of Glamorgan's comments

Note: This report only outlines the salary figures of Group B Councils to which the Council belongs.

Determination 1	Basic Salary in 2023/24 for elected members of principal councils shall be £18,666
Comments	The basic salary will be aligned with three fifths of the All Wales 2022 ASHE (Annual Survey for Hours & Earnings), the latest figure available at drafting. This represents a 6.06% increase in the basic salary. This is in line with the IRPW stated aims. The Authority makes no comment on the increase.
Determination 2	Senior Salary levels in 2024/25 for Members of Principal Councils shall be set out in Table 1 (of the IRPW Annual Report
Comments	The All Wales 2022 ASHE (Annual Survey for Hours & Earnings) applies to Band 1 (Leader of Council & Deputy Leader of the Council) & Band 2 (Executive Members), Band 3 (Committee Chairs), Band 4 (Leader of the largest opposition Group, Band 5 (Leader of other political Groups) where pay is frozen and the basic salary increase will apply. The Authority makes no comment on the increase. Determination 2 of the IRPW would have the following effect:

Senior Salaries (inclusive of Basic Salary) – Group B Councils	Current	Proposed 2024/25
Band 1 Leader Deputy Leader	£59,400 £41,580	£62,998 £44,099
Band 2 Executive Members	£35,640	£37,799
Band 3 Committee Chairs (if remunerated) and Civic Head	£26,400	£27,999
Band 4 Leader of the Largest Opposition Group	£26,400	£27,999
Band 5 Leader of Other Political Groups and Deputy Civic Head	£21,340	£22,406

Determination 3	The salary level for a Chair of a Joint Overview and Scrutiny Committee and Vice-Chair
Comments	The proposed amounts are £9,333 and £4,667 respectively. The Authority makes no comment on the increase.

Determination 4	Payments to National Park Authorities & Fire and Rescue Authorities
Comments	Payments will increase as a result of the uplift proposed for elected members of principal councils. Therefore, there will also be an uplift of 6.06% in the basic salary element. The remuneration for Chairs will remain linked to a Band 3 senior salary of principal councils. Therefore, there will be a small increase to the role element of their pay. Deputy Chairs, Committee Chairs and other senior roles will remain linked to Band 5. Therefore, their role element of pay will remain frozen. The increase in basic salary will apply. Full details of the levels of remuneration for members of National Park Authorities and Fire and Rescue Authorities, is set out in Table 2. The Authority makes no comment on the increase as it is a matter for those authorities.

Determination 5	Co-opted Member Payments
Comments	The Panel proposes there should be local flexibility for the relevant officer to decide when it will be appropriate to apply a day or a half day rate or to use an hourly rate where it is sensible to aggregate a number of short meetings. The full and half day rates remain unchanged from 2023 to 2024. The only change is the stipulation of hourly rates. The Authority supports the introduction of the flexibility to use an hourly rate where appropriate.

Determination 6	<p>Payments towards costs & expenses of <u>Members of Community & Town Councils</u></p> <p>Basic payment for extra costs of working from home All Community/ Town Councils must pay members £156 per year (equivalent to £3 a week) towards extra household expenses (including heating, lighting, power & broadband) of working from home.</p> <p>Set payments for consumables</p> <p>These Councils must pay their members £52 a year for the cost of office consumables required to carry out their role, or alternatively councils must enable members to claim full reimbursement for the cost of their office consumables. It is a matter for each Council to make and record a policy decision in respect of when and how the payments are made and whether they are paid monthly, yearly, or otherwise. The policy should also state whether and how to recover any payments made to a member who leaves or changes their role during the financial year.</p>
Comments	The Authority makes no comment on the proposal but supports the principle that Members should be reimbursed.
Determination 7	Compensation for financial loss
Comments	<p>This is an optional payment and the amount was not increased last year. Previously the Panel determined that an appropriate level of payment should be set at the daily rate of ASHE. To maintain this link, the figures for 2024 are now proposed as £119.62 for a full day and £59.81 for a half day.</p> <p>The Authority makes no comment on the increase.</p>
Determination 8	Returns in respect of mandatory payments
Comments	<p>The Panel proposes that from September 2024, the returns need only show the total amounts paid in respect of the mandatory payments mentioned above. That is the £156 contribution to the costs of working from home and the £52 set rate consumables allowance and the travel and subsistence expenses paid. This brings these in line with the reporting of the costs of care and personal assistance allowances.</p> <p>The Authority supports the principle of alignment with reporting of the costs of care and personal assistance allowance.</p>

Question 1 - Uplift of remuneration using the Annual Survey of Hours and Earnings (ASHE)

The Panel is fully aware of the current constraints on public funding and the impact its decisions will have on the budgets of Principal Authorities. The Panel is also mindful of our Aims and Objectives to provide a fair and reasonable remuneration package to support elected members and to encourage diversity of representation. We therefore propose to uplift their remuneration based on the average earnings of their constituents.

Do you think that the Panel has struck the right balance between affordability and adequate remuneration for representatives? If not, do you have other suggestions?

Yes

No

No Opinion

Any additional comments

The Council maintains its support for the continued linking of remuneration for Elected Members' salaries to ASHE

Question 2 - Local flexibility for payments to co-opted individuals

The Panel has received evidence that it would be more cost effective and fairer to provide for flexibility in paying those who are co-opted to serve on committees of Principal Councils, National Park Authorities and Fire and Rescue Authorities.

The Panel has therefore proposed there should be local flexibility for the relevant officer to decide when it will be appropriate to apply a day or half day rate or to use an hourly rate where it is sensible to aggregate a few short meetings.

Do you agree with this proposal? If not, do you have any suggested alternatives?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>
No Opinion	<input type="checkbox"/>

Any additional comments

The Council accepts the stance taken by the IRPW to review existing payment methods to reflect agile working arrangements and changing demands on Co-Opted Members.

Question 3 - Encouraging sustainable travel

The Panel would like to ensure that we support environmental sustainability in our decisions about remuneration. We are aware that there are schemes in many bodies in Wales which encourage sustainable travel and we have advised that, if possible, elected members should be encouraged to participate in these schemes.

Do you have any examples of good practice or other ideas of ways in which we might use our powers to encourage more sustainable travel among members?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
No Opinion	<input checked="" type="checkbox"/>

Any additional comments

The Council supports the principle of encouraging the use of sustainable travel by all. The Council is currently looking to review information that is provided to its Members to raise awareness of the initiatives that they may wish to take advantage of.

Question 4 - Awareness of the entitlements of representatives

The Panel has seen evidence of a lack of awareness amongst local elected members of the payments to which they are entitled. We would like to find out if this is a significant issue, and if so, we will aim to raise awareness further, targeted at areas where this may be a problem.

Please identify which type of body you serve (select all that apply):

Principal Council	<input checked="" type="checkbox"/>
Community or Town Council	<input type="checkbox"/>
Fire and Rescue Authority	<input type="checkbox"/>
National Park Authority	<input type="checkbox"/>

What is your status?

Member	<input type="checkbox"/>
Co-opted Member	<input type="checkbox"/>
Other	<input type="checkbox"/>
Response of the Committee	<input checked="" type="checkbox"/>

Did you know that you may be entitled to some of or all the following?

- Remuneration for your role

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

- Pension (Principal Councils only)

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

- Reimbursement of expenses

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

- Reimbursement for caring responsibilities

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

- Family absence payments (Principal Councils only)

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

What steps does your council or authority take to make its elected members and co-opted members aware of their entitlements?

Information relating to Member Remuneration is published in the Elected Member Handbook. Members have also been provided practical workshops on how to claim expenses via its digital portal.

Question 5 - Publication of consolidated sums for Community and Town Councils

Community and Town Councils are required to submit an annual statement of payments to the Panel by 30 September each year, and also publish this on their website. The Panel have provided a template return for clerks to use. The Panel have discussed and considered changing the requirements for Community and Town Councils when submitting their statement of payment returns. The Panel's aim is to simplify administration and encourage Councils to ensure all mandatory payments are made to individual members.

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

This brings these in line with the reporting of the costs of care and personal assistance allowances.

Do you agree that these figures may be published as a global total rather than individually?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
No View	<input checked="" type="checkbox"/>

What are the reasons for your view?

Whilst this is a matter for Town and Community Councils, the Council supports the Panel's proposal to encourage all Members to take appropriate remuneration for carrying out their duties.

Question 6 - Publication of consolidated sums for other bodies

In future reports, we are thinking of allowing consolidation of the travel and subsistence expenses of members of principal councils, National Park Authorities and Fire and Rescue Authorities and would be interested in your views.

Do you agree that these figures may be published as a global total rather than individually?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
No View	<input checked="" type="checkbox"/>

What are the reasons for your view?

Whilst this is a matter for Town and Community Councils the Council supports the principle of publishing global totals.