

## CONSTITUTION AND DEMOCRATIC SERVICES COMMITTEE

<b>Date of Meeting</b>	Wednesday, 6 <sup>th</sup> November 2024
<b>Report Subject</b>	Independent Remuneration Panel for Wales (IRPW) draft Annual Report 2025-2026
<b>Report Author</b>	Democratic Services Manager

### EXECUTIVE SUMMARY

Each year, the Independent Remuneration Panel for Wales (IRPW) determines the rates of payment which are to be made to elected and co-opted members of Welsh Local Authorities for the following year.

Established by the Local Government (Wales) Measure 2011, the IRPW is independent of local authorities. It has emphasised from its inception that:

*“Local democracy and governance of public services is not cost free and need to be valued if we are to enable everyone to participate. Levels of remuneration need to be set at a level sufficient to encourage a diversity of willing and able people to undertake local governance through elected, appointed or co-opted roles.”*

The draft Annual Report is sent by the IRPW to local government bodies in Wales each year. This year, it did so on the 4<sup>th</sup> October, requesting any comments about the report to be made no later than the 29<sup>th</sup> November.

The IRPW is required to consider any representations which it receives on the draft report before issuing its final version in February.

The basic salary in 2025-2026 for elected members of County Councils is proposed to increase to £19,771 with effect from 1<sup>st</sup> April 2025.

Increases are also proposed for all other Special Responsibility Allowances (Senior Salaries).

### RECOMMENDATIONS

1	That the Committee considers and comments on the Determinations made by the Independent Remuneration Panel for Wales in their draft Annual Report for 2025-2026.
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2	That the Democratic Services Manager be authorised to make a response on behalf of the Committee, reflecting the decision made at the meeting to the Independent Remuneration Panel for Wales.
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## **REPORT DETAILS**

<b>1.00</b>	<b>DETAILING THE DRAFT ANNUAL REPORT OF THE INDEPENDENT REMUNERATION PANEL FOR WALES (IRPW) 2025-2026</b>
1.01	<p>The Independent Remuneration Panel for Wales (IRPW) is responsible for setting the levels and arrangements for the remuneration of elected and co-opted members of the following organisations:</p> <ul style="list-style-type: none"> <li>• Principal Councils, County and County Borough Councils</li> <li>• Community and Town Councils</li> <li>• National Park authorities</li> <li>• Fire and Rescue authorities</li> <li>• Corporate Joint Committees</li> </ul>
1.02	The IRPW produces a report in February each year, which sets out what it has decided the rates of payment to elected and co-opted members of those organisations listed in paragraph 1.01 should be for the following year. These are called Determinations.
1.03	The Panel also issues a draft report in October/November each year for consultation on the Determinations. As part of the consultation, they include a series of specific questions, which they ask for feedback on.
1.04	<p>In their report (which is attached as appendix 1), the Panel states:</p> <p><i>The Panel believes fair and reasonable levels of remuneration are crucial to local democracy. We therefore again agreed to continue to align levels of remuneration for elected members of Principal Councils, Corporate Joint Committees (CJCs), National Park and Fire and Rescue Authorities within the context of average Welsh earnings. This has meant 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.</i></p>
1.05	<p>The Panel continue to base the basic Members salary on the full-time equivalent of 3 days a week. Special Responsibility Payments (Senior Salaries) made to Members, including the Leader and any Deputy/ies are based on the full-time equivalent of 5 days a week.</p> <p>The table below shows the 2024-2025 IRPW determined salary levels and the proposed levels for 2025-2026. All salaries include the basic salary. (Determinations 1 and 2).</p>

	<b>Position</b>	<b>Current, 2024 IRPW Determination</b>	<b>Proposed, 2024 IRPW Determination</b>
	Member of Council	£18,666	£19,771
	Committee Chair (where remunerated)	£27,999	£29,657
	Leader of largest Opposition Party	£27,999	£29,657
	Chair of Council	£27,999	£29,657
	Vice-Chair of Council	£22,406	£23,726
	Leader	£62,998	£66,727
	Deputy Leader	£44,099	£46,709
	Cabinet Member	£37,799	£40,036
	Presiding Member*	£27,999	£29,726
	Deputy Presiding Member*	£18,666	£19,771

\* Flintshire County Council doesn't have either of these posts.

- 1.06 The Panel introduced a new, hourly rate of payment for co-opted members of Principal Councils, National Park Authorities and Fire and Rescue Authorities last year (for 2024-2025). They retained the half-day and full-day payments, but there were no changes to these rates of remuneration.
- The Panel determined (and continues to do so) that it is for each authority to decide the appropriate rate to apply (daily, half-daily, or hourly).
- Work will be undertaken during November to better understand the implications of introducing hourly rates of pay for co-opted members, versus retaining the half and full-day rates. A report will be brought to the next meeting of the Committee detailing the findings, ahead of the expected final report from the IRPW in February 2025.
- 1.07 Whilst the Panel believes that councillors should be remunerated, it does note that any member or co-opted member may give notice in writing to the proper officer of the authority that they elect to forgo any part of their entitlement to a payment under the determination of the Panel for that particular year (as relating to the authority).
- They do stress that this must be their own personal choice and cannot be influenced by other individuals or political groups.**

1.08	<p>The Panel are proposing that all of the other determinations will remain the same and therefore be applied to 2025-2026. These cover:</p> <ul style="list-style-type: none"> <li>• Contributions towards costs of care and personal assistance;</li> <li>• Reimbursement of Travel and subsistence costs;</li> <li>• Compensation for financial loss;</li> <li>• Co-opted Members and</li> <li>• Restrictions on receiving double remuneration where a member holds more than one post.</li> </ul>
1.09	<p>As with each draft Annual Report, the Panel are seeking feedback on the content of the report.</p> <p>The Committee is therefore invited to consider, and comment on the Independent Remuneration Panel for Wales Draft Annual Report and its Determinations for 2025-2026.</p> <p>The IRPW is required to consider any representations which it receives on the draft report before issuing its final version of the report in February.</p>
1.10	<p>In addition to seeking responses to the consultation on the draft report, the IRPW are also asking for feedback on 4 specific questions that accompany the report. These are detailed in paragraphs 1.12 to 1.15, though only Questions 1 and 2 relate to Flintshire County Council.</p> <p>In each question, the responses are:</p> <p>‘Yes’, ‘No’ or ‘No Opinion’, with an option to include additional comments.</p> <p>The consultation period ends on 29<sup>th</sup> November.</p>
1.11	<p>The Panel’s functions will transfer to the Democracy and Boundary Commission Cymru (DBCC) on 1<sup>st</sup> April 2025. The role and remit of the DBCC has been expanded to include the functions of the IRPW, notably setting the remuneration for members of the same bodies as the IRPW.</p> <p>The DBCC will continue the same approach as that of the IRPW, producing a draft annual report in October/November 2025, ahead of a final report in February 2026.</p>
1.12	<p><i>Uplift of remuneration using the Welsh Annual Survey of Hours and Earnings (ASHE)</i></p> <p>Q1: 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.</p> <p>We therefore propose using the ASHE for all Wales to increase their remuneration in line with the average earnings of their constituents.</p>

	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?
1.13	<p><i>Impact of current determinations</i></p> <p>Q2: Following evidence received from Heads of Democratic Services of Principal Councils, on local flexibility for payments to co-opted members, serving on committees of Principal Councils, National Park Authorities and Fire and Rescue Authorities. This Panel consulted on this proposal and responses (from the consultation on the 2024 to 2025 draft annual report) supported the Panel's determinations and so no changes were made in the final Determinations, resulting in the Panel allowing relevant officers to decide if it would 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.</p> <p>The Panel would now like to know if this determination has been adopted by your relevant authority:</p>
1.14	<p>Q3: Last year, in conjunction with One Voice Wales, the Panel held a seminar on the treatment of tax on members Community and Town Councils (CTC) allowances. This was followed up with guidance on how to apply the exemption to the working from home allowance (£156).</p> <p>The Panel is interested to learn if the seminar and or guidance has increased the number of CTC members receiving the allowance.</p>
1.15	<p>Q4: All allowances paid to elected members of Community and Town Councils should be recorded on the Annual Statement of Payments for Community and Town Councils (noting Statements already submitted by Community and Town Councils will be accepted would be accepted). This includes NIL returns.</p> <p>Earlier this year, a revised Statement template and advice note were issued to Community and Town Councils. The Panel are interested if the Template has again increased the number of councillors claiming allowances?</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p>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 payment under the determination of the Panel for that particular year (as relating to the authority).</p> <p>If all of the increases are accepted as per the IRPW report, there will be a budget increase (excluding on-costs) of £93,006 for 2025-2026.</p>

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	The IRPW are consulting about their proposals and Members have the opportunity to feedback their views.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The decision to increase Member Salaries is made by the Independent Remuneration Panel for Wales, not Flintshire County Council.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<b>Appendix 1:</b> Independent Remuneration Panel for Wales (IRPW) draft Annual Report, October 2024.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>The background paper to this report is the Independent Remuneration Panel for Wales Annual report, attached as an appendix.</p> <p><b>Contact Officer:</b> Steven Goodrum, Democratic Services Manager  <b>Telephone:</b> 01352 702320  <b>E-mail:</b> <a href="mailto:Steven.Goodrum@flintshire.gov.uk">Steven.Goodrum@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Independent Remuneration Panel for Wales (IRPW)</b> – body established by the Welsh Government to determine the level of Local Authority payments to Members.</p> <p><b>Determinations</b> – the decisions which the IRPW makes.</p> <p><b>Basic Salary</b> – the salary or allowance which the IRPW determines should be paid to each Member of the Council. For 2024/25 this will be £17,600.</p> <p><b>Senior Salary</b> – a senior salary is payable to a Councillor with special responsibility such as the Leader, Deputy Leader, Cabinet Members, Committee Chairs and the leader of the largest opposition group (a Group B Council such as Flintshire may pay up to 18 senior salaries).</p> <p><b>Civic Salaries</b> – these are the payments made to the Chair and Vice-Chair of Council.</p>