



Date of meeting:	16 November 2021
Subject	Independent Remuneration Panel for Wales draft report
Recommendation	Members of the committee are asked for their comments in order to respond to the recommendations included in the draft report.
Contact officer:	Vera Jones, Democracy and Language Services Manager

Background and relevant considerations?

1. The Independent Remuneration Panel for Wales publish a draft report in the autumn each year. The draft report outlines the intentions for the following financial year. The draft was published in October 2021, with an opportunity to respond to the recommendations by the 26th November, 2021.
2. The changes included in the draft, should they take effect, become operational for the Councillors elected following the May 2022 elections.

Role of the Independent Remuneration Panel for Wales

3. The Panel is responsible for setting the level of remuneration for Councillors in Wales, and their role is totally independent. From inception, the Panel has consistently and vigorously expressed that local democracy and the governance of public services are not cost free and need to be valued if we are to enable everyone to participate. It is important to promote a culture which encourages take up of remuneration to ensure that people from all walks of life can participate confidently in our democracy.
4. In addition, the Local Government (Wales) Measure 2011 requires the Panel to have regard to the financial implication of its decisions. The Panel are required to balance the two elements side by side annually when making their decisions.
5. The Panel have noted that they paused to reflect on the impact of the decisions they take and the messages they are communicating when making this year's determinations. They have also engaged widely with stakeholders prior to determining the draft decisions.

The Panel's Main decisions

6. A full copy of the draft report is available on the link below.
<https://gov.wales/independent-remuneration-panel-wales-draft-annual-report-2022-2023>
7. Remuneration for Elected Members. In 2009, the Panel decided the average work commitment of an elected councillor of a principal council was three working days. The maximum basic salary was set at £13,868. This reflected three fifths of the then median gross earnings of full-time male employees resident in Wales as reported in the Annual Survey of Hourly Earnings (ASHE) published by the Office of National Statistics. The Panel considered it was appropriate to use this figure, as it was comparable with constituents' pay, (adjusted for the part-time nature of the work of a member with no senior responsibilities).
8. Since 2009, the Panel has had a duty to take account of affordability and acceptability and set amounts for the basic salary that varied but have not kept pace with measures of inflation or other comparators. Table 1 shows the percentage increases to the basic salary and a selection of alternative benchmarks from 2013 to 2021.
9. From 2013 to 2020 the basic salary of other Welsh elected members increased by 9% (£13,175 to £14,368).
 A Senedd Cymru member's salary increased by 28.6% (£53,852 to £69,272)
 An MP's salary increased by 23.4% (£66,396 to £81,932).

 MS salaries were realigned in 2017 and MPs in 2015.
10. For further context, the Panel also notes that councillors in Scotland receive £18,604 a year and in 2018 councillors in Northern Ireland received £15,486. Comparison with England is more difficult as the structure of local government is different, although there are examples where members are paid significantly more than their Welsh counterparts.
11. Table 1 (taken from the draft annual report) shows the basic salary of backbench councillors has fallen significantly behind the Welsh average (median) salary and public sector pay.

Table 1 – Yearly percentage increases to basic salary, benchmarks and alternative measures 2013 to 2021

Annual Report Year	2013	2014	2015	2016	2017	2018	2019	2020
IRPW Basic	0.00	0.00	0.95	0.00	0.00	0.75	3.49	2.52
ASHE*	4.00	0.60	1.00	2.70	1.00	2.10	5.10	0.60
NJC **	1.00	0.43	2.05	1.00	1.00	2.00	2.60	2.75

MS	0.00	0.00	0.00	1.00	17.70	2.10	3.50	0.00	2.40
MP	1.00	1.00	10.30	1.30	1.40	1.80	2.70	3.10	0.00
RPI***	3.00	2.40	1.00	1.80	3.60	3.30	2.60	1.50	3.80
CPI****	2.60	1.50	0.00	0.70	2.70	2.50	1.80	0.90	2.00
NLW	1.90	3.00	3.10	7.50	4.20	4.40	4.90	6.20	2.18
LWF	3.47	2.68	2.61	5.10	2.42	3.55	2.86	3.33	2.15

** NJC final employers offer July 2021; *** RPI and CPI**** are for July 2021.

Wales Median Average (median) gross weekly earnings by Welsh local areas and year (£)
(gov.wales)

MS [Remuneration Board](#)

MP [Independent Parliamentary Standards Authority](#)

RPI all items [Retail Price Index](#)

CPI [Consumer Price Inflation](#)

NLW [National Living Wage](#)

LWF [Living Wage Foundation](#)

Table 2 - Basic yearly salary and actual full time and 3 day (60%) equivalents of Welsh national average pay 2013 to 2021

Year	IRPW basic salary	Wales Median ASHE	
		full time	3 day
2013	13,175	24,499	14,699
2014	13,175	24,655	14,793
2015	13,300	24,915	14,949
2016	13,300	25,643	15,386
2017	13,300	25,904	15,542
2018	13,400	26,476	15,886
2019	13,868	27,828	16,697
2020	14,218	27,974	16,784
2021	14,368	October 2021	October 2021

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12. The Panel believes that local elections in May 2022 provide an opportune time to rectify the imbalance between the basic salary of councillors and the average salaries of their constituents. The basic salary of councillors of principal councils elected in the May 2022 local elections will be reset to align with the 2020 ASHE. This will be £16,800.
 13. Contributions towards Cost of Care and Personal Assistance. The Panel noted that they remain concerned that very few members are utilising the provision in the framework for financial support in respect of care. They note that encouraging take up of the financial support for members will send a positive signal that members with these responsibilities are welcome and valued.
 14. They are encouraging the Democracy Services Committee to continue to encourage and facilitate greater use of this element of the Remuneration Framework. As part of the arrangements for the Elections in May 2022 we will inform potential candidates of the support available.
 15. Other matters – The draft report also refers to the relevant changes due to the Local Government and Elections (Wales) 2021 Act, in particular with regards to arrangements for Job Sharing Arrangements.

Timetable

16. The Timetable for the changes have been noted as below:
 1. For the period 1 April 2022 to 8 May 2022, all of the Determinations contained in the Independent Remuneration Panel for Wales' Annual Report 2021/2022 will continue to apply in respect of principal councils and community and town councils.
 2. With effect from 9 May 2022, (the new municipal year) the determinations set out in this Report in Sections 3 and 13 will apply to principal councils and community and town councils.

Recommendations

17. Members of the Democracy Services Committee are asked for their comments in order to respond to the consultation by the 26th November, 2021.