



Leaders and Chief Executives of County and County Borough Councils
Chairs and Chief Executives of National Park Authorities
Chairs and Clerks of Fire and Rescue Authorities
Chair and Chief Executive of One Voice Wales
Leader and Chief Executive of Welsh Local Government Association
Head of Democratic/Members Services of County and County Borough Councils,
National Park Authorities and Fire and Rescue Authorities
Clerks of Community & Town Councils

cc: Minister for Public Services

23 February 2015

Dear Colleague

ANNUAL REPORT FOR 2015/16

I am writing to inform you that the Panel's Annual Report, dated February 2015, to be implemented in the financial year 2015/16, has now been published. This Report, together with copies of previous Reports, is also available on the Panel's website at www.remunerationpanelwales.org.uk. Printed copies of this Report can be made available on request.

This is our seventh Annual Report since the Panel was established in 2008 and is the fourth Annual Report since the approval of the Local Government (Wales) Measure 2011 ('the Measure')¹.

In 2013 we considered it an appropriate time to revisit the 22 principal authorities, the 3 national park authorities (NPAs) and the 3 fire and rescue authorities (FRAs) to discuss how our determinations were working in practice and what matters we should address in our Annual Report. This resulted in a number of significant changes to the Panel's remuneration framework in its Annual Report published in February 2014.

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

In that report, and in order to allow flexibility at a local level, the Panel introduced the opportunity for authorities to apply for specific or additional senior salaries outside the remuneration framework. To date only one application has been received.

This year we decided to undertake further work on the remuneration of civic heads to ascertain the extent of the use of the local flexibility that was introduced into our framework last year and to gather more information about the remuneration of and support to civic roles.

We also circulated a questionnaire to the clerks of all town and community councils in Wales to establish the extent to which those councils had utilised the determination in our December 2012 Annual Report that allowed them to make a payment to each of their members of a maximum of £100 per year for costs incurred in respect of telephone usage, information technology, consumables etc. Only 11.5% of the 735 councils responded which was very disappointing and meant that the Panel could not establish a clear picture of the use of this permissive arrangement.

Last year the Panel decided, given the very modest relaxation in the constraints on public sector pay and also to prevent a further erosion of relative levels of remuneration, to increase the basic salary for members of principal authorities by 0.9% from spring 2014, and to increase other payments proportionately. This year we have decided that there will be no increase in remuneration given the continuing constraints on local government spending.

Section 146 of the Measure requires the Panel to consult on its annual reports before final publication, and to take account of the representations which it receives. In accordance with this, a copy of the Panel's draft Annual Report for 2015/16 was circulated in October last year and a number of representations were received, all of which were considered in producing this final version of the Report.

The Panel remains concerned at the inconsistency of support provided to members to enable them to discharge their functions effectively and has made a number of amendments to its previous determinations to ensure there is greater consistency across Wales. We are also concerned that some councillors have not always fully utilised the support that has been provided through the Panel's remuneration framework and urges all those involved to ensure that the Panel's determinations are fully implemented and that individual councillors are encouraged to access all support available including the Care Allowance.

The Panel has noted reports in the media indicating that a number of local authorities intended to take or had made a decision on behalf of all members not to implement the modest increase in basic salary and other payments. Monitoring Officers have been reminded by the Panel that any such decision would be ultra vires, and it appears that no local authority has in fact made such a decision.

The Welsh Government amended the Local Government (Wales) Measure 2011 by inserting section 143A that enables the Panel to take a view on any change to the salary of the Head of Paid Service (normally the Chief Executive or Chief Fire Officer) or anything in the Pay Policy Statement of an authority that relates to this post. The Welsh Government has subsequently issued guidance on this to the Panel.

The Panel has continued to contribute wherever possible through its determinations to enhancing diversity in local government in Wales. It has also taken steps to help broaden the Panel's membership when the opportunity occurs.

The Panel is keenly aware of the way the Welsh Government is progressing the work of the Commission on Public Service Governance and Delivery and will be liaising closely with the Local Democracy and Boundary Commission for Wales in preparation for the implementation of the various Acts that will determine the future shape of local government in Wales.

We will be issuing a press notice to confirm the publication of this Annual Report. Copies of this letter are being sent to the Wales Audit Office, One Voice Wales, Wales Council for Voluntary Action, the main political parties and the TaxPayers' Alliance.

Yours sincerely



Chair
Independent Remuneration Panel for Wales