

PUBLICATION

# Independent Remuneration Panel for Wales: strategy 2023 to 2025

Sets out the Panel's key objectives for the next 3 years.

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# Introduction from the Chair

In this Strategy, the Panel sets out its key objectives for the next 3 years to help stakeholders and members of the public understand both the context in which we set out our Determinations on remuneration and our aims in supporting local democracy in Wales.

We recognise the important contribution that remuneration policies can make to the effective working of local democracy. It is important to us that our decisions are seen as fair and reasonable and are taken in an open and transparent manner.

We have taken on board the recommendations of the recent **10 year Review** of the effectiveness of the Panel and our approach to our work will continue to value independent decision making based on good research and evidence, strong engagement and listening and a commitment to work with others to promote local democracy.

Finally, the Panel understands it has a role to promote a wider understanding of the work of council members, to encourage participation in local democracy and to improving the diversity of our councillors to better represent the diversity of our local communities. We look forward to working collaboratively with other stakeholders across Wales, to achieve this.

Frances Duffy Chair Independent Remuneration Panel for Wales

# The Panel on a page

## Our role

The Independent Remuneration Panel for Wales is responsible for determining the level of payments to elected members of councils, national park authorities and fire and rescue authorities in Wales.

## Our aim

Supporting local democracy, giving communities their voice, through setting up an appropriate and fair remuneration framework, which encourages inclusion and participation.

### Our goals

Our Determinations should ensure that levels of remuneration are fair, reasonable, represent value for money for the taxpayer, and are set within the context of Welsh earnings and the wider financial circumstances of Wales.

Our Determinations should support elected members from a diverse range of backgrounds and levels of remuneration should not act as a barrier to participation.

#### Our strategic objectives

- evidence based Determinations
- clear and accessible communications
- · proactive engagement and consultation

- · simplified compliance and reporting
- · collaborative working

### The Panel members

Chair, Frances Duffy Vice Chair, Saz Willey Member, Bev Smith

## **Context for our work**

**The Local Government (Wales) Measure 2011** (the Measure) sets 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 Panel).

The Panel publishes an annual report each year which sets out our Determinations on remuneration and the basis for our decisions. As required by the Measure, a draft report is published for consultation, before the final report is issued in February each year. The final report sets out the payments to be made to elected, and where relevant co-opted, members for the forthcoming financial year and also provides guidance on how the Determinations should be applied.

#### **Current Remuneration framework model**

At the start of the current electoral term (2022 to 2027), the Panel re-established the link between the basic pay of members of principal councils to the earnings of their constituents. The Panel estimates that the average time commitment of a member is 3 days and that leaders, deputy leaders and executive members

work the equivalent of 5 days a week. The average time commitment of National Park and Fire and Rescue authority members is 44 and 22 days respectively.

The basic pay was therefore set at 3 fifths of the median gross earnings of full time employees in Wales as reported in the **Annual Survey of Hourly Earnings** (ASHE) published by the Office of National Statistics.

Except for Community and Town Council and co-opted members, all senior and other payments are multipliers or proportions of the basic payment. This recognises the additional time demands, responsibility and complexity of their roles.

Co-opted members are paid a day rate for meetings and associated travel time and reasonable preparation as pre-determined by the appropriate officer.

There is a separate framework for Community and Town Council payments. This mainly aims to ensure members are repaid for the expenses they have whilst carrying out their duties. Members with additional responsibilities are entitled to a senior payment.

All members are entitled to claim contribution to Costs of Care and Personal Assistance and reimbursement of Travel and Subsistence costs when on official business. Whilst all basic payments are mandatory, councillors may elect individually to forego some or all of their remuneration.

## Our goals and ways of working

## Our ways of working

In order to achieve our goals, the Panel has set out a set of principles for the way that we will work, with each other, with partners, with stakeholders and with

the wider public.

These are that:

- we are recognised as experts by utilising up to date evidence, research and comparators
- we are known for our collaborative working approach by engaging with stakeholders in our evidence gathering and horizon scanning
- we work collectively with others in order to promote diverse, healthy and thriving local democracy throughout Wales
- we are a trusted partner who provides a fair reward framework by being transparent about our decision making and open to feedback
- we are accountable to local communities through our engagement and communications and ensuring our decisions are seen to be fair, reasonable and affordable
- we are recognised for our professionalism in the quality of our reports and communications

# Our goals

Our Determinations should ensure that levels of remuneration are fair, reasonable, represent value for money for the taxpayer, and are set within the context of Welsh earnings and the wider financial circumstances of Wales.

Our Determinations should support elected members from a diverse range of backgrounds and levels of remuneration should not act as a barrier to participation.

## **Forward look**

In developing our Strategy, the Panel looked forward to the period between now and the next elections. There are several significant issues that are likely to impact the work of the Panel and which we will consider in making our Determinations.

# Public perceptions of local democracy and the role of elected members

The Welsh Government has published a series of research papers on participation and diversity in local democracy. These show that the level of public awareness of the role of and support for remuneration for elected members is low, whilst also indicating the increasing and varied levels of work of elected members. The Panel can play a role in promoting local democracy through its engagement and communications with the wider public.

#### Impact of the recent cost of living/inflation pressures on both council budgets and elected members individually

In the feedback to our 2023 Annual Report and Determinations, respondents commented on the increasingly stretched budgets of councils, whilst recognising the increasing burden on individual members. The Panel is mindful of the overall impact on Council budgets but continues to promote remuneration policies to encourage and support a diverse group of people to stand for elected positions.

# White Paper and transition to new governance arrangements

The proposals to transfer the powers of the Remuneration Panel to the Local Democracy and Boundary Commission are welcomed. The Panel note, however, that this will require careful planning and transitional support.

# Changes in working patterns post Covid and recognising benefits and challenges of digital reform

It has been evident that there has been a step change in the way that elected members carry out their functions. Remuneration policies can be an important way of supporting this change. The Panel itself, continues to embrace new digital ways of working.

# The Future Generations Act and the need to consider impact of Climate Change

The Panel's work will contribute to building thriving local communities as part of its commitment to the 7 principles of the Act. The remuneration packages and policies can contribute to our climate change challenges by encouraging both green travel and digital working practices, such as online meetings.

# **Strategic objectives**

This is the first time the Panel has set out our Strategy with clearly defined goals and objectives. Our supporting annual Work Plan, Communication and Engagement Plan and our Research and Evidence Plan, will set out our steps along the way.

The Panel has agreed 5 strategic objectives to be achieved over the next 2 years as we transition into the new Local Democracy and Boundaries Commission for Wales.

#### **Objective 1: evidenced based Determinations**

We will review our remuneration framework, in each electoral term, to reflect the changing role of elected members and help remove any barriers to participation.

### **Objective 2: clear and accessible communications**

We will update our website, publications, and guidance so that they are clear, easy to use and accessible to all.

### **Objective 3: proactive engagement and consultation**

We will engage with our stakeholders to understand how our decisions are applied and continuously learn.

## **Objective 4: simplified compliance and reporting**

We will put in place a simplified compliance and reporting framework that supports our research and evidence plan, whilst maintaining appropriate checks and balances.

### **Objective 5: collaborative working**

We will work in partnership with others to promote a healthy, thriving and diverse local democracy in Wales.

## **Measures of success**

We will have qualitative and quantitative means to measure the impact of our Determinations.

This will include:

- · data collected from the submitted annual returns from Councils
- feedback from our engagement and consultation with stakeholders
- · research on public perceptions of local democracy
- · data on diversity of elected members and levels of participation

We will be open and transparent and show our effective working by reporting our achievements against our Strategy and:

- annual Work Plan
- Communications and Engagement Strategy
- Research and Evidence Plan

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