

Ten Year Review of the arrangements for the Independent Remuneration Panel for Wales

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Chapter 1 Introduction

The Independent Remuneration Panel for Wales

The Independent Remuneration Panel for Wales (the Panel) was established in 2008, but took its current statutory form in 2011 through Part 8 (s141 to s160) of the Local Government (Wales) Measure 2011 (the Measure). Its purpose was to determine payments to Councillors and related holders of public office in a manner that is independent of political interference, through open processes that provide transparent rationale and produce fair outcomes to both recipients of the payments and council taxpayers who funded them.

Currently, the Panel determines a basic salary for all Councillors in the 22 Principal Local Authorities and the 735 Community and Town Councils in Wales, as well as the schemes of additional payments for Councillors holding senior positions in those Councils. It also determines similar payments for Members of the 3 Fire and Rescue Authorities and the 3 National Park Authorities in Wales. It has some responsibility for approving the pay of the Head of Paid Service (Chief Executive) of the Principal Councils in certain circumstances. It has related duties and powers around publication of information by Councils and Authorities. Extant Regulations from “The Measure” can be found at [Local Government \(Wales\) Measure 2011 \(legislation.gov.uk\)](http://legislation.gov.uk).

The Review

The Welsh Government has commissioned this 10-year review of the IRPW. The Remit for the review is attached at Annex A. The reviewer is asked to consider all the functions ... of the panel with a view to considering 10 broad questions which can be summarised as:

- 1 Testing how well it has achieved its objectives
- 2 Reviewing how the Panel communicates its determinations
- 3 Understanding its relationship with key stakeholders
- 4 Examining how well the Panel works
- 5 Considering how it engages with the Public

Methodology

Most of the evidence for the review was obtained through interviews with key stakeholders. Annex B sets out the interviews carried out. I am extremely grateful for all those that took part in those interviews for their valuable time and candid views. I also observed the Panel at work on several occasions, also listed in Annex B. I invited key stakeholders to submit written evidence should they not be able to make any of the meetings that were set up.

In addition to face-to-face interviews and observations, I also carried out some desk top research particularly around comparative systems elsewhere in the U.K., and I have drawn on other research about how Councillors go about doing their work and related matters. Throughout this report I identify

the sources I have used. Some of the people interviewed have also supplied me with additional information which I have used to supplement the evidence gathered through interview.

Before finalising the report, I shared early findings and likely recommendations with some of the key stakeholders as an informal consultation process. The time allowed for this review have not allowed a more extensive consultation process. The findings and recommendations in this report are ultimately my responsibility. It will, of course, be for the Welsh Government to decide how it wants to deal with these findings and recommendations, including what further consultation it wishes to carry out.

Structure of the report

After this opening chapter the report has a further eight chapters and a number of annexes covering the following broad subjects:

- Chapter 2 Comparative analysis of the Welsh system with other parts of the U.K.
- Chapter 3 Review of Objectives and their achievement
- Chapter 4 Strategy formation and communication
- Chapter 5 Review of Scope of the Panel
- Chapter 6 Relationships with Stakeholders and their view of the Panel
- Chapter 7 Resources and ways of working
- Chapter 8 Public engagement
- Chapter 9 Summary of findings and recommendations

The annexes provide background information that support the substance of the review.

Findings and Recommendations

There are seven recommendations in the report, set out in the sections to which they apply and brought together in Chapter 9. These are focused on the strategic changes that the Department and IRPW should make.

To summarise, the recommendations suggest that the IRPW builds a strategic narrative based on models of Councillor value and affordability underpinned by research evidence. The IRPW changes the way it communicates its decisions to bespoke them for different stakeholders. It also needs to develop a public engagement strategy. To help provide the resources to manage this work, it is suggested that the IRPW is hosted by an arm's length body with synergies with local government that can provide missing legal, technical and policy support, and undertakes an effectiveness review to re-purpose the budget and ways of working to increase the Panel's capacity. There are small changes to the scope suggested.

In addition to those broad recommendations the report includes considerable commentary on the detail of the Panel's work and its relationship with stakeholders. It did not seem appropriate to turn all these ideas into recommendations because they are rather intended to stimulate discussion, and many needed to be tested practically. They do provide important context for the recommendations and

should be fully considered whilst making the other changes. Important points not at least hinted at in the recommendations are included in the “Loose ends” section at the end of Chapter 9.

Acknowledgements

I am extremely grateful to Leighton Jones for all his help and support during this review. He set up all the meetings and was tireless in answering all my queries, and it would not have been possible to carry out this work in the timescale without his help.

I am similarly grateful to John Bader, Chair of IPRW and to his fellow members for welcoming me to their meetings, for their patience as I learnt about their work, and for their wholehearted engagement with the review.

Elaina Chamberlain and her colleagues at the Department similarly were very supportive of the work I did and very helpful in the guidance they gave me.

As stated above, I am also thankful for the open and engaging way all the representatives of Councils and Authorities and their representative bodies worked with the Review.

Chapter 2

Comparative analysis of the Welsh system with other parts of the U.K.

Within the UK, each country has its own separate system for the remuneration of Councillors. This chapter sets out the key components of each country's system and compares the level of payment that results. I have concentrated on Principal Councils, and I have not considered Non-Metropolitan District Councils in England as they are not properly comparable with Welsh Principal Councils. I have considered Northern Ireland Principal Councils even though their functions and scope are considerably less than Welsh Principal Councils. A summary of the key differences is set out in Annex C, and the summary of the different rates of pay is also included in that Annex.

Wales

Under the Local Government (Wales) Measure 2011 (as amended) the Independent Remuneration Panel for Wales (IRPW) makes determinations of the pay of Councillors for Principal Councils, Town and Community Councils, Members of National Park Authorities in Wales (NPAs) and Fire and Rescue Authorities (FRAs) in Wales.

For Principal Councils, this includes a Basic Salary (BS) that must be paid to all Councillors (unless they personally revoke it), as well as payments to Councillors holding "Senior" roles, such as Leader, Cabinet Member, Chair of Committee or Civic Leader. Throughout this report, I will refer to these latter payments as Senior Salaries or SSs. In Wales, the total number of SSs by Council is determined by the Panel, as well as the rate of pay for each type of SS. Councils can determine how many of each rank of SS there should be, subject to not exceeding the maximum¹. The Panel makes a report every year and undertakes a round of discussion and consultation with key stakeholders before producing a draft report and then a final one.

The IRPW has also made provision for Councillors to claim expenses, be provided with IT and other support and implemented a carers' payment scheme. Councillors can also join the local government pension scheme.

Uniquely, it has determined that all Town and Community Councillors should be paid £150 per annum for expenses incurred supporting their role, unless they individually revoke the payment. Whilst there is provision to pay Parish and Town Councillors in England very few are paid, and no equivalent Councillors in Scotland are paid where the role is considered voluntary. (There are no equivalent Parish Councils in Northern Ireland). I look at some analysis of the consequences of this decision towards the end of this chapter.

¹ Councils can apply to the Panel to have their maximum number of SSs increased, and exceptionally with the Welsh Government Minister's approval, to above 50% of the number of Councillors.

England

Councillors' payments in England are established under s18 of the Local Government and Housing Act 1989 as amended and The Local Authorities (Members' Allowances) (England) Regulations 2003.

Although the primary legislation gives the Secretary of State extensive powers of direction and intervention, the extant regulations provide for a very liberal scheme. In summary, Councils establish their own scheme of payment of basic allowances (Basic Salary) and special responsibility allowances (equivalent to SSs) subject to having regard to the recommendations of a locally established Independent Remuneration Panel (IRP).

Whilst all Councillors must be paid the basic allowance, there are few other limitations either on the amount paid, the number of SSs or the roles that can be remunerated. There are areas where joint IRPs are established such as London. In many places the IRP meets infrequently. One common practice is to establish a scheme including indexation, and then not to meet for four years (as schemes with indexation need to be reviewed every four years). If there is no indexation, a scheme can continue indefinitely without the need for the IRP to meet, although in practice Councils frequently need to change the number or roles of SSs and cannot do that without advice from their IRP.

I consulted with Declan Hall² about the English system. Declan professionally advises Councils on Councillor Remuneration and Chairs and has Chaired many IRPs in England. Typically, the rates established are done by benchmarking with the schemes of neighbouring or similar authorities, linked to pay levels moderated by the estimated amount of work done by Councillors, and frequently index linked to, for example, public sector pay changes³. Councillors are excluded from pension schemes, but can claim expenses, and IRPs can recommend, and Councils implement, carer allowances. Many Councils also have extensive additional support for Councillors, such as IT, stationery, and members support functions.

Scotland

Determination of Councillors' pay in Scotland is the responsibility of the Devolved Government. The system there is based on the 2009 report of SLARC (Scottish Local Authorities Remuneration Committee)

² Declan Hall was involved in the establishment of the Welsh Panel and was a Member between 2008 and 2012

³ Examples of reports can be found at:

[REPORT OF THE INDEPENDENT REMUNERATION PANEL \(shropshire.gov.uk\)](http://shropshire.gov.uk)

[Microsoft Word - CheshireEastCouncilsIndependentRemunerationPanelV70.doc](#)

[Independent Remuneration Panel Reports | Birmingham City Council](#)

Every Council has a report, and they can be very different, so these are merely examples to compare with Welsh experience.

and the response of the Scottish Government of February 2010. The Scottish Government sets the scheme through Regulations, the latest approved in February 2021 are The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2021⁴.

The basic pay for Councillors is set by reference to the pay of Scottish Public Sector workers as published by ONS in their Annual Survey of Hours and Earnings (ASHE). It stands at £18,604 for the year 2021/22, leaving Scotland with the highest average basic salary for Councillors in the UK. The Regulations also specify the payment level for the Leader of each Council and Civic Head, varying between Councils according to which of four Bands the Council sits in (one of the Bands is just Glasgow and Edinburgh). The Council's band is also used to set the number of senior payments allowed, but not the amount of the payment. After the Leader, the next most Senior role can only be paid a maximum of 75% of the Leader's rate, but all Councillors must get at least the basic salary.

In contrast to Wales, the total amount of senior pay is determined by a formula. For each Council this is calculated by taking half the maximum amount a senior Councillor who is not the leader (i.e., 37.5% of the Leader's pay above the Basic Salary) times the maximum number of senior Councillors allowed. Within that sum the Council is free to create as many different types of roles at whatever pay levels they wish. As elsewhere Councils provide support functions for Councillors and provide for expenses and carers requirements.

Northern Ireland

Councils in Northern Ireland are much smaller with less responsibilities than Principal Authorities in other parts of the UK. It is important to remember this when making comparisons.

Councillors' remuneration is based on the powers in Part 3 s31(5) of the Local Government Finance Act (Northern Ireland) 2011, and in particular set by the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2019. There is also a Local Government Circular 07/2021⁵ that provides practical advice on the interpretation and implementation of the Regulations. In effect the scheme is determined by the Department of the Communities in the Northern Ireland Executive.

Each Council can make its own scheme within tightly bound rules. The basic allowance or salary must be paid to all Councillors and cannot exceed the maximum level set by the Department. No Councillor can have more than one SS, and in total less than 50% of Councillors on each Council can earn a SS. Councils are grouped into three bands related to population size, and for each Band the Department sets a value for the sum of all SSs in the Council, and no one SS can be more than 20% of that maximum.

⁴The details of the Scottish scheme can be found at: [The Local Governance \(Scotland\) Act 2004 \(Remuneration\) Regulations 2007 \(legislation.gov.uk\)](#) and current version is at: [The Local Governance \(Scotland\) Act 2004 \(Remuneration\) Amendment Regulations 2021 \(legislation.gov.uk\)](#). A more user friendly description is at: [Local government: Councillors' roles, conduct and pay - gov.scot \(www.gov.scot\)](#)

⁵The Circular can be found at: [Circular LG 07/2021 - Consolidated Councillor Allowances | Department for Communities \(communities-ni.gov.uk\)](#)

Under s332 of the Act, Councils can make “reasonable payments” for the Chairperson and Vice Chairperson of the Council. There are no regulatory limits on these payments.

The Basic Allowance is intended to cover the use of the Councillor’s home, office consumables, and the cost of land and mobile phone calls. There is also a Dependents’ Carers Allowance capped at 52 hours a month and related to either the National Living Wage or for higher needs twice that rate. Councils also pay for travel and subsistence, and can provide for IT or mobile hardware, the cost of Broadband and mobile data.

Analysis of comparisons

It is difficult to get a comprehensive and accurate source of data on payments across the UK. The best source I came across was the Taxpayer’s Alliance report “Councillors’ Allowances 2020”⁶ which has a near full data set for all principal councils for the UK drawn from the reports of Councillor payments published by Councils. The data set I have used is set out in Annex D. I verified all the numbers of Councillors in the dataset, completed missing data by going to the Councils’ own websites, checked data points that looked exceptional and undertook a sample check of others to assure myself that the analysis would be robust. It is likely that there are still errors in this data, but unlikely sufficient to invalidate the summary analysis that I carried out. The data relates to 2018/19, which is why the amounts will appear lower than current remuneration rates.

2018-19	Wales	Scotland	N Ireland	London	Met Dists	Unitaries	Counties	England	All Non Wales
Minimum	£13,567	£16,926	£14,200	£8,086	£6,492	£687	£8,312	£687	£687
Maximum	£13,600	£16,994	£14,775	£12,000	£16,926	£14,189	£15,086	£16,926	£16,994
Average	£13,595	£16,989	£14,695	£10,323	£10,918	£9,465	£10,950	£10,265	£11,647
Frequency of BS									
£0	-	-	-	-	-	1	-	1	1
£2,000	-	-	-	-	-	1	-	1	1
£4,000	-	-	-	-	-	-	-	-	-
£6,000	-	-	-	-	3	14	-	17	17
£8,000	-	-	-	10	9	15	6	40	40
£10,000	-	-	-	22	14	13	14	63	63
£12,000	22	-	-	-	7	8	4	19	19
£14,000	-	-	11	-	1	2	2	5	16
£16,000	-	32	-	-	2	-	-	2	34
£18,000	-	-	-	-	-	-	-	-	-
Number of authorities	22	32	11	32	36	54	26	148	191

⁶ www.taxpayersalliance.com/councillors_allowances_2020

Table 1 sets out the level of basic salary for each Country, and within England, for County Councils, Metropolitan Districts, London Boroughs and Unitary Councils, by minimum, maximum and average, and shows the distribution of those amounts.

What one can see from Table 1 is that for Wales, Scotland, and Northern Ireland the impact of the national system is to ensure that all Councillors are paid the same. The other interesting observation is that on average English authorities (where the Council makes its own determination) tend to pay less. There are only 26 (17%) English authorities where the basic salary is as much as or more than Wales, even though England includes the largest Councils (by population and spend) in the UK. Wales which has an Independent Panel that carries out regular reviews and consultation pays less than either of the other national systems in Scotland and Northern Ireland, where payments are indexed and there is little continuing public scrutiny of changes in allowances. Scotland pays the most, and are no Authorities even in England that pay more than Scotland.

Table 2 shows similar analysis of the Maximum SS payment in each authority type.

2018-19	Wales	Scotland	N Ireland	London	Met Dists	Unitaries	Counties	England	All Non Wales
Min	£16,700	£9,670	£5,411	£4,989	£10,512	£2,333	£23,608	£2,333	£2,333
Max	£48,275	£50,986	£29,000	£82,620	£81,668	£63,625	£53,804	£82,620	£82,620
Average	£33,430	£17,863	£15,079	£38,590	£29,993	£25,603	£33,761	£30,912	£27,814
Frequency of Max SS									
£0	-	2	3	1	-	1	-	2	7
£10,000	-	11	3	-	2	6	-	8	22
£15,000	1	10	2	-	4	7	-	11	23
£20,000	1	6	1	2	8	14	1	25	32
£25,000	5	-	2	5	6	14	5	30	32
£30,000	14	2	-	11	12	10	16	49	51
£40,000	1	-	-	7	2	-	3	12	12
£50,000	-	1	-	5	1	3	1	10	11
£80,000	-	-	-	1	1	-	-	2	2

Given the greater flexibility in setting SSs there is much greater variety in the size of the largest payment. Typically, England authorities with directly elected Mayors pay the highest single payment. On average though, Welsh payments are the highest and those in Northern Ireland and Scotland the lowest. This is probably driven by the constraints put on total value of SSs by the formulae used in their national systems. County Councils and London Boroughs pay on average more than Welsh authorities and more generally English authorities pay higher maximum SSs. It seems as if where basic pay is low, senior pay is higher and vice versa as a sort of natural balance. It would require a lot more analysis to draw any firm conclusions. It seems though that Councils are reluctant to be seen to be paying all Councillors big salaries but are more willing to justify higher payments for more clearly defined roles.

Looking at the maximum SS is probably not the best way of understanding the balance between basic salary and senior payments. Table 3 looks at the costs of SSs as a percentage of the cost of basic salary by Council.

Table 3	Sum of SSs as % of Sum of BS								
2018-19	Wales	Scotland	N Ireland	London	Met Dists	Unitaries	Counties	England	All Non Wales
Min	23.10%	12.36%	12.36%	31.51%	23.58%	7.51%	37.31%	7.51%	7.51%
Max	43.43%	35.01%	31.30%	103.09%	83.16%	103.40%	78.68%	103.40%	103.40%
Average	32.80%	23.42%	20.88%	64.62%	44.38%	46.57%	55.87%	51.58%	45.09%
Distribution of SS as % of BS									
0%	-	-	-	-	-	1	-	1	1
10%	-	12	5	-	-	3	-	3	20
20%	7	14	5	-	7	9	-	16	35
30%	12	6	1	4	10	6	2	22	29
40%	3	-	-	5	7	13	9	34	34
50%	-	-	-	5	5	14	6	30	30
60%	-	-	-	4	4	3	5	16	16
70%	-	-	-	5	1	-	4	10	10
80%	-	-	-	6	2	3	-	11	11
90%	-	-	-	2	-	2	-	4	4
100%	-	-	-	1	-	1	-	2	2

This gives more support to the earlier hypothesis. Scotland and Northern Ireland have the lowest average cost of senior payments as a percentage of basic ones and that seems to reflect the constraints posed by the maximum total payments that can be made within their national schemes. Wales has the next lowest average, significantly lower than the average cost in every part of England. It really does seem the case that when Councils are free to set their own regime, they prefer lower payments to backbench Councillors and are prepared to justify higher payments to Councillors with additional responsibilities.

The final comparison attempts to look at the “affordability” of the different schemes. Table 4 looks at the cost of all Councillor payments as a percentage of net expenditure. There is considerable variability even where national schemes are in place. This reflects both the variability in Council budgets as well as preferences about Councillor remuneration schemes.

Northern Ireland is significantly more expensive than elsewhere in the UK, almost entirely caused by the much smaller average budgets. Scotland, despite the most generous basic salary has the cheapest overall cost, (apart from English counties) almost certainly because of the constraints on senior payments. On average Welsh schemes are less burdensome than English authorities except for County Councils. English authorities on average spend 29% more as a percentage of their net budget on Councillor remuneration than Welsh authorities.

Table 4		Cost as % of Net Revenue Spend							
2018-19	Wales	Scotland	N Ireland	London	Met Dists	Unitaries	Counties	England	All Non Wales
Min	0.16%	0.15%	0.57%	0.33%	0.26%	0.03%	0.17%	0.03%	0.03%
Max	0.48%	0.73%	1.64%	0.82%	0.62%	1.99%	0.33%	1.99%	1.99%
Average	0.35%	0.28%	1.15%	0.51%	0.44%	0.52%	0.24%	0.45%	0.46%
Distribution of cost									
0%	-	-	-	-	-	1	-	1	1
0.10%	1	5	-	-	-	-	5	5	10
0.20%	5	20	-	-	3	-	19	22	42
0.30%	10	4	-	6	6	8	2	22	26
0.40%	6	1	-	11	18	22	-	51	52
0.50%	-	-	1	10	7	16	-	33	34
0.60%	-	1	-	3	2	3	-	8	9
0.70%	-	1	-	1	-	3	-	4	5
0.80%	-	-	-	1	-	1	-	2	2
0.90%	-	-	1	-	-	-	-	-	1
1%	-	-	4	-	-	-	-	-	4
1.10%	-	-	1	-	-	-	-	-	1
1.20%	-	-	-	-	-	-	-	-	-
1.30%	-	-	2	-	-	-	-	-	2
1.40%	-	-	1	-	-	-	-	-	1
1.50%	-	-	-	-	-	-	-	-	-
1.60%	-	-	1	-	-	-	-	-	1
1.70%	-	-	-	-	-	-	-	-	-
1.80%	-	-	-	-	-	-	-	-	-
1.90%	-	-	-	-	-	1	-	1	1
2.00%	-	-	-	-	-	-	-	-	-

This analysis provides some illumination about the impact of different approaches to Councillor remuneration to levels of payment and cost. It is not a robust scientific analysis of the subject but does help deal with some pre-conceived ideas one might have. A lay person might want to argue that Councillors' pay needs to be tightly regulated because if left to themselves Councillors would want to "feather their own nests". However, contrasting the "free market" approach of England to the "regulated" approach of the devolved countries would tend to suggest a different hypothesis is true. In the "free-market" back bench Councillors get paid less, but senior roles are more highly rewarded, and a higher total cost is tolerated. In the more "regulated" geographies, back bench pay is higher, and the cost of senior payments is more constrained.

This analysis lends support to a recommendation 1 below about the need for the Panel to improve the evidence it can draw on in making its deliberations and conclusions. If it were the case that the

framework or system used to determine Councillor Payments in different countries tended to bias the outcome of different types of payment, then the Panel needs to be aware of possible unconscious bias when it makes its determinations. There is not sufficient evidence to say that bias exists, but we can demonstrate the potential for it.

Town and Community Councils

Payment to Town and Community Councillors in Wales is on a scale not replicated elsewhere in the UK. There are no equivalent Councils in Northern Ireland. In Scotland, Community Councils are primarily formed to engage communities particularly about planning and licensing applications. Members of Community Councils in Scotland are volunteers and are not paid.

England has over 9,000 Town and Parish Councils served by more than 80,000 Councillors. These Councils are diverse in terms of population size, spending levels and range of activities undertaken, in many ways like the pattern in Wales. Parish and Town Councillors in England can be paid (over and above travel, subsistence, and other expenses) subject to the recommendations of a Parish Remuneration Panel (PRP) established by the Principal Council in the area where they are located. Under Regulations any scheme can provide for a basic payment to all Councillors and/or a payment for the Chair of the Council, but not for co-opted Members, as well as an expense scheme. It is up to the Parish Councils themselves to decide whether to adopt and implement the PRP report, and many do not.

There is no comprehensive data base of payments or schemes for England, so it is difficult to know how widespread these payments are. The consensus is that very few Councils adopt schemes and where they do many Councillors do not accept payment. There is evidence⁷ of widespread opposition amongst local Councillors to any payments at all.

By searching the internet, I was able to identify some local Councils in England where schemes are made and payments accepted⁸. The lowest level of payment was £30 per annum for Parishes in South Lakeland District Council and went up to as much as £1,586 for West End Parish Council in Surrey Heath. Of the 19 schemes I looked at where PRP reports had been made (for most areas there is no report), 2 did not put a scheme in place, 4 paid less than £200, 8 between £200 and £500, 2 between £500 and £1000 and 3 more than £1000. A typical report is that for Amber Valley⁹. Only 4 of the 25 Parishes in the district that responded (6 did not respond) thought parish councillors should be paid a basic

⁷For example, the 2017 PRP report for Hawkhurst Council, part of Tunbridge Wells, attempted to research the extent and level of Parish Council payments. They found 10 Parish Councils that made payments outside their area but also strong feedback from local Councillors against payments.

<https://hawkhurst-pc.gov.uk/wp-content/uploads/2019/04/Hawkhurst-Parish-Council-Remuneration-Panel-Report-31.07.17.pdf><https://hawkhurst-pc.gov.uk/wp-content/uploads/2019/04/Hawkhurst-Parish-Council-Remuneration-Panel-Report-31.07.17.pdf>

⁸This is not a scientific sample, nor can it be used as indicative of how many councils have a scheme.

⁹

<https://info.ambervalley.gov.uk/docarc/docviewer.aspx?docGuid=1795a97cca434e4584cf5abfd31af804>

allowance. However, the Panel decided to make a scheme so Parishes could exercise a discretion to make payments, and they decided on a scheme based on Bolsover that assumed 10 hours a month and then discounted by 90% the resultant figure for the “Volunteer” element of the role arriving at a figure of £154 per annum. It is not clear how many of the Parishes took up the scheme.

For Wales though there is much more information available because there is a national scheme, it is mandatory to make a payment of £150 per Councillor per annum unless the individual revokes it, and Town and Community Councils are obliged to publish their scheme and make returns to the IRPW. For 2020/21 just over two thirds of the 735 Town and Community Councils had made their return. Table 5 below summarises some of the information from those returns, as well as looking at the cost of payments compared with the precepts levied.

Table 5	Analysis of Town and Community Council returns			
	Band A	Band B	Band C	Total
Average cost per Council of Councillor payments	£4,121	£1,552	£280	£1,107
Average Potential cost of Councillor payments per Council, if no Councillor refuses £150	£5,575	£2,874	£1,545	£2,411
Average cost of Councillor payments as % of Precept	1.11%	2.37%	2.22%	2.16%
Average potential cost of Councillor payments as % of Precept	1.58%	4.96%	19.93%	13.03%
Percentage of Councillors refusing the £150	58%	73%	93%	80%

Town and Community Councils are classified into Bands according to levels of expenditure, with Band A being the largest but fewest in number, and Band C Councils spending less than £30,000 per annum. I looked at the average cost per Council, the average potential cost if all Councillors took up their £150 allowance, and the percentage of the precept¹⁰ that each of these represented. I also show the percentage of Councillors who did not take up their basic allowance.

What the table indicates is firstly an extremely high proportion of Councillors who do not take up their entitlement that reflects the broad sentiment found in the English situation. The cost of these payments

¹⁰Precept is the levy on taxpayers but can be different from total spending by a Council as they can have other sources of income and can draw and add to reserves, but it highly correlated with spend and is more readily available data.

as a percentage of tax take is much higher than for Principal Councils. But the cost would be much higher still if all entitlements were taken up, rising to on average almost 20% of total precept for the smallest spending Councils. It is almost as if Councillors turn down their entitlement because they realise it is not affordable. Apart from the cost of the schemes, it was also made clear to me that many Town and Community Councils, particularly the smaller ones, struggled with the capacity to manage the scheme put in place by IRPW.

The two principal differences between England and Wales seem to be that in England the basic allowance, where available, for Town, Parish and Community Councillors is higher than Wales, but in England Councils can decide to adopt the scheme or not. The IRPW is carrying out a review of the Town and Community payment scheme this year. I would recommend that it considers data like this in drawing up its proposals as well as the widespread consultation with stakeholders it already has planned.

Methodological Differences

So far, the review has looked at the formal decision-making processes and the level of payments made. An important consideration in all schemes though is the justification or methodology adopted that drives the calculation of the payments.

The Annual Report of IRPW 2021/2022 reprises the approach in Wales. Paragraph 5 in the introduction states that the original aim was to set the basic salary as 3/5ths of the All Wales Median Salary. This was to recognise that there was an unpaid public service contribution, but also reflected a view that the average Councillor spent 3 days a week on Council business. In balancing this aim with the explicit requirement to make payments affordable has meant that this link to average pay has never been achieved.

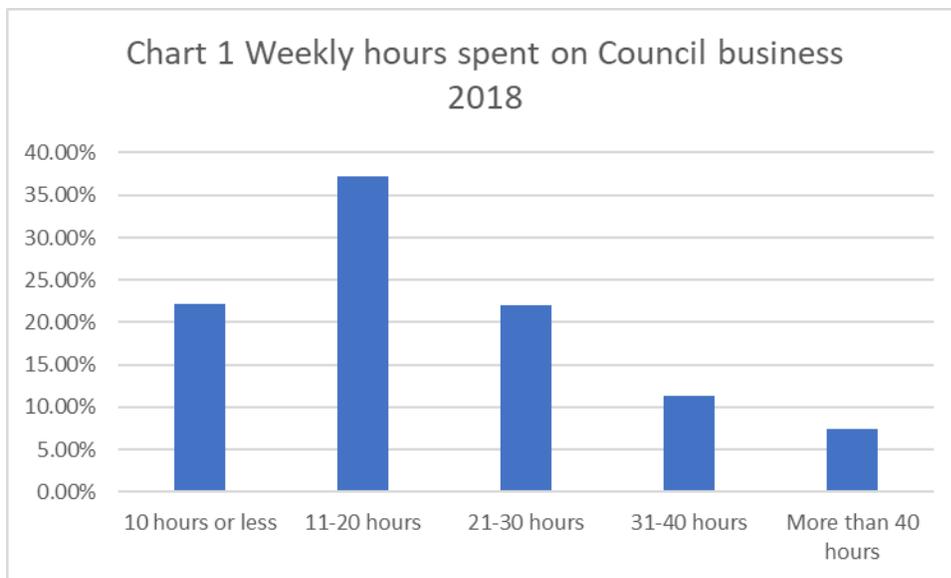
In Scotland, the principles adopted for the basic salary were originally set to 75% of the median Scottish salary. This appears to assume that Councillor is a full-time role with a public service obligation and should be compensated at median wage levels. As in Wales this level was not achieved, and because catch up was considered unacceptable the reduced level has remained the base, now uplifted every year index linked to the increase in public sector worker pay.

For Northern Ireland extant evidence for the level of payment is scarce. The Local Government Circular 23/2019 Councillors' Allowances Guidance for District Councils in Northern Ireland states that each Council must set a basic allowance equal or less than the maximum allowed, "intended to recognise all the time commitment of Councillors, including such inevitable calls on their time as meetings with officers and constituents". I cannot find a deeper justification for any specific amount. The amounts are uplifted periodically in line with general inflation.

England has no universal methodology. Each IRP in producing its own scheme uses its own approach. Factors frequently included are what neighbouring or similar authorities have done, estimates of time Councillors spend on Council business, links to median or average pay rates in locality or considered to be appropriate as equivalent value to Council work, indexation to a range of different factors but frequently local government officer pay rises, different estimates of the discount for unpaid public service contribution.

The conclusion is that there is no established widely accepted formula for calculating a basic salary, or even a Senior Councillor payment level. There are models used to value and size roles that can be taken from employment practice that may be applicable to the issues that matter here. Critical factors such as time doing the job; the size of the job in terms of responsibilities, resources, and authority; the position in the market (how competitive the role should be compared to alternatives); and social factors like the discount for public service contribution; can be combined to provide a transparent justification for the payment scheme.

To help with that approach there is again a need to identify the relevant evidence. In England, the LGA carries out a regular census of activity by Councillors¹¹. Some of that is of relevant to Wales, but it might be possible to carry out a similar survey in Wales. For example, Chart 1 shows the distribution of hours Councillors say they spent on Council business.



That shows that almost 60% of Councillors spent less than 20 hours a week on Council business. Another table shows that 53.5% of Councillors report they hold a position that could be eligible for a SS and 46.5% do not. It's probable that Councillors with Senior positions are working the longer hours, giving an insight into the balance and ratio of payments between basic salary and for the SS roles.

¹¹<https://www.local.gov.uk/sites/default/files/documents/Councillors%27%20Census%202018%20-%20report%20FINAL.pdf>

Chapter 3 Review of Objectives and their achievement

The Remit for this review asks to “explore whether the original intentions of the new arrangements are being delivered i.e., decisions free from political intervention, transparency and openness and fairness”. Within that context “fairness” represents both a fair balance between appropriate remuneration of Councillors and the cost of that payment to taxpayers either as a direct or opportunity cost. As the Panel developed, it adopted a further objective that is widely supported if unwritten, about improving the access to the role of Councillor to people from diverse backgrounds. I also tested the hypothesis that these were still the right objectives and the IRPW was the right approach to taking these decisions.

Independence

The clear objective was to establish a method of determining Councillors’ pay that was free from political interference, from both Councillors who would directly benefit but also the Welsh Government. Payment for political office is always potentially controversial and often diverts attention from more important tasks facing decision makers. The idea of an Independent Panel was to remove these decisions from the political domain. It was important that not only was the Panel independent, but it was perceived and believed to be as well.

There is plenty of evidence to show that the Panel, in making its decisions, is both Independent and believed to be. In discussions with Panel Members, they confirmed that they had not been put under any political pressure to take any particular view by the Welsh Government. All stakeholders also took this view – the WLGA, OVW, officers from democratic services, Councillors, Town and Community Councils, NPAs and FRAs, and policy officers from different parts of the Welsh Civil Service. Everyone I spoke too believed an independent Panel was the right and best way to manage the determinations of Councillor payments.

The only gap in this assessment is how the public perceives the work of the Panel. This appears to me to be unknown. I discuss these issues further in Chapter 8.

There is a possibility that, despite no obvious overt pressure, the Panel “second guesses” what the Government wants to achieve. I did not see any evidence for that, and in fact saw evidence that some of the Panel decisions (e.g., the mandatory payment for Town and Community Councillors, or lifting of limits on the carers’ scheme) were clearly seen as “bold and brave”.

It is possible that the annual Remit letter from the Minister to the Panel might be seen as directive. In practice the letter is agreed in advance between the Panel and the Department and tends to reflect the work programme rather than any desired outcomes. It might be better if following the same process, the letter was sent from the Chair of the Panel to the Minister to set out the Panel’s annual programme.

Secretarial support for the Panel is provided by the Department. In the main this is a pragmatic solution that minimises the need for a separate and potentially expensive infrastructure to support a small operation. However, there is a risk that this can be perceived as the Department “owning” the Panel and its decisions, and there have been instances of conflict of interest between the Department’s policy responsibilities and the Panel’s independent deliberations. I address this in Chapter 7.

In conclusion, the Panel has established its independence, and is accepted as such by all key stakeholders (save the public yet untested). Everyone believes this system is superior to the alternatives in the U.K. – both the nationally directed options of Scotland and Northern Ireland and the self determination of the English system. This is especially true for Councillors and Councils who much prefer to be told what the payments are than get involved in setting and then justifying them. There are improvements that can be made, which are proposed later.

Openness

I have considered Openness as different from being transparent and tested the extent to which the Panel was available and open about its work.

The Panel has adopted a style of operation that makes them very accessible to different stakeholders. After discussing and agreeing areas of focus and priority for the year with the Department, which is crystallised in the Remit letter, the Panel then engages in appropriate explorative consultation with relevant stakeholders. For example, in 2021, one key focus is a review of Town and Community Councillors payments and in consequence they met with groups of Councillors and Officers as well as representative bodies to discover what the key issues were. They intend to follow up with some possible options for informal consultation before producing the Draft report in the autumn.

It is also clear that the consultation processes described are meaningful. I was given more than one example where individual Councils or representative bodies had identified issues with proposals (even after they had been put into the Draft Report), and the Panel had listened and amended its determinations and advice in consequence. I was also impressed by how keen Panel Members are to engage with stakeholders to understand and respond to their concerns.

In addition to this process, they also plan rounds of visits. After the Council wide elections in 2022, the Panel intends to visit each Principal Council and meet as many Councillors as they can. They also hold regular meetings for groups of Councils in North, West, and South Wales, meet with NPAs and FRAs, as well as with representative bodies. Indeed, the only group that expressed any dissatisfaction with the scale of this engagement has been the Policy Officers from different parts of the Civil Service who feel that more dialogue would be helpful. The Panel's Chair feels the Department should be able to provide the link for these officers. Neither have they devised an effective way of engaging the public, to which I return in Chapter 8.

There is a question to be asked about the effectiveness of this way of working compared to alternatives, and this is explored in Chapter 7.

Transparency

In examination papers it often used to say, "and show your workings". By transparency as opposed to being "open", I mean how did you get to your answers.

The intention of the Panel is to be clear about its deliberations so that stakeholders understand how and why it has come to the view it has. The Panel relies on its widespread consultation and the openness to representations to deliver transparency in its determinations. However, some significant stakeholders do not believe this has been achieved.

Some Councils and Councillors cannot reconcile the apparent objective of the Panel to benchmark with median pay with the outcomes achieved. Although the Annual Report refers to the balancing of affordability with appropriate remuneration, they cannot see how this balance has been struck. The lack of publicly available agendas, papers and minutes of meetings means that the only arguments are those in the Annual Report.

It was also clear to me in my discussion with the Panel that they have struggled to come to a clear methodology that they all agree with to strike this balance.

Fair remuneration

One half of the “fair” equation is whether Councillors are being paid appropriately considering the job they do, the potential opportunity cost of doing it, and the public service commitment they make by standing for election.

Some of these issues have been discussed in the previous chapter by looking at different payment levels in other parts of the UK and, in so far as it is possible, the different approaches to calculating them. That concluded that there is probably no right answer. However, it is possible to be transparent about the assumptions made about each component of valuing the job and calculating payments based on the evidence available to support those assumptions.

As discussed above, the Panel have not convincingly done that and in consequence some stakeholders do not believe the payments are fair reflections of value. Indeed, the IRPW Report draws attention to the Panel’s objective of achieving a link to Median pay, and how payments fall short of that and have not kept pace with increases in payments to other public officials. In consequence, especially Leaders of Councils, but also other stakeholders such as WLGA and Councils more generally do not believe payments are fair reflection of the value Councillors contribute.

It would be wrong to conclude that this amounts to a rejection of the acceptability of the payment system. As already stated, all stakeholders prefer payments to be set by IRPW than the alternatives and broadly accept the level of payments that have been determined. It does reinforce my view that the fundamentals of the Panel’s methodology should be revisited.

Fair to taxpayers

The main reason the Panel has not met its original objective of benchmarking Councillors pay to median wages (and Senior pay to multiples of that) has been a concern about the cost of the scheme. The Measure gives the Panel an explicit responsibility to consider the affordability of the payment scheme. This can either be in terms of the actual cost to the taxpayer or in terms of the opportunity or displacement cost of the scheme over spending on other Council priorities.

This concern has divided the Panel over time as each year they have debated the conflicting priorities of fair levels of pay and increasing cost. Depending on the circumstances prevailing at the time sometimes this leads to an increase in pay and sometimes a freeze.

In practice the concern and debate of the Panel is not about the overall affordability of the scheme, but the perception of the impact of the change of the cost each year. When there are economic difficulties and pay rises generally are low, or when Councils are facing spending pressures and/or increased

demands, the Panel tends to conclude that this is not the best time for above index linked rises in Councillors' pay. Frequently, this is how the media and public view these issues, and so the acceptability of the changes is judged through that lens.

There is an argument that, by contrast, the test of the scheme's affordability should be determined by total cost of the payments as a proportion of the total resources of Councils. Just as for determining the value of pay, there is no objective benchmark as to what that should be. There are ways of coming to a judgement about what might be acceptable. For example, the Panel could draw on the comparative experience of other parts of the U.K. as explored in the last chapter. Or it can look at the behavioural consequences of high potential cost on how Councillors moderate what payments they accept such as the evidence from Town and Community Councils. There are many potential solutions, but I would recommend that the Panel does develop a clear affordability benchmark so it can demonstrate that its determinations produce a fair result for taxpayers.

Diversity

A key concern of the Panel in making determinations has been to ensure that as wide a range of people as possible feel able to stand as Councillors. This objective is not explicit in the Measure nor the Regulations, but it is shared by all the stakeholders I spoke to, including the Welsh Government and Councils. Indeed, there are separate campaigns by all these parties to encourage a more diverse set of candidates in the 2022 Council Elections.

To this end, the Panel has been very mindful of the potential financial barriers to candidates and what they can do to overcome them. These come from the impact of the time commitment to being a Councillor on employment prospects, reduction in income, carers' responsibilities, uncertainty of income, and other factors.

In consequence, the Panel have made several changes aimed at overcoming some of those possible barriers. For instance, they removed the cap on carers' payments, they have been considering how to make "parachute payments" for Councillors that lose their seats, and they made the £150 payment to Town and Community Councillors mandatory.

The WLGA provided me with some data to demonstrate the scale of the issue:

Table 6 Comparison of Councillor population with Welsh population

Group	Councillors	Welsh Population
Women	28% (29% Cabinet Members)	51%
Black and minority ethnic	1.8%	6.9%
Disabled	11%	18%
People under 60	53%	78%
LGBTQ+	7%	6%
Poor economic background	Unknown	23% living in relative poverty

Significant communities within Wales are under-represented by elected Councillors. There is some evidence that financial barriers contributed to this distortion. A report from Race Alliance Wales¹² says of BAME people: “Finances were reported by 27% of respondents as a barrier to involvement” in elected politics. The Senedd Equalities, Local Government and Communities Committee report on “Diversity in Local Government: Summary of survey – councillors”¹³ asked of those not intending to stand again why that was so. 7.2% said “inflexible working pattern” and 5% selected “salary/allowance”. However, there were other more significant factors such as retirement (25.7%), pressure of the role (20.7%), and no support within the role (8.1%). The largest category was “other” (33.3%) and this seems to have included factors such as bullying, time, age (too old!), and other opportunities.

Clearly finance has a role in helping to find diverse candidates, but other factors, listed above, and the Party selection process are going to be more dominant. It is important therefore for the IRPW to work with other agencies and relevant parts of the Welsh Government to co-ordinate its efforts with them to tackle this challenge. Together it would be useful to carry out a comprehensive survey after the next elections to see if there has been any positive movement and to look again at lessons learnt.

Findings and Recommendations

The IRPW has achieved widespread acceptability in its 10 years of operation. All stakeholders believe that it represents the best way of determining the pay of Councillors and it has a deserved reputation for being independent in its decision making but open in its dealing with key stakeholders.

However, because the way it arrives at its decisions is not as transparent as it could be, some stakeholders are dissatisfied with the fairness of the outcomes. Neither has the panel developed objective tests of affordability.

It does seek also to improve the diversity of Councillors backgrounds as financial issues do affect some peoples’ ability to stand for election, but this is a wider issue that should be tackled across relevant public agencies.

Recommendation 1

The Panel develops a business case for a research programme that will provide the evidence it needs to value the role of both backbench and senior Councillors more robustly and develop more objective and transparent tests of affordability, and that the Department considers how it is able to fit such research into its own programme.

Recommendation 2

The Panel reconsiders and adopts a model for calculating the value of both backbench and senior Councillors pay which can be validated based on evidence from the research programme, and it also adopts a more transparent model of affordability, to underpin a longer-term strategic approach to determining its annual decision making.

¹² [RAW-Research-paper-160121-2.pdf \(racealliance.wales\)](#)

¹³ [Survey analysis - Councillors.pdf \(senedd.wales\)](#)

Chapter 4 Strategy formation and communication

The last chapter touched on the way in which the Panel works to come to its decisions. In the run up to the start of the year it considers what the issues are that it should be considering in addition to its primary task of setting payments for the next year. These deliberations are summarised in the Remit letter drafted co-operatively between the Panel and the Department and then formally sent by the Minister to the Panel.

Following that, the Panel works out the best way to engage with stakeholders to tackle that work programme. It usually involves informal discussions with key stakeholders such as WLGA, OVW, the representatives of Clerks and Democratic services and Councillors. As it has a regular round of meetings with different groups this helps form the agenda for those discussions.

Following that information gathering phase, the Panel will deliberate on what options for change it wishes to follow and will put out informal consultation on those options. In the late summer it then meets to go through the determinations that make up the Draft Report. The Draft Report is effectively near final and although it goes through a formal consultation process further changes at that point are rare.

There are three issues that arise from this process:

- 1 What are the key strategic objectives that drive the decisions that are taken?
- 2 Is the adopted process the most effective?
- 3 Could the communication of the outcomes be made more effective?

Key Strategic Objectives

The most important part of this has been discussed in the last chapter. Recommendations 1 and 2 suggest the Panel needs to set out how it feels fair outcomes for Councillors and Taxpayers can be achieved as a prelude to reconciling any differences between them. If they are implemented the Panel will be able to establish Strategic goals for the key task of determining Councillors' payments.

Establishing a strategic framework is needed so that conflicts between competing objectives are transparent, and the basis of compromise between them can be made explicit. This is essential to address the issues of transparency and fairness discussed above.

There may be other strategic objectives that the Panel wants to address. For example, around diversity of Councillors. I would recommend that for each objective the Panel is clear about (a) how you measure the outcome being sought and so what success looks like; (b) the relevance of the objective to the scope of the Panel; and (c) a realistic assessment of what contribution to the objective the Panel's decisions can make.

In my discussions with Panel Members, they accepted the need, in principle, for clear strategic objectives. However, they indicated that a practical difficulty they had in doing so was understanding the long-term policy context in which local government in Wales was likely to be operating. There has been considerable debate about possible reforms and changes to the structure and geography of

principal councils in Wales that has caused uncertainty. In view of that, the Panel has tended to consider issues on an annual basis rather than adopting a longer time horizon for achieving its objectives.

That argument does not deflect me from my recommendation, because I think it is important that the transparency and fairness perceptions are addressed. If the Panel adopts models that can assess Councillor value and affordability, they can be adapted to any new formulation of local government in Wales should changes come to pass. Meanwhile, having clear and published strategic objectives will be welcomed and helpful to all in understanding the work of the Panel.

Effectiveness of consultation process

This question also relates to ways of working that is examined more in Chapter 7.

Stakeholders told me that they appreciated the attention that the Panel gave to them through the many meetings that they hold with different groups. It has helped build the Panel's reputation for being open and acting without guile and has led to considerable trust in the Panel by stakeholders.

My observation though was that it was not the most effective way of gathering evidence or opinions to inform the panel about its policy debates. The Panel itself expressed frustration at the level of engagement it had around these matters and challenged groups to come back with more information about what they wanted. For example, whilst stakeholders told the Panel they were unhappy with the level of payments that had been determined, the Panel challenged them to engage over what levels would be acceptable and why.

If the Panel adopts the recommendations in this report and sets out a clearer Strategic Framework, it will also need to consider how it can get acceptance for its new approach. This impacts on both ways of working (Chapter 7) and public engagement (Chapter 8). My view is that the current approach will need supplementing if not change to bring that about.

Communication of Outcomes

The key documents that communicate what the Panel has decided are the Draft and Final Reports.

Currently, these are long and complex reports. The 2020 Annual Report¹⁴ runs to 80 pages with 15 chapters and 5 annexes. It is comprehensive dealing with every aspect of the schemes for each of the different bodies, the Regulatory Framework, Determinations for the year, changes from previous years, the background to the Panel's deliberations and much more. For someone well versed in local government administration it is well structured and whilst technical language is used it is usually well explained. For a lay reader, though, it is daunting proposition.

My understanding is that the report has evolved organically over several years as different requirements have been grafted onto the original structure. Feedback from stakeholders was that it was too long and complex for their needs. The needs of different stakeholders are different and sometimes particular

¹⁴ [annual-report-2020-to-2021.pdf \(gov.wales\)](#)

stakeholders have different needs for different purposes. I recommend that the whole reporting process is overhauled.

There seem to be several different requirements from the report:

- 1 The Panel need to meet the statutory requirements of the Measure and the statutory regulations based on it.
- 2 The Panel needs to set out its long term strategic objectives.
- 3 Stakeholders need to understand the basis on which the determinations have been made and how they help meet the strategic objectives of the Panel.
- 4 Council officials need to understand how to implement the scheme.
- 5 Councillors and potential Councillors need to be able to understand their entitlements.
- 6 The public and media need to be able to understand the need for payments and indicative levels without being overwhelmed with detail.

Trying to answer all those requirements in one document seems to me to be an impossible task to achieve simply. There are effectively 8 different schemes being described once you consider the banding systems for Principal and Town and Community Councils, and some individual variations within that. Whilst Democratic Services need to know how many Senior Councillor positions there are in their authority and what their obligations are to publish information, a backbench Councillor needs to understand the basic salary, entitlement to support and expenses and right to revoke.

I will recommend that the way the Panel writes up and communicates its deliberations is subject to a fundamental review. For example, the core document could be a letter from the Panel to each Council, NPA, FRA and other stakeholders that sets out the Panel's approach to this year's determinations with reference to a separate but published Strategic Document. Attached to the letter might be the formal determinations required by Regulations, and a bespoke reports relevant to that Council – for Council Officials and Clerks, for Councillors and for use with the Public on Council web sites. The Panel could work with Stakeholders to produce standard administrative forms that not only help with Councillors' claims but also with the summary and documentation of payments for purposes of making returns and publication. These suggestions are not intended to be a template, but more a stimulus for the work the Panel and its Secretariat needs to consider undertaking.

Recommendation 3

The Panel undertakes a fundamental review of the way it documents and communicates its annual determinations so that, whilst still meeting its statutory responsibilities, it produces documents that more directly meet the needs of different stakeholders. Included in its revised documentation should be a separately published Strategy that establishes the Panel's longer-term objectives.

Chapter 5 Review of Scope of the Panel

The Remit requests that the review:

“Consider the full range of statutory and regulatory functions currently undertaken by the Panel to establish whether they remain the right functions or whether they require change” and

“Consider whether the list of bodies currently covered by the work of the Panel requires any change”

As already outlined the IRPW is responsible for making determinations of the basic salary and pay for senior Councillor roles for Principal Councils, Town and Community Councils, NPAs, and FRAs in Wales. They also make determinations about other payments to these Councillors and Members including general support, expenses, subsistence and travel, costs of care, sickness, and family absence. They set out obligations on Councils to make returns and publish information on these payments. They also have responsibilities for making recommendations on the salary of the Head of Paid Service of Principal Councils and FRAs.

The chapter examines whether this is the right scope in five sections:

- 1 No IRPW
- 2 Type of bodies to include
- 3 Current payments and schemes
- 4 Alternative schemes to consider
- 5 Officers pay

Alternative to IRPW

It is possible to conceive of an approach without a continuing Independent Panel. In effect, this is the way it is managed in Scotland. They did have an independent committee (SLARC) which gave advice to the Scottish government about how to set up and then index a payments scheme. Now, in effect, the scheme established is rolled forward each year with indexation to Public Sector pay in place. A Committee within the Parliament approves the Regulations each year, but there is no obvious consultation or debate, and it appears to be well accepted and non-contentious.

I found no enthusiasm or support for that approach amongst stakeholders in Wales, but nevertheless it should be evaluated. In support of such a change is that it would simplify the annual process and remove the need for the Panel and its support. However, it also removes stakeholders' ability to lobby and influence the scheme and the flexibility to adapt the scheme to changing circumstances, whether that be driven by changes in government policy or changes in the objectives of the scheme. Therefore, I conclude that payments to Councillors in Wales are best determined by a continuing IRPW.

Types of bodies

The starting point is should Councillors be paid at all? It is an unspoken assumption that they should be, but it is an assumption. Nevertheless, there is a consensus that people elected as Councillors should be compensated for the time and effort they bring to the role and any expense they incur. Partly, this is because they do add value and that should be recognised. It is also considered important that people should not be barred from standing for election by potential loss of earnings and financial hardship. However, it is also recognised that there is an unpaid public service contribution made by Councillors.

For Town and Community Councillors this trade-off is not a trivial consideration. Perhaps more than 80% of Town and Community Councillors renounce the mandatory payment the Panel awards them, and there is evidence that many such Councils would prefer to be able to opt into any scheme. However, it is also clear that a significant number of such Councils, even smaller ones, do value the scheme and make use of it. So, it would not be right to say that they should be excluded from the scope of IRPW, but the Panel should consider how best to accommodate this wide divergence of views.

The IRPW was set up with the main purpose of determining the pay of Councillors in Principal Councils. As already seen, there is wide support for the work of IRPW in carrying out that work and no support for alternative models – neither the approach taken elsewhere within the U.K., nor did anyone suggest a novel method. Therefore, they should also remain within scope.

NPAs and FRAs have been included because Councillors are appointed to those bodies by Councils because they are Councillors, and it was considered right that any payments received through that Membership should be regulated in the same way as other payments made to Councillors. It seems sensible that a holistic view is taken of payments to Councillors in that role. In consequence, appointed Members of NPAs are also remunerated because of IRPW determinations. There was no opposition to this approach, and it was not considered by Policy leads an impediment to recruitment of non-Councillors to NPAs. It seems sensible to retain this within scope.

Does the principle that the IRPW should manage payment to Councillors appointed to bodies as Councillors lead to other bodies being included in scope? There are a range of new public partnerships, such as Public Services Boards and joint Council bodies, being established on which Councillors are being appointed as Councillors. It appears though, in the main, that the Councillors appointed are carrying out part of their role as a Senior Councillor and non-Councillor appointees are not being remunerated for their role on such bodies. Therefore, there is no immediate need to expand the scope to include these bodies, but this is something the Department should keep under review as this richer public delivery infrastructure develops.

Finally, there are other public and quasi-public bodies to consider, such as the Boards of Health Trusts, Vice-Chancellors of Universities, Boards of Housing Associations and the like which came up in discussions with stakeholders. There was no appetite for expansion of the scope of IRPW to include such bodies from stakeholders. There seem to me to be significant barriers to extending the scope in this way with the way the Panel is currently constituted. The context of the remuneration of such bodies is very different from that of Councillors and the Panel would need to expand its expertise and resources to be able to take on such a task. There is no obvious synergy between consideration of these wider roles and that of Councillors. There are already effective methods of setting the remuneration of

those roles and no obvious benefit from changing them, but considerable risks from the disruption of change. Therefore, I do not see the need to expand the scope of the Panel to cover such roles.

Current payments and schemes

Are there any of the current arrangements that should be excluded from the scope of the Panel? The core schemes – basic salary, senior Councillor pay, travel and subsistence, cost of care, sickness, family absence – are all elements that are common to most Councillor payment schemes throughout the U.K. and reflect modern HR practices. It makes sense that these are all things that the Panel addresses and makes determinations about.

There was a view raised by some stakeholders that the Panel had become “overly prescriptive” about some elements of these schemes. For example, specifying what sort of support Councils should provide in addition to what was covered by the basic salary in some detail. Councils suggested to me that there could be greater local flexibility in deciding what is provided compared with the current approach. The Panel takes the view it needs to be clear and unambiguous as to minimum standards and in response to questions from Councils and Councillors seeking clarification. This does not appear to me to be a scope issue, but something the Panel needs to consider as it makes its deliberations.

I also considered the relative prescriptive approach to determining senior pay compared with practice in other parts of the U.K. Leaving aside England where there are no national rules, in Scotland and Northern Ireland the pay levels of senior Councillors is, to a greater extent than in Wales, left to Councils to decide subject to constraints about their total value and maximum level. In all the “regulated” systems the number of senior roles is constrained as well. There was no appetite from Principal Councils to move to the system in other countries and indeed support for the current approach in which the Panel sets the pay for different roles rather than sets an envelope within which the total cost must fall. Should the Panel wish to make a change along these lines it is probably already within their powers, so again there is no need to change scope.

The Panel sets out requirements for collection, return and publication of data, and this is an important issue to ensure transparency of Councillor payments to the wider public. There is a considerable concern about Town and Community Councils compliance. At the end of May almost a third of them have not made returns to the Secretariat for 2020/21 as required. The Panel spent considerable time and resources tackling that issue, following up and chasing. This more obviously should be the responsibility of other regulatory bodies, such as Audit Wales, who check on compliance with a wide range of statutory and regulatory duties by Councils. While not necessarily a scope change, it is something the Panel might want to discuss with the Department and other parties.

Alternative schemes to consider

The Regulatory framework through which the Panel makes its determinations is broad and gives considerable scope to be innovative in addressing its key tasks. The Panel has used its imagination and powers to expand the areas it has covered. There are some issues it is dealing with, and which have been raised by stakeholders that seem difficult to fit within existing powers which I look at in this section.

“Parachute” payments

Perhaps the most significant of these, and in some ways the most urgent, is the question of “parachute payments”, or payments like redundancy payments for Councillors who lose their seat at election. Similar payments are made to other elected officials such as Senedd Members and MPs. I do not express a view on whether they should be made, but it may be a scope issue about whether they “can” be made. The Panel takes the view that as these payments would, by definition, be made to people who are not (i.e., no longer) Councillors they fall outside the scope of their powers.

This may not be the case. There are two options to explore and get technical and legal advice on. Firstly, Councillors who are not re-elected remain Councillors for a short period (four days I believe) after the election. It may be possible to devise a scheme of payments for Councillors who fall within those four days. An alternative may be to make additional payments to all Councillors who certify they will stand for re-election in the year before election, on the condition that should they be re-elected this sum is deducted from the basic salary for the year starting with their re-election. In this way defeated Councillors would receive a “parachute payment”.

If following receiving detailed advice these options are not viable, then the Department needs to consider whether it wishes to expand the scope of the Panel, although this is likely to require Primary legislation. However, should it expand the scope of the Panel it would also be making a clear policy statement that it supports such payments. Because of that it is not for me to recommend that change, but instead recommend that the Department explores the issues and decides whether it wishes to enable these payments.

Performance and Training

A more broad-based issue raised with me by some stakeholders was about making payments conditional on some element of performance. The concern that underlay this request was that some Councillors took payment, whether the Basic Salary, a Senior role or as a Member of an NPA or FRA but did not fulfil their obligations commensurate with those payments. One special dimension was about failure to undertake mandatory training, but it also applied to performance more generally.

Councillor performance is obviously a matter first and foremost for political groups and Councils themselves, and they will have a variety of mechanisms for performance management of Councillors. The vast majority of Councillors are hardworking and uncomplaining and are let down by the few who are not. Nevertheless, the public perception of Councillors getting paid significant sums without carrying out their duties makes it harder to justify fairer payment levels, and so a form of performance management through moderating payments might be welcomed.

There were mixed views about this idea. Representatives from Democratic Services were enthusiastic about the ability of withholding some payments conditional on mandatory training being undertaken. Others were more doubtful and raised issues about how this might be done fairly and consistently.

The issue for this report is whether this is a matter of scope. It is probably the case that a carefully designed scheme might be possible within the existing powers of the Panel. The first step therefore would be for the Panel to consult and consider whether this would be a desirable extension to the current schemes.

Tax and benefit issues

The other issue that loomed large in my discussions with stakeholders was the tax and benefit treatment of payments to Councillors, in particular the £150 mandatory payment to all Town and Community Councillors. Concerns were about the administrative burden of PAYE schemes for small Councils and the unexpected impact on income especially for those receiving benefits.

The tax status of these payments is out of scope of the Panel and is a matter for HMRC. It is a matter for the Panel to consider how some of these payments are described and more generally the need for the Panel to be aware of the unintended consequences of some of its decisions. This is about the advice to Councillors that comes with the decisions, as I do not think that these considerations should be paramount as the Panel deliberates. It is not an issue for the scope of the Panel.

Officers' pay

The expansion of the remit of IRPW to consider first all Chief Officers' pay and then subsequently the Head of Paid Service of Principal Councils and FRAs was a Senedd and Government response to some high-profile cases. It appears to have intended to work more as a deterrent than an active scrutiny as the Panel does not have the expertise, support, or capacity to manage detailed investigations at any scale. The removal of the responsibility to review Chief Officer pay has significantly reduced the potential demands on the Panel and makes the situation more manageable.

There is an apparent flaw in the current regulations. The intention is that the salary of Chief Fire Officers is included, but the regulation defines officers included as "Head of Paid Service". The Chief Fire Officer is not legislatively a "Head of Paid Service" and so is excluded from the scope of the Regulations. A change in definition would enable this to be corrected. While the Panel believes that Chief Fire Officers are in scope, the Policy Officers in the area believe it is not for this reason. The legal facts should be established.

I did discuss the general provision with the Panel and stakeholders. Councils believed that they should manage the pay of their staff and the Panel had no enthusiasm for the role assigned them. However, it was not considered burdensome by the Panel or overly intrusive by Councils, so the status quo is acceptable. In the longer-term though it does not fit well with the remit of the Panel. I would recommend that the Department considers removing this obligation from the scope of the Panel.

Findings and Recommendations

For Wales, the IRWP represents the best way of determining payments to Councillors. The scope of the Panel is broadly correct. Payments to the Councillors and Members of Principal Councils, Town and Community Councils, NPAs and FRAs are right to be included within the scope of the IRPW remit. The payment scheme should include basic pay and for senior roles as well as covering support, expenses, travel and subsistence costs, cost of care, family and sickness absence. The remit of the Panel should not be extended to include members of other bodies.

Some issues the Panel is dealing with are probably within scope. They should decide their policy on the matters, take detailed advice and if necessary, ask the Department to consider a scope change. The tax and benefit treatment of payments is outside scope and will remain so. The Panel should consider the tax and benefit implications of the determinations it makes and secure appropriate advice for

Councillors and Councils. The Department should consider removing the management of Chief Executives' pay from scope, but if it is to remain to ensure that definitions capture Chief Fire Officers.

Recommendation 4

The current Scope of the Panel is almost entirely right. The Department should consider removing the management of Head of Paid Service salary from Scope, but, if it is to remain, to change the definition to include the Chief Fire Officer. Ensuring compliance with publication should be passed on to bodies concerned with the statutory and regulatory compliance of Councils. The Panel should take appropriate legal advice to check whether extensions to the payment scheme being considered are within its powers, and where they are not but it wishes to implement them ask the Department to consider changing scope.

Chapter 6 Relationship with Stakeholders and their view of the Panel

The Remit for this review includes three objectives related to stakeholders:

“Consider the extent to which the Panel’s strategy is clear to those external to the body”

“Examine how the Panel builds and maintains effective relationships with key stakeholders”

“Explore the way key stakeholders view the work of the Panel”.

Some of the issues raised by these objectives have already been covered. The first point was explored in detail in chapters 3 and 4 and is not looked at further here. Observations have also been made about the second and third objectives throughout the report, but it does make sense to summarise my findings in one place, in this chapter.

The Panel actively engages with all key stakeholders. Each year it has meetings with key representative bodies such as WLGA, One Voice Wales, and the Society of Local Councils Clerks. It also organises meetings in North, West, and South Wales to meet with Heads of Democratic Services and Chairs of relevant Democratic Services Committees to which all Councils are invited. Through the auspices of the WLGA it has had meetings with Leaders of Councils. It meets also with representatives of NPAs and FRAs. It plans to meet with each of the Principal Councils in 2022 after the local elections. It has meetings set up with Community Town and Community Councils as well.

These meetings are structured to be able to deal with the work programme set for the year, but they also provide a mechanism for Councils and their representatives to get to know the Panel and the opportunity to raise any issues of concern. In consequence the Panel has established a good working relationship with key stakeholders. In feedback to me, stakeholders expressed confidence that they could effectively raise matters with the Panel, and they trusted that concerns would be considered properly. There is genuine appreciation that the Panel goes out of its way to travel to different parts of Wales to meet them face to face.

Individuals were able to give me examples of where they had raised administrative issues (sometimes late in the process) where the Panel had responded and made changes as a result. Some other issues, such as tax treatment of payments to Town and Community Councillors, were outside the ability of the Panel to deal with. Nevertheless, stakeholders appreciated that they could raise these matters and that the Panel would give them proper consideration and raise with other authorities as appropriate. The Leaders of Councils were not happy with the level of payments they received but were willing to work with the Panel to identify how best to take the matter forward.

Whilst this is positive, there are some issues. The meetings in different parts of Wales are very resource intensive not just for the Panel, but also for Officers and Councillors who have long round trips to get to the different locations even when they are in their part of Wales. One positive consequence of video conferencing made necessary by the Covid-19 pandemic has been that these regional meetings have been easier for everyone to attend, saving time and costs. These meetings are also able to manage the

simultaneous translation from Welsh in a seamless manner. The feedback I received suggested that this way of working should continue.

The one stakeholder group that did raise concerns were the Policy leads from within the Welsh Civil Service. Those with responsibility for Partnerships Policy, Fire services and National Parks all felt that they would benefit from greater contact and communication. There are areas of overlap between the work of the Panel and the policy objectives of different parts of the Department that would benefit from dialogue and more close working together. Whilst this should not impinge on the independence of the Panel, it is nevertheless useful for the Panel to understand policy developments elsewhere that impact on local government, and for policy leads to know the way the Panel is developing its views.

One downside of communication and engagement primarily through meetings is that the Panel cannot always be confident that it is hearing the authentic voice of its stakeholders. Typically, only a minority of invitees attend the meetings, even when they are held via video conference. This is especially true of meetings with Town and Community Councils. Often, the same people attend. The Panel is aware of the need to supplement the intelligence gathered from these meetings with other sources of information.

Findings

The Panel develops and maintains its relationships with stakeholders through frequent meetings. Stakeholders like this way of working and feel able to raise issues with the Panel confident that the Panel will consider them appropriately.

Video conferencing has proved to be an effective way of managing meetings and is supported by stakeholders.

While some stakeholders are unhappy with all the decisions taken, they much prefer that decisions are taken by an independent panel than by alternative methods. They would seek more clarity about the way decisions are taken (see Chapters 3 and 4).

Working mainly through meetings leads to limited engagement with all members of some key stakeholders and needs to be supplemented with additional sources of information.

Policy leads within the Welsh Civil Service with responsibilities that overlap with the Panel's work would welcome more engagement to help with alignment of policy objectives.

Chapter 7 Resources and ways of working

The Remit includes as objectives:

“Examine whether the current administrative support arrangements remain appropriate or whether alternative arrangements would be beneficial to the work of the Panel”

“Consider whether the number of Panel members is appropriate”

Within the overall role given to the Reviewer included the requirement to look at value for money and whether any changes were needed to the Panel’s function and operations. This Chapter examines all these matters. It also considers some related matters that have been touched upon in earlier chapters.

There are many positives to the way that the Panel is organised. All the members are dedicated and hard working. The job description for Panel members indicates 12 days a year as a likely time commitment, when in practice it is probably at least twice that. It is a small compact organisation. There are five Panel Members including the Chair. Secretarial support is provided by the Local Government and Public Services Department of the Welsh Government (the Department). There is one full time official helping with all the essential administrative tasks, and the equivalent of another full time equivalent available for support together with help from senior Officials in the Department. In addition to this support the Panel has an annual budget of £50,000 which is used primarily to compensate the Panel for their time, for venue hire, and for travel and subsistence costs.

Being hosted by the Department means the Panel can use its administrative systems for payroll, payments, and the like. It does not produce annual accounts nor need an internal or external audit function and so is noticeably light touch to manage. The Panel does take its responsibilities seriously though. It has developed a risk register, it produces a work programme for the year, appraisals are carried out and training needs assessed and met.

Prior to the Covid-19 pandemic, the Panel would typically meet once a month usually for a whole day. Regular meetings would usually take place in Cardiff, but the Panel met additionally in different parts of Wales to engage stakeholders from different localities. Sometimes Panel meetings were combined with engagement meetings. This might require overnight accommodation. Since the pandemic and various restrictions on meetings in person the Panel has moved to meeting virtually and largely from home like most of the Nation.

This structure has led to the Panel being stretched to carry out its work. The extensive engagement programme on top of monthly meetings means the time commitment for Panel members is far greater than advertised. The lean administrative support also means it has little practical policy support or access to technical skills and advice. Members tend to carry out any research themselves and write most of the papers they consider. My observation of papers was that they sometimes lacked focus (a clear purpose, recommendations, and decision points), whilst agendas and the work programme was frequently repetitive as the Panel found it hard with their resources to sign issues off. The Panel concerns itself with technical issues (such as tax treatment of payments, queries about interpretation of law) that it is not expected to have the expertise to answer and does not have the necessary technical expertise to draw on.

Capacity issues have been exacerbated by Panel recruitment and succession planning. Panel members feel very strongly that this has not been handled well over a period. The Department has acknowledged the concerns and there does appear to be a commitment to plan future changes more collaboratively and resolve the issues. One relates to the time commitment advertised for Panel members. If following this review the Panel continues to organise so it draws on more than 12 days a year work from its members, then this should be reflected in the recruitment material.

One might think that the Panel can draw on the resources of the Department to deal with some of the capacity issues described. The Panel believes it used to have a higher level of support, but the Department maintains there has been no reduction. It may be that over time the Panel has been increasingly reluctant to rely on Department's resources for policy support because of a potential perceived risk to its independence.

In addition to the existing issues, this report is making recommendations that will (in the short term at least) add considerable burden to the Panel's workload. There is a recommendation to rewrite the structure of the Annual Report (3), to carry out some fundamental research (1), build models of Councillor value and affordability (2) and establish a public engagement strategy (7). These are practical challenges that need to be addressed.

One option might be establishing the Panel as a full blown Non-Governmental Arm's Length Body. This would be expensive and time consuming and it is unlikely the necessary resources would be found. An alternative, which I recommend, is to embed the Panel within an existing such body. There are several potential candidates with synergies with the IRPW, but rather than mention them here it is better that the Department explores the opportunities without being compromised in advance. The existing budget together with the equivalent cost of the secretariat support would need to be transferred as well. Once hosted in such a body, the Panel should be able to draw on legal advice and specialist technical support to help it resolve some of the more difficult challenges it faces.

On its own this will not be sufficient. The Panel also needs to review the way it works. I will recommend an effectiveness review which will need some external support. In my view, this should consider a skills audit to inform future recruitment, a reduction in the meetings programme (both formal meetings of the Panel and engagement meetings), continued use of virtual meetings to save time and cost, a review of the workload, and a repurposing of the budget to help resource the external support that will be needed to manage the new demands. The Panel should adopt a formal structure for papers and agendas, paper and minutes should all be published as is normal for such public bodies.

I particularly think the meetings programme should be reviewed in detail. It is not clear that the existing meetings are effective in gathering evidence for the work programme, nor that they engage sufficiently different people to support stakeholder relationships even though they are liked (see consideration of these points in chapter 6). It may be better to think about an annual conference to which all stakeholders are invited at which all the key themes can be discussed, and which can help build the public profile of the Panel and its work. I also question the value of going to each Principal Council following the 2022 elections. Perhaps an extended programme over the 5-year cycle would be more effective and leave Democratic Services in each Council to carry out appropriate induction on Councillor payments for new members.

Part of the effectiveness review would need to consider how many members the Panel needs. If it continues to work as it does then days per year per Panel member may have to increase. However, the review should lead to reductions in workload by for example a significant reduction in the time spent on engagement and consultative meetings replaced with alternative ways of gathering evidence. In which case the current number may well be sufficient, but the effectiveness review can confirm that.

Findings and recommendations

The Panel works with lean administrative support and performs well with a modest budget. However, as it currently organises its work, the Panel is stretched to carry out its tasks. It does not have the necessary technical support to do its job properly. This has been made worse by poor succession planning and recruitment.

There is scope for working more efficiently if they can find technical support and by radically reducing the number of meetings it manages and changing the way it engages and collects evidence.

Recommendation 5

The Panel should be hosted by a non-governmental arm's length body with synergies with the IRPW work, and the Department should review how best to achieve this. Existing budgets should be transferred including the value of the secretariat support. The Panel should seek legal, policy and technical support from the new hosting body.

Recommendation 6

The Panel should undertake an effectiveness review with external support. This should consider a skills audit to inform future recruitment, a reduction in the meetings programme (both formal meetings of the Panel and engagement meetings), continued use of virtual meetings to save time and cost, a review of the workload, and a repurposing of the budget to help resource the external support that will be needed to manage the new demands, and in conjunction with the Department, a succession plan. The Panel should adopt a formal structure for papers which, along with agendas and minutes of meetings, should be published.

Chapter 8 Public Engagement

The Remit of this review included the objective:

“Explore the extent to which the Panel is required to engage with the public about the remuneration level of Councillors”.

A core purpose of the IRPW is to deal with the conflicting interest of Councillors and Taxpayers over Councillors remuneration and by being fair to both produce a scheme that is acceptable to the public. As the public cannot effectively organise, it is possible to view the Panel itself as the voice and conscience of the public. Certainly, the idea of Independent Remuneration Panels is to have disinterested lay people consider the issues in detail and come up with a scheme that meets the needs of democracy and is acceptable in the court of the common person.

However, this is unlikely to be enough. There are risks that the Panel itself might become “captured” by the process, and this is more likely to be perceived to be the case if the Panel’s engagement is exclusively with beneficiaries of the scheme. Public opinion does express itself through media reports. We saw earlier that there was a need to test that the public had confidence in the independence of the Panel (Chapter 3). Are there ways in which the public can be educated sufficiently about the purpose and value of the scheme to be able to objectively evaluate it and come to a view?

The Panel does put its report out to consultation, but in effect not to the public. It is in the public domain so media outlets and others could respond, although the report requires considerable technical understanding that it is not easy for actors outside the process to engage.

The Panel does monitor, through Department resources, media coverage of Councillor remuneration but tends not to engage with it. In feedback to me, some stakeholders wished that the Panel did provide support to them, and some Councillors felt that there was no one defending them from misguided attacks on pay.

Considering these points there seem to be four different dimensions to the Panel’s engagement with the Public:

- 1 There is a role in educating people about the purpose and value of Councillor remuneration.
- 2 There is a need to test the public’s view of the independence of the Panel and the acceptability of the remuneration scheme.
- 3 Consultation should be shaped so that the Public can engage if they want to.
- 4 The Panel should defend its decisions when they are in effect being challenged in the media.

One of the key constraints that the Panel faces is the capacity to do this work. They do not have any communications resource and support for their web site is also limited. It will require some innovation and imagination to build an effective public engagement strategy.

I believe that the implementation of recommendations 5 and 6 will provide some additional resources to be able to tackle some of these issues. Things that the Panel can consider doing might include:

- 1 Plain English summaries of the purpose of the scheme and its main features on its website.
- 2 Engagement with other Departments to ask them to promote the material through their engagement processes (particularly consider role of Education).
- 3 Inclusion of questions about Councillor remuneration on public facing surveys.
- 4 Asking Councils to use this material at their own public consultative panels to get feedback.
- 5 Formal press conference to launch consultation on Draft Report.
- 6 Public engagement events at an annual conference (if that is implemented).
- 7 Prepared statements that Councils can use when dealing with media stories.
- 8 Willingness to be contacted and comment when asked by Councils.
- 9 Active response (by phone calls or letters) to media stories that are misleading.

This is not intended to be a blueprint of what to do and how to engage the public but more of a stimulus to thought. Councillor pay is never going to be the most burning issue for the public and the engagement with them needs to be proportionate. Nevertheless, there are things that can be done with limited resources.

Recommendation 7

The Panel should produce a public engagement strategy intended to proportionately educate the public, test their opinion on the Panel's work and independence, consult them on the scheme, and be prepared to defend their decisions when required.

Chapter 9 Summary of findings and recommendations

The Independent Remuneration Panel for Wales (the Panel) was given its statutory form in 2011. Its purpose is to determine payments to Councillors and related holders of public office in a manner that is independent of political interference, through open processes that provide transparent rationale and produce fair outcomes to both recipients of the payments and council taxpayers who fund them.

Schemes across the U.K.

Councillor remuneration in England is determined by Councils themselves, subject to taking advice from the Council's own IRP. In Scotland and Northern Ireland, the devolved administrations determine the pay through statutory regulations.

The Basic Salary in Scotland and Northern Ireland is greater than in Wales, but Welsh basic salaries are higher than all but a handful of English Councils. The total of pay for Senior Councillor roles, as a percentage of the total paid in basic salaries, is highest in England on average, but Welsh payments are greater than in Scotland and Northern Ireland.

There are no community councils in Northern Ireland, and Scottish community councillors are unpaid. In England some of the 9,000 Town and Parish Councils make payments to Councillors based on local schemes. Pay tends to be higher than in Wales, but Councils decide whether to opt in. More than 80% of all Town and Community Councillors in Wales, and more than 90% of those from the smallest Councils do not accept the mandatory £150 payment the IRPW awards them.

Review of Objectives

The IRPW has achieved widespread acceptability in its 10 years of operation. All stakeholders believe that it represents the best way of determining the pay of Councillors and it has a deserved reputation for being independent in its decision making but open in its dealing with key stakeholders.

However, because the way it arrives at its decisions is not as transparent as it could be, some stakeholders are dissatisfied with the fairness of the outcomes. Neither has the panel developed objective tests of affordability.

It does seek also to improve the diversity of Councillors' backgrounds as financial issues do affect some peoples' ability to stand for election, but this is a wider issue that should be tackled across relevant public agencies.

Strategy review and communication

There is a need for the Panel to develop models of Councillor value and affordability to underpin long-term strategic objectives that should be separately published.

The current engagement and consultative process needs review as it uses considerable capacity of the Panel but provides questionable quantity and quality of evidence to support the Panel's deliberations.

The Annual Report is a complex document trying to meet many different stakeholder requirements. It would benefit from a fundamental review and creation of more documents be-spoked to different users' needs.

Recommendation 1

The Panel develops a business case for a research programme that will provide the evidence it needs to value the role of both backbench and senior Councillors more robustly and develop more objective and transparent tests of affordability, and that the Department considers how it is able to fit such research into its own programme.

Recommendation 2

The Panel reconsiders and adopts a model for calculating the value of both backbench and senior Councillors pay which can be validated based on evidence from the research programme, and it also adopts a more transparent model of affordability, to underpin a longer-term strategic approach to determining its annual decision making.

Recommendation 3

The Panel undertakes a fundamental review of the way it documents and communicates its annual determinations so that, whilst still meeting its statutory responsibilities, it produces documents that more directly meet the needs of different stakeholders. Included in its revised documentation should be a separately published Strategy that establishes the Panel's longer-term objectives.

Review of Scope

For Wales, the IRWP represents the best way of determining payments to Councillors. The scope of the Panel is broadly correct.

Payments to the Councillors and Members of Principal Councils, Town and Community Councils, NPAs and FRAs are right to be included within the scope of the IRPW remit.

The payment scheme should include basic pay and for senior roles as well as covering support, expenses, travel and subsistence costs, cost of care, family and sickness absence.

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The Department should consider removing the management of Chief Executives' pay from scope, but if it is to remain to ensure that definitions capture Chief Fire Officers.

Recommendation 4

The current Scope of the Panel is almost entirely right. The Department should consider removing the management of Head of Paid Service salary from Scope, but, if it is to remain, to change the definition to include the Chief Fire Officer. Ensuring compliance with publication should be passed on to bodies concerned with the statutory and regulatory compliance of Councils. The Panel should take appropriate legal advice to check whether extensions to the payment scheme being considered are within its powers, and where they are not but it wishes to implement them ask the Department to consider changing scope.

Relationship with stakeholders and their view of the Panel

The Panel develops and maintains its relationships with stakeholders through frequent meetings. Stakeholders like this way of working and feel able to raise issues with the Panel confident that the Panel will consider them appropriately.

Video conferencing has proved to be an effective way of managing meetings and is supported by stakeholders.

While some stakeholders are unhappy with all the decisions taken, they much prefer that decisions are taken by an independent panel than by alternative methods. They would seek more clarity about the way decisions are taken.

Working mainly through meetings leads to limited engagement with all members of some key stakeholders and needs to be supplemented with additional sources of information.

Policy leads within the Welsh Civil Service with responsibilities that overlap with the Panel's work would welcome more engagement to help with alignment of policy objectives.

Resources and ways of working

The Panel works with lean administrative support and performs well with a modest budget. However, it is stretched to carry out its tasks, and 12 days a year are insufficient for Panel Members to carry out their role. It does not have the necessary technical support to do its job properly. This has been made worse by poor succession planning and recruitment.

There is scope for working more efficiently if they can find technical support and by radically reducing the number of meetings it manages and changing the way it engages and collects evidence.

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The Panel should be hosted by a non-governmental arm's length body with synergies with the IRPW work, and the Department should review how best to achieve this. Existing budgets should be transferred including the value of the secretariate support. The Panel should seek legal, policy and technical support from the new hosting body.

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The Panel should undertake an effectiveness review with external support. This should consider a skills audit to inform future recruitment, a reduction in the meetings programme (both formal meetings of the Panel and engagement meetings), continued use of virtual meetings to save time and cost, a review of the workload, and a repurposing of the budget to help resource the external support that will be needed to manage the new demands, and in conjunction with the Department, a succession plan. The Panel should adopt a formal structure for papers which, along with agendas and minutes of meetings, should be published.

Public Engagement

The Panel does not have any significant engagement with the public. However, the Public is an important stakeholder and efforts need to be made to inform them listen to them.

Whilst the Panel's resources are limited to carry out this task, there are things that can be done and the reforms suggested by recommendations 5 and 6 should provide additional resources and support.

Recommendation 7

The Panel should produce a public engagement strategy intended to proportionately educate the public, test their opinion on the Panel's work and independence, consult them on the scheme, and be prepared to defend their decisions when required.

Loose Ends

As covered in the introduction, there are many points made in the report that are not directly addressed in the recommendations, although there is usually a hint towards them. This is deliberate. There is no point in being overly prescriptive in a report like this as there needs to be sufficient flexibility to deal with real world issues as they arise. However, there are a number of points that are worth reprising here so they do not get lost when it comes to implementation.

One of the key issues in the report has been the question of what additional value that Councillors provide to build the model that will determine how much they are paid. There is a recommendation about research and evidence. One aspect, that came up a lot in discussions, is the question of the extent that relative deprivation in different localities creates more work for Councillors or Senior Councillors. Part of any research should test that hypothesis if possible.

In a similar way the report recommends building models of affordability. It became apparent doing the review that an important consideration for Town and Community Councils was the capacity of the Councils to implement and report on the remuneration scheme as it affects them. This is something that the Panel should bear in mind in its deliberations.

The report touches on diversity of Councillors' backgrounds. There is a reference to the need for IRPW to work with other parts of the local government family on joint approaches to tackling the issue and to be more explicit about measuring the challenge and the response to it, but no recommendation. It is perhaps obvious that this should be done, but it is worth re-empathising that the Panel should work collaboratively insofar as it can with other agencies where there are complementary objectives.

It is worth discussing the role of the annual remit letter again. Currently it summarises the work programme of the Panel and is from the Minister to the Chair. The report suggests but does not recommend that the letter could come from the Chair to the Minister (to remove suggestions that it undermines Independence), and also that it can be used to clearly set out the Panel's strategic objectives. Much of the thrust of this report is emphasise the need to develop and publish strategic goals and this may be a good tactical way of achieving that goal.

There are many suggestions in the report about changes in how the Panel does its work, without being overly prescriptive. Indeed, the recommended Effectiveness review should help determine what is best. However, there are some key points worth stressing. Less meetings and a continuation of virtual meetings seems key. Alternative and supplementary ways of gathering the views of stakeholders is needed. This could be by surveys or other non-verbal methods. There is though a strong case for some form of annual conference where all are invited to participate to help create a richer interaction not only with the Panel but also between different stakeholders.

Throughout the report there are issues for the Department to consider. Most of these are included in the recommendations. One of the most important is getting the succession planning right, especially as there will be a new Chair appointed soon. Within that context the Department should look at the advertised time requirements of Panel members following the outcome of the effectiveness review.

There is one other point for the Department to consider. Currently if the Panel wants to make any changes to the scheme through the main Report or a Supplementary report it must go through the formal consultation process. The Panel would welcome a change to the legislation that would allow them to make minor changes and corrections to the schemes by decision at a Panel meeting. Of course, if this need be, such decisions could be also subject to a Ministerial veto to ensure that powers have not been used excessively. This change is likely to require primary legislation.

Footnote

This report has been independently written and the recommendations, opinions and observations remain my own. I hope that it serves the Department and Panel well in shaping the next ten years or so of the Panel's work. I do think that the Welsh solution has given the most active consideration to Councillors' pay than anywhere else in the U.K. and this must be the right approach in a Democracy.

Stephen Hughes

July 2021

Annex A – Remit for Review

Ten Year Review of the arrangements for the Independent Review of the Remuneration Panel for Wales.

Terms of Reference

Background and Remit

An individual will be appointed to conduct a review of the Independent Remuneration Panel for Wales (the Panel). The Panel was established in 2008 and has not had a review before.

Timescale

The review will be undertaken between 1 April and 30 June 2021 on the basis of a maximum of 15 days.

Reviewer

The Reviewer is Mr Stephen Hughes

Role

To work to consider and assess any changes that may be required to the Panel's functions and operations, whether the Panel continues to represent value for money and whether the governance arrangements remain appropriate.

Objectives

The individual will consider the following:

- consider the full range of statutory and regulatory functions currently undertaken by the Panel to establish whether they remain the right functions or whether they require change
- consider whether the list of bodies currently covered by the work of the Panel requires any change
- examine whether the current administrative support arrangements remain appropriate or whether alternative arrangements would be beneficial to the work of the Panel
- explore whether the original intention of the new arrangements are being delivered i.e. decisions free from political intervention, transparency and openness and fairness.

- consider whether the extent to which the Panel's strategy is clear to those external to the body
- consider whether the number of Panel members is appropriate.
- explore the extent to which the Panel is required to engage with the public about the remuneration level of councillors.
- examine how the Panel builds and maintains effective relationships with key stakeholders.
- explore the way key stakeholders view the work of the Panel.
- conduct a comparison between the IRP in Wales and other approaches across the UK.

Stakeholder engagement

The individual will work closely with Local Authorities, National Park Authorities, Fire and Rescue Authorities, Community & Town Councils, One Voice Wales and the Welsh Local Government Association.

Stakeholder engagement will predominantly be held through discussions by telephone, and virtual meetings on a one to one and group basis as appropriate

Governance

The individual is accountable to the Minister for Housing and Local Government, via the Local Government Democracy team in the Welsh Government. The individual will meet with the Local Government Democracy team and provide regular and timely updates regarding progress against the objectives.

The individual will provide an update to include progress against objectives.

Annex B List of Interviews and Meetings observed

- 13 April 2021 Leighton Jones and Sarah Warne Secretariat to IRPW
- 13 April 2021 John Bader Chair of IRPW
- 14 April 2021 Kevin Griffiths, Head of Local Government Partnerships Policy; Joan Lockett, Local Government Partnerships Policy – Community Councils and Regulation
- 16 April 2021 Steve Pomeroy, Head of Fire and Rescue Services Branch, Community Safety Division, Simon Pickering, Head of Landscape and Outdoor Recreation, Economy, Skills and Natural Resources
- 19 April 2021 Observed IRPW Panel meeting and its meeting afterwards with Members of Local Council Clerks
- 22 April 2021 Consultation meeting with Dr Declan Hall
- 23 April 2021 Mark Galbraith, Society of Local Councils Clerks
- 23 April 2021 Elaina Chamberlain, Head of Democracy, Diversity and Remuneration Branch
- 29 April 2021 Lisa James, Deputy Director, Local Government Democracy Division
- 29 April 2021 Observed IRPW consultation meeting with Clerks and Members of Town and Community Councils (two meetings in morning and afternoon).
- 7 May 2021 Chris Llewelyn Chief Executive WLGA, Sarah Titcombe Policy and Improvement Officer (Democratic Services) WLGA, Daniel Hurford Head of Policy (Improvement and Governance) WLGA
- 11 May 2021 Saz Willey, Vice Chair of IRPW
- 13 May 2021 Claire Sharp, Joe Stockley, Ruth Glazzard, Members of IRPW
- 14 May 2021 Observed meeting of IRPW with Leaders of Principal Councils
- 17 May 2021 Workshop meeting with representatives of Principal Councils
- 21 May 2021 Workshop meeting with representatives of Principal Councils
- 24 May 2021 Lyn Cadwallar Chief Executive, Paul Egan Deputy Chief Executive, One Voice Wales
- 26 May 2021 Meeting with representatives of Fire and Rescue Authorities and National Park Authorities
- 18 June 2021 Discussion of draft report with Elaina Chamberlain
- 23 June 2021 Discussion of draft report with John Bader

Annex C Comparison of key elements from Councillor remuneration schemes in U.K.				
Criteria	Wales	England	Scotland	Northern Ireland
Regulations	Local Government (Wales) Measure 2011 Part 8 s141-160 and Schedules 2 and 3	Local Government and Housing Act 1989 S18 as amended	Local Governance (Scotland) Act 2004 (Remuneration)	Local Government Finance Act (Northern Ireland) 2011, Part 3 S31(5)
	Local Government (Democracy) (Wales) Act 2013 s62-67	The Local Authorities (Members' Allowances) (England) Regulations 2003	The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2021	Local Government (Payments to Councillors) Regulations (NI) 2019
	IRPW Regulations 2020			Local Government Circular 07/2021
Methodology	Annual report from IRPW makes determinations. Typically the report makes reference to indexing of pay and other elected officials, but final decision balances those considerations with wider affordability issues.	Each Council has its own method of calculating made after considering advice of its Independent Remuneration Panel	Since May 2017 pay of Councillors has been linked to pay increases of Scottish Public Sector workers	Officials at Northern Ireland Department for Communities said that the increase was in line with general inflation index
Basic Allowance for 2021/22	£14,368	Varies considerably	£18,604	£15,486
Number of SSs	Maximum number is set for each Council depending on size (set by bands)	No limits subject to advice from IRP	Maximum number set by Band by regulations	Constrained by maximum cost of SSs and no more than 50% of Councillors
Pay of Leader and Civic Head	Set by IRPW	No limits subject to advice from IRP	Set by regulations	Set by regulations
Leader pay 2021/22	£44,921 to £55,027 depending on Council's band	Varies considerably	£31,010 to £55,817 depending on Council's band	Set by Council subject to maximum SS (see Pay of other senior councillors)
Civic Head Pay 2021/22	£23,161	Varies considerably	£23,257 to £41,862 depending on Council's band	S32 of Act allows a Council to pay Civic Dignitaries such allowances as it considers reasonable and these are separate from the SS arrangements. Actual payments vary, but Belfast for example paid £34,800 in 2020/21
Pay level of other senior councillors	IRPW sets 5 bands to set pay of all roles	No limits subject to advice from IRP	No more than 75% of Leaders pay but any amount subject to the total cost not exceeding $\{[(A \times 0.75) - B] / 2 + B\} \times C$ where A is leaders salary, B is Basic salary and C is maximum number of SSs	Any level subject to the total cost not exceeding the maximum cost of SSs set by regulations and no SS can be more than 20% of that maximum amount. The Maximum amounts vary by Band between £54,525 and £117,774 meaning the most that can be paid is between £10,905 and £23,555
Other payments	IRPW makes determinations for travel and subsistence allowances, sickness and family absence for senior councillors, carers allowances. Councillors can be in pension fund.	Each council can make determinations on all schemes as for Wales, but Councillors cannot be in Pension scheme.	As per Wales	Regulations provide for carers payments and travel and subsistence. They are silent on other payments. The Circular makes clear that some of the Basic salary is for Councillors' expenses

Annex D		Data used for comparative analysis								
Council	Region	Number of councillors	Total cost (£)	Basic Salary (£)	Highest SS (£)	Average cost per councillor (£)	Net Revenue Spend £000	Cost as % of Spend	SS/BA	
Blaenau Gwent	Wales	42	706,287	13,600	29,700	16,816	176,100	0.40%	23.65%	
Bridgend	Wales	54	930,588	13,600	48,275	17,233	339,500	0.27%	26.71%	
Caerphilly	Wales	73	1,234,458	13,600	34,700	16,910	419,100	0.29%	24.34%	
Cardiff	Wales	75	1,316,400	13,571	39,700	17,552	813,800	0.16%	29.33%	
Carmarthenshire	Wales	74	1,321,772	13,600	34,675	17,862	427,800	0.31%	31.34%	
Ceredigion	Wales	42	808,483	13,600	29,674	19,250	170,100	0.48%	41.54%	
Conwy	Wales	59	1,059,000	13,600	34,700	17,949	267,600	0.40%	31.98%	
Denbighshire	Wales	47	849,055	13,600	29,500	18,065	240,200	0.35%	32.83%	
Flintshire	Wales	70	1,211,132	13,600	34,700	17,302	318,700	0.38%	27.22%	
Gwynedd	Wales	75	1,335,965	13,600	39,670	17,813	290,100	0.46%	30.98%	
Isle of Anglesey	Wales	30	583,790	13,567	29,700	19,460	157,400	0.37%	43.43%	
Merthyr Tydfil	Wales	33	620,330	13,600	29,700	18,798	148,800	0.42%	38.22%	
Monmouthshire	Wales	43	824,497	13,600	16,700	19,174	181,100	0.46%	40.99%	
Neath Port Talbot	Wales	64	1,144,769	13,600	34,400	17,887	352,400	0.46%	31.52%	
Newport	Wales	50	926,411	13,600	34,700	18,528	366,200	0.25%	36.24%	
Pembrokeshire	Wales	60	1,121,024	13,600	34,700	18,684	267,900	0.42%	37.38%	
Powys	Wales	73	1,219,925	13,575	34,700	16,711	308,200	0.40%	23.10%	
Rhondda Cynon Taf	Wales	75	1,313,174	13,571	39,700	17,509	615,100	0.21%	29.02%	
Swansea	Wales	72	1,336,068	13,600	39,670	18,557	559,400	0.24%	36.44%	
Torfaen	Wales	44	810,020	13,600	30,400	18,410	219,400	0.37%	35.36%	
Vale of Glamorgan	Wales	47	850,754	13,600	21,100	18,101	283,500	0.30%	33.10%	
Wrexham	Wales	52	968,444	13,600	34,700	18,624	294,700	0.33%	36.94%	
Aberdeen City	Scotland	45	1,009,025	16,994	22,661	22,423	410,515	0.25%	31.95%	
Aberdeenshire	Scotland	70	1,504,028	16,994	22,661	21,486	515,111	0.29%	26.43%	
Angus	Scotland	28	622,101	16,994	13,552	22,218	210,804	0.30%	30.74%	
Argyll and Bute	Scotland	36	825,973	16,994	16,992	22,944	213,788	0.39%	35.01%	
City of Edinburgh	Scotland	63	1,430,578	16,994	50,986	22,708	849,938	0.17%	33.62%	
Clackmannanshire	Scotland	18	349,290	16,994	9,670	19,405	102,291	0.34%	14.19%	
Dumfries and Galloway	Scotland	43	900,085	16,994	12,748	20,932	304,505	0.30%	23.17%	
Dundee City	Scotland	29	623,026	16,994	33,992	21,484	309,230	0.20%	26.42%	
East Ayrshire	Scotland	32	704,331	16,991	16,996	22,010	244,640	0.29%	29.54%	
East Dunbartonshire	Scotland	22	459,499	16,994	16,998	20,886	217,890	0.21%	22.90%	
East Lothian	Scotland	22	435,506	16,994	11,332	19,796	201,320	0.22%	16.49%	
East Renfrewshire	Scotland	18	363,533	16,994	11,219	20,196	203,528	0.18%	18.84%	
Falkirk	Scotland	30	604,794	16,994	16,998	20,160	304,764	0.20%	18.63%	
Fife	Scotland	75	1,467,865	16,994	12,683	19,572	721,365	0.20%	15.17%	
Glasgow City	Scotland	85	1,868,470	16,944	33,894	21,982	1,278,530	0.15%	29.73%	
Highland	Scotland	74	1,578,886	16,994	22,661	21,336	482,190	0.33%	25.55%	
Inverclyde	Scotland	22	427,772	16,947	11,302	19,444	167,824	0.25%	14.74%	
Midlothian	Scotland	18	355,195	16,994	11,332	19,733	186,195	0.19%	16.12%	
Moray	Scotland	26	522,924	16,994	9,916	20,112	181,707	0.29%	18.35%	
Na h-Eileanan Siar	Scotland	31	667,453	16,994	11,332	21,531	91,912	0.73%	26.70%	
North Ayrshire	Scotland	33	668,866	16,926	16,931	20,269	300,832	0.22%	19.75%	
North Lanarkshire	Scotland	77	1,558,609	16,994	22,546	20,242	663,863	0.23%	19.11%	
Orkney Islands	Scotland	21	454,156	16,991	10,160	21,626	71,129	0.64%	27.28%	
Perth and Kinross	Scotland	40	837,858	16,994	16,998	20,946	290,772	0.29%	23.26%	
Renfrewshire	Scotland	43	821,070	16,994	16,998	19,095	343,438	0.24%	12.36%	
Scottish Borders	Scotland	34	757,911	16,994	16,998	22,291	231,475	0.33%	31.17%	
Shetland Islands	Scotland	22	462,458	16,994	10,121	21,021	94,461	0.49%	23.70%	
South Ayrshire	Scotland	28	580,931	16,994	17,015	20,748	234,343	0.25%	22.09%	
South Lanarkshire	Scotland	64	1,307,048	16,994	22,661	20,423	599,860	0.22%	20.18%	
Stirling	Scotland	23	467,387	16,991	11,320	20,321	189,561	0.25%	19.60%	
West Dunbartonshire	Scotland	22	463,221	16,994	16,998	21,055	201,511	0.23%	23.90%	
West Lothian	Scotland	33	743,764	16,994	22,950	22,538	346,585	0.21%	32.63%	
Antrim and Newtownabbey	Northern Ireland	40	682,366	14,775	5,411	17,059	50,729	1.35%	15.46%	
Ards and North Down	Northern Ireland	40	664,050	14,775	11,840	16,601	61,644	1.08%	12.36%	
Armagh City, Banbridge and Craigavon	Northern Ireland	41	779,786	14,775	15,399	19,019	84,029	0.93%	28.73%	
Belfast	Northern Ireland	60	1,029,391	14,200	29,000	17,157	181,102	0.57%	20.82%	
Causeway Coast and Glens	Northern Ireland	40	682,828	14,473	10,050	17,071	51,803	1.32%	17.95%	
Derry City and Strabane	Northern Ireland	40	733,541	14,775	24,760	18,339	71,549	1.03%	24.12%	

Council	Region	Number of councillors	Total cost (£)	Basic Salary (£)	Highest SS (£)	Average cost per councillor (£)	Net Revenue Spend £000	Cost as % of Spend	SS/BA
Fermanagh and Omagh	Northern Ireland	40	713,806	14,775	8,222	17,845	43,395	1.64%	20.78%
Lisburn and Castlereagh	Northern Ireland	40	697,471	14,775	26,982	17,437	59,138	1.18%	18.02%
Mid and East Antrim	Northern Ireland	40	716,081	14,775	6,181	17,902	68,278	1.05%	21.16%
Mid Ulster	Northern Ireland	40	703,445	14,775	11,550	17,586	49,400	1.42%	19.03%
Newry, Mourne and Down	Northern Ireland	41	795,385	14,775	16,475	19,400	72,609	1.10%	31.30%
Barking and Dagenham	London	51	848,878	10,703	43,025	16,645	134,839	0.63%	55.51%
Barnet	London	63	1,010,000	10,896	38,693	16,032	261,703	0.39%	47.13%
Bexley	London	45	673,968	9,575	26,263	14,977	176,461	0.38%	56.42%
Brent	London	63	1,080,122	12,000	39,748	17,145	216,176	0.50%	42.87%
Bromley	London	60	956,764	10,870	30,600	15,946	185,637	0.52%	46.70%
Camden	London	54	824,010	9,849	29,293	15,259	217,055	0.38%	54.93%
Croydon	London	70	1,524,894	11,407	43,208	21,784	270,396	0.56%	90.97%
Ealing	London	69	999,428	9,708	32,100	14,484	249,868	0.40%	49.20%
Enfield	London	63	974,982	10,570	26,364	15,476	213,345	0.46%	46.41%
Greenwich	London	51	937,894	10,210	52,458	18,390	231,857	0.40%	80.12%
Hackney	London	57	1,159,191	10,679	41,482	20,337	246,210	0.47%	90.44%
Hammersmith and Fulham	London	46	763,643	8,940	32,187	16,601	178,076	0.43%	85.69%
Haringey	London	57	1,100,525	10,801	31,944	19,307	210,729	0.52%	78.76%
Harrow	London	63	842,416	8,340	31,400	13,372	150,701	0.56%	60.33%
Havering	London	54	929,598	10,208	41,719	17,215	160,149	0.58%	68.64%
Hillingdon	London	65	1,340,812	11,257	56,009	20,628	188,302	0.71%	83.24%
Hounslow	London	60	901,211	10,864	27,200	15,020	143,032	0.63%	38.25%
Islington	London	48	889,000	10,313	38,814	18,521	206,147	0.43%	79.59%
Kensington and Chelsea	London	50	1,119,742	11,027	56,429	22,395	136,887	0.82%	103.09%
Kingston upon Thames	London	48	672,489	8,086	23,931	14,010	115,350	0.58%	73.26%
Lambeth	London	63	1,107,121	10,597	37,560	17,573	240,026	0.46%	65.83%
Lewisham	London	54	809,288	9,987	62,538	14,987	247,226	0.33%	50.06%
Merton	London	60	699,573	8,694	34,776	11,660	128,014	0.55%	34.11%
Newham	London	60	1,186,870	11,058	82,620	19,781	259,384	0.46%	78.89%
Redbridge	London	63	839,963	10,138	32,000	13,333	182,248	0.46%	31.51%
Richmond upon Thames	London	54	675,587	9,450	24,791	12,511	150,405	0.45%	32.39%
Southwark	London	63	1,324,831	11,270	53,239	21,029	281,427	0.47%	86.59%
Sutton	London	54	898,002	10,945	41,391	16,630	150,660	0.60%	51.94%
Tower Hamlets	London	45	907,418	11,157	28,527	20,165	258,149	0.35%	80.74%
Waltham Forest	London	60	1,204,648	10,984	48,896	20,077	206,633	0.58%	82.78%
Wandsworth	London	60	1,054,515	10,597	40,670	17,575	171,258	0.62%	65.85%
Westminster	London	60	964,000	9,150	4,989	16,067	167,903	0.57%	75.59%
Barnsley	Yorkshire and the Humber	63	968,918	11,087	26,721	14,249	175,100	0.55%	38.72%
Birmingham	West Midlands	101	2,187,729	16,547	50,000	14,782	848,785	0.26%	30.91%
Bolton	North West	60	871,741	11,644	29,847	12,820	243,836	0.36%	24.77%
Bradford	Yorkshire and the Humber	90	1,790,622	13,463	37,056	17,906	342,466	0.52%	47.78%
Bury	North West	51	616,353	8,537	24,334	12,085	143,572	0.43%	41.56%
Calderdale	Yorkshire and the Humber	51	764,000	10,559	31,677	14,980	151,074	0.51%	41.87%
Coventry	West Midlands	54	1,037,697	13,825	24,885	18,530	241,324	0.43%	39.00%
Doncaster	Yorkshire and the Humber	55	913,902	12,610	19,546	16,033	216,390	0.42%	31.77%
Dudley	West Midlands	72	819,587	9,211	12,891	10,375	225,733	0.36%	23.58%
Gateshead	North East	66	1,078,013	10,761	32,294	14,972	172,731	0.62%	51.78%
Kirklees	Yorkshire and the Humber	69	1,192,110	13,360	24,259	15,895	274,444	0.43%	29.32%
Knowsley	North West	45	699,447	10,357	23,063	13,451	159,675	0.44%	50.08%
Leeds	Yorkshire and the Humber	99	2,191,437	15,381	38,619	17,531	517,471	0.42%	43.91%
Liverpool	North West	90	1,312,568	10,352	81,668	12,868	455,292	0.29%	40.88%
Manchester	North West	96	2,036,348	16,926	42,272	18,682	453,377	0.45%	25.32%
Newcastle upon Tyne	North East	78	891,424	8,775	17,550	8,914	236,056	0.38%	30.24%
North Tyneside	North East	60	779,038	10,115	10,512	11,627	155,126	0.50%	28.36%
Oldham	North West	60	960,138	9,519	34,268	15,740	191,526	0.50%	68.11%
Rochdale	North West	60	903,590	10,660	37,590	13,691	184,626	0.49%	41.27%
Rotherham	Yorkshire and the Humber	63	924,432	11,471	25,851	14,674	211,496	0.44%	27.92%
Salford	North West	60	1,004,269	10,827	16,229	15,216	236,732	0.42%	54.60%
Sandwell	West Midlands	72	1,253,479	10,785	25,490	15,668	259,396	0.48%	61.43%
Sefton	North West	66	842,509	9,151	22,618	11,385	231,171	0.36%	39.50%

Council	Region	Number of councillors	Total cost (£)	Basic Salary (£)	Highest SS (£)	Average cost per councillor (£)	Net Revenue Spend £000	Cost as % of Spend	SS/BA
Sheffield	Yorkshire and the Humber	84	1,292,591	12,097	18,716	14,362	370,752	0.35%	27.20%
Solihull	West Midlands	51	643,339	9,028	22,570	11,092	145,155	0.44%	39.72%
South Tyneside	North East	54	729,130	7,469	27,389	12,792	119,139	0.61%	80.78%
St. Helens	North West	48	626,663	7,935	33,500	11,824	143,095	0.44%	64.53%
Stockport	North West	63	935,350	10,226	30,728	12,991	234,894	0.40%	45.19%
Sunderland	North East	75	1,149,637	8,369	35,525	13,525	228,931	0.50%	83.16%
Tameside	North West	57	1,076,101	12,070	37,369	18,553	204,154	0.53%	56.41%
Trafford	North West	63	712,132	6,492	32,282	10,030	160,628	0.44%	74.12%
Wakefield	Yorkshire and the Humber	63	1,111,512	11,741	35,824	16,590	240,932	0.46%	50.27%
Walsall	West Midlands	60	871,659	11,146	23,124	13,207	211,963	0.41%	30.34%
Wigan	North West	75	1,227,401	12,512	44,179	14,612	261,709	0.47%	30.80%
Wirral	North West	66	790,981	8,712	22,927	10,012	281,597	0.28%	37.56%
Wolverhampton	West Midlands	60	925,070	9,344	26,360	13,215	212,646	0.44%	65.00%
Buckinghamshire	South East	49	919,367	11,626	43,156	18,763	347,253	0.26%	61.39%
cambridgeshire	East of England	61	958,172	10,294	31,682	15,708	358,090	0.27%	52.59%
Cumbria	North West	84	1,053,719	8,405	25,250	12,544	350,298	0.30%	49.25%
Derbysire	East Midlands	64	1,076,361	10,692	35,304	16,818	452,578	0.24%	57.30%
Devon	South West	60	1,089,453	12,369	30,572	18,158	513,624	0.21%	46.79%
East Sussex	South East	50	875,300	12,546	34,440	17,506	379,275	0.23%	39.53%
Essex	East of England	75	1,590,799	12,000	53,804	21,211	864,845	0.18%	76.76%
Gloucestershire	South West	53	832,918	10,100	27,570	15,715	366,996	0.23%	55.60%
Hampshire	South East	78	1,419,990	12,244	29,547	18,205	766,897	0.19%	48.69%
Hertfordshire	East of England	78	1,274,192	10,178	40,712	16,336	721,521	0.18%	60.50%
Kent	South East	81	1,989,911	15,086	48,425	24,567	896,919	0.22%	62.85%
Lancashire	North West	84	1,342,652	10,675	30,484	15,984	736,653	0.18%	49.73%
Leicestershire	East Midlands	55	914,122	10,905	36,954	16,620	347,270	0.26%	52.41%
Lincolnshire	East Midlands	70	1,260,110	10,530	33,361	18,002	433,036	0.29%	70.96%
Norfolk	East of England	84	1,260,000	10,924	32,981	15,000	596,648	0.21%	37.31%
North Yorkshire	Yorkshire and the Humber	72	1,020,473	9,635	31,426	14,173	370,055	0.28%	47.10%
Northamptonshire	East Midlands	57	737,663	8,312	25,754	12,941	423,337	0.17%	55.70%
Nottinghamshire	East Midlands	66	1,602,562	14,325	33,594	24,281	489,618	0.33%	69.50%
Oxfordshire	South East	63	951,841	10,509	30,476	15,109	444,476	0.21%	43.77%
Somerset	South West	55	890,520	11,011	33,033	16,191	301,964	0.29%	47.05%
Staffordshire	West Midlands	62	1,002,233	9,406	36,489	16,165	437,251	0.23%	71.85%
Suffolk	East of England	75	1,170,687	10,479	29,847	15,609	452,762	0.26%	48.95%
Surrey	South East	81	1,711,778	12,443	32,166	21,133	793,108	0.22%	69.84%
Warwickshire	West Midlands	57	790,359	9,426	23,608	13,866	340,934	0.23%	47.11%
West Sussex	South East	70	1,234,823	11,642	32,297	17,640	538,451	0.23%	51.52%
Worcestershire	West Midlands	57	911,215	8,947	34,866	15,986	332,673	0.27%	78.68%
Bath and North East Somerse	South West	59	825,521	7,636	31,809	13,992	114,911	0.72%	83.24%
Bedford	East of England	40	653,000	10,425	12,511	16,325	134,163	0.49%	56.59%
Blackburn with Darwen	North West	51	564,000	7,000	20,000	11,059	116,464	0.48%	57.98%
Blackpool	North West	42	800,000	9,364	28,094	19,048	122,506	0.65%	103.40%
Bournemouth, Christchurch &	South West	76	759,117	9,291	28,178	9,988	213,462	0.36%	7.51%
Bracknell Forest	South East	42	577,487	8,687	28,954	13,750	83,528	0.69%	58.28%
Brighton and Hove	South East	54	858,580	12,117	29,475	15,900	207,095	0.41%	31.21%
Bristol, City of	South West	70	1,220,858	12,261	21,550	17,441	347,068	0.35%	42.25%
Central Bedfordshire	East of England	59	1,056,406	10,996	31,337	17,905	201,625	0.52%	62.84%
Cheshire East	North West	82	1,269,655	12,109	27,815	15,484	263,401	0.48%	27.87%
Cheshire West and Chester	North West	75	1,138,538	11,923	29,220	15,181	231,295	0.49%	27.32%
Cornwall	South West	123	2,187,090	14,189	26,249	17,781	502,488	0.44%	25.32%
County Durham	North East	126	2,020,520	13,300	36,575	16,036	399,485	0.51%	20.57%
Darlington	North East	50	603,339	8,188	20,171	12,067	76,553	0.79%	47.37%
Derby	East Midlands	51	801,000	10,076	26,664	15,706	184,361	0.43%	55.87%
East Riding of Yorkshire	Yorkshire and the Humber	67	1,164,127	11,502	37,128	17,375	244,366	0.48%	51.06%
Halton	North West	56	799,360	8,597	22,169	14,274	113,006	0.71%	66.04%
Hartlepool	North East	32	325,565	7,948	23,844	10,174	81,926	0.40%	28.01%
Herefordshire, County of	West Midlands	53	643,809	7,571	32,616	12,147	134,301	0.48%	60.44%
Isle of Wight	South East	40	473,766	7,854	15,564	11,844	130,330	0.36%	50.80%
Isles of Scilly	South West	16	109,000	6,165	12,330	6,813	5,469	1.99%	10.50%

Council	Region	Number of councillors	Total cost (£)	Basic Salary (£)	Highest SS (£)	Average cost per councillor (£)	Net Revenue Spend £000	Cost as % of Spend	SS/BA
Kingston upon Hull, City of	Yorkshire and the Humber	57	1,076,753	13,118	25,744	18,890	194,417	0.55%	44.00%
Leicester	East Midlands	54	1,038,738	10,556	60,047	19,236	222,551	0.47%	82.23%
Luton	East of England	48	441,680	7,500	15,000	9,202	130,207	0.34%	22.69%
Medway	South East	55	758,090	8,987	26,396	13,783	183,039	0.41%	53.37%
Middlesbrough	North East	46	566,978	6,363	63,625	12,326	123,208	0.46%	93.72%
Milton Keynes	South East	57	814,177	10,500	30,600	14,284	169,680	0.48%	36.04%
North East Lincolnshire	East Midlands	42	496,274	7,999	21,290	11,816	121,376	0.41%	47.72%
North Lincolnshire	East Midlands	43	565,906	6,874	16,799	13,161	119,120	0.48%	91.45%
North Somerset	South West	50	647,000	8,373	26,421	12,940	151,290	0.43%	54.54%
Northumberland	North East	67	1,373,219	14,004	27,000	20,496	267,146	0.51%	46.36%
Nottingham	East Midlands	55	1,059,008	12,240	34,744	19,255	240,887	0.44%	57.31%
Peterborough	East of England	60	843,834	10,302	30,906	14,064	142,776	0.59%	36.52%
Plymouth	South West	57	975,590	10,788	29,579	17,116	186,725	0.52%	58.65%
Portsmouth	South East	42	605,035	10,955	18,129	14,406	133,239	0.45%	31.50%
Reading	South East	46	447,571	8,220	10,200	9,730	115,087	0.39%	18.37%
Redcar and Cleveland	North East	59	716,160	9,550	14,789	12,138	113,258	0.63%	27.10%
Rutland	East Midlands	26	177,018	3,770	11,420	6,808	31,128	0.57%	80.59%
Shropshire	West Midlands	74	1,194,221	11,514	23,028	16,138	215,104	0.56%	40.16%
Slough	South East	42	468,733	7,626	19,827	11,160	91,162	0.51%	46.35%
South Gloucestershire	South West	70	1,026,437	11,637	24,531	14,663	190,851	0.54%	26.01%
Southampton	South East	48	721,931	12,215	21,464	15,040	176,057	0.41%	23.13%
Southend-on-Sea	East of England	51	657,420	9,024	31,583	12,891	118,196	0.56%	42.84%
Stockton-on-Tees	North East	56	713,100	9,300	24,999	12,734	149,756	0.48%	36.92%
Stoke-on-Trent	West Midlands	44	754,824	12,000	32,968	17,155	209,846	0.36%	42.96%
Swindon	South West	57	548,199	8,363	24,808	9,618	156,729	0.35%	15.00%
Telford and Wrekin	West Midlands	54	617,284	7,870	21,391	11,431	116,574	0.53%	45.25%
Thurrock	East of England	49	644,144	9,021	21,699	13,146	113,371	0.57%	45.72%
Torbay	South West	36	37,764	687	2,333	1,049	107,929	0.03%	52.60%
Warrington	North West	58	727,497	8,174	16,451	12,543	132,213	0.55%	53.45%
West Berkshire	South East	52	549,236	7,533	18,830	10,562	116,077	0.47%	40.22%
Wiltshire	South West	98	1,964,161	13,199	51,056	20,042	349,265	0.56%	51.85%
Windsor and Maidenhead	South East	57	737,878	8,143	24,428	12,945	89,898	0.82%	58.97%
Wokingham	South East	54	575,000	7,784	18,199	10,648	107,388	0.54%	36.80%
York	Yorkshire and the Humber	47	642,000	9,198	26,001	13,660	138,872	0.46%	48.51%

Data Sources

Number of Councillors taken from Wikipedia page "Political make-up of Councils in the United Kingdom"

Total cost of scheme, Basic Salary, Highest SS taken from Taxpayer's Alliance report "Councillors' allowances" by Kieran Neild-Ali December 2020. This data has been checked and modified by the Reviewer as described in the report

Welsh local authority spend taken from Welsh Government financial statistics for Local Authorities web site

English Total spend from Revenue Outturn (RO) 2018-19: Revenue Outturn Summary (RS) data

Scottish total spend taken from Provisional Outturn for 2018-19 and 2019-20 by Service, £ millions on Scottish Government website

Northern Ireland spend data extracted from the Annual Accounts of the Councils by the Reviewer