

31st March 2023

WLGA MEMBERS' ALLOWANCES REVIEW

Purpose

1 To update members on the work and recommendations of the Independent Panel on Members' Allowances.

Background

2 The Panel was convened, in line with the [WLGA CONSTITUTION](#) (section 25 Members Allowances), to review and advise WLGA Council members on the WLGA Members Allowances scheme. The WLGA Council previously agreed that an independent review of the scheme be carried out this electoral term.

3 WLGA Members' Allowances were introduced originally in 2005-06 and there has not been a fundamental review since this date.

4 The WLGA Allowances Scheme remained unchanged since 2005-06. In 2019, rates were uplifted by 10% which redistributed an unused second deputy leader allowance. Furthermore, subsequent increases were linked to changes in the Basic Salary for Councillors set by the Independent Remuneration Panel for Wales.

Recommendations

5 Members are asked:

5.1 To consider the report and approve the Independent Panel's recommendations paragraphs 27 to 33 of Appendix 1.

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31st March 2023

REPORT OF THE INDEPENDENT PANEL ON WLGA MEMBERS' ALLOWANCES

Purpose

1. To advise the Chief Executive and the Council of the WLGA of the considerations and recommendations of the Independent Panel who reviewed the WLGA Members Allowances scheme.

Background

2. The WLGA Council agreed that an independent review of Members' Allowances should be undertaken for the coming term, in accordance with the WLGA Constitution.
3. WLGA Members' Allowances were introduced originally in 2005-06 and there has not been a fundamental review since this date.
4. The WLGA Allowances Scheme remained at their 2005-06 levels until a 10% uplift in 2019 (which redistributed an unused second deputy leader allowance) and has been linked to changes in the Basic Salary for Councillors set by the Independent Remuneration Panel for Wales since 2019.
5. WLGA Members Allowances for 2022-23 are as follows:

	2022-23 (inclusive of IRP uplift)
Leader	£6,497.65
Presiding Officer	£6,497.65
Deputy Leader	£5,198.12
Deputy Presiding Officer (Majority Group)	£2,599.06
Group Leader (Independent)	£2,599.06
Group Leader (Plaid Cymru)	£2,599.06
Total	£25,987.10

6. The relative proportion of each allowance currently is:

Leader and Presiding Officer – 100%
Deputy Leader – 80%

Deputy Presiding Officer (Majority Group) – 40%
Group Leaders – 40%

Membership of the Panel

7. The Panel membership was as follows:

Baroness Wilcox of Newport (Chair) – Former Leader of the WLGA
Ellen ap Gwynn – Former Council Leader (Ceredigion)
Frank Cuthbert – Former Welsh Government Local Government Policy Adviser

Methodology

8. During November and December, the Panel met with all Council Leaders to ascertain their roles and responsibilities within the WLGA. In addition, they met with the leader, deputy leader and presiding officer.
9. The majority of meetings were held on an individual basis with the senior postholders, with the panel also attending the WLGA Executive Board on the 16th December to speak with the newer Leaders and ensure everyone had an opportunity to feed into the discussions.
10. Notes were taken from all meetings and the Panel have reviewed those notes and used them to have further discussions amongst themselves in order to decide upon their recommendations.

The case for Change

11. From the structured interviews and discussions that have taken place, there is broad acceptance that the demands on key WLGA roles have increased greatly since the pandemic struck. Council Leaders and members have had increasingly close working relationships with Ministers and Senedd members and whilst that positive development is to be welcomed, it inevitably leads to greater demands placed upon those representing the WLGA.
12. In the evidence gathering with all Leaders, there was unanimous support that no role should be paid at the same level as the Leader.
13. There was general consensus that certain spokesperson roles should also now be remunerated due to the increased workload, namely those for Education, Finance and Social Services.

14. There was also agreement that members' workloads and visibility have increased in comparison with other sectors and UK local government representative bodies, and that current allowances are extremely low. The interviews with Leaders (both those who receive remuneration and those who do not) confirmed this. Annex 1 sets out the current schemes for the Local Government Association (LGA) and the Convention of Scottish Local Authorities (COSLA).

Options

15. The first question for the panel to consider was whether they felt the spokespeople roles for Education, Finance and Social Services should now also be remunerated.

16. Once that was agreed, broadly, there were two main options for the Independent panel to consider:

- I. Increasing the allowances to a new level (with future increase linked to the IRP) to reflect the increased post-pandemic workload, or
- II. To introduce a daily rate, whereby each role is paid the same rate (or reflects that of a WG public body band) but with different amounts of time allocated to each role

Option 1 – Fixed Payments

17. The first question for the panel to consider was whether they felt the spokespeople roles for Education, Finance and Social Services should now also be remunerated.

18. Following the COSLA model, it would seem sensible to link the proportions in a similar way, so that would be:

Leader – 100%

Presiding Officer and Deputy Leader – 75%

Deputy Presiding Officer¹ (Majority Group) – 25%

Group Leaders – 40%

Spokespeople (Education, Finance and Social Services) - 40%

¹ Note: But see the Panel's recommendations in relation to this.

19. These relativities were discussed in relation to workload and benchmarked against the information in Annex 1. Figure 1 shows a number of costed refinements based on this methodology.

Figure 1: 3 options based on a ‘fixed payment’ scheme

Role	Option 1a	Option 1b	Option 1c	Option 1d
Leader	£10,000	£12,500	£15,000	£20,000
Deputy Leader	£7,500	£9,375	£11,250	£15,000
Presiding Officer	£7,500	£9,375	£11,250	£15,000
Deputy Presiding Officer (Majority Group)	£2,500	£3,125	£3,750	£5,000
Group Leader Independent	£4,000	£5,000	£6,000	£8,000
Group Leader Plaid Cymru	£4,000	£5,000	£6,000	£8,000
Education Spokesperson	£4,000	£5,000	£6,000	£8,000
Finance Spokesperson	£4,000	£5,000	£6,000	£8,000
Social Services spokesperson	£4,000	£5,000	£6,000	£8,000
Total	£47,500	£59,375	£69,000	£92,000

Option 2 – Actual Workload/Activity

20. There were two issues for the panel to consider here:

- I. How much time seems reasonable to allocate to each role: and
- II. The daily rate to be applied.

21. During the interviews with Leaders, Group Leaders and spokespeople there emerged a general consensus on relative activity. The Leader stated two full days with others suggesting half that in their WLGA roles. So the panel may wish to consider the following levels:

- Leader – 2 days per week
- Presiding Officer and Deputy Leader 1.5 days per week
- Group Leaders – 1 day per week
- Senior Spokespersons (education, finance, social services and workforce) – 1 day per week

Example daily rates to consider:

22. During discussions, the figure of £250 per day was referred to as was the LGA peer rate of £334 per day

23. Similarly, the panel could look at adopting amounts based on the Welsh Government Bands for public bodies set out in Annex 2.

24. The table below looks at the options of

- Leader – 2 days per week
- Presiding Officer and Deputy Leader 1.5 days per week
- Group Leaders and Deputy Presiding Officer – 1 day per week
- Senior Spokespersons (education, finance, social services and workforce) – 1 day per week

With the rates paid at £250 per day, £334 per day and using band 3 of WG public bodies so the Leader at £337 per day, the Deputy Leader and Presiding Officer at £311 per day and all others at £282 per day.

Figure 2: 3 options based on a higher ‘actual activity’ scheme

	No of days per week	£250 per day (x 52 weeks)	£334 per day (x 52 weeks)	Band 3 (x 52 weeks)
Leader	2	£26,000	£34,736	£35,048
Deputy Leader	1.5	£19,500	£26,052	£24,258
Presiding Officer	1.5	£19,500	£26,052	£24,258
Deputy Presiding Officer (Majority Group)	1	£13,000	£17,368	£14,664
Group Leader Independent	1	£13,000	£17,368	£14,664
Group Leader Plaid Cymru	1	£13,000	£17,368	£14,664
Education Spokesperson	1	£13,000	£17,368	£14,664
Finance Spokesperson	1	£13,000	£17,368	£14,664
Social Services spokesperson	1	£13,000	£17,368	£14,664
Total		£143,000	£191,048	£171,548

25. Alternatively, it could be argued that some of the time initially indicated included 'core' WLGA work, so we could look at alternative time commitment for example:

- Leader – 6 days per month (1.5 per week)
- Presiding Officer and Deputy Leader 2.5 days per month
- Group Leaders and Deputy Presiding Officer – 2 days per month
- Senior Spokespersons (education, finance, social services) 2 days per month

Figure 3: 3 options based on a lower 'actual activity' scheme

	No of days per month	£250 per day (x 12 months)	£334 per day (x 12 months)	Band 3 (x 12 months)
Leader	6	£18,000	£24,048	£24,264
Deputy Leader	2.5	£7,500	£10,020	£9,330
Presiding Officer	2.5	£7,500	£10,020	£9,330
Deputy Presiding Officer (Majority Group)	2	£6,000	£8,016	£6,768
Group Leader Independent	2	£6,000	£8,016	£6,768
Group Leader Plaid Cymru	2	£6,000	£8,016	£6,768
Education Spokesperson	2	£6,000	£8,016	£6,768
Finance Spokesperson	2	£6,000	£8,016	£6,768
Social Services spokesperson	2	£6,000	£8,016	£6,768
Total		£69,000	£92,184	£83,532

26. Members of groups should have regard to the current cost of living crisis and how recommendations would play out in the public domain. In the context of ongoing pay negotiations, general levels of inflation are material in that respect. In the past the WLGA's Audit Committee had concerns about raising allowances in the context of difficult public sector pay rounds.

The Panel's Recommendation to the WLGA Council

27. The Panel are of the view that the time is over-ripe for a significant improvement in the levels of allowances paid to members with leading responsibilities. The current levels bear little relevance to the additional workloads which members undertake in addition to their duties within their own authorities.
28. The Panel's view is that Option 1 – Fixed Relative Proportions – should be adopted as this provides clarity both to members and to the public as to how much office-holders are paid and avoids the Association's officers having to administer and "police" claims from members. Option 2 could also lead to uncontrollable expense in particularly busy times.
29. The Panel recommend that the Leader should receive a payment of £12,500 pa (Option 1b) and other officers paid the proportionate allowance as outlined in Figure 1 above.
30. The Panel feels that the renumeration for the Deputy Presiding Officer (DPO) should be less than that for Group Leaders, hence the figures featuring in Figure 1. This is because the DPO responsibilities are necessarily inconsistent. However, the Chief Executive should retain the flexibility to increase the DPO payment during any prolonged period when the PO were unavailable (and inform the WLGA Executive or WLGA Council accordingly).
31. The Panel further recommend that the scheme should be uprated annually in line with decisions of the Independent Remuneration Panel for Wales.
32. The Panel fully appreciates the sensitivity of increasing remuneration for political posts at any time but particularly at present. Nevertheless, they feel that the current rates represent a serious undervaluing of the work of leading members and therefore propose that these changes be implemented from April 2023.
33. Finally, there are further issues which the Chief Executive (or another Panel) should consider in the future:
 - Paying for travel / subsistence when on WLGA business (whether to claim from the WLGA or their home authority)
 - Payment of allowances during periods of Parental Leave
 - Payments for costs of care for members on WLGA business
 - Job Share for senior roles
 - Pensionability of WLGA allowances

Baroness Wilcox of Newport (Chair)

Ellen ap Gwynn

Frank Cuthbert

ANNEX I

Local Government Association Scheme

Chairman	£62,392 - 3.5 days per week (or 25.5 hours)
	£80,226 - 4.5 days per week (or 31.5 hours)
Senior Vice-Chair (leader of 2nd largest group)	£43,384
Vice-Chair (leader of largest group)	£37,439
Vice-Chair (leader of 3rd largest group)	£37,439
Vice-Chair (leader of 4th largest group)	£31,496
Board Chair	£17,817
Vice/Deputy-Chairs	£8,908
Member	£2,970
Members' Day Rate (e.g. peers)	£334 per day

Convention of Scottish Local Authorities Scheme

President (1 person)	£30,000
Vice President (1)	£22,500
Spokespersons (5)	£10,000

ANNEX 2

WELSH GOVERNMENT PUBLIC BODIES

Bands according to range of criteria including budget, staffing, complexity and risk
(e.g. IRP is Band 3)

Band 5	Daily Rate (£)
Chair	478
Deputy Chair	421
Board Member	366
Band 4	
Chair	394
Deputy Chair	366
Board Member	337
Band 3	
Chair	337
Deputy Chair	311
Board Member	282
Band 2	
Chair	256
Deputy Chair	226
Board Member	198
Band 1	
Chair	114
Deputy Chair	104
Board Member	92