

WLGA MEMBERS' ALLOWANCES SCHEME

Purpose

1. For the WLGA Council to approve the WLGA Members' Allowances Scheme for WLGA Office Holders.

Background

2. The WLGA Council has determined that the Members' Allowances Scheme is to be reviewed on an annual basis by the Audit Committee whose recommendations are incorporated in this report.
3. The WLGA Members' Allowances Scheme is applied on an annual basis, effective from the date of each Annual General Meeting.
4. The Scheme is voluntary, and members can choose whether or not to receive their allowance. In line with local authorities' own practices the WLGA Scheme is made publicly available via the WLGA's website.
5. Members will note that the WLGA Allowances Scheme is not within the remit of the Independent Remuneration Panel for Wales.
6. The WLGA Audit Committee considered the WLGA Members Allowances Scheme in October 2019. This was the first review of the Scheme since 2005-06 and allowances have remained at the same levels since they were introduced. The Committee recommended:
 - 6.1 the redistribution of an 'unused' allowance previously payable to the second Deputy Leader post to the other senior roles, equating to a 10% uplift, for 2020-21; and
 - 6.2 linking future rises to the Independent Remuneration Panel for Wales [IRPW] uplift for senior salaries.
7. The IRPW published its Draft Annual Report for 2021-22 on 28th September 2020¹. It includes a proposal to increase Senior Salaries by 1.06% from April 2021.

¹ <https://gov.wales/independent-remuneration-panel-wales-draft-annual-report-2021-2022>

8. The following table outlines the WLGA Members' Allowances Scheme on the basis of the Audit Committee's recommendations:

	2020-21 (inc of 10% uplift)	2021-22 (inc of 1.06% uplift)
Leader	£5,500	£5,830
Presiding Officer	£5,500	£5,830
Deputy Leader	£4,400	£4,664
Deputy Presiding Officer (Majority Group)	£2,200	£2,332
Group Leader (Plaid)	£2,200	£2,332
Group Leader (Conservatives)	£2,200	£2,332
Group Leader (Independent)	£2,200	£2,332
Total Member Allowances Budget	£24,200	£25,652

9. It should be noted that the IRPW determination for 2021-22 remains draft and is subject to ongoing consultation. The 2020-21 allowances will therefore be set according to the determinations in the IRPW's final report.
10. At its meeting of the 8th October 2020, the Audit Committee reconsidered the WLGA Members' Allowances Scheme and considered the increased demands and responsibilities of WLGA lead members since the Scheme's introduction in 2005-06 and particularly during the COVID 19 pandemic. The Committee also compared the roles and allowances with other organisations such as the LGA.
11. The Audit Committee noted that the Scheme did not include common features such as a Carers' Allowance, which would be an important statement of the WLGA's commitment to diversity and bring the Scheme in line with local authorities' schemes. The Audit Committee noted that the LGA commissions a periodic independent review of its Scheme.
12. The Audit Committee therefore agreed to recommend to Council that the WLGA should commission an independent review of WLGA Members' Allowances to be conducted during the next 18 months to make recommendations for introduction for the new Association membership from the next municipal term in 2022-23.
13. It is proposed that the WLGA seeks advice from the LGA regarding its independent review process.

Other Member Allowances

14. It should be noted also that some WLGA nominated positions on LGA boards may be entitled to receive remuneration separately through the LGA's Members' Allowances Scheme, including:

- LGA Executive Advisory Board £2,919
- WLGA Representatives to Employers' Side Bodies £328 per meeting attended

15. Furthermore, Welsh local authority members may be appointed to a range of LGA Boards (and will be entitled to receive allowances ranging from £2,919 to £17,511 depending on the role). These members are appointed as representatives of the LGA Groups and not on behalf of the WLGA.

Recommendations

16. Members are invited to endorse the recommendations of the Audit Committee to:

16.1 amend the current WLGA Members' Allowances Scheme (as per paragraphs 6-8) and

16.2 commission an independent review of the Scheme for implementation from 2022-23 (as per paragraphs 10-13).

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WLGA MEMBERS' ALLOWANCES SCHEME

Purpose

1. To review the WLGA Members' Allowances Scheme for 2021-22.

Background

2. The WLGA Constitution permits the WLGA Council to establish a Members Allowances Scheme [the Scheme] for payments to WLGA Office Holders:

"25.0 Members' Allowances

25.1 The Association may provide a scheme for payments of allowances and expenses to Member Council attending meetings of the Council, its Committees, Sub-Committees, Advisory Groups and Panels, or for other approved duties. Details of any such scheme shall be set out by the Council. The Scheme may also include such allowances for Office Holders of the Association under Article 10, in recognition of duties carried out on behalf of the Association."

3. Audit Committee reviewed the Scheme in October 2019. It was noted that prior to this review, allowance levels had not increased since they were introduced in 2005-06.
4. Audit Committee considered a range of options and agreed to:
 - a. redistribute an 'unused' allowance previously payable to the second Deputy Leader post to the other senior roles, equating to a 10% uplift, for 2020-21; and
 - b. to link future rises to the Independent Remuneration Panel for Wales uplift for senior salaries.

WLGA Allowances 2020-21 and 2021-22

5. The Independent Remuneration Panel for Wales [IRPW] published its Draft Annual Report for 2021-22 on 28th September 2020². It includes a proposal to increase Senior Salaries by 1.06% from April 2021.

² <https://gov.wales/independent-remuneration-panel-wales-draft-annual-report-2021-2022>

6. The following table outlines the WLGA Members Allowances Scheme on the basis that Audit Committee agree that the IRP uplift is applied for 2021-22:

	2019-20	2020-21 (inc of 10% uplift)	2021-22 (inc of 1.06% uplift)
Leader	£5,000.00	£5,500	£5,830
Presiding Officer	£5,000.00	£5,500	£5,830
Deputy Leader	£4,000.00	£4,400	£4,664
Deputy Presiding Officer (Majority Group)	£2,000.00	£2,200	£2,332
Group Leader (Plaid)	£2,000.00	£2,200	£2,332
Group Leader (Conservatives)	£2,000.00	£2,200	£2,332
Group Leader (Independent)	£2,000.00	£2,200	£2,332
Total Member Allowances Budget	£26,000.00	£24,200	£25,652

WLGA Senior Office Holders Roles and Responsibilities

7. Audit Committee has previously considered the profile, role and workload of WLGA senior Office Holders has grown significantly during devolution.
8. WLGA senior Office Holders represent local government's collective interests and are regularly required to attend high-level meetings with Welsh and UK Government Ministers, Senedd Committees, stakeholders and represent the WLGA at events and in the media.
9. The role of senior members is outlined in the WLGA Officer Holder Role Descriptions³.
10. WLGA members' roles, in particular Group Leaders and senior Spokespersons, have become particularly demanding during the past 6 months in managing the response to the Covid-19 pandemic. Leaders meet with Ministers on a weekly basis (previously three times a week) and senior Spokespeople have regular and often weekly bilateral meetings with Ministers and other stakeholders. The WLGA Leader is engaged in daily discussions and meetings with Ministers, representing local government and providing central leadership in the collective response to Covid-19.

LGA Members' Allowances

11. The WLGA Members' Allowances Scheme is a comparatively small scheme; it remunerates 7 Senior Office Holders and has a current budget of £24,200.

³ <https://www.wlga.wales/SharedFiles/Download.aspx?pageid=62&fileid=1182&mid=665>

12. The LGA Members' Allowances Scheme has been updated in September 2020⁴:

LGA Executive Chairman of the LGA	£78,847 (4.5 days per week)
Senior Vice-Chair (leader of 2nd largest group)	£42,638
Vice-Chair (leader of largest group)	£36,796
Vice-Chair (leader of 3rd largest group)	£36,796
Vice-Chair (leader of 4th largest group)	£30,955
Deputy-Chairs	£8,755
Member	£2,919
Policy Boards Chair	£17,511
Vice/Deputy-Chairs	£8,755
Member	£2,919

13. Several Welsh councillors are appointed, through LGA Political Groups, to various LGA positions (including Vice Chairs and Board Members). All are in receipt of allowances higher than WLGA Political Group Leaders and some receive larger allowances than the WLGA Leader.

14. COSLA's Members Allowances Scheme is not available for comparison, however, in 2018-19 the member allowances budget was £110,250 for the 14 Office Bearers.

Reviewing WLGA Member Allowances

15. Last year's review of WLGA Member Allowances was the first substantive change to the Scheme since 2013 (when Group Leaders were incorporated in place of Deputy Presiding Officers) and the first increase since the Scheme was introduced in 2005-06.

16. The LGA Members' Allowances Scheme has been independently reviewed in 2004, 2009, 2012 and 2018. The Scheme notes:

"Members' Responsibility Allowances is reviewed annually and index linked to the principal local government pay settlement. Carers' Allowance is linked to the National Minimum Wage. Additionally, an independent review of allowances may be commissioned by the Leadership Board to reflect changes in policy, direction or structure within the LGA."

17. The IRPW reviews the remuneration of councillors in Wales on an annual basis and bases its determinations on a framework of principles: Upholding

⁴ <https://www.local.gov.uk/sites/default/files/documents/LGA%20member%20allowances%20-%20revised%20scheme%20-%20september%202020.pdf>

trust and confidence; Simplicity; Remuneration; Diversity; Accountability; Fairness; Quality; and Transparency. The IRPW also notes that:

"An authority must not pay more than one senior salary to any member. A principal council member in receipt of a senior salary as leader or executive member of an authority (determined as full-time by the Panel) may not receive a second salary as a member appointed to serve on a national park authority or a Welsh fire and rescue authority."

18. Key to the IRPW's principles is an aim to ensure its determinations are uphold '...public trust and confidence' and 'that that levels of remuneration are fair, affordable and generally acceptable.'
19. As noted earlier, the IRPW published its Draft Annual Report for 2021-22 on 28th September 2020 including a proposal to increase Senior Salaries by 1.06% from April 2021. The IRPW is currently consulting on the Draft Annual Report.
20. The Senedd's Independent Remuneration Board confirmed on 29th September that a planned 4.4% salary increase for Members of the Senedd, due in October 2020, has been suspended given the impact of Covid-19 on the wider economic outlook and "...allowing any pay rise to take place in such conditions would be unsuitable and difficult to justify."
21. The WLGA's scheme broadly follows the IRPW's principles, however given the scheme does not necessarily reflect members' workload or responsibilities and has been aligned to inflationary or wider councillor allowances increases over several years, it arguably does not meet the several principles fully. In particular, it does not fully meet the principles of: simplicity, remuneration and fairness – in that the Scheme does not fairly remunerate members for their responsibilities and it does not align with comparable Schemes.
22. Audit Committee considered a fuller review of WLGA Allowances in 2019, but decided not to proceed at that time, instead opting for a redistribution of a vacant salary and aligning future increases with any IRPW senior salary increases.
23. Audit Committee may wish to consider commissioning an independent review of the WLGA Members' Allowances Scheme going forward. The Committee could seek advice from the LGA regarding its own independent review process. A wider review would benefit from evidence gathering and benchmarking and could examine the responsibilities of other WLGA Senior Office Holder roles. It could also consider the introduction of a Carers' Allowance, as is available through authorities and the LGA, which would be an important statement of the WLGA's commitment to diversity. Senior

Office Holders may however already receive reimbursement of costs of care whilst undertaking WLGA business via their council scheme.

24. The timing and implications of any wide-ranging review in the current period will require careful consideration and any decision is likely to have implications for the WLGA's budget. An independent review could consider member allowances from 2021-22 or could be undertaken over the next 18 months to review allowances that might be introduced for the new Association membership from the next municipal term in 2022-23.

Recommendation

25. **It is recommended that Audit Committee:**

25.1 notes that the Committee's previous determination that WLGA Members' Allowances are aligned to any Senior Salary uplift for councillors set by the IRPW; and

25.2 considers whether to recommend to Council that a wider review of WLGA Members' Allowances is commissioned.

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