ITEM 11

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

28 September 2020

Dear Colleague

Independent Remuneration for Wales – Draft Annual Report 2021/22

The Panel's draft Annual Report for 2021/22 is attached. We would appreciate and welcome comments during the consultation period which ends on 23 November 2020.

The draft Report contains proposed changes to our remuneration framework including a modest increase in the basic salary for elected members of principal councils and members of National Park Authorities and Fire and Rescue Authorities. We have also propose significant changes in respect of financial support for care and assistance.

We look forward to receiving comments and will consider all of the responses to this draft prior to producing the final Report for publication in February 2021.

Yours sincerely

John Bader

John Bader
Chair

13. Payments to Members of Community and Town Councils

13.1 The Panel recognises a wide variation in geography, scope and scale across the 735 community and town councils in Wales, from small community councils with relatively minimal expenditure and few meetings to large town councils with significant assets and responsibilities.

13.2 The Panel has met with over 304 Councillors and Clerks representing 302 community and town councils in 17 meetings it held across Wales. The discussions re-confirmed the widely held view that the roles individual councils undertake varied significantly and in accordance with this wide variation, the responsibilities and accountabilities of councillors must also vary. Councillors managing income or expenditure of £1million and those delivering significant services, including some that might have been delegated from principal councils, are operating in a much more complex environment than a council with an annual budget of less than £30,000.

13.3 In the 2018 Annual Report the Panel formed 3 groups of community and town councils to reflect these differences based on the level of income *or* expenditure, whichever is the highest, in the previous financial year. These remain unchanged as set out in Table 7.

Table 8: Community and Town Council Groupings

Community and Town Council Group	Income *or* Expenditure in 2020-2021 of:
A	£200,000 and above
B	£30,000 - £199,999
C	Below £30,000

13.4 In order to act and carry out duties as a member of a community or town council all persons are required to make a formal declaration of acceptance of office. Following this declaration, members of community or town councils are then holders of elected office and occupy a role that is part of the Welsh local government structure. It is important to note that a person who follows this path is in a different position to those in other forms of activity, for example such as volunteering or charitable work, typically governed by the Charity Commission for England and Wales.

13.5 Under the Local Government (Wales) Measure 2011, community and town councils are relevant authorities for the purpose of remuneration.

13.6 Consequently, individuals who have accepted office as a member of a community or town council are entitled to receive payments as determined by the Independent Remuneration Panel for Wales. It is the duty of the proper officer of a council (usually the Council Clerk) to arrange for correct payments to be made to all individuals entitled to receive them.

13.7 Members should receive monies to which they are properly entitled as a matter of course. There must be no requirement for individuals to 'opt in' to receive payments.

13.8 An individual may decline to receive part, or all, of the payments if they so wish. This must be done in writing and is an individual matter. A community or town council member wishing to decline payments must themselves write to their proper officer to do so.

13.9 The Panel considers that any member who has personal support needs or caring responsibilities should be enabled to fulfil their role. Therefore, the Panel is mandating contribution towards costs of care and personal allowance for all members of community and town councils as set out in Determination 39.

13.10 Each community and town council must ensure that it does not create a climate which prevents persons accessing any monies to which they are entitled that may support them to participate in local democracy. Payments should be made efficiently and promptly.

13.11 Members in receipt of a Band 1 or Band 2 senior salary from a principal council cannot receive any payment from any community or town council, other than travel and subsistence expenses and contribution towards costs of care and personal assistance. However, this does not preclude them from holding a senior role (Leader, Deputy Leader) without payment.

13.12 Table 9 sets out the actions that community and town councils must take annually in respect of each determination that follows.

Payments towards costs and expenses

13.13 The Panel continues to mandate a payment of £150 as a contribution to costs and expenses for members of all community and town councils.

13.14 For the avoidance of doubt this determination now includes all councils. Receipts are not required for these payments.

Determination 40: All community and town councils must make available a payment to each of their members of £150 per year as a contribution to costs and expenses.

Senior roles

13.15 The Panel recognises that specific member roles especially within the larger community and town councils, for example a committee chair, will involve greater responsibility. It is also likely that larger councils will have a greater

number of committees, reflecting its level of activity. The Panel has therefore determined that councils in Group A must make available a payment for a minimum of one senior role and a maximum of five senior roles of £500 each. Councils in Groups B and C can pay up to five responsibility payments (of up to £500) for specified roles.

13.16 In all cases, a Councillor can only have one payment of £500 regardless of how many senior roles they hold within their Council.

Determination 41: Community and town councils in Group A must make available an annual payment of £500 each to a minimum of 1 and a maximum of 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses.

Determination 42: Community and town councils in Groups B or C can make an annual payment of up to £500 each to up to 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses.

13.17 Where a person is a member of more than one community or town council, they are eligible to receive the £150 and, if appropriate, £500 from each council of which they are a member.

Contribution towards costs of care and personal assistance

13.18 The purpose of this is to enable people who have personal support needs and or caring responsibilities to carry out their duties effectively as a member of an authority. The Panel's determinations in section 10 apply to Community and Town Councils.

Reimbursement of travel costs and subsistence costs

13.19 The Panel recognises there can be significant travel and subsistence costs associated with the work of community and town council members, especially where the council area is geographically large and/or when engaging in duties outside this area. Each council has an option to pay travel and subsistence costs including travel by taxi if this is the only, or most appropriate, method of transport. Where a council does opt to pay travel and subsistence costs, the following determinations apply.

Determination 43: Community and town councils can make payments to each of their members in respect of travel costs for attending approved duties. [7] **Such payments must be the actual costs of travel by public transport or the HMRC mileage allowances as below:**

- **45p per mile up to 10,000 miles in the year.**
- **25p per mile over 10,000 miles.**
- **5p per mile per passenger carried on authority business.**
- **24p per mile for private motor cycles.**
- **20p per mile for bicycles.**

Determination 44: If a community or town council resolves that a particular duty requires an overnight stay, it can authorise reimbursement of subsistence expenses to its members at the maximum rates set out below on the basis of receipted claims:

- **£28 per 24-hour period allowance for meals, including breakfast where not provided.**
- **£200 – London overnight.**
- **£95 – elsewhere overnight.**
- **£30 – staying with friends and/or family overnight.**

Compensation for financial loss

13.20 The Panel has retained the facility which councils may pay as compensation to their members where they suffer financial loss when attending approved duties. Members must be able to demonstrate that the financial loss has been incurred. Each council has an option to pay compensation for financial loss and where it does the following determination applies.

7 Where a member who is on official business or an approved duty is driven by a third party (not a member or officer of that authority), the member can claim mileage at the prescribed rates plus any parking or toll fees provided the authority is satisfied that the member has incurred these costs.

Determination 45: Community and town councils can pay financial loss compensation to each of their members, where such loss has occurred, for attending approved duties as follows:

- **Up to £55.50 for each period not exceeding 4 hours**
- **Up to £110.00 for each period exceeding 4 hours but not exceeding 24 hours**

Civic Head and Deputy Civic Head

13.21 Civic heads are senior posts within community and town councils. In addition to chairing major meetings the civic head is the 'ambassador' representing the council to a variety of institutions and organisations. The Panel requires that members should not have to pay themselves for any cost associated with carrying out these duties. This requirement also applies in respect of deputy civic heads.

13.22 The Panel recognises the wide range of provision made for civic heads in respect of transport, secretarial support, charitable giving and clothing – we consider these to be the council's civic budgets.

13.23 Funding decisions in relation to these civic budgets are not matters of personal remuneration for the post holder but relate to the funding required for the tasks and duties to be carried out. Councils remain free to set civic budgets at whatever levels they deem appropriate for the levels of civic leadership they have in place.

13.24 For the avoidance of doubt, costs in respect of, for example, transport (physical transport or mileage costs), secretarial support, charitable giving (purchasing tickets, making donations or buying raffle tickets) and clothing are not matters of personal remuneration for the individual holding the senior post. These should be covered by the civic budget.

13.25 Recognising that some mayors and chairs of community and town councils and their deputies are very active during their year of office, the Panel has determined that community and town councils can make a payment to the individuals holding these roles.

13.26 This is a personal payment to the individual and is entirely separate from covering the costs set out above.

13.27 The Panel has determined that the maximum payment to a chair or mayor of a community or town council is £1,500. The maximum payment to a deputy mayor or chair is £500.

Determination 46: Community and town councils can provide a payment to the mayor or chair of the council up to a maximum of £1,500. This is in addition to the £150 payment for costs and expenses and the £500 senior salary if these are claimed.

Determination 47: Community and town councils can provide a payment to the deputy mayor or deputy chair of the council up to a maximum of £500. This is in addition to the £150 payment for costs and expenses and the £500 senior salary if these are claimed.

Making Payments to members

13.28 Table 9 sets out each of the above determinations and if a decision is required by the council in respect of each one.

13.29 In respect of the mandated payments where no decision is required by a council, members should receive monies to which they are properly entitled as a matter of course.

13.30 Where a decision is required by the council, this should be done at the first meeting following receipt of the Annual Report.

13.31 A council can adopt any, or all, of the non-mandated determinations but if it does make such a decision, it must apply to all its members.

13.32 When payments take effect from is set out in paragraphs 13.36 to 13.38 below.

13.33 On receipt of the draft Annual Report the previous autumn, councils should consider the determinations for the next financial year and use this to inform budget plans.

Table 9

Determination Number	Is a decision required by council?
40 All community and town councils must make available a payment to each of their members of £150 per year as a contribution to costs and expenses.	No - the payment of £150 is mandated for every member unless they advise the appropriate officer that they do not want to take it in writing.
41 Community and town councils in Group A must make available an annual payment of £500 each to a minimum of 1 and a maximum of 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses.	Yes – a council must decide how many payments of £500 it will make – to between 1 and 5 members.
42 Community and town councils in Groups B or C can make an annual payment of up to £500 each to up to 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses.	Yes – it is optional to pay it for up to 5 members and, if it is paid, the amount (up to £500) must be decided.
43 Community and town councils can make payments to each of their members in respect of travel costs for attending approved duties.	Yes – the payment of travel costs is optional.

Determination Number	Is a decision required by council?
44 If a community or town council resolves that a particular duty requires an overnight stay, it can authorise reimbursement of subsistence expenses to its members.	Yes – the payment of overnight subsistence expenses is optional.
45 Community and town councils can pay financial loss compensation to each of their members, where such loss has actually occurred, for attending approved duties.	Yes – the payment of financial loss allowance is optional.
46 Community and town councils can provide a payment to the mayor or chair of the council up to a maximum of £1,500.	Yes – the payment to a Civic Head is optional.
47 Community and town councils can provide a payment to the deputy mayor or deputy chair of the council up to a maximum amount of £500.	Yes – the payment to a Deputy Civic Head is optional.
48 Members in receipt of a Band 1 or Band 2 senior salary from a principal council (that is Leader, Deputy Leader or Executive Member) cannot receive any payment from any community or town council, other than travel and subsistence expenses and contribution towards costs of care and personal assistance.	No - Members in receipt of a Band 1 or Band 2 senior salary from a principal council (that is Leader, Deputy Leader or Executive Member) can only receive travel and subsistence expenses and contribution towards costs of care and personal assistance; if they are eligible to claim, and wish to do so.

13.34 All members are eligible to be paid the £150 as set out in Determination 40 from the start of the financial year; unless they are elected later in the financial year, in which case they are eligible for a proportionate payment from that date.

13.35 Other amounts payable to members in recognition of specific responsibilities or as a civic head or deputy civic head as set out in Determinations 41,42, 46 and 47 are payable from the date when the member takes up the role during the financial year.

13.36 It is a matter for each council to make, and record, a policy decision in respect of:

- when the payment is actually made to the member;
- how many payments the total amount payable is broken down into;
- and whether and how to recover any payments made to a member who leaves or changes their role during the financial year.

13.37 Payments in respect of Determinations 41, 42, 43 and 44 are payable when the activity they relate to has taken place.

13.38 As stated in paragraph 13.8 any individual member may make a personal decision to elect to forgo part or all of the entitlement to any of these payments by giving notice in writing to the proper officer of the council.

Determination 48: Members in receipt of a Band 1 or Band 2 senior salary from a principal council (that is Leader, Deputy Leader or Executive Member) cannot receive any payment from any community or town council, other than travel and subsistence expenses and contribution towards costs of care and personal assistance.

Publicity requirements

13.39 There is a requirement on community and town councils to publish details of all payments made to individual members in an annual Statement of Payments for each financial year. This information must be published on council noticeboards and or websites (with easy access) and provided to the Panel by email or by post no later than 30 September following the end of the previous financial year. The Panel draws attention to the requirements stipulated at Annex 4. The Panel is concerned that a significant number of councils are still in breach of this requirement.