

Appendix 2

Independent Remuneration Panel for Wales

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Chairs and Chief Executives of National Park Authorities
Chairs and Clerks of Fire and Rescue Authorities
Chair and Chief Executive of One Voice Wales
CBI Wales
Institute of Directors
Wales TUC
Wales Council for Voluntary Action
County Voluntary Councils in Wales
National Association of Black, Asian and Ethnic Minority Councillors
Wales Audit Office
Political Parties in Wales

Dear Colleague

You will be aware that regulations have been introduced which provide for the establishment, on a permanent basis, of the Independent Remuneration Panel for Wales ("the Panel"). The Panel is required to undertake a comprehensive review of the range and maximum levels of allowances available to elected members (and certain co-opted members) of county and county borough councils in Wales. Local authorities will be required to have regard to the Panel's determinations when making or amending their schemes of allowances, and paying travel and subsistence allowances and any co-optees' allowance. I am writing to you, as Chairman of the Panel, to request information that will assist us in making our determinations.

The Panel has been established in accordance with "The Local Authorities (Allowances for Members) (Wales) Regulations 2007 ("the Regulations)". The Minister for Local Government, Dr Brian Gibbons AM, announced the establishment of the Panel on 1 January and the appointment of myself as Chairperson and Dr Rita Austin, John Bader, Dr Declan Hall and Gareth Newton as Members. The Panel has subsequently elected Dr Rita Austin as Vice-Chairperson.

The Regulations require the Panel to produce an “Initial Report” and thereafter “Annual” and “Supplementary” Reports. In the Initial Report, the Panel will prescribe the responsibilities and duties that may attract Special Responsibility Allowances (SRAs) and the new co-optees’ allowance and the maximum level of all allowances payable (namely Basic allowance, SRA, care allowance, travel and subsistence allowances and co-optees’ allowance). The Panel is able to prescribe different maximum amounts for different councils and, for the purposes of SRA and co-optees’ allowance, different maximum amounts for different responsibilities and duties. The Regulations require this report to be produced by 31 July 2008.

The Panel may, in the performance of its functions, seek information or advice from any body or person - but, for the purposes of producing its Initial Report, the Panel must consider any representations received from an authority (subject to those representations relating to the Panel’s functions in producing the Initial Report). Accordingly, you are invited to submit comments you would like us to take into consideration in making our determinations.

Such representations may include:-

- your views on the responsibilities/duties for which SRA and the new co-optees’ allowance may be payable;
- whether these 2 allowances should attract different maximum amounts for different responsibilities/duties.

You may also wish to comment on the maximum amounts payable for the following allowances, and whether the Panel should set different maximum levels for different county and county borough councils:-

- Basic, SRA, Care, Travel, Subsistence and Co-optees’.

The views of the Wales Council for Voluntary Action and the County Voluntary Councils in Wales on remuneration for non-elected (co-opted) members, and how this impacts on recruitment and retention, would be welcomed.

At this stage we do not require views on how allowances should be up-rated each year. That is a matter for the “Annual Report” and representations on this will be requested at the appropriate time.

Views are also invited on whether any changes are required to the existing pension arrangements for elected members of county and county borough councils, as determined by our predecessor panel, the Welsh Independent Remuneration Panel for Wales (“the WIRP”) who published their report in February 2005. The WIRP recommended that all current and future elected members of county and county borough councils, who are in receipt of basic and, where appropriate, special responsibility allowance, should be “eligible councillors” for the purposes of determining their entitlement to join the Local Government Pension Scheme.

Whilst the Panel's remit does not extend to the determinations of allowances specifically for members of National Park Authorities and Fire and Rescue Authorities, their views are also invited as these authorities are required by regulations to have regard to the matters prescribed by the Panel in respect of the types and maximum levels of allowances payable to their constituent county and county borough councils.

Responses are required by **Friday, 14 March 2008**. These should be sent, either electronically or in hard copy, to Caroline Thomas at the above address. (In accordance with the Regulations the Welsh Assembly Government is providing administrative support to the Panel.)

I have written separately to Chief Executives and Leaders of County and County Borough Councils, the Director of the WLGA, the Chair of SOLACE Wales, the Chair of the National Association of Councillors, the Equality and Human Rights Commission and the Institute of Welsh Affairs.

Yours sincerely

Richard Penn
Chairperson