

Agenda Item	<b>8</b>
Report No	<b>HC/07/25</b>

## **THE HIGHLAND COUNCIL**

**Meeting:** **The Highland Council**

**Date:** **27 March 2025**

**Report Title:** **Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025**

**Report By:** **Assistant Chief Executive - Corporate**

### **1. Purpose/Executive Summary**

- 1.1 The purpose of this report is to provide Members with an update on the implementation of the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025 and proposes that senior councillors be awarded a similar percentage increase to that which has been provided to other councillors through the Statutory Instrument passed by Scottish Parliament.

### **2. Recommendations**

2.1 The Council is asked to: -

- I. note the implementation of the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025;
- II. agree to set the salary of the post of Civic Head at the maximum of 75% of the post of Leader as prescribed in the Regulations; and
- III. agree that a percentage increase equivalent to the percentage increase in councillors' salaries also be made to senior councillors in receipt of a Special Responsibility Allowance as follows: -
  - a) Leader of the Opposition;
  - b) Chair and Vice Chair of Corporate Resources Committee;
  - c) Chair of Audit Committee;
  - d) Chair and Vice Chair of Housing and Property Committee;
  - e) Chair and Vice Chair Economy and Infrastructure Committee;
  - f) Chair and Vice Chair of Communities and Place Committee;
  - g) Chair and Vice Chair of Health, Social Care and Wellbeing Committee;
  - h) Chair and Vice Chair of Education Committee;
  - i) Leader of Inverness and Area.

### **3. Implications**

#### **3.1 Resource**

Resource implications are set out in paragraph 6.2,6.3, 6.6 and 6.7.

### 3.2 **Legal**

There are no specific legal implications arising from this report.

### 3.3 **Risk**

There are no specific risk implications arising from this report.

### 3.4 **Health and Safety** (risks arising from changes to plant, equipment, process, or people)

There are no specific Health and Safety implications arising from this report.

### 3.5 **Gaelic**

There are no specific implications for the Gaelic Language Plan.

## 4. **Impacts**

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is an update report and therefore an impact assessment is not required for this report.

## 5. **Background**

5.1 The Scottish Local Authorities Remuneration Committee (SLARC) was reconvened in April 2023 to undertake an independent review of councillor remuneration. They reported in February 2024. This report made a number of recommendations which included a recommendation that the salaries of councillors be set at 80% of the median salary for all employees in the public sector in Scotland as published in the Annual Survey of Hours and Earnings resulting in an annual salary of £24,581 with effect from 1 April 2024.

5.2 The SLARC report can be viewed at:  
<https://www.gov.scot/publications/recommendations-councillors-remuneration-expenses/documents/>

5.3 On 5 July 2024 the Scottish Government published an official response to the SLARC report and indicated they were content to accept the pay and banding related changes recommended by SLARC and would introduce regulations early in 2025 to put these into effect from 1 April 2025. They stated that Local authorities would be responsible for paying Councillor salaries and associated expenses from their annual budgets provided through the Local Government Settlement.

5.4 The Scottish Government response to SLARC can be viewed at:

[Councillors' remuneration and expenses recommendations: SG response](#)

## **6. Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025**

- 6.1 The structure and remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 and subsequent updates, the latest of which is the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025 which has recently been agreed by Scottish Parliament.
- 6.2 The 2025 Regulations implement the SLARC recommendations from 1 April 2025 relating to pay, an increase of the number of senior councillors to 10 in specific local authorities and to move those authorities in Band A to Band B.
- 6.3 The Regulations set the salaries for the Leader and for Councillors, with the % increase for the Leader higher than the % increase for Councillors. The Civic Head's salary is set at 75% of the Leader's salary so that post holder would get the same % increase as the Leader.
- 6.4 Regulation 2(2) sets new increased salaries for Leaders of all local authorities. SLARC recommended new salaries be paid from 1 April 2024 on the following basis:

### Increased salaries for Leaders

- a) the salary for leader of Band D authorities is benchmarked to that of Members of the Scottish Parliament as at 1 April 2023.
- b) the salary of a Band C Leader is set at a value equivalent to 85% of Band D Leader.
- c) the salary of a Band B Leader is set at a value equivalent to 70% of Band D Leader. The rates set out in Regulation 2(2) are based on the SLARC recommended salaries but uplifted by 5.7% in line with the median increase in earnings of public.

The rates set out in Regulation 2(2) are based on the SLARC recommended salaries but uplifted by 5.7% in line with the median increase in earnings of public sector employees in Scotland, published in Table 25.7a of the Annual Survey of Hours and Earnings 2024 data. This reflects the uplift that would have been due had the recommendations been implemented from 1 April 2024.

### Increased Salaries for Civic Heads

Regulation 2(3) sets new increased salaries for Civic Heads of all local authorities. The new salary represents a maximum of 75% of the respective Leader's salary for the relevant Band.

### Increased Salaries for Senior Councillors

Regulation 2(5) provides for new increased salaries for senior councillors which represent a maximum of 75% of the respective Leader's salary for the relevant Band.

### Increased Salaries for Councillors

Regulation 2(6) sets a new increased salary for councillors. The amount is initially based on 80% of the median salary for all employees in the public sector in Scotland as published in Table 25.7a of the October 2022 Annual Survey of Hours and Earnings

data. However, an uplift of 5.7% has been applied in line with the median increase in earnings of public sector employees in Scotland for 2024, as published in Annual Survey of Hours and Earnings table 25.7a. This reflects the increase that would have been due had the recommendations been implemented from 1 April 2024.

## 7. Implementation

- 7.1 Highland Council has been placed in Band C and can have a Leader, Civic Head and up to a maximum of 19 further Senior Councillors.

The current senior councillor structure and remuneration arrangements were approved by Council on 9 June 2022 with the 2024 uplift to remuneration approved at the Council meeting on 27 June 2024.

- 7.2 In relation to the amount of remuneration for the post of Civic Head, the regulations provide that a maximum of 75% of the respective Leader's salary can be paid for this post. It is proposed that the Council sets the salary of the post of Civic Head at 75% of the salary of the post of Leader.

- 7.3 The Regulations provide for the following increase in remuneration: -

	2024/2025 Salary £	2025/2026 Salary £	% Increase
Council Leader	49,810	60,791	22.0%
Convener (Civic Head)	37,360	45,594	22.0%
Councillor	21,345	25,982	21.7%

- 7.4 In relation to the amount of remuneration for senior councillors, the Regulations provide the following: -

- Each local authority shall pay remuneration to each of its Senior Councillors of an amount to be determined by the local authority, but which shall for each Senior Councillor be more than the amount payable to a Councillor in terms of regulation 10.
- Subject to paragraph (4), each local authority may pay remuneration of the same or different amounts to each Senior Councillor (in any combination of the same or different amounts), but up to a maximum yearly amount for each as provided in paragraph (3).
- The maximum yearly amount that may be paid to a Senior Councillor is 75 per cent of the total yearly amount payable to the Leader of the Council of the local authority as provided in regulation 6.
- The total yearly amount payable by each local authority for remuneration of all of its Senior Councillors shall not exceed an amount calculated as follows—

$$\left\{ \frac{(A \times 0.75) - B}{2} + B \right\} \times C,$$

where

A is the yearly remuneration of a Leader of the Council of the local authority as provided in regulation 6;

B is the yearly remuneration of a Councillor as provided in regulation 10; and

C is the maximum number of Senior Councillors of the local authority to which remuneration may be paid, as provided in regulation 8(2).

- e. No local authority shall pay its Senior Councillors any amount of remuneration as a Councillor.

- 7.5 While the Regulations do not specifically mention an increase for Members fulfilling a senior role other than those specifically listed in the Regulations, there clearly is a requirement to address that. The legislation provides for an element of discretion in determining the amounts subject to a maximum quantum as determined by the legislative formula.
- 7.6 Applying the legislative formula would give the Council a maximum quantum of £679,965 for senior councillors. If the Council applied the same percentage increase of 21.7% to Senior Councillors as has been awarded to other Councillors through the Regulations, then the total would come to £505,820 which would be £174,175 below the quantum for Senior Councillors.
- 7.7 Details of the increase for Senior Councillor positions are as follows: -

	2024/2025 Salary £	2025/2026 Salary £	% Increase
Leader of the Opposition	32,720	39,828	21.7%
Senior Strategic Chair	32,720	39,828	21.7%
Strategic Chair	30,539	37,173	21.7%
Strategic Vice-Chair	23,449	28,544	21.7%
Chair of Audit Committee	27,267	33,190	21.7%
Leader of Inverness & Area	27,267	33,190	21.7%

- 7.8 Overall, the Members salary budget, including on-costs, will increase by £0.490m to £2.264m and will be funded from within the budget agreed by Council on 6 March 2025 which included £0.040m for members pay within the pay award provision plus a further provision of £0.450m for the implementation of the SLARC recommendations.

## 8. Future Arrangements

- 8.1 As agreed at the Council meeting on 27 June 2024 arrangements are being put in place for the future to provide that levels of remuneration are upgraded automatically in accordance with amounts prescribed in the regulations and that amounts payable to Senior Councillors will be uprated as required subject to the overall quantum as prescribed in those Regulations.

Designation: Chief Officer, Legal & Corporate Governance

Date: 26 February 2025

Author: Stewart Fraser

Appendices: **Appendix 1** Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025.

## SCOTTISH STATUTORY INSTRUMENTS

## 2025 No. 8

## LOCAL GOVERNMENT

The Local Governance (Scotland) Act 2004 (Remuneration)  
Amendment Regulations 2025

*Made* - - - - 21st January 2025

*Laid before the Scottish Parliament* 23rd January 2025

*Coming into force* - - 1st April 2025

The Scottish Ministers make the following Regulations in exercise of the powers conferred by sections 11(1) and 16(2)(b) of the Local Governance (Scotland) Act 2004(a) and all other powers enabling them to do so.

In accordance with section 11(4) of the Local Governance (Scotland) Act 2004 the Scottish Ministers have considered information, advice and recommendations given to them by the Scottish Local Authorities Remuneration Committee.

**Citation and commencement**

1. These Regulations may be cited as the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025 and come into force on 1 April 2025.

**Amendment of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007**

2.—(1) The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007(b) are amended in accordance with paragraphs (2) to (7).

(2) For the table in regulation 6(2) (remuneration of the Leader of the Council) substitute—

“(a)	Band B – £50,063
(b)	Band C – £60,791
(c)	Band D – £71,519.”.

(3) For the table in regulation 7(2) (remuneration of the Civic Head) substitute—

“(a)	Band B – £37,458
(b)	Band C – £45,594
(c)	Band D – £53,640.”.

(4) In regulation 8(2) (remuneration and number of Senior Councillors)—

(a) 2004 asp 9.

(b) S.S.I. 2007/183, relevantly amended by S.S.I. 2024/24.

(a) for sub-paragraph (a) substitute—

“(a) 10, for each of the following—

Clackmannanshire Council

Comhairle nan Eilean Siar

East Lothian Council

East Renfrewshire Council

Inverclyde Council

Midlothian Council

Moray Council

Orkney Islands Council

Shetland Islands Council

Stirling Council

West Dunbartonshire Council;”,

(b) omit sub-paragraphs (b) and (c).

(5) In regulation 9 (amount of remuneration of Senior Councillors) for paragraph (3) substitute—

“(3) The maximum yearly amount that may be paid to a Senior Councillor is as follows, depending on the banding of a local authority—

(a)	Band B – £37,458
(b)	Band C – £45,594
(c)	Band D – £53,640.”.

(6) In regulation 10 (Councillors’ remuneration) for “£21,345” substitute “£25,982”.

(7) In the schedule (banding of local authorities for remuneration arrangements)—

(a) omit the list under the heading “Band A”,

(b) for the list under the heading “Band B” substitute—

“Angus Council

Argyll and Bute Council

Clackmannanshire Council

Comhairle nan Eilean Siar

Dumfries and Galloway Council

Dundee City Council

East Ayrshire Council

East Dunbartonshire Council

East Lothian Council

East Renfrewshire Council

Falkirk Council

Inverclyde Council

Midlothian Council

Moray Council

North Ayrshire Council

Orkney Islands Council

Perth and Kinross Council

Renfrewshire Council

Scottish Borders Council  
Shetland Islands Council  
Stirling Council  
South Ayrshire Council  
West Dunbartonshire Council  
West Lothian Council”.

St Andrew’s House,  
Edinburgh  
21st January 2025

*SHONA ROBISON*  
A member of the Scottish Government



## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (“the 2007 Regulations”). They substitute increased annual amounts for different categories of local authority remuneration to their members. They also provide for the local authorities currently falling under Band A in the schedule to be moved to Band B and for an increase to 10 of the maximum number of Senior Councillors in certain local authorities.

Regulation 2(2) makes provision for Council Leaders’ remuneration.

Regulation 2(3) provides new maximum levels for remuneration of Civic Heads. It is for each local authority to determine whether and to what extent such remuneration should be paid.

Regulation 2(4) amends regulation 8(2) of the 2007 Regulations to expand the number of local authorities that may have a maximum of 10 senior councillors. This covers the existing local authority in Band B which has a maximum of 10 senior councillors (West Dunbartonshire Council), as well as each of the local authorities transferred from Band A to Band B by regulation 2(7) of these Regulations.

Regulation 2(5) sets out, on the face of the 2007 Regulations, the maximum amounts that may be paid to Senior Councillors of councils in the different bandings. This replaces the earlier approach of expressing in regulation 9 the maximum amount as a per centage of the total amount payable to the Leader of the Council for any given local authority.

Regulation 2(6) sets new levels for Councillors’ remuneration.

Regulation 2(7) removes the local authorities listed in Band A, moving them instead to Band B.

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