



DEMOCRATIC SERVICES COMMITTEE – 18TH NOVEMBER 2015

**SUBJECT: DRAFT INDEPENDENT REMUNERATION PANEL FOR WALES
ANNUAL REPORT 2015/16**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 To report and seek the views of Members on the Independent Remuneration Panel for Wales' (the Panel) draft determinations relating to councillors and co-opted members for 2016/17 so that a response to their consultation can be sent.
- 1.2 The Panel's final determinations for 2016/17 will be published in February 2016, following which a further report will be presented to the Democratic Services Committee and then Full Council.

2. SUMMARY

- 2.1 The Panel is a statutory body established by Welsh Government in January 2008 to determine the scope and salaries, allowances and expenses payable to Councillors and Co-opted Members. The Local Government (Wales) Measure 2011 gave the Independent Remuneration Panel for Wales additional powers to prescribe Members' remuneration. This was a significant change to the well-established practice of Members determining their own scheme of allowances within the maximum sums prescribed by the Panel. This report reflects the Panel's draft determinations for 2016/17. A copy of the Panel's Annual report is attached as Appendix 1.
- 2.2 The Panel subsequently received further powers following the introduction of the Local Government (Democracy) (Wales) Act 2013, including the ability to make recommendations about the pay of heads of paid service for county and county borough councils and fire and rescue authorities. There are also proposals to further increase the powers of the Panel in the Welsh Government Devolution, Democracy and Delivery White Paper and the draft Local Government (Wales) Bill 2015 which would also increase the size of the Panel from 5 to 6.
- 2.3 As with previous years, the Panel determinations do not include any increases in payments made to Councillors and Co-opted Members for 2016/17. However, the Panel received a "remit" letter from Leighton Andrews AC/AM, Minister for Public Services in March 2015 (a copy of this letter is at pages 68 to 69 of the report) asking them to consider the "desire of the Welsh Government to reduce the costs of politics to the public purse." The letter also asked them to consider local authority cabinet posts.
- 2.4 The Panel's determinations in relation to Senior Salaries for 2016/17 differ from their determinations in 2015/16. There are now two levels of £29,000 and £26,100 and two levels for Committee Chairs; Level 1 is £22,000, Level 2 is £20,000 and the remuneration for the Leader of the largest opposition group has been reduced from £22,000 to £20,000.

- 2.5 The Council will have to determine itself which Executive Members and Committee Chairs are entitled to which level of pay within these two levels based upon the portfolios, level of responsibility and workload. The Panel's determinations will take effect from the date of the Council's Annual General Meeting in 2016. Members or Co-opted Members may forego any part of their remuneration entitlement by giving notice in writing to the Chief Executive.

3. LINKS TO STRATEGY

- 3.1 Elected Members establish strategic direction and decide upon all policies and strategies so that the Council can achieve all of its objectives, as well as monitoring performance against those objectives. Members are entitled to receive remuneration prescribed by the Independent Remuneration Panel for Wales ("the Panel").

4. REPORT

- 4.1 The Independent Remuneration Panel for Wales is not suggesting any increases in payments made to Councillors and Co-opted Members for 2016/17. However, there are reductions to senior salaries as outlined below. The Panel also recognises that there is an unpaid public service contribution.

BASIC SALARY

- 4.2 All Members are entitled to receive the Basic Salary. The Panel originally determined in 2009 that the payment of the basic salary would be aligned to the median gross earnings of all full-time employees resident in Wales as reported in the Annual Survey of Hourly Earnings. They state in their report that "given the pressures on public expenditure it was not possible for this alignment to be maintained." The proposed Basic Salary for 2016/17 therefore remains at £13,300.

SENIOR SALARIES

- 4.3 Senior Salaries are payable to Members that hold certain prescribed roles and, for Caerphilly are limited to a maximum of 18 posts. Senior Salaries are paid inclusive of the Basic Salary. Previously, Senior Salaries of Council Leaders and Executive Members are based on the assumption that the roles are equivalent to full time. To underline this, the Panel have kept their determination that no Cabinet Member (including the Leader and Deputies) can receive a salary from any National Park Authority or Fire and Rescue Authority to which they have been appointed in addition to their Senior Salary. In addition, a Member cannot receive more than one Senior Salary (there are certain exceptions for Chairs of Joint Scrutiny Committees and their sub committees) nor a Senior Salary and a Civic Salary.
- 4.4 The Panel's determinations in respect of Senior Salaries have changed from 2015/16. Previously, there was only one level of salary for Executive Members who are not the Leader or Deputy Leader of £29,000. There is now in Band 2, Group B which applies to Caerphilly, a limit of 4 (or 5 if there is no Deputy Leader) Executive members who will receive a salary of £29,000, with any other Executive members only receiving £26,100. There are now two levels for Committee Chairs – Level 1 is £22,000, Level 2 is £20,000. Previously there was only one level for Committee Chairs of £22,000. The Panel's second determination has also changed in that the remuneration for the Leader of the largest opposition group has been reduced from £22,000 to £20,000.
- 4.5 The Panel confirm on pages 13 to 14 of their draft annual report that they have revisited their previous decision that all Executive Members should be considered as working the equivalent of full time (up to 40 hours per week) but not necessarily nine to five because there are a number of different cabinet arrangements across different local authorities. The Panel note in their annual report that many Councils operate as Caerphilly does, with a Cabinet of 10, the

statutory maximum, but that there are differences in the individual cabinet portfolios of different Cabinet Member. As a result, the Panel have confirmed that it will be a matter for individual authorities to decide which 5 Executive Members (including Deputy Leaders) are paid the higher salary of £29,000. At a recent consultation meeting on 2 November 2015, the Panel confirmed that the reason that they had included different options was because they had received requests from local authorities for better flexibilities.

- 4.6 The Council currently has two remunerated Deputy Leaders and therefore in order to comply with the Panel's determinations, the difference between the senior salary for Deputy Leader and Cabinet member salary is currently divided and added to the basic Cabinet Member Senior Salary to give a salary of £31,250. If maintained at this level then, these two salaries would form part of the 5 at the higher level, leaving only 3 other Executive Members who could be paid the higher salary of £29,000. At the consultation meeting on 2 November, a suggestion was made to the Panel, that they should consider a percentage instead of a fixed number of Cabinet Members to receive the higher salary. The Panel said they would consider this suggestion.
- 4.7 The Panel confirm on Pages 14 to 15 of their draft annual report that they recognise that the specific responsibility and workload of some Committee Chairs is greater than others and that they feel that this should be reflected in the remuneration framework. The Panel's draft determinations therefore include two levels of remuneration for Committee Chairs and stated that it will be a matter for individual authorities to decide which of the chairs are level 1 or level 2. They also state that they expect that the payment of a level 1 salary would only be made to recognise exceptional responsibility. At the consultation meeting on 2 November, the Panel were keen to emphasise the importance of Scrutiny for democracy and that in some areas Planning/Licensing or other Committees have significant workloads.
- 4.8 The Council has carefully considered the role of Cabinet Members and Committee Chairs. There are clear job descriptions for each Cabinet portfolio holder which incorporate the 4 key tasks for Cabinet Members; developing strategic policy direction, representing the Council and ensuring that the Council meets its objectives, this is of course, alongside each Members ordinary Elected Member duties, which are also set out in a clear job description. There are also clear job descriptions for Committee Chairs which incorporate knowledge of the Council's Procedure Rules and their Committees' terms of reference. In addition to this, the Council has a well-established Members' training and Development Strategy and Programme, which has recently been developed to cover Mandatory, recommended and requested training. This information could be sent to the Panel with the consultation response; at the consultation meeting, they said they had considered evidence from across the UK and that any information they receive improves their decision making.
- 4.9 Recognising that becoming a Senior Member is an additional commitment, this year the Council also offered a training programme specifically for Senior Members. This is a bespoke programme for Caerphilly which involves 6 Saturday morning sessions in each of the following areas; Political landscape, Cabinet Members role, Performance Management, Financial Management, Chairing Skills and Presentation/Media Skills. The Council has also provided specific training on Chairing Skills for Chairs of any Committee as well as regular training and updates on the terms of reference for each of the Council's Committees.
- 4.10 The importance of the role of Cabinet Members and Chairs of Committees was also highlighted in the Council's recent Scrutiny Review which was undertaken following recommendations from Wales Audit Office in January 2015. This review resulted in 20 recommendations which will now be implemented to ensure that the Council's system of pre-decision scrutiny operates effectively and Scrutiny can effectively hold Cabinet Members to account for their decisions and monitor the Council's progress against its objectives. As part of this, Cabinet Members attend Scrutiny Committee meetings every 6 weeks in addition to the fortnightly Cabinet meetings, full Council meetings, monthly updates with the relevant Director and/or Head of Service in addition to fulfilling their other duties.

- 4.11 The Scrutiny Review also recommended a review of the terms of reference for the Council's Scrutiny Leadership Group which is made up of the Elected Members Chairs and Vice Chairs of all of the Council's Committees. This group meets every six weeks in particular, to share good practice about Committee Chair's role and responsibilities.
- 4.12 Although the Panel recognise the importance of the Scrutiny function and the Leader of the Largest Opposition Group within their report at page 16, they have reduced the salaries for both from £22,000 to £20,000 (with an option for a higher salary only in exceptional circumstances). There is no definition of exceptional circumstances and the Council will need to make a decision in respect of which level each Committee Chair receives.
- 4.13 The proposed Senior Salaries for 2016/17 are outlined below:

Role	Proposed Senior Salaries 2016/17 £
Leader	48,000
Deputy Leader	33,500
Up to 5 Cabinet Members (including Deputy Leader/s)	29,000
Other Cabinet Members	26,100
Committee Chairs (e.g. Scrutiny, Planning, Licensing, Audit, Democratic Services)	Either 22,000 or 20,000
Leader of the Largest Opposition Group	20,000
Leaders of other Political Groups (not less than 10% of members). This currently not payable by the Council due to the political make up of members.	17,000

CIVIC SALARIES

- 4.14 Payments made to the Mayor and Deputy Mayor are also under the remit of the Panel but are not included as part of the Council's 18 Senior Salary posts. Civic Salaries are paid inclusive of the Basic Salary. The Panel are not proposing a change to their determination in respect of Civic Salaries which remain the same for 2016/17:

	Mayor	Deputy Mayor
Level 1	£24,000	£18,000
Level 2	£21,500	£16,000
Level 3	£19,000	£14,000

- 4.15 Last year and the year before, the Council determined to pay Civic Office holders Level 2. The Panel is proposing to continue to allow local determination for Civic Salaries as activity and responsibilities of the Civic Office holders vary greatly across the country. The Council will therefore have to confirm which level is appropriate once the final determinations are received. The Panel have not changed their determination in respect of Presiding Members.

PANEL'S OTHER DETERMINATIONS

- 4.16 In 2014, the Panel introduced senior salaries for chairs of joint overview and scrutiny committees, they are not proposing to amend the detail of their determinations for 2016/17 but the levels of remuneration have changed in that Chairs would be paid £6,700 instead of £8,700, Chairs already in receipt of an allowance would be paid £3,350 instead of £4,350, chairs of sub-committees would be paid £1,675 instead of £2,175, chairs of subcommittees already in receipt of a payment would be paid £837 instead of £1,090.
- 4.17 The Panel have reaffirmed the entitlement of elected members to join the Local Government Pension Scheme and entitlement to Family absence and are not proposing changes to their determinations in this respect.

- 4.18 The Panel is keen to promote the care allowance. This relates to dependent children below the age of 15 where costs are incurred in providing care while Members or Co-opted Members are engaged on Council business and, to a dependent over the age of 15 years who requires care while Members or Co-opted Members are away from their home on Council business.
- 4.19 It is proposed for 2016/17 the maximum care expenses payable remain at £403 per month. The monthly maximum is considered a reimbursement of care expenses and cannot be annualised. Care expenses are only be payable for actual and receipted costs.
- 4.20 The Panel is not proposing to make changes to their determinations in respect of payments to co-opted members. The Council must make payments to co-opted members with voting rights. Co-opted members can receive a payment for attending committee meetings, authorised training events, conferences, pre-meetings with officers, other formal meetings where co-opted members are requested to attend, travel time to and from a meeting and reasonable preparation time. Payments to co-opted members remain as a daily fee (with provision for a ½ day payment) and are set at the rates paid to members of Welsh Government Band 2 sponsored bodies. The Council must determine the maximum number of meetings co-opted members can be paid. To date the Council has determined that co-opted members can be paid for a maximum of 10 days per annum. Although co-opted members have never reached the maximum, the Standards Committee role has recently increased with the introduction of the Informal Resolution Protocol and could increase further due to their new role monitoring attendance of Members' mandatory training requirements.
- 4.21 The Panel are not proposing to change their determinations in respect of claims for travel and subsistence rates. In 2012 the Panel introduced an additional definition of 'official business' to allow for the reimbursement of travel claims for Members undertaking constituency business (official business is defined as 'a duty undertaken by members of principal councils in connection with constituency or ward responsibilities which arise from the discharge of local authority functions). Allowing travel claims for journeys made within Members wards is a matter for local determination. To date the Council made the decision not to allow such travel claims.
- 4.22 The Panel has made some new determinations in respect of Community and Town Council's and provided a guidance note. This has been passed to the relevant clerks in the Caerphilly County Borough.

SUPPORT FOR MEMBERS

- 4.23 The Panel expects every Member 'to undertake such training and personal development opportunities as are required to properly discharge the duties for which they are remunerated'. Members will be aware of the extensive training programme, which was agreed by Council and which will be reviewed shortly, and of the application for the WLGA Charter. This is in addition to the Annual training needs analysis and individual training requests, which are considered. The Council has committed valuable resources in this area to ensure that members receive suitable and appropriate training. A system of performance appraisals has also been introduced.
- 4.24 The Panel has repeated its determination that each Council, through its Democratic Services Committee, must ensure that all its members are given as much IT, telephone and other support as is necessary to enable them to fulfil their duties effectively. The Council has also committed resources to ensure that Members have options regarding IT support and adequate telephone/email facilities. The Council also provides Members with group rooms, meeting rooms and office equipment at Penallta House. Members will also be aware that the Council has invested in and implemented the Modern.Gov system to provide easier electronic access to Members and members of the public to all committee documents.
- 4.25 The Council has also made specific arrangements for any Members that have additional needs that may be linked to exceptional circumstances or for Members covered by the

Equality Act 2010. This is in line with the Panel's recommendation that the support provided should take account of the specific needs of individual members. No deductions have been made from Member's salaries by the Council to fund this support. A specific budget is allocated to the Democratic Services functions and an annual report was presented to the Democratic Services Committee on 27 May 2015 detailing the support provided.

5. EQUALITIES IMPLICATIONS

- 5.1 An EqIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full EqIA has not been carried out. In addition, the Panel consider equality implications as part of their draft determinations.

6. FINANCIAL IMPLICATIONS

- 6.1 Members' salaries and expenses will be funded from the Democratic Services budget. If the Panel's proposals are implemented there will be no additional costs for 2016/17.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no personnel implications associated with this report.

8. CONSULTATION

- 8.1 There are no consultation responses that have not been reflected in the recommendations of this report.

9. RECOMMENDATIONS

- 9.1 Democratic Services Committee Members are asked to comment on the Panel's draft determinations for 2016/17.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 The comments will be used to make representations to the Panel's before 30 November 2015. Individual Members or political groups may also make representations to the Panel.

11. STATUTORY POWERS

- 11.1 Local Government and Housing Act 1989, the Local Government Act 2000, Local Government Wales Measure 2011, Local Government (Democracy) (Wales) Act 2013 and Family Absence for Members of Local Authorities Wales Regulations 2013.

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Gail Williams, Interim Head of Legal Services and Monitoring Officer
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Background papers:

Report to Council 21 April 2015 Independent remuneration Panel for Wales Annual Report 2015/2016

Report to Democratic Services Committee 27 May 2015 Annual Report for Democratic Services

Report to Democratic Services Committee 2015 Update on Members Training and Support programme

Report to Council 6 October 2015 Scrutiny Review 2015

Cabinet Member role descriptions (Available on Members Portal/ on request)

Chair of Scrutiny Committee role description (Available on Members Portal/ on request)

Appendices:

Appendix 1 Draft Annual Report of the Independent Remuneration Panel for Wales 2016/17