



COUNCIL - 8TH MARCH 2016

SUBJECT: INDEPENDENT REMUNERATION PANEL FOR WALES ANNUAL REPORT 2016/17

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

1. PURPOSE OF REPORT

- 1.1 To report the Independent Remuneration Panel for Wales' (the Panel) final determinations relating to councillors and co-opted members for 2016/17.
- 1.2 To seek decisions on certain aspects of the Members remuneration scheme for 2016/17.

2. SUMMARY

- 2.1 As with previous years, the Panel determinations do not include any increases in the majority of payments made to Councillors and Co-opted Members for 2016/17, aside from minor changes to subsistence allowances.
- 2.2 The Panel's draft determinations were presented to the Democratic Services Committee on 18 November 2015 and the views expressed were included in the consultation response to the Panel. The Chair of Democratic Service and the Interim Head of Democratic Services attended a consultation meeting with the Panel and the WLGA also submitted a detailed response.
- 2.3 The Panel's determinations include the following changes from their determinations in 2015/16. There are now two levels of salary for both Cabinet Members and Committee Chairs. Cabinet Members salary levels are determined as either £29,000 (level 1) or £26,100 (level 2) and Committee Chairs are either £22,000 (level 1) or £20,000 (level 2). The Panel's draft report included a limit on the number of Executive Members who were able to receive the higher level of salary, however this has now been removed from the final determinations.
- 2.4 There was originally a determination to reduce the remuneration for the Leader of the largest opposition group and for Deputy Leaders but these have also been removed.
- 2.5 This report reflects the Panel's final determinations for 2016/17. A copy of their report is attached at Appendix 1. 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 Panel.

4. THE REPORT

- 4.1 The Independent Remuneration 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.
- 4.2 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. 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. The Welsh Government Local Government (Wales) Act 2015 also provided additional powers and responsibilities for the Panel albeit on a temporary basis in respect of Chief Officers and powers to determine remuneration for members of shadow authorities and newly forming principal councils.
- 4.3 The Panel is independent to Welsh Government and considers evidence to make its determinations. This year for the first time Panel received a “remit” letter from Leighton Andrews AC/AM, Minister for Public Services (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. The Panel stated in its report that it had reached its determinations without direction from Welsh Government and through consideration of the Framework generally and in particular a desire to maximise flexibility.

BASIC SALARY

- 4.4 The Independent Remuneration Panel for Wales is not suggesting any increases in payments made to Councillors and Co-opted Members for 2016/17. All Members are entitled to receive the Basic Salary. In view of the current public sector funding climate the Panel has determined that there shall be no increase in the basic salary, which will remain at £13,300 for 2016/17.
- 4.5 The Panel considers that the basic salary is remuneration for the responsibility of community representation and participation in the scrutiny, regulatory and related functions of local governance for the time equivalent of three days a week. Any time commitment beyond three days is an unpaid public service contribution.

SENIOR SALARIES

- 4.6 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.
- 4.7 The Senior Salaries for 2016/17 are outlined below:

Role	Senior Salaries 2016/17 £
Leader	48,000
Deputy Leader	33,500
Cabinet Member Level 1	29,000

Cabinet Member Level 2	26,100
Committee Chairs Level 1	22,000
Committee Chairs Level 2	20,000
Leader of the Largest Opposition Group	22,000
Leaders of other Political Groups (not less than 10% of members). This is currently not payable due to the political make up of Council members.	17,000

Deputy Leader(s)

- 4.8 The Council currently has two remunerated Deputy Leaders and 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 which gave a salary of £31,250 in 2015/16.
- 4.9 The Panel has introduced two levels of Executive salary for 2016/17, Level 1 at £29,000 or level 2 at £26,100. The Panel have stated that it will be a matter for individual authorities to decide the implementation of the Panel's determinations within their specific cabinet structures when considering which level of Executive salary to apply.
- 4.10 Therefore when calculating the Deputy Leaders salary Council will need to decide which cabinet salary level it will base the Deputy Leaders salary on. The two options are as follows:

Option	Deputy Leader Senior Salary	Cabinet Member Salary	Caerphilly Deputy Leaders Salary
Option 1	33,500	29,000 (Level 1)	31,250
Option 2	33,500	26,100 (Level 2)	29,800

Cabinet Members

- 4.11 As stated above the Panel's determinations in respect of Senior Salaries have changed from 2015/16. Previously, Executive Members who are not the Leader or Deputy Leader received a salary of £29,000. The Panel have determined that for 2016/17 Executive Members there will be two salary levels of either £29,000 or £26,100. Council will need to determine which levels will be applied in respect of its Cabinet posts.
- 4.12 The Panel determination of giving flexibility over Cabinet Members salary is based on them revisiting their previous decision that all Cabinet Members should be considered as working the equivalent of full time (up to 40 hours per week), but not necessarily nine to five. They state that there are a variety of different cabinet arrangements across different local authorities with some portfolio holders with greater responsibility and workloads than others. The Panel note in their annual report that many Councils operate, as Caerphilly does, with a cabinet of 10, the statutory maximum. They conclude therefore that the differences in cabinets should be reflected in the remuneration framework but it is not the role of the panel to determine the structure of cabinets of local authorities.

Opposition Leader(s)

- 4.13 The Panel have determined that a Senior Salary must be paid to the Leader of the largest opposition group, (subject to that political group having at least 10% of all Council members) and the remuneration will be £22,000. The Leader of the largest opposition group is also the Chair of Democratic Services Committee, but will receive only one senior salary. The Panel has also determined that Leaders of other opposition groups will be paid a senior salary of £17,000, but again this is qualified by that political group having at least 10% of all Council members, therefore this does not apply in Caerphilly.

Committee Chairs

- 4.14 There are now two levels for Committee Chairs – Level 1 is £22,000, Level 2 is £20,000. Previously there was only one salary level for Committee Chairs of £22,000. Again, the Panel's determinations allow Council's the flexibility to confirm how many and which committee chairs receive the higher level of salary. In 2015/16 the senior salary was payable to Scrutiny Chairs, and the Regulatory Committee Chairs namely Audit Committee, Democratic Services Committee, Planning Committee and Licensing Committee. The Chair of Standards Committee is co-opted and receives the co-opted payment.

Roles

- 4.15 When determining which level to set for Cabinet Members and Chairs consideration should be given to their role and responsibilities as set out in their job descriptions. The Job description for each Cabinet portfolio holder incorporates 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 general duties. There are also job descriptions for Committee Chairs which incorporate knowledge of the Council's Procedural 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 includes mandatory, recommended and requested training.

CIVIC SALARIES

- 4.16 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. In 2014, the Panel introduced greater local flexibility by introducing 3 levels of remuneration for the Mayor and Deputy Mayor roles. The flexibilities remain and Civic Salaries for 2016/17 remain the same as 2015/16 and are outlined below:

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

- 4.17 The Panel allow local determination for Civic Salaries as activity and responsibilities of the Civic Office holders vary greatly across the country. Last year the Council determined to pay Civic Office holders Level 2, set at £21,500 and £16,000 respectively (these are not included in the maximum of 18 senior salaries set by the Panel for Caerphilly).
- 4.18 The Panel has reiterated that councils can, under the Local Government (Democracy) (Wales) Act 2013, appoint a presiding member whose role it will be to chair meetings of the whole council, however where appointed there would be a consequential reduction in the responsibilities of the respective civic head. Where a presiding member is appointed the Panel has determined that they must be paid a band 3, Level 3 salary set at £22,000 (this would be included in the maximum of 18 senior salaries set by the Panel for Caerphilly).

JOINT OVERVIEW AND SCRUTINY COMMITTEES

- 4.19 The Panel's determinations in relation to Joint Overview and Scrutiny Committees have not changed since 2015/16.

PENSIONS

- 4.20 The Panel have reaffirmed the entitlement of elected members to join the Local Government Pension Scheme.

FAMILY ABSENCE

- 4.21 The Panel's determinations in relation to Family absence have not changed since 2015/16. Members are reminded that they are entitled to the following periods of family absence under the Family Allowance for Members of Local Authorities (Wales) Regulations 2013:
- **Maternity Absence** – Available to pregnant Members who can take an absence period of up to a maximum of 26 weeks beginning any time between 11 weeks before up to the date of childbirth.
 - **Newborn Absence** – Available to a Member who is the father or, is married to, is the civil partner or is the partner of a child's mother and expects to have the main responsibility for the upbringing of the child. Up to two consecutive weeks are available to be taken within 56 days following a child's birth.
 - **Adopter's Absence** – Available to a Member who adopts a child. Up to two consecutive weeks are available to be taken within 56 days of a child being adopted.
 - **New Adoption Absence** – Available to a Member who is married to, the civil partner or partner of a person adopting a child and expects to have the main responsibility for the upbringing of the child. Up to two consecutive weeks are available to be taken within 56 days of a child being adopted.
 - **Parental Absence** – Available to a Member who has or expects to have responsibility for the care of a child and does not satisfy the criteria for Newborn Absence, Adopters Absence or New Adoption Absence. Up to three months can be taken in a single or a series of absences from the date a Member assumes responsibility for the care of a child under the age of 14 and ends 1 year later.
- 4.22 Members are entitled to retain their basic salary during any period of family absence irrespective of the attendance record immediately preceding the commencement of family absence. When a senior salary holder is eligible for family absence he/she will continue to receive the salary for the duration of the absence. Should a senior salary holder take a period of family absence, a substitute appointment can be made to that senior salary post and a senior salary paid (an addition is then allowed to the maximum number of senior salaries allowed for the duration of the substitution, the schedule of remuneration must be amended and the Panel must be informed).

CARE ALLOWANCE

- 4.23 The Panel's determinations in relation to care allowance have not changed since 2015/16 and the Panel has tried to promote the care allowance to enhance diversity in local government in Wales. The Council must provide for the reimbursement of necessary costs for the care of dependent children and adults plus personal assistance needs (provided by informal or formal carers) up to a maximum of £403 per month. Reimbursement shall only be made for Members and Co-opted Members who have incurred such expenses whilst carrying out official business and on presentation of receipts from the person providing the care.

CO-OPTED MEMBER FEE PAYMENTS

- 4.24 The Panel's determinations in relation to Co-opted members have not changed since 2015/16. The Council must make payments of fees to co-opted members with voting rights. 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.

4.25 The fees payable to co-opted members with voting rights remain the same for 2015/16:

Role	Fee
Co-opted Chair of Standards Committee and Audit Committees	£256 daily fee (£128 ½ day)
Co-opted Ordinary Member of Standards Committee who also Chair Standards Committees for Community Councils (Not applicable for Caerphilly)	£226 daily fee (£113 ½ day)
Co-opted Ordinary Member of Standards Committee, Education Scrutiny Committee, Crime and Disorder Scrutiny Committee and Audit Committee	£198 daily fee (£99 ½ day)

4.26 A full day is defined as a meeting lasting over 4 hours and a half-day as up to 4 hours. 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. Officers will monitor the additional work and if required will present a further report recommending that the maximum cap is not included for Standards Committee Co-opted (lay) Members. The current 10 day maximum is currently still recommended.

4.27 An 'appropriate officer' must determine the preparation time available to co-opted members in advance of a meeting. In addition, travel time to and from meetings can be included in the claims made by co-opted members. The 'appropriate officer' must decide in advance of the meeting if the meeting is programmed for a full day and the co-opted member fee will be paid on the basis of this decision even if the meeting finishes before four hours has elapsed.

4.28 It is suggested that the Monitoring Officer continues to act as the 'appropriate officer' for co-opted members serving on the Standards Committee. The Internal Audit Manager continues to act as the 'appropriate officer' for co-opted members serving on the Audit Committee and the Head of Democratic Services continues to act as the 'appropriate officer' for members serving on the Education for Life Scrutiny Committee.

SUPPORTING THE WORK OF LOCAL ELECTED MEMBERS

4.29 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. 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.

4.30 The Panel also makes a determination that each Council, through its Democratic Services Committee, must ensure that all its members are given IT 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.

- 4.31 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.

TRAVEL AND SUBSISTENCE ALLOWANCES

- 4.32 The Panel are keeping the current HMRC mileage rates for 2016/17 for Councillors and Co-opted Members with voting rights:

By car up to 10,000 miles – 45p per mile
By car over 10,000 miles – 25p per mile
Passenger supplement – 5p per passenger per mile
Motor cycles – 24p per mile
Pedal cycles – 20p per mile

- 4.33 Mileage can be claimed when members are undertaking official business within and/or outside the Council's boundaries. In 2012, the Panel introduced an additional optional definition of 'official business' to allow for the reimbursement of travel claims for Members undertaking constituency business. 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.

- 4.34 All other claims for travel such as bus/train/taxi fares must be accompanied by appropriate receipts showing the actual expense. Members should always be mindful of choosing the most cost effective method of travel. Members should also be aware that tickets for public transport can be organised by Democratic Services staff.

Subsistence Allowances

- 4.35 The proposed subsistence allowances for 2016/17 for Councillors and Co-opted Members with voting rights are outlined below.
- 4.36 The maximum subsistence allowance for meals remains at £28 per day (including breakfast when not provided as part of overnight accommodation).
- 4.37 The allowances available for an overnight stay whilst undertaking an approved duty has increased to £200 for London and remains at £95 elsewhere.
- 4.38 The allowances available for an overnight stay with friends or relatives whilst on official business have increased to £30 per night.
- 4.39 The Panel state that recommended practice is that overnight accommodation should usually be reserved and paid for on behalf of members by the relevant authority. Democratic Services staff can arrange overnight stays for Members or Co-opted Members using the Council's existing frameworks.

FOREGOING PAYMENTS

- 4.40 The Panel's determinations and recommendations contained in this report will take effect from the date of the Council's Annual General Meeting. Individual Members or Co-opted Members may forego any part of their remuneration entitlement by giving notice in writing to the Chief Executive.

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 considered equalities implications in relation to their determinations.

6. FINANCIAL IMPLICATIONS

- 6.1 Members' salaries and expenses will be funded from the Democratic Services budget. If Council determines to apply level 1 salary for calculating Deputy Leader(s) salary and apply Level 1 salaries to Cabinet Members and Committee Chairs and level 2 to Mayor and Deputy Mayor there will be no additional costs for 2016/17 as long as the Leader and Cabinet Members continue with a 5% voluntary reduction.
- 6.2 Should Council determine that the lowest salary level as determined by the Panel is applied for 2016/17 the following savings would be made:

Role	2015/16 Salary	Lowest Salary Level	Saving per Post	Total Savings
Deputy Leader(s)	£31,250	£29,800	£1,450	£2,900
Cabinet Members	£29,000	£26,100	£2,900	£20,300
Committee Chairs	£22,000	£20,000	£2,000	£16,000
Mayor	£21,500	£19,000	£2,500	£2,500
Deputy Mayor	£16,000	£14,000	£2,000	£2,000
Total				£43,700

- 6.3 If all senior salaries are set at the lowest level as determined by the Panel, there would be a saving in 2016/17 of £43,700. Council are reminded that a saving of £18k was deducted in 2015/16 due to the voluntary reduction by the Leader and Cabinet of 5% in their allowances. If Council decided to set the lowest salary levels and the Leader continued to voluntarily reduce his salary by 5% this would give a revised saving of £46,100, giving an additional saving of £28,100.

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 It is recommended that;
- 9.2 The Council note and agrees to implement the determinations of the Panel including, the basic salaries, care, travel and subsistence allowances and fee payments to Co-opted Members.

- 9.3 The Council will determine which Cabinet Member salary level it will use to calculate the salaries for Deputy Leaders as stated at paragraph 4.10, option 1 or 2 as follows:

Option	Deputy Leader Senior Salary	Cabinet Member Salary	Caerphilly Deputy Leaders Salary
Option 1	33,500	29,000 (Level 1)	31,250
Option 2	33,500	26,100 (Level 2)	29,800

- 9.4 The Council will determine which salary level it will set for Cabinet Members as stated at paragraph 4.11, option 1 or 2 as follows:

Option	Cabinet Member Salary
Option 1	29,000 (Level 1)
Option 2	26,100 (Level 2)

- 9.5 The Council will determine which salary levels it will set for Committee Chairs for 2016/17 as stated at paragraph 4.14, options 1 or 2 as follows:

Committee Chairs	Options	
	Option 1 (Level 1 salary)	Option 2 (Level 2 salary)
Regulatory Committees	22,000	20,000
Scrutiny Committees	22,000	20,000

- 9.6 The Council will determine which salary levels it will set for Civic Salaries for 2016/17 as stated at paragraph 4.16.

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

- 9.7 The Council agree that the maximum number of days payable to Co-opted Members of the Education for Life Scrutiny Committee and to Co-opted (lay) Members of the Standards Committee remains at 10 days per year as stated at paragraph 4.26.

- 9.8 The Council agree that officers listed at paragraph 4.28 continue to act as the 'appropriate officer' for Co-opted Members as indicated.

- 9.8 The Council determine whether or not to continue not to allow travel claims for journeys made within Members' wards as stated at paragraph 4.33.

10 REASONS FOR THE RECCOMENDATIONS

- 10.1 In order for the Council to comply with the Local Government (Wales) Measure 2011.

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. This is a Council function.

Author: Catherine Forbes-Thompson, Scrutiny Manager
 Consultees: Chris Burns, Interim Chief Executive
 Nicole Scammell – Acting Director of Corporate Services and Section 151 Officer

Cllr Christine Forehead – Cabinet Member for HR and Governance/Business
Manager
Cllr Colin Mann – Chair of Democratic Services Committee
Stephen Harris – Acting Head of Corporate Finance
Gail Williams – Interim Head of Legal Services and Monitoring Officer
David Thomas – Senior Policy Officer (Equalities and Welsh Language)

Background Papers: Report to and Minutes of Democratic Services Committee on 18 November
2015

Appendix 1: Annual Report 2016/2017 of the Independent Remuneration Panel for Wales