



DEMOCRATIC SERVICES COMMITTEE – 19TH NOVEMBER 2020

SUBJECT **INDEPENDENT REMUNERATION PANEL FOR WALES: DRAFT ANNUAL REPORT 2021/2022 AND THE SUPPLEMENTARY REPORT ON THE PRINCIPLES IN RESPECT OF THE REIMBURSEMENT OF COSTS OF CARE**

REPORT BY: **HEAD OF DEMOCRATIC SERVICES AND DEPUTY MONITORING OFFICER**

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1. PURPOSE OF REPORT

- 1.1 To seek the views of the Committee on the Independent Remuneration Panel for Wales' (the Panel's) draft report for 2021/22 which will be communicated to the Panel prior to the response deadline of 23rd November 2020. The Panel's final determinations for 2021/22 will be published in February 2021 and members will be fully apprised of the final report following its publication.
- 1.2 To inform members of the publication of a Supplementary Report by the Panel entitled The Principles in respect of the Reimbursement of Costs of Care which is attached at Appendix 2 and to ask the Committee to actively support the principles within the report to promote and encourage the take up by members of the financial support in respect of the costs of care. Members are advised that a report will also be presented to Council with a recommendation that the principles set out in the Supplementary Report are formally implemented as a minimum requirement.

2. SUMMARY

- 2.1 The purpose of this report is twofold. It seeks members views on the draft Annual Report for 2021/2022 attached at Appendix 1. Members will note that a summary of all the new and updated determinations are set out in Annex 5 of the draft report which include determinations for Principal Councils, National Park Authorities, Fire and Rescue Authorities and Community and Town Councils.
- 2.2 This report highlights the updated determinations specifically relating to Principal Councils and the updated determination on the contribution to the reimbursement of the costs of care applicable to all relevant authorities, together with the proposed increase in the allowance payable to Co-opted members.
- 2.3 In the case of the determinations for Principal Council's the following have been updated.

Determination 1 Basic Salary.

The basic salary proposed for 2021/2020 for elected members of Principal Councils shall be £14,368 with effect from 1st April 2021.

Determination 2 Senior Salary levels.

Senior salary levels in 2012/2022 for members of principal councils shall be as set out in Table 3 with effect from 1st April 2021.

Determination 3 Civic Salaries.

Where paid a civic head must be paid a Band 3 salary of £23,161 and where paid a deputy civic head must be paid a Band 5 salary of £18,108 with effect from 1st April 2021.

Determination 4 Presiding Member salary.

Where appointed and if remunerated a presiding member must be paid a Band 3 senior salary of £23,161 from 1st April 2021. This does not apply to Caerphilly.

- 2.4 Determination 33 has been updated so that the fees for Co-opted Members (who have voting rights) have been increased by 1.06% in line with other allowances. The increase amounts to an additional £12 on the daily rate for ordinary co-opted members and for those with additional responsibility.

- 2.5 Determination 39 has been updated in respect of all relevant authorities in relation to the Contribution towards costs of care and personal assistance as follows

All relevant authorities must provide for the reimbursement of the contribution towards necessary costs for the care of dependent children and adults (provided by informal or formal carers) and for personal assistance needs as follows

Formal (Registered with Care Inspectorate Wales) care costs to be reimbursed in full.

Informal (unregistered) care costs to be reimbursed up to a maximum rate equivalent to the Real Living Wage at the time the costs are incurred.

Reimbursement must be for the additional costs incurred by members to enable them to carry out official business or approved duties. Each authority must ensure that any payments made are appropriately linked to official business or approved duty.

Reimbursement shall only be made on production of receipts from the carer. This provision will be explained in more detail in the body of the report as it links to the principles set out in the Supplementary Report attached at Appendix 2

- 2.6 The second part of the report informs members of the publication of the Supplementary Report the Principles in respect of the Reimbursement of Costs of Care published by the Panel in May 2020 which is attached at Appendix 2 and which is linked to determination 39 above.

- 2.7 The Supplementary Report sets out several principles which the Panel expects all authorities to adopt as a minimum.

3. RECOMMENDATIONS

Democratic Services Committee Members are asked

- 3.1 To comment on the Panel's draft Annual Report for 2021/22 attached at Appendix 1 which will be submitted to the Independent Remuneration Panel for Wales by the Head of Democratic Services by 23rd November 2020 and
- 3.2 To note and support the principles set out within the Supplementary Report attached at Appendix 2 which aim to promote and encourage the take up by members of the financial support in respect of the costs of care, before a report is taken to Council with a recommendation that the principles are adopted.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that members are aware of the content of the draft Annual Report 2021 to 2022 and are provided with an opportunity to comment on the proposals which will be considered by the Independent Remuneration Panel for Wales prior to the publication of their final report in February 2021.
- 4.2 To promote awareness and support Members to ensure that they are aware of the provision of financial support available for which Remuneration for Cost of Care can be claimed to enable all Members and Co-opted Members to carry out their roles effectively.

5. THE REPORT

Draft Annual Report 2021/22

- 5.1 The Independent Remuneration Panel for Wales is the body tasked with setting the remuneration levels for members in Wales and each year publishes a draft Annual Report for consultation. Consultation on the draft report ends on 23rd November 2020 and the final report will be published in February 2021.
- 5.2 On a general note, members are advised that in relation to the determinations of the Panel relevant to Principal Councils, there are currently no options relating to levels of remuneration which require a decision by Council. Levels of payments to which members are entitled cannot be varied by a vote of Council. Furthermore, only an *individual member* may communicate in writing to the proper officer (the Chief Executive) if as an individual they wish to decline all or part of the payment to which they are entitled. It is however a matter for each authority to make their own arrangements to report the provisions of the Final report issued by the Independent Remuneration Panel for Wales. Members will be fully appraised following publication of the final report.
- 5.3 The full draft report is attached at Appendix 1; Annex 1 sets out the full list of determinations and Annex 5 identifies all the updated or new determinations made in respect of Principal Councils, Fire and Rescue Authorities, National Park Authorities and Town and Community Councils. Members comments are sought on the draft report in general however the following determinations are specifically brought to members attention.
- 5.4 The following determinations relevant to Principal Councils have been updated

Part 3 Payments to Elected Members of Principal Councils: Basic, Senior and Civic Salaries

5.4.1 Determination 1 Basic Salary

When making financial determinations for this draft Annual Report, the Panel has considered the progression of the variety of benchmark figures outlined above for the period from 2012 to 2020. Any adjustments in recent years have been in keeping with the Panel's principle that its determinations should be affordable and acceptable. This principle is maintained in the proposed increase for 2021/2022 which is an increase in the basic salary of elected members of £150. In practical terms the basic salary will increase from £14,218 to £14,368 per annum with effect from 1st April 2021.

5.4.2 Determination 2 Senior Salaries

These relate to payments to members of the executive, chairs of committees and the leader of the opposition. In 2021 it is proposed that senior salaries will be increased at the same rate (1.06%) as basic salaries. The cap on the number of senior salaries will remain the same which is a maximum of 18 for Caerphilly. The salaries proposed compare with existing salaries as follows

	Proposed 2021/2022	Existing 2020/2021
Leader	£49,974	£49,450
Deputy Leader	£35,320	£34,950
Cabinet Members	£30,773	£30,450
Committee Chairs	£23,161	£22,918
Leader of the Opposition	£23,161	£22,918
Leader of other political groups	£18,108	£17,918**

**The stipulation for this payment is that an opposition group leader or any other group leader must represent at least 10% of the council membership before qualifying for a senior salary. This requirement remains unchanged under the draft report.

5.4.3 Determination 3 Civic Salaries

Where paid, a Civic Head must be paid a Band 3 salary of £23,161 and, where paid, a Deputy Civic Head must be paid a Band 5 salary of £18,108 with effect from 1 April 2021. The current salaries are £22,918 and £17,918 respectively. Members are reminded that these posts are not included within the cap on senior salaries.

5.4.4 Determinations 4 and 5 Presiding Members

The report reminds Councils that, if a presiding member is appointed, they do not have to be remunerated. If they are remunerated the post will count towards the cap and be paid at a Band 3 senior salary of £23,161. The post of deputy presiding officer would not be remunerated. This provision does not apply in Caerphilly.

5.5 Part 9 Payments to Co-opted Members of Principal Councils, National Park Authorities and Fire & Rescue Authorities

Determination 33

Although not specifically relating to members remuneration, the Panel proposes an increase of £12 to £210 daily rate for ordinary co-opted members and for those with additional responsibility. The Table on pages 30 and 31 of the draft Annual report show the increases.

5.6 **Part 10 Contribution towards costs of care and personal assistance**

Determination 39 Contribution towards costs of care and personal assistance

- 5.6.1 This section applies to all members of principal councils, National Park Authorities, Fire and Rescue Authorities and to Co-opted members of these authorities. The same provision applies to Community and Town Councils.
- 5.6.2 The purpose of this section 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 believes that additional costs of care required to carry out approved duties should not deter any individual from becoming and remaining a member of an authority or limit their ability to carry out the role. The Panel has adopted specific principles related to support for the costs of care which were the subject of a Supplementary Report published in May this year and are set out in further detail at paragraph 5.7 below.
- 5.6.3 The Panel has reviewed the arrangements for this financial support further in the draft Annual report and proposes the following changes:
- a) As payments are taxable under the current HMRC rules, full reimbursement is not possible so for clarity this will be retitled to “Contribution towards the costs of care and personal assistance”. It will still require receipts to accompany claims.
 - b) Claims can be made in respect of a dependant under 16 years of age, or a minor or adult who normally lives with the member as part of their family and who cannot be left unsupervised.
 - c) Clarification in respect of a member’s own care or support needs: Reimbursement may be claimed where the support and or cost of any additional needs are not available or are not met directly by the authority such as Access to work, Personal Payments, Insurance. These could arise when the needs are recent and or temporary.
- 5.6.4 Members, including co-opted members are entitled to claim towards the costs of care and personal assistance, for activities that the individual council has designated official business or an approved duty which might include appropriate and reasonable preparation and travelling time. It is a matter for individual authorities to determine specific arrangements to implement this; each authority must ensure that any payments made are appropriately linked to official business or approved duty.
- 5.6.5 The Panel has also reviewed the maximum monthly payment in recognition that this has not changed for several years; the amount is currently capped at £403 per month. However, information indicates that monthly costs and claims vary considerably. These can depend on the number of dependants, their ages and other factors. Therefore, the monthly cap will be replaced with the following Determination 39:

Formal (registered with Care Inspectorate Wales) care costs to be reimbursed in full.

Informal (unregistered) care costs to be reimbursed up to a maximum rate equivalent to the Real Living Wage at the time the costs are incurred.

In relation to the reference of “reimbursement *in full* of formal care costs” the Panel recognise that this wording would need clarification as the payment is taxable and so payment *in full* is not possible.

For clarification, care costs cannot be paid to someone who is a part of a member’s household.

Reimbursement must be for the additional costs incurred by members to enable them to carry out official business or approved duties. Each authority must ensure that any payments made are appropriately linked to official business or approved duty. Reimbursement shall only be made on production of receipts from the carer.

5.6.6 The Panel continues to recognise the issues relating to the publication of this legitimate expense and has retained the requirements for publication set out in Annex 4. Council at its meeting on 17th April 2018 agreed to publish the total costs of care expenses reimbursed to Members by the Authority but not attribute these to any named Member. To support current members and to encourage diversity the Panel urges authorities to promote and encourage greater take-up of the contribution towards costs of care and personal assistance.

5.7 **Supplementary Report – The Principles in respect of the Reimbursement of Costs of Care**

5.7.1 The Panel has for several years endeavoured to find ways to increase the take up of this support and keep the provision under constant review. The Supplementary Report attached at Appendix 2 is a stage in this continuing review process.

5.7.2 As highlighted within the Supplementary Report ‘The Principles relating to the Reimbursement of Costs of Care’ will assist those Councillors and Co-opted Members with caring responsibilities and may also encourage others to stand as candidates in the forthcoming Local Elections in May 2022.

5.7.3 The Panel believe that *“Democracy is strengthened when the membership of Local Authorities adequately reflects the demographic and cultural make-up of the communities such Authorities serve. The Panel will always take in to account the contribution its Framework can make in encouraging the participation of those who are significantly under-represented at Local Authority level.”*

5.7.4 The Panel has continued to champion Diversity in Local Government in Wales through its determinations. The principles highlighted within the supplementary report and outlined below are key to ensuring that all Members and Co-opted Members have access to the reimbursements of cost for care now and in the future.

5.7.5 These 7 principles are set out below together with details on the processes in place to promote take up of the provision and what steps can be taken to clarify and improve the process.

1 Be clear who it is for.

Members will note that a Confidential review of the needs of individual members is undertaken annually and when circumstances change.

Members may feel this is adequately addressed by individual members contacting the Head of Democratic Services to seek advice on a confidential basis or with a point of contact within their respective political groups.

2 Raise Awareness.

Ensure clear and easily found information is available on website and in election and appointment materials, at Shadowing and at induction and in the members' "handbook". Remind serving members via e-mail and or training. Signpost to IRPW Payments to Councillors leaflets.

Currently information is available in a pre-election pack provided by Electoral Services and included in the Members induction pack. The Claim Form is contained on the members' portal. If agreed, to support this principle, the signposting as suggested can be made available on the members portal, communication can be provided to all members at regular intervals and it may be an issue which Group Leaders may wish to draw to their members attention.

3 Promote a Positive Culture.

Encouragement within and across all parties of Relevant Authorities to support members to claim. Agree not to advertise or make public individual decisions not to claim.

Members will note from paragraph 5.6.6 above that a decision has been made *not* to advertise individual decisions to claim.

4 Set out the approved duties for which RoCoC can be claimed.

Approved duties are usually a matter of fact. Interpretation of the IRPW Regulations are set out in the Annual Report. "Any other duty approved by the authority, or any duty of class so approved, undertaken for the purpose of, or in connection with, the discharge of the functions of the authority or any of its committees."

In Caerphilly the approved duties set out in the Schedule of Remuneration are

SCHEDULE 2

Approved duties: -

- *attendance at a meeting of the Authority or of any committee of the Authority or of any body to which the Authority makes appointments or nominations or of any committee of such a body;*
 - *attendance at a meeting of any association of authorities of which the Authority is a member;*
 - *attendance at any other meeting the holding of which is authorised by the Authority or by a committee of the Authority or by a joint committee of the Authority and one or more other Authorities;*
 - *a duty undertaken for the purpose of or in connection with the discharge of the functions of Cabinet;*
 - *a duty undertaken in pursuance of a standing order which requires a Member or Members to be present when tender documents are opened;*

- a duty undertaken in connection with the discharge of any function of the Authority which empowers or requires the Authority to inspect or authorise the inspection of premises;
 - attendance at any training or developmental event approved by the Authority or its Cabinet;
 - the following duties which have been approved by Council:
- NOTE:** The Council has decided not to allow for claims for travel within Members' Wards.]

Members will however note that the Supplementary report refers to both formal meetings and those necessary for a member to do his/her constituency work. It also specifically references travel and preparation time. It advises that this is the minimum a Council should do. As such when a report is presented to Council seeking implementation of the principles, approval will be also sought for the Head of Democratic Services to amend the Schedule of Remuneration accordingly.

5 Be as enabling as possible about the types of care that can be claimed

Members will note the examples set out.

6 Have a simple and effective claim process.

Check members understand how to claim and that it is easy to do so. Flexibility to accept paperless invoices Online form Same or similar form to travel costs claim

The Council's current process for claims for travel expenses involves officers checking for attendance for approved duties; a similar check can be applied for reimbursement of the cost of care claims alongside ensuring that an appropriate receipt is attached and developing ways to receive information online.

7 Comply with IRP publication rules.

Members will note this is referred to in the body of the report and cross references with section 3 above.

5.8 Conclusion

Members will note the provisions of the draft Annual report and Supplementary Report as outlined above.

6. ASSUMPTIONS

- 6.1 No assumptions are necessary as this report reflects the content of the draft report from the Independent Remuneration Panel for Wales and the Supplementary Report.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 Elected Members establish strategic direction and decide upon all policies and strategies so that the Council can achieve all its objectives, as well as monitoring performance against those objectives. Members are entitled to receive remuneration and allowances prescribed by the Panel").
- 7.2 The Panel's determinations relating to councillors and co-opted members for 2021/22 contributes to the Well-being Goals within the Well-being of Future Generations

(Wales) Act 2015 by ensuring that Members are remunerated and supported to carry out their role. The determinations include a basic allowance for all councillors, support for carers, and family absence arrangements with the aim to encourage a broader spectrum of people, and thereby contribute to the following goals:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 This Panel report contributes to the Well-being Goals as set out in paragraph 7 above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act to encourage more diverse representation among Councillors and Co-opted Members. A more representative group should be better able to take into account the Wellbeing Goals when reviewing services and policies and consider the positive and negative impacts upon future generations, long term community resilience and economic, environmental and social capital

9. EQUALITIES IMPLICATIONS

- 9.1 No Equalities Impact Assessment has been undertaken as the Independent Remuneration Panel for Wales has the power under the Local Government (Wales) Measure 2011 to set Members Allowances.

10. FINANCIAL IMPLICATIONS

- 10.1 The proposals within the Panel's draft report is to increase the basic salary by £150 per member per annum and senior salaries and civic salaries by 1.06%. There is also a slight increase proposed of £12 per day for co-opted members. There is sufficient budget (subject to the final budget report) in members services to cover this suggested increase. Should a shortfall occur for the year 2021/22 it will be funded from members' reserves.
- 10.2 The encouragement of the take up of the contribution for the reimbursement of the costs of care is no longer proposed to be capped at £403 per month and can be claimed for formal costs and the real living wage for informal costs. The take up has been very minimal over the years, however if members are encouraged to claim then the costs over and above the current budget this will be funded from members reserves.

11. PERSONNEL IMPLICATIONS

- 11.1 There are no personnel implications arising from this report.

12. CONSULTATIONS

- 12.1 Consultation has been undertaken as listed below and any responses received have been incorporated into the report.

13. STATUTORY POWER

13.1 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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Robert Tranter, Head of Legal Services and Monitoring Officer
Stephen Harris Head of Financial Services and Section 151 Officer
Dave Roberts Principal Accountant

Appendices:

Appendix 1 - Draft Annual Report of the Independent Remuneration Panel for Wales

Appendix 2 - Supplementary Report on the Reimbursement of the Costs of Care