



ANNUAL COUNCIL – 18TH MAY 2017

SUBJECT: INDEPENDENT REMUNERATION PANEL FOR WALES ANNUAL REPORT 2017/18

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 2017/18.
- 1.2 To seek decisions on certain aspects of the Members remuneration scheme for 2017/18.

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 determinations for 2017/18. 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.
- 2.3 The Panel determinations include a modest 0.75% increase in the basic salary for Councillors for 2017/18. This is the first increase for 3 years and represents a £100 increase in the basic salary for councillors to £13,400. The effective date will be will be the 8th May 2017 subject to the member having signed the declaration of acceptance. The exception to this applies to the Mayors Civic Salary who remains in post until a successor is appointed at the AGM following the election.
- 2.4 The Panel's determinations in relation to Senior Salaries for 2017/18 remain the same subject to the £100 increase in the basic salary. The salary for the Leader remains at £48,100 and Deputy Leader will be £33,600. However where local authorities decide to appoint two or more Deputy Leaders the senior salary is calculated by the difference between the Deputy Leader salary and the Cabinet Member Salary and divided by the number of Deputy Leader posts. This amount is then added to the cabinet member salary.
- 2.5 The Panel have determined that for 2017/18 there will again be a choice of two levels of salary for Cabinet Members and Committee Chairs, (subject to the increase in the Councillor basic salary of £100). Councils will have the option to appoint Cabinet Members at either Level 1 salary of £29,100 or Level 2 at £26,200. Committee Chairs at either Level 1 at

£22,100 or Level 2 at £20,100. The Leader of the largest opposition group is also increased to £22,100.

- 2.6 Council agreed at the meeting held on 8th March 2016 to apply level 2 salaries for 2016/17 and the IRP have stated that Councils will again have to determine this for 2017/18. The Panel state that it is matter for individual Councils to decide which level of pay Executive Members and Committee Chairs are entitled to and can determine these 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 2017. 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").
- 3.2 The Independent Remuneration Panel for Wales' draft determinations relating to councillors and co-opted members for 2017/18 contributes to the Well-being Goals within the Well-being of Future Generations Act (Wales) 2016 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

4. REPORT

- 4.1 The Independent Remuneration Panel for Wales is suggesting a small increase in basic salary payments made to Councillors for 2017/18. There are no increases to senior salaries aside from the uplift in the basic salary entitlement as outlined below. In setting these salaries the Panel 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 draft report that although they are unable to maintain this alignment due to continued pressures on public sector funding, however the Panel consider that a modest increase in the basic salary is justified. Therefore the Basic Salary for 2017/18 will increase to £13,400, which represents an additional £100 per annum.

SENIOR SALARIES

- 4.3 Senior Salaries are payable to Members that hold certain prescribed roles and, for Caerphilly which is in Group B, these are limited to a maximum of 18 posts and are paid inclusive of the Basic Salary (page 12 of the IRP Annual Report). 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 remained the same as last year (subject to the £100 uplift in the basic salary). The Leader shall be paid £48,100 and Deputy Leader will be £33,600. There will be two senior salary levels within Group B for Cabinet Members and Committee Chairs. Cabinet Members shall be paid at Level 1 or 2 with a salary of £29,100 or £26,200 respectively and Committee Chairs shall be paid at Level 1 or Level 2 with a salary of is £22,100 or £20,100 respectively. The Panel has also determined that the Leader of the largest opposition group shall be £22,100.

4.5 The Panel confirm on pages 12 to 13 of their annual report 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, and note 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 members. The Panel state they have given further consideration to this issue and have concluded that this 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.

4.6 Where an authority has two or more remunerated Deputy Leaders the Panel has determined that the difference between the senior salary for Deputy Leader and Cabinet Member salary is divided and added to the basic Cabinet Member Senior Salary. Therefore the following would apply, should two deputy leaders be appointed:

- Two Deputy Leaders and a Level 1 Cabinet Member Salary - £31,350
- Two Deputy Leaders and a Level 2 Cabinet Member Salary - £29,900

4.7 The proposed Senior Salaries for 2017/18 are outlined below:

Role	Proposed Senior Salaries 2017/18 £
Leader	48,100
Deputy Leader	33,600
Cabinet Members Level 1 Level 2	29,100 26,200
Committee Chairs (if remunerated) Level 1 Level 2 (e.g. Scrutiny, Planning, Licensing, Audit, Democratic Services)	22,100 20,100
Leader of the Largest Opposition Group	22,100
Leaders of other Political Groups (not less than 10% of members). To date this has not been payable due to the political make up of members.	17,100

4.8 In 2016/17 Council decided to apply level 2 salaries to both Executive Members and Committee Chairs. The senior salaries for 2017/18 will take effect from the date of the Council's Annual General Meeting in 2017 and Council will again need to determine which salary levels to apply.

CIVIC SALARIES

- 4.9 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 2017/18 (subject to the £100 Basic salary uplift):

Level	Mayor	Deputy Mayor
Level 1	£24,100	£18,100
Level 2	£21,600	£16,100
Level 3	£19,100	£14,100

- 4.10 Last year and the year before, the Council determined to pay Civic Office holders the Level 2 salary. The Panel has confirmed that it will continue to allow local determination for Civic Salaries, as activity and responsibilities of the Civic Office holders vary greatly across the country.
- 4.11 The Panel has determined that where appointed and if remunerated, a Presiding Member would be entitled to a band 3 level 1 senior salary of £22,100, this would however count towards the cap of 18 senior salaries. A post of deputy presiding member would not be remunerated.

PANEL'S OTHER DETERMINATIONS

- 4.12 The Panel are not making changes in respect of senior salaries for chairs of joint overview and scrutiny committees for 2017/18, in that Chairs will be paid £6,700. Chairs already in receipt of an allowance would be paid £3,350 and Chairs of sub-committees would be paid £1,675, Chairs of subcommittees already in receipt of a payment would be paid £837.
- 4.13 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.
- 4.14 The Panel is keen to encourage the promotion of the reimbursement of the costs of care (formerly 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. The Panel recognises that there is some sensitivity concerning the publication of this legitimate expense and has therefore set out two options:-
- The details of the amounts reimbursed to named members; or
 - The total amount reimbursed by the authority during the year but not attributed to any named member.
- 4.15 It is determined that for 2017/18 the maximum reimbursement of care costs shall 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.
- 4.16 The Panel is not making changes 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. Fees for co-opted members (with voting rights) are, as follows:

Chairs of standards, and audit committees	£256 (4 hours and over) £128 (up to 4 hours)
Ordinary members of standards committees who also chair standards committees for community and town councils	£226 daily fee (4 hours and over) £113 (up to 4 hours)
Ordinary members of standards committees; education scrutiny committee; crime and disorder scrutiny committee and audit committee	£198 (4 hours and over) £99 (up to 4 hours)

4.17 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. There are co-opted members with voting rights on the following committees:

- Audit Committee - met on four occasions in 2016/17.
- Education for Life Scrutiny Committee - met on eight occasions in 2016/17.
- Standards Committee - met twice in 2016/17.

4.18 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.

4.19 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.

SICKNESS ABSENCE

4.20 The Panel have considered concerns about long term sickness of senior salary holders and the perceived unfairness when compared with the arrangements for family absence. Councils are faced with the dilemma of either operating without the individual member but still paying the senior salary or replacing the member, who therefore loses the salary. The Panel is therefore providing a framework with specific arrangements for long term sickness.

4.21 Long term sickness is defined as certified absences in excess of 4 weeks, with a maximum length of 26 weeks, or until the term of office ends (whichever is sooner). Within these parameters a senior salary holder on long term sickness, can, if the authority decides, continue to receive their senior salary. The authority can appoint a substitute member who will also be eligible to receive the senior salary, and if the substitution exceeds the maximum number of senior salaries an addition will be permitted subject to the Panel being informed within 14 days of the decision and the Schedule of Remuneration must be amended. This does not apply to basic salary holders who can continue to receive their basic salary for 6 months irrespective of attendance with any extension beyond this a matter for the authority.

TRAVEL AND SUBSISTENCE ALLOWANCES

4.22 The Panel is not making changes to their determinations in respect of claims for travel and subsistence rates, which will remain the same as 2016/17 and are detailed on page 38 of the annual report. 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 has made the decision not to allow such travel claims.

- 4.23 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.

SUPPORT FOR MEMBERS

- 4.24 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 of the renewal of the WLGA Charter for Member Development. 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.
- 4.25 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 for Members and members of the public to all committee documents.
- 4.26 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 is presented to the Democratic Services Committee detailing the support provided.

FOREGOING PAYMENTS

- 4.27 The Panel's determinations and recommendations contained in this report will take effect on 8th May 2017. Individual Members or Co-opted Members may forego any part of their remuneration entitlement for the year ahead, by giving notice in writing to the Chief Executive.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 This Panel report contributes to the Well-being Goals as set out in Links to Strategy 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.

6. EQUALITIES IMPLICATIONS

- 6.1 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 determinations.

7. FINANCIAL IMPLICATIONS

- 7.1 Members' salaries and expenses will be funded from the Democratic Services budget for 2017/18. If it is proposed to appoint more than one Deputy Leader, Council must determine if it will apply a level 1 or 2 salary for calculating Deputy Leader(s) salary and whether to apply Level 1 or 2 salaries to Cabinet Members and Committee Chairs and also level 1, 2 or 3 to Mayor and Deputy Mayor.
- 7.2 There will be additional costs incurred due to the £100 uplift in basic salary for 2017/18, this will be an additional £7,300 per annum. Should Council determine that the lowest salary level as agreed by Council for 2016/17 is applied again for 2017/18 for executive members and committee chairs, there will be no other additional costs.
- 7.3 If however all senior salaries are set at the higher level, and Cabinet remained at 10 (including 2 deputy leaders), there would be the following increased costs:

Senior Salary	Number	2016/17 – Caerphilly	2017/18 Level 2 salary	Difference Per Post	Increased cost
Leader	1	£45,600 (5% voluntary reduction)	£48,100	£2,500	£2500
Deputy Leaders	2	£29,800	£31,350	£1,550	£3100
Cabinet Members	7	£26,100	£29,100	£3,000	£21,000
Committee Chairs	7	£20,000	£22,100	£2,100	£14,700
Leader of Opposition	1	£22,000	£22,100	£100	£100
Total	18				£41,400

- 7.4 For 2016/17 level 2 civic salaries were agreed by Council, at £21,500 and £16,000 for the Mayor and Deputy Mayor respectively. If Council should determine to apply the higher level 1 civic salaries for 2017/18, this would incur an additional cost of £4,700 per annum.
- 7.5 Therefore should the higher salaries be applied for 2017/18 the total increased costs, would be as follows:

Salaries	Increase
Basic Salary increase – 73 Members (less 20 included in senior & civic salaries below)	£5,300
18 Senior Salaries – level 1 (inclusive of basic salary increase)	£41,400
Civic Salaries – level 1	£4,700
Total	£51,400

8. PERSONNEL IMPLICATIONS

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

9. CONSULTATION

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

10 RECOMMENDATIONS

10.1 It is recommended that:-

10.2 The Council note and agrees to implement the determinations of the Panel including, the basic salaries, Leader and Deputy Leader salaries, reimbursement of care costs, travel and subsistence allowances and fee payments to Co-opted Members.

10.3 The Council will determine which Cabinet Member salary level it will use to calculate the salaries for Deputy Leaders as stated at paragraph 4.6, option 1 or 2 as follows:

Option	Deputy Leader Senior Salary	Cabinet Member Salary	Caerphilly Deputy Leader Senior Salary
Option 1	33,600	29,100 (Level 1)	31,350
Option 2	33,600	26,200 (Level 2)	29,900

10.4 The Council will determine which salary level it will set for Cabinet Members for 2017/18 as stated at paragraph 4.7, option 1 or 2 as follows:

Option	Cabinet Member Salary
Option 1	29,100 (Level 1)
Option 2	26,200 (Level 2)

10.5 The Council will determine which salary levels it will set for Committee Chairs for 2017/18 as stated at paragraph 4.7, options 1 or 2 as follows:

Option	Committee Chairs Salary	
	Option 1 (Level 1 salary)	Option 2 (Level 2 salary)
Regulatory Committees	22,100	20,100
Scrutiny Committees	22,100	20,100

10.6 The Council will determine which salary levels it will set for Civic Salaries for 2017/18 as stated at paragraph 4.9.

Options	Mayor	Deputy Mayor
Option 1	£24,100 (Level 1 salary)	£18,100 (Level 1 salary)
Option 2	£21,600 (Level 2 salary)	£16,100 (Level 2 salary)
Option 3	£19,100 (Level 3 salary)	£14,100 (Level 3 salary)

10.7 The Council agree that the maximum number of days payable to Co-opted Members of the Education for Life Scrutiny Committee, Co-opted (lay) Members of the Standards and Audit Committees, remains at 10 days per year as stated at paragraph 4.17.

10.8 The Council agree that officers listed at paragraph 4.18 continue to act as the 'appropriate officer' for Co-opted Members as indicated.

10.9 The Council determine whether to continue to not allow travel claims for journeys made within Members' wards as stated at paragraph 4.22.

11. REASONS FOR THE RECOMMENDATIONS

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

12. STATUTORY POWERS

- 12.1 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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Consultees: Cllr Colin Mann, Chair of Democratic Services,
Cllr Christine Forehead, Cabinet Member for HR, Business and Governance
Chris Burns, Interim Chief Executive
Nicole Scammell, Acting Director of Corporate Services and Section 151 Officer
Stephen Harris, Interim Head of Corporate Finance
Gail Williams, Interim Head of Legal Services and Monitoring Officer

Background papers:

Report to Council 8 March 2016 Independent Remuneration Panel for Wales Annual Report 2016/2017
Report to Democratic Services Committee 25 May 2016 Annual Report for Democratic Services
Report to Democratic Services Committee 21 September 2016 Update on Members Training and Support programme
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 Annual Report of the Independent Remuneration Panel for Wales 2017/18