



DEMOCRATIC SERVICES COMMITTEE – 23RD NOVEMBER 2017

**SUBJECT: INDEPENDENT REMUNERATION PANEL DRAFT ANNUAL REPORT
2018/19**

**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 2018/19 so that a response to their consultation can be sent.
- 1.2 The Panel's final determinations for 2018/19 will be published in February 2018, following which a report will be presented to 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 2018/19. A copy of the Panel's Draft 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 proposed basic salary in 2018/19 for elected members of principal councils shall be £13,600. This is an increase of £200 per member which is equivalent to 1.49% and is effective from April 2018.
- 2.4 The Panel have also proposed that the previous option to select salary levels to be removed and have set the salaries at the previous higher level, plus the £200 basic salary uplift. Therefore in that Caerphilly County Borough Council previously determined the senior salaries would be set at the lower band, there will be increased expenditure for senior salaries in 2018/19.

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. THE REPORT

- 4.1 The Independent Remuneration Panel for Wales is suggesting a small increase in basic salary payments made to Councillors for 2018/19 and have also removed the option to set different salary levels in respect of senior salaries. The Panel recognises that there is an unpaid public service contribution in respect of the work of elected members.

Basic Salary

- 4.2 **Determination 1** - The proposed basic salary in 2018/19 for elected members of principal councils shall be £13,600. This is an increase of £200 per member which is equivalent to 1.49% and is effective from April 2018. This will mean an overall increased cost of £14,600 to the local authority.
- 4.3 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 fulltime 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 in order to help limit further the erosion of relative levels of remuneration.

Senior Salaries

- 4.4 The Panel have stated that they intend to retain the limit on the number of senior salaries for 2018/19. The 'cap' for Caerphilly County Borough Council will continue to be set at 18. The Panel have also advised that the previous option to select salary levels has been removed and have set the salaries at the previous higher level, plus the £200 basic salary uplift. Therefore in that Caerphilly County Borough Council previously determined the senior salaries would be set at the lower band, there will be increased expenditure for senior salaries in 2018/19.
- 4.5 Where there are two deputy leaders the Panel state that the difference between the cabinet member salary and the deputy salary should be divided by two and added to the cabinet member salary. Therefore the proposed senior salaries for 2018/19 will be as follows:

Determination 2

Role	2017/18 Salary per post	Proposed Senior Salary for 2018/19	Difference +/-
Leader	£48,100	£48,300	£200
Deputy Leaders x 2	£29,900	£31,550	£3,300
Cabinet Members x 6	£26,200	£29,300	£18,600
Committee Chairs x 7	£20,100	£22,300	£15,400
Leader of Opposition	£22,100	£22,300	£200
Total = 17			£37,700

Civic Salaries

- 4.6 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 has determined in its draft report that there will be no increase in civic salaries aside from the increase in basic salary. In accordance with previous years civic salaries can be determined by individual local authorities from the following salary levels:

Determination 3

Salary Levels	Mayor	Deputy Mayor
Level 1	£24,300	£18,300
Level 2	£21,800	£16,300
Level 3	£19,300	£14,300

- 4.7 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 Panel have not changed their determination (Determination 4), in respect of Presiding Members who 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. The post of deputy presiding member would not be remunerated (Determination 5).

Number of Senior Roles

- 4.8 The Panel have reiterated that an elected member must not be remunerated for more than one senior post within his or her authority (separate guidance on Joint Overview and Scrutiny Committee). In addition an elected member cannot be paid a senior salary and a civic salary and Members in receipt of a Band 1 or 2 senior salary cannot receive a salary from any National Park Authority or Fire and Rescue Authority to which they have been appointed nor any Community or Town Council of which they are a member.

Support For Members

- 4.9 **Determination 6** - The Panel has reaffirmed in its draft report that each authority, through its Democratic Services Committee must ensure that all its members are given as much support as it necessary to enable them to fulfil their duties effectively. All elected members should be provided with adequate telephone, email and internet facilities giving electronic access to appropriate information.
- 4.10 **Determination 7** - The Panel has determined that such support should be without cost to the individual member. Deductions must not be made from member's salaries by the respective authority as a contribution towards the cost of support which the authority has decided necessary for the effectiveness and/or efficiency of members.
- 4.11 The Panel state that Democratic Services Committee would be expected to review the level of support and bring forward proposals as to what it considers as reasonable, taking into account the Panels determinations (see 6 & 7 above). The Council has also committed resources to ensure that Members have options regarding IT support at home. 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.
- 4.12 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 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 personal development reviews has also been introduced.

- 4.13 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.

Specific or Additional Senior Salaries

- 4.14 **Determination 8** - The Panel has determined to include a provision for specific or additional senior salaries that do not fall within the current remuneration framework. In this regard some local authorities have raised the possibility of operating some senior salaries on a 'job share' arrangement, the Panel have been supportive of this principle. There are specific arrangements in respect of any job share arrangements, whereby the statutory maximum for cabinet cannot be exceeded and both job sharers would count towards the maximum.
- 4.15 The Panel has set out its principles whereby the number of senior salaries cannot exceed 50% of the membership, and applications must be approved by the authority as a whole and clear evidence must be provided that the additional posts have additional responsibility and also include a timescale for a formal review of the role, by the authority as a whole.

Joint Overview and Scrutiny Committees (JOSC)

- 4.16 The Panel has set out its determinations in respect of payments to Chairs and Vice Chairs of Joint Overview and Scrutiny Committees, Sub Committees and Task and Finish Groups, although it has been recognised that to date no council has made use of these arrangements. These are set out in the report on page 21 and range from Determination 9 to 16.

Pension Provision for Elected Members of Principal Councils

- 4.17 **Determination 17** – The entitlement to join the Local Government Pension Scheme (LGPS) shall apply to all eligible elected members of principal councils.

Entitlement to Family Absence

- 4.18 The regulations relating to family absence for elected members of principal councils were approved in 2013 and include maternity, new born, adoption and parental absences from official business. The draft determinations for 2018/19 are set out below:
- 4.19 **Determination 18** - An elected member is entitled to retain a basic salary when taking family absence under the regulations irrespective of the attendance record immediately preceding the commencement of the family absence.
- 4.20 **Determination 19** - When a senior salary holder is eligible for family absence, he/she will continue to receive the salary for the duration of the absence.

Substitution

- 4.21 **Determination 20** - It is a matter for the authority to decide whether or not to make a substitute appointment. The elected member substituting for a senior salary holder taking family absence will be eligible to be paid a senior salary, if the authority so decides.
- 4.22 **Determination 21** - If the paid substitution results in the authority exceeding the maximum number of senior salaries (18 senior salaries), an addition to the maximum will be allowed for the duration of the substitution.

- 4.23 **Determination 22** - When a Council agrees a paid substitution for family absence, the Panel must be informed, within 14 days of the date of the decision, of the details including the particular post and the duration of the substitution.
- 4.24 **Determination 23** - The Council's schedule of remuneration must be amended to reflect the implication of the family absence.

Payments to Co-opted Members

- 4.25 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. 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:

Determination 38

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)

- 4.26 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 on two occasions in 2016/17.
- 4.27 **Determinations 39 & 40** – Reasonable time for pre-meeting preparation is eligible to be included in claims made by co-opted members the extent of which can be determined by the appropriate officer in advance of the meeting. Travelling time to and from the place of the meeting can be included in the claims for payments made by co-opted members up to the maximum of the daily rate).
- 4.28 **Determination 41** – The appropriate officer within the authority can determine in advance whether a meeting is programmed for a full day and the fee will be paid on the basis of this determination even if the meeting finishes before four hours has elapsed.
- 4.29 It has previously been agreed at Caerphilly that the appropriate officer would be as follows:
- 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.
 - The Head of Democratic Services to act as the 'appropriate officer' for members serving on the Education for Life Scrutiny Committee.
- 4.30 **Determination 42** – Meetings eligible for the payment of fees includes other committees and working groups (including task and finish groups), pre-meetings with offices, training and attendance at conferences or any other formal meeting to which co-opted members are requested to attend,

Reimbursement of Care Costs

- 4.31 The Panel is keen to encourage the promotion of the reimbursement of the costs of care. 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.
- 4.32 **Determination 43** - For 2018/19 the Panels draft determination states that all authorities must provide for the reimbursement of the necessary costs of dependent children and adults (provided by informal and formal carers) and for personal assistance needs up to a maximum of £403 per month.
- 4.33 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. Reimbursement must be for the additional costs incurred by members in order for them to carry out their approved duties. Care expenses are only payable for actual and receipted costs. The monthly maximum is considered a reimbursement of care expenses and cannot be annualised.
- 4.34 The Panel is keen to encourage the promotion of the reimbursement of the costs of care. 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.

Sickness Absence for Senior Salary Holders

- 4.35 The Panel have reiterated previous concerns about long term sickness of senior salary holders and the perceived unfairness when compared with the arrangements for family absence. Previously councils were 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. Therefore the Panel provided a framework with specific arrangements for long term sickness.
- 4.36 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 Expenses and Subsistence

- 4.37 The Panel is not making changes to their determinations in respect of claims for travel and subsistence rates, which will remain the same as 2017/18 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.
- 4.38 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 particularly for longer distances can be organised by Democratic Services staff.

FOREGOING PAYMENTS

- 4.39 The Panel's determinations and recommendations contained in this report will take effect on April 2018. 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 draft 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 draft determinations

7. FINANCIAL IMPLICATIONS

- 7.1 There will be the following financial implications for the local authority if the draft proposals are included in the final report.
- 7.2 The increase to the basic salary will be £200 per member which is equivalent to 1.49%, which will give a basic salary of £13,600. This is an overall increased cost of £11,000 for the 55 members in receipt of the basic salary.
- 7.3 The council has for the past two years agreed to select the lower senior salary level to determine for deputy leaders, and for cabinet members, and committee chairs. The panel has proposed to remove this option for 2018/19 and has set the senior salaries at the previous higher level. Therefore this will result in the following increases for senior salaries, which also includes the £200 basic salary uplift:

Role	2017/18 Salaries	Proposed Senior Salary for 2018/19	Increased cost
Leader	£48,100	£48,300	£200
Deputy Leaders x 2	£29,900 x 2 = £59,800	£31,550 x 2 = £63,100	£3,300
Cabinet Members x 6	£26,200 x 6 = £157,200	£29,300 x 6 = £175,800	£18,600
Committee Chairs x 7	£20,100 x 7 = £140,700	£22,300 x 7 = £156,100	£15,400
Leader of Opposition	£22,100	£22,300	£200
Total = 17			£37,700

- 7.4 The level for Mayor and Deputy Mayor Salaries are also subject to council approval and in previous years these have been set at level 2 as detailed in the table below (in bold). There is no increase proposed for 2018/19 aside from the £200 basic salary uplift. Therefore the financial implications will depend on which salary level is agreed by full council.

Salary Levels	Mayor		Cost difference	Deputy Mayor		Cost difference
	2017/18	2018/19		2017/18	2018/19	
Level 1	£24,100	£24,300	£2700	£18,100	£18,300	£2200
Level 2	£21,600	£21,800	£200	£16,100	£16,300	£200
Level 3	£19,100	£19,300	(£2300)	£14,100	£14,300	(£1800)

8. PERSONNEL IMPLICATIONS

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

9. CONSULTATIONS

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

10. RECOMMENDATIONS

- 10.1 Democratic Services Committee Members are asked to comment on the Panel's draft determinations for 2018/19.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 The comments will be used to make representations to the Panel's before 29 November 2017. Individual Members or political groups may also make representations to the Panel.

12. STATUTORY POWER

- 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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 Chris Burns, Interim Chief Executive
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 Gail Williams, Interim Head of Legal Services and Monitoring Officer

Background Papers:

Report to Council 18 May 2017 Independent Remuneration Panel for Wales Annual Report 2017/2018

Report to Democratic Services Committee 31 May 2017 Annual Report for Democratic Services

Report to Democratic Services Committee 28 September 2017 Members Training and Development Programme

Appendices:

Appendix 1 Draft Annual Report of the Independent Remuneration Panel for Wales 2018/19