

# Report

## Democratic Services Committee

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### Part 1

Date: 9 November 2017

**Subject** Independent Remuneration Panel Draft Report

**Purpose** To present the draft IRPW Annual Report, and discuss the response from Newport City Council as part of the consultation process.

**Author** Democratic Services and Communications Manager

**Ward** No Wards / All members affected

**Summary** The Independent Remuneration Panel for Wales (IRPW) is the body tasked with setting the remuneration levels for Councils in Wales. Each year, they publish a Draft Annual Report which is circulated for comment

In accordance with the requirements of Section 147 of the Local Government (Wales) Measure 2011 (“the Measure”), the Panel’s draft Annual Report, including proposals which would have effect for the municipal year 2018-2019 has now been published on its website.

Consultation ends on 29 November 2017. The final IRPW report will be published in February 2018.

A summary of the proposed changes, and some suggested responses, are set out below.

The full IRPW report can be found at:

<http://gov.wales/docs/dsjlq/publications/171004-irp-draft-report-en.pdf>

**Proposal** To consider the draft IRPW Annual Report, and agree the response from Newport City Council as part of the consultation process.

**Action by** Democratic Services and Communications Manager

**Timetable** In line with the consultation deadline

This report was prepared after consultation with:

- Chief Executive
- Monitoring Officer
- Head of Finance
- Head of People & Business Change

## Background

The Independent Remuneration Panel for Wales (IRPW) is the body tasked with setting the remuneration levels for Councils in Wales. Each year, they publish a Draft Annual Report which is circulated for comment

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## Summary of Proposed Changes

In summary the Remuneration panel proposes the following changes:

- **Basic Salaries** – an increase of 1.49%, to a basic annual salary of £13,600.
- **Senior Salaries** – No increase is proposed for senior salaries (but all post holders will receive the basic salary increase). The provision for two levels of senior salary has been removed.
- **Reimbursement of Costs of Care** – The IRP continues to urge Councils to promote the use of this provision. Last year the Council agreed to change the name of this provision from “Care Allowances”, and this Committee supported the idea that any claims made should be anonymised in reporting. This needs to be clarified when the final report is presented to Council next year.

The report deals a set of potential determinations as follows. The column headed “Comments for discussion” is included to aid the Committees consideration of the proposals only.

Number	Proposed determination	Comments for discussion
Determination 1	Basic Salary in 2018/19 for elected members of principal councils shall be £13,600	This is a rise of £200. The Committee has normally not commented on amounts allocated with the view this is a matter for the Panel. However Committee members may wish to comment on the principle of the proposed increase or members could determine to make no comment.
Determination 2	The Panel has determined that senior salary levels in 2018/19 for members of principal councils shall be as set out in the table immediately below	<p>The Authority had previously shared concerns on the two tier payment system for senior salaries. This has now been removed.</p> <p>In general, as Senior Salaries include the Basic Salary element, they have all raised by £200 in line with determination 1. There has been no further change to Senior Salaries.</p> <p>Suggest no further comment needed</p>

In general terms the changes are as follows

	<b>2017-2018</b>	<b>2018-19</b>	<b>Comments</b>
Basic Salary	£13,400	£13,600	Increase by £200 per annum or 1.49%
No of eligible Senior salaries for Newport	18	18	No change
Leader ( In Newport)	£48,100	£48,300	No change other than the increase in basic salary
Deputy Leader ( In Newport)	£33,600	£33,800	No change other than the increase in basic salary
Cabinet members in Newport	£29,100 or £26,200 to be determined by Council	£29,300	Two tier payment system removed.  No change for NCC other than the increase in basic salary.
Committee Chairs	Level 1 Chairs £22,100 or Level 2 Chairs: £20,100 To be determined by Council	£22,300	Two tier payment system removed.  No change for NCC other than the increase in basic salary.
Leader of the Opposition	£22,100	£22,300	No change other than the increase in basic salary
Leader of other political groups	£17,100	£17,300	No change other than the increase in basic salary

Determination 3	The Panel has determined that (where paid) civic salaries at the levels as set out in Table 3 and will be applied by principal councils as each considers appropriate, taking account of the anticipated workloads and responsibilities.	<p>The Council maintains discretion on whether and what amount to pay the Mayor and Deputy. The Committee has previously recommended and Council has in the past determined to pay the Mayor and Deputy at level 2 of the IRP's table of responsibility levels. The Committee may wish to recommend to Council that the position remains unchanged.</p> <p>As Civic Salaries include the Basic Salary element, they have all been raised by £200 in line with determination 1.</p> <p>There has been no further change to Civic Salaries. The Committee may wish to make no comment to the Panel but a recommendation to the Council.</p>
Determination 4	The Panel has determined that, where appointed and if remunerated, a presiding member must be paid a Band 3 senior salary. This post will count towards the cap.	This does not apply in Newport – No comment is suggested.

Determination 5	The Panel has determined that the post of deputy presiding member will not be remunerated.	This does not apply in Newport – No comment is suggested
Determination 6	The Panel has determined that each authority, through its Democratic Services Committee, must ensure that all its members are given as much support as is 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.	This operates within Newport and members of the Committee are provided with an annual report by the Head of Democratic Services.  This effectively represents no change and members may wish to agree with this determination
Determination 7	The Panel has determined that such support should be without cost to the individual member. Deductions must not be made from members' 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.	This operates within Newport  This effectively represents no change and members may wish to agree with this determination
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.	The basic idea seems worthy of support.
Determinations 9, 10, 11, 12, 13, 14 , 15 and 16	These proposed determinations relate to payments to Chairs and Deputy Chairs of Joint Overview and Scrutiny Committees; Sub Committees and Task and Finish Groups of Joint Committees. No changes are proposed from existing arrangements	This represents no change – members may wish to agree these determinations
Determination 17	The entitlement to join the Local Government Pension Scheme (LGPS) shall apply to all eligible elected members of principal councils.	This represents no change – members may wish to agree this determination
Determinations 18, 19, 20, 21 22 and 23	These proposed determinations relate to arrangements for payments relating to family absence	The Committee debated and made its view known on the whole issue of family absence previously. The view was that the existing 6-month rule is adequate. That said, the proposals in the draft report represent no change from the current position and members may wish to make no further comment other than to note.
Determinations 24 to 37	Determinations 24 to 30 relate to the National Parks Authorities and Determinations 31 to 37 relate to the Fire and Rescue Service	No comments are offered on these proposals as they do not relate to the Council

<p>Determination 38</p>	<p>Principal Councils, NPAs and FRAs must pay the following fees to Co-opted Members (who have voting rights)</p> <ul style="list-style-type: none"> <li>• Chairs of Standards and Audit Committees £256 (4 hours and over) : £128 (up to 4 hours)</li> <li>• Ordinary members of Standards Committee who also Chair Standards Committees for Community/Town Councils £226 daily fee (4 hours and over) : £113 (up to 4 hours)</li> <li>• 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)</li> </ul>	<p>No change is proposed. Members may wish to agree these proposals</p>
<p>Determination 39</p>	<p>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.</p>	<p>Effectively this means no change to existing arrangements is proposed. Members may wish to agree these proposals</p>
<p>Determination 40</p>	<p>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).</p>	<p>Effectively this means no change to existing arrangements is proposed. Members may wish to agree these proposals</p>
<p>Determination 41</p>	<p>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.</p>	<p>The Council has determined the Monitoring Officer as the appropriate officer. Effectively this means no change to existing arrangements is proposed. Members may wish to agree these proposals</p>
<p>Determination 42</p>	<p>Meetings eligible for the payment of fees include other committees and working groups (including task and finish groups), pre-meetings with officers, training and attendance at conferences or any other formal meeting to which co-opted members are requested to attend.</p>	<p>No Change is proposed. Members may wish to agree these proposals</p>
<p>Determination 43</p>	<p>All authorities must provide for the reimbursement of necessary costs for the care of dependent children and adults (provided by informal or formal carers) and for personal assistance needs up to a maximum of £403 per month. Reimbursement must be for the additional costs incurred by members in order for them to carry out their approved duties. Reimbursement shall only be made</p>	<p>No change is proposed. Members may wish to agree these proposals.</p>

	on production of receipts from the carer.	
Determinations 44 - 51	Determinations 44 - 51 relate to Community / Town Councils.	No comments offered

## Financial Summary

There is no financial cost to making a response. The IRPW determination to increase Basic Salary by £200 per Councillor will add £10,000 per annum. This will need to be accommodated within existing budget resources.

## Risks

Should the Council not provide a response to the draft report, clearly the ability to comment and influence the final decisions will be lost. The opportunity to ask for clarity or guidance will also be lost.

## Links to Council Policies and Priorities

There is no direct link to Newport's individual policies or plans as this is a national issue about payments to Councillors.

## Options Available

1. To respond based on the suggested response set out in the report
2. To amend the suggested response after consideration of the report
3. Not to respond after consideration of the report.

## Preferred Option and Why

1. Members would wish to consider the proposals set out in this report and may wish to amend the proposed response.
2. Members may conclude not to respond

The preferred option is option 1 as should we make no response the ability to comment and influence the final decisions will be lost. The opportunity to ask for clarity or guidance will also be lost.

## Comments of Chief Financial Officer

There is no financial cost to making a response but the proposals in the report would clearly impact on the budget for salaries paid to the elected members, depending on decisions taken by the Council

## Comments of Monitoring Officer

There are no specific legal issues arising from the Report. The IRP has statutory power under Section 147 of the Local Government (Wales) Measure 2011 to set Members Allowances. They have invited comments on their draft proposals for 18/19. Democratic Services Committee (DSC) have previously expressed the opinion that it would not be appropriate to comment on the amounts of basic and senior salaries being proposed by the IRP and have taken the view that all salaries should be prescribed by the IRP and not left to the discretion of individual councils. The latest proposals would remove certain discretionary elements but there is still some element of local discretion.

Comments are invited on the recommendation to increase the basic salary by £200 to reflect the fact that salary levels have not previously kept pace with average earnings. However, the IRP recognises that the allowances have to be "affordable" in accordance with the Measure.

In the light of previous comments and the fact that no Welsh councils have elected to pay differential salary levels to Cabinet Members, the IRP is proposing to abolish the previous two-tier level of payment, according to responsibility. Therefore, all Cabinet Members would, in future, have to be paid at the same level and there is no local discretion. Also, the previous two-tier system of salaries for Chairs of Committee is also being discontinued.

Therefore, the only remaining discretionary elements are in relation to the civic salaries payable to the Mayor and Deputy Mayor. The Council has discretion as to which of three levels they should be paid, or whether to pay any civic salaries at all. In the past, the Council has fixed the civic salary levels for the Mayor and Deputy Mayor at IRP Level 2 and DSC may wish to consider making a recommendation to full council that this should continue.

Last year, the IRP determined that the costs of care should be paid as a separate reimbursement rather than as part of a member's salary, to encourage more eligible members to apply for reimbursement. They also relaxed the rules on publication to enable councils to anonymise these payments and not identify the individual members concerned. DSC may wish to recommend to full Council that only the total amount of care costs reimbursed by the authority during the year should be published and not the names of the individual members claiming reimbursement.

### **Staffing Implications: Comments of Head of People and Business Change**

The response appears reasonable as the Committee has consistently resisted comments on their own pay levels. The report has no specific issues in relation to HR issues or to equalities issues as the appointment to posts attracting senior salaries is a political decision by the Council. There are no specific issues in the response in relation to the Wellbeing of Future Generations Act , although those appointed to Cabinet posts in particular will need to consider the principles of the Act as part of the decision making process.

### **Background Papers**

Draft Independent Remuneration Report

Dated: 2 November 2017