

# Report

## Council

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### Part 1

Date: 28<sup>th</sup> April 2015

Item No: 7

### **Subject**    **Member's Remuneration 2015-16**

**Purpose**    This report highlights the main remuneration details for Member's for 2015/16 and asks the Council to make a decision on the remuneration of the City's Mayor and Deputy Mayor for 2015/16.

**Author**    Head of Finance

**Ward**        All Wards

**Summary**    This report sets out the Council's main remuneration details for its Member's in 2015/16, as directed to it by the 'Independent Remuneration Panel for Wales'. The Council is not required to approve a "Scheme of Allowances" nor can it vary the level of the allowances payable to Members, with the exception of the remuneration of the city's Mayor and Deputy Mayor. Section 153 of the Local Government Measure requires relevant authorities to comply with the requirements imposed on it by the Independent Remuneration Panel for Wales.

There has been no changes recommended for 2015/16 from current level of remuneration and the Council agreed the banding of the remuneration for the city's Mayor and Deputy Mayor for the 2014/15 financial year, the first year that a local decision was required for this. No change to the current banding is being recommended.

**Proposal**    (1) To note the key details of the 2015/16 Member's remuneration, which are those directed to it by the Independent Remuneration Panel for Wales' in Appendix A

(2) To maintain the current banding on the remuneration of the City's Mayor for 2015/16.

(3) To note the publicity and information Schedules requirement

**Action by**    Chief Democratic Services Officer - advertise the Schedule of allowances payable in 2015/16 and the allowances and other expenses paid in 2014/15 in accordance with Remuneration Panel for Wales requirement and report the same to them, as required

**Timetable**    Schedule of allowances payable in 2015/16 is required to be reported to the Panel and made public by 31<sup>st</sup> July and allowances/expenses paid in 2014/15 by September 30<sup>th</sup> 2015

This report was prepared after consultation with:

- Chief Democratic Services Officer
- Head of Law and Standards
- Chief Executive

## **Background**

1. The 'Remuneration Panel' of the Welsh Government sets prescribed rates payable for Basic and Senior Salaries and also the rates and conditions for expenses paid by public authorities. This being the case, the Council no longer approves a scheme of allowances and does not have the discretion to amend these values, with the exception, of the payment bandings used to pay the Mayor and deputy mayor. For these roles, the Panel have provided 3 bandings of remuneration which individual Councils must choose from and the Council decided on the banding for the 2014/15 financial year, the first year the current framework came into being.
2. Details of the Council's positions, payments and conditions are required to be maintained and published. The following are the key requirements to meet its obligations:
  - The Council must maintain an annual Schedule of Member Remuneration and make arrangements for the Schedule's publication within the authority area and send the Schedule to the Panel as soon as practicable and not later than 31 July in the year to which it applies. Any amendments to the Schedule made during the year must be conveyed to the Panel as soon as possible after the amendment is made
  - The Council must make arrangements for publication within the authority area of the total sum paid by it to each member and co-opted member in respect of salary (basic, senior and civic), allowances, fees and reimbursements as soon as practicable and no later than 30 September following the close of the year to which it relates. It must be submitted to the Panel no later than this date.

## **Basic Salary**

3. Each Member of the Council is entitled to a basic salary for the year in accordance with the prescribed amounts. They have not been changed from the rates paid in 2014/15.

## **Senior Salaries**

4. Each authority falls into one of three bands (A, B or C) depending on size, and this band determines the value of 'Senior Salaries' payable. Newport falls into the middle band 'B' again for 2015/16. Each Council has a limit imposed on the number of senior salaries which can be paid. In Newport, this is 18 positions, which is unchanged from the current limit. The Panel prescribes the allowances payable for each position. The positions identified as payable are included in Appendix A, along with the prescribed amounts, which have not changed from the rates paid in 2014/15.

## **Co-opted Member Payments**

5. Payments are also prescribed for co-opted Members of the various committees. The proposals continue as current with base payments on a per day/half day arrangement. The relevant positions and payments, which have not changed from current rates, are included in Appendix A.

## **Civic Salaries**

6. Civic salaries are payable to the Mayor and Deputy Mayor as prescribed by the Panel. Recognising the significant differences in these roles from one Council to another, the Panel introduced a 3 tier banding system from 2014/15 and Councils were free to choose which one to

apply locally. The 3 bands are shown in Appendix A. Given the above, this was reviewed by the Council's Democratic Services Committee in 2014/5 and their recommendation at that time, which was agreed by and subsequently approved by Council, was to pay both roles at Band 'B'. A decision for 2015/16 by Council is now required and no change is being recommended, that is, to pay the City's Mayor and Deputy Mayor allowances (inclusive of their basic members allowance) of £21,500 and £16,000 respectively.

### Other allowances

7. The remaining allowances for care and travelling & subsistence also remain unchanged. Appendix B shows the Council's terms and conditions applicable to allowances in payment in Newport City Council.

### Allowances from Bodies to which Members are appointed

8. The Remuneration Panel recommendations retain the existing caveat which prevents Local authority Members in receipt of a Senior Salary in Band 1 and 2 (Leader, Deputy and Cabinet members) from receiving allowances from Fire and Rescue Authorities. This scheme of allowances therefore continues to place a restriction on those Members appointed to such bodies from claiming allowances with the exception of appropriate reimbursement of travel and subsistence.

### Financial Summary

9. The Council's budget includes provision to meet the annual costs of all these salaries and allowances and was reduced for 2015/16 due to a planned reduction of 1 senior salary role.

### Members' Acceptance of prescribed allowances

10. The prescription introduced by the Remuneration Panel means that the Council has to pay the rates included within it. No Member can be forced to accept the payment. Under Section 154 of the Measure, any member or co-opted member may, by notice in writing to the Head of Law & Standards, elect to forgo any part of their entitlement to a salary, allowance or fee under the determination of the Panel for that particular year.

### Financial Summary

11. The Council's budget includes amounts for the payments of Members allowances and expenses and this is reported on annually, in line with requirements of the Independent Remuneration Panel for Wales

### Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to abide by the Panel's recommendations	H	L	This report sets out the Panel's recommendation and the Council's approach to their adoption	

\* Taking account of proposed mitigation measures

## **Links to Council Policies and Priorities**

The role of all council members is to support the democratic arrangements involved in running an effective and efficient Council

### **Options Available**

The Council cannot amend the prescriptive elements of the Panel recommendations.

### **Preferred Option and Why**

To adopt the remuneration Panel requirements in accordance with the legislative framework

## **Comments of Chief Financial Officer**

The financial implications of these payments are included annually in the Council's budget.

## **Comments of Monitoring Officer**

In accordance with Section 153 of the Local Government (Wales) Measure 2011, the Council is required to comply with the levels of Members allowances and remuneration prescribed the Independent Remuneration Panel for Wales and the conditions applicable to their payment. The Council has no discretion to fix its own members Scheme of Allowances. Therefore, for the most part, the Report is for information purposes only and the salary and expenses are fixed by the IRP, subject to the discretion for individual members to forego all or part of their salaries by giving notice to the Proper Officer. However, the IRP gives councils a discretion regarding the level of Civic Salaries payable to the Mayor and Deputy Mayor as the Chair and Vice Chair of the Council, to reflect the different responsibilities attached to these roles in different authorities. The Civic Salaries are based on three bands and the Council has a discretion as to which of the salary bands should apply.

Members have a "personal" interest in relation to this Report regarding the general Allowances Scheme but this is not deemed to be a "prejudicial" interest because of the saving provisions in paragraph 12 of the Members Code of Conduct. However, because there is a general discretion regarding payment of the Civic Salaries, then the Mayor elect and the intended Deputy Mayor should declare an interest and take no part in this aspect of the decision.

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

No direct impact

## **Comments of Cabinet Member**

This report deals with a matter requiring a full Council decision.

## **Local issues**

No local issues

## **Scrutiny Committees**

N/A

## **Equalities Impact Assessment**

N/A

## **Children and Families (Wales) Measure**

N/A

## **Consultation**

N/A

## **Background Papers**

Annual report of the 'Independent Remuneration Panel 2015/16'

Dated:

## APPENDIX 'A' – PRESCRIBED REMUNERATION RATES

<b>Basic salary (payable to all elected members) £13,300</b>			
	<b>Group A</b> (Cardiff, Rhondda Cynon Taf, Swansea)	<b>Group B</b> (Bridgend, Caerphilly, Carmarthenshire, Conwy, Flintshire, Gwynedd, <b>Newport</b> , Neath Port Talbot, Pembrokeshire, Powys, Vale of Glamorgan, Wrexham)	<b>Group C</b> (Blaenau Gwent, Ceredigion, Denbighshire, Merthyr Tydfil, Monmouthshire, Torfaen, Isle of Anglesey)
<b>Senior salaries (inclusive of basic salary)</b>			
<b>Band 1</b>			
Leader	£53,000	£48,000	£43,000
Deputy leader	£37,000	£33,500	£30,000
<b>Band 2</b>			
Other executive	£32,000	£29,000	£26,000
<b>Band 3</b>			
Committee chairs		£22,000	
<b>Band 4</b>			
Leader of largest opposition group		£22,000	
<b>Band 5</b>			
Leader of other political groups (must make up at least 10% of Council)		£17,000	

<b>Remuneration of civic leaders (Mayor) and deputy civic leaders (Deputy Mayor) (inclusive of basic salaries)</b>		
	Civic leaders	Deputy Civic Leader
A	£24,000	£18,000
B	£21,500	£16,000
C	£19,000	£14,000

<b>Fees for co-opted members (with voting rights) of local authorities</b>	
Chairs of standards committees 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)

## **APPENDIX B - Terms and conditions applicable to allowances in payment in Newport City Council**

### **1. Introduction**

1.1. The Local Government (Wales) Measure 2011 sets out the arrangements for Members' Allowances and as such, the Council is required to adopt the requirements of the Independent Remuneration Panel for Wales. This document constitutes the requirements of the Panel and the method by which this Council will comply with those requirements

1.2. Full details of the Panel's requirements in respect of Members' salaries and Allowances can be found in their annual report published at [www.remunerationpanelwales.org.uk](http://www.remunerationpanelwales.org.uk). The Council will administer the payment of Members' salaries and allowances according to the Panel's requirements

1.3 Specific guidance on processes adopted by the council is included below.

### **2. General Rules**

2.1. Members are reminded of the need to ensure value for money at all times when incurring expenses on Council business.

2.2. Each individual Member is responsible for the correctness and validity of any claim they make. It is up to individual Members to justify and/or substantiate each claim they submit for reimbursement. Any abuse or failure to observe the rules of this Scheme will constitute a breach of the provisions in the Members Code of Conduct concerning integrity and the stewardship of public funds and will be dealt with in accordance with the provisions of Part III of the Local Government Act 2002.

2.3. Payment of any annual Allowance will be calculated by reference to the number of days in office this being determined by the date of election or a decision of Council formalising appointments. If a Member is suspended from office, then all entitlement to allowances and expenses will cease for the period of suspension.

2.4. Members may elect to forego all or any part of their entitlement to an allowance under this Scheme by giving written notice to the Head of Law & Standards.

2.5. The Measure requires that the Council publish its arrangements for Members' allowances. Information relating to payments and processes for Members' salaries and allowances will be made available via the Authority's website.

2.6. Records are maintained of payments made. Each year the Council must publish the amounts paid to Members to fulfil the requirements of the Measure. This requirement will be fulfilled by publication on the Authority's website and in the Council's newspaper or such other publication circulating widely in the Authority's area.

2.7. Rates and allowances are set annually by the Independent Remuneration Panel.

2.8. Travel expenses can only be claimed for approved duties.

2.9. Subsistence allowances can only be claimed for approved duties taking place outside



the City boundaries.

2.10. No claim for expenses of any kind will be paid without original supporting receipts.

2.11. If by virtue of suspension, cessation of duties or any other reason, any Member receives a salary or allowance to which they are not entitled, they will on demand, pay back to the authority such sums that are repayable.

### **3. Co-opted Member Allowances**

3.1. Co-opted Members entitled to claim allowances by virtue of their appointed position, can do so using claim forms available from the Head of People and Transformation. The maximum payable is the equivalent of 12 full days' allowances claimable as full days, half days or any combination of the two.

### **4. Travel Allowances**

4.1. Members can claim travel expenses whilst travelling to or from official business where they necessarily incur expenditure up to the maximum published rates.

4.2. A Member's home is considered the base for any expense claims. Where a Member claims a mileage allowance, it should be the lesser of

- The actual mileage travelled or
- The distance from home to the official business.

4.3. Wherever possible, Members should arrange for the Council to pay all expenses direct to the provider rather than paying and then reclaiming expenses.

4.4. Costs incurred in travel by means other than a private motor vehicle will be reimbursed at actual cost upon production of appropriate original receipts proving actual expenses.

(NB: 'appropriate' receipts are not credit card vouchers, as they do not contain adequate information to support the detail of the expenditure incurred).

4.5. Where a Member is required to travel on official business, the following rules apply;

a Travel by Rail – Standard rate rail fare is normally payable for all journeys.

Where possible, tickets should be obtained in advance via Members Services;

b Travel by Private Car - the mileage rate for travel by a Member's car is payable

plus a supplement for each passenger up to a maximum of four. An original receipt for fuel must be submitted to support any mileage claim to enable the Council to seek reimbursement of the VAT paid;

c In the exceptional circumstance that a Member chooses to travel by taxi to undertake an approved journey then reimbursement will be 'standard rate rail fare in lieu';

d Travel by Air - the actual air fare is payable in appropriate circumstances. Where possible, flights should be booked via Members Services to avoid claims being necessary;

e Reimbursement of appropriate actual cost of tolls, ferries, taxis at destination and parking fees will be made on production of the relevant receipts;

f Where the same duty is being attended by more than one Member or with officers, transport should be shared wherever possible.

### **5. Subsistence Allowances**

5.1. Members will not be able to claim subsistence expenses in respect of official business within the City boundary.

5.2. Subsistence allowances are payable to all Members who necessarily incur expenditure in the performance of official business outside the City boundary.

5.3. Subsistence allowances are payable to reimburse expenditure incurred up to the maximum approved rates. Reimbursement will only take place upon production of appropriate receipts proving actual expenses incurred. Such receipts cannot include alcohol or tobacco. (NB: 'appropriate' receipts are not credit card vouchers, as they do not contain adequate information to support the detail of the expenditure incurred).

5.4. Where a meal is provided by the Authority or body to which the duty relates, the relevant subsistence allowance is not claimable.

5.5. Where seminar or conference fees paid directly by the Council are inclusive of accommodation but do not include meals then any subsistence incurred will be reimbursed upon production of valid receipts, up to the maximum approved rates. Where meals are included, no additional allowances will be paid.

5.6. Where official business involves an overnight stay and the hotel accommodation is paid directly by the Council, any additional subsistence incurred in respect of meals taken during the period of absence will be reimbursed upon production of valid receipts up to the maximum approved rates. Where meals are included, no additional allowances will be paid.

5.7. Where official business involves an overnight stay and the hotel accommodation is not paid for directly by the Council then accommodation and subsistence costs will be reimbursed on production of valid receipts, up to the maximum approved rates.

5.8. The production of appropriate receipts proving actual expenses incurred in support of subsistence claims is required. It is expected that the receipt will be provided in all circumstances. Claims not supported by a valid original receipt will not be paid. Claims in excess of the maximum allowed rates will be paid up to but not exceeding those rates.

## **6. Overseas Allowances**

6.1. Detailed guidance on the procedure and entitlement is set out in the Appendix.

## **7. Attendance at other bodies**

7.1. Members appointed to other bodies such as the Welsh Local Government Association must comply with any scheme operated by those bodies. If claims for expenses can be submitted to those bodies then this should be the course of action taken by Members.

7.2. Attendance at meetings of these bodies as a representative of the Council is official business.

7.3. Where claims cannot be submitted directly to such bodies, a claim should be submitted to the Council but clearly marked as recoverable from the body concerned.

7.4. No Member in receipt of a senior salary as Leader, Deputy Leader or Cabinet Member is entitled to receive a salary from a Fire and Rescue Authority in their capacity as an

appointed representative of the Council.

## **8. Pensions**

8.1. Subject to the relevant provisions of the Local Government Pension Scheme, Members are eligible to join the Local Government Pension scheme. Please contact the Head of People and Transformation for details of the scheme. Personal pension advice cannot be provided.

## **9. Payment of Allowances**

9.1. Members are required to complete a New Appointment Form confirming personal details and to provide any other documents required by the Council to properly process payments. These documents will include items required to confirm identity such as passports or birth certificates. Failure to promptly provide any information required may delay payment.

9.2. The payment of Basic and Senior Salaries (where applicable) will be incorporated into the monthly payroll system and paid by bank credit transfer.

9.3. Travelling and subsistence and care allowance claims submitted to the Head of People and Transformation by the 5th working day of the month will normally be included in the payroll run of the same month.

9.4. Details of journeys undertaken and expenses incurred must be recorded on the approved log sheet.

9.5. Claim forms should be completed in full (including your home address and payroll reference number – which can be found on your payslip) and submitted with any related log sheets and receipts attached in support of the claim. Claim forms must be submitted on a monthly basis. **Claims will not be paid if they are over three months overdue.**

9.6. In accordance with Financial Regulations, claims at the end of the financial year are to be submitted by the 5th working day of April.

9.7. Each and every claim shall include a statement that the Member has not made, and will not make, any other claim in respect of the matter to which the claim relates.

## ***Appendix***

### **Overseas Allowances**

#### **1 Claims Procedure**

1.1 Claims must be accompanied by a detailed itinerary of the trip giving the names of all people travelling, modes of transport between venues and specifying items of expenditure which have been paid in advance by the Council or provided by an outside body.

1.2 The Council minute or other document authorising the attendance should be quoted on the claim.

1.3 Each Councillor's expenses must be claimed on individual claim forms. The cost of group expenditure must not be pooled on one form unless this has been agreed in advance with the Head of Human Resources & Policy and is being claimed by an officer of the Council.

## **2 Travelling Allowance**

2.1 Reasonable travelling expenses whilst abroad may be claimed at actual cost but the normal rules will apply to any part of the trip within the UK.

## **3 Subsistence Allowance**

3.1 Reasonable subsistence allowance for accommodation and main meals (breakfast, lunch and dinner), if not included in the cost of the accommodation, may be claimed upon production of valid receipts.

(Note: receipts must be formal documents showing the name of the business, the date and the nature of the supply. Basic non-detailed till receipts will not be acceptable).

3.2 If subsistence is claimed for travelling time within the UK, full details of departure and arrival times must be given in the itinerary. Claims must be made in accordance with Section 9 and original receipts must be provided.

## **4 Other Expenses**

4.1 The actual cost of currency conversion, business telephone calls and any other valid business costs will also be paid on production of the valid receipts.