

Report

Democratic Services Committee

Item: 5

Date: 22nd October 2020

Subject **Independent Remuneration Panel Draft Report 21/22**

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

Author Head of Law & Regulation

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 2021-2022 has now been published on its website.

Consultation ends on 23rd November 2020. The final IRPW report will be published in February 2021.

The full IRPW Draft Annual Report is appended to this report, together with a summary of the proposed changes, and some suggested responses, below.

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

Action by Head of Law & Regulation

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** – a flat rate increase of £150 to a basic annual salary; an increase from £14,218 to £14,368 per annum
- **Senior Salaries** – a proposed increase of 1.06% in line with basic salaries;
- **Reimbursement of Costs of Care** – The IRP continues to urge Councils to promote the use of this provision. Section 10 of the report contains significant proposed changes in relation to the reimbursement of care costs.

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.

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.

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.

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.

The Panel has reviewed the maximum monthly payment in recognition that this has not changed for several years. 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 arrangements: 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.

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.

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 2021/22 for elected members of principal councils shall be £14,368	This is a rise of £150. 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 2021/22 for members of principal councils shall be as set out in the table immediately below	This is an inflationary increase of 1.06% in line with the increase in basic salaries Suggest no further comment needed

In general terms the changes are as follows

	2017-2018	2018-19	Comments
Basic Salary	£14,218	£14,368	Increase by £150 per annum or 1.06%
No of eligible Senior salaries for Newport	18	18	No change
Leader (In Newport)	£49,450	£49,974	Increase of 1.06%
Deputy Leader (In Newport)	£34,950	£35,320	Increase of 1.06%
Cabinet members in Newport	£30,450	£30,773	Increase of 1.06%
Committee Chairs	£22,918	£23,161	Increase of 1.06%
Leader of the Opposition	£22,918	£23,161	Increase of 1.06%
Leader of other political groups	£14,218	£14,368	No change other than the increase in basic salary

Determination 3	The Panel has determined that (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 Council maintains discretion on whether to pay a civic salary to the Mayor and Deputy. But, where they are paid, then the sums have been increased by 1.06% The Committee may wish to make no comment to the Panel but a recommendation to the Council that these civic allowances should continue to be paid.
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	<p>The Panel has determined that elected member must not be remunerated for more than one senior post within their authority.</p> <p>An elected member must not be paid a senior salary and a civic salary.</p> <p>All senior and civic salaries are paid inclusive of basic salary.</p> <p>If a council chooses to have more than one remunerated deputy leader, the difference between the senior salary for the deputy leader and other executive members should be divided by the number of deputy leaders and added to the senior salary for other executive members in order to calculate the senior salary payable to each deputy leader</p>	No change to existing arrangements.
Determination 7	Members in receipt of a Band 1 or Band 2 senior salary cannot receive a salary from any NPA or FRA to which they have been appointed. They remain eligible to claim travel	This does not apply in Newport.

	and subsistence expenses and contribution towards costs of care and personal assistance from the NPA or FRA	
Determination 8	Members in receipt of a Band 1 or Band 2 salary cannot receive any payment from a Community or Town Council of which they are a member. They remain eligible to claim travel and subsistence expenses and contribution towards costs of care and personal assistance from the Community or Town Council.	No comment. This does not apply in Newport
Determinations 9 & 10	<p>Each authority, through its Democratic Services Committee, must ensure that all its elected 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.</p> <p>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.</p>	This already applies. No change
Determination 11	Principal Councils can apply for specific or additional senior salaries that do not fall within the current Remuneration Framework	This represents no change. No additional allowances have ever been requested for Newport
Determination 12	The entitlement to join the Local Government Pension Scheme (LGPS) shall apply to all eligible elected members of principal councils.	This already applies. No comment
Determinations 13-18	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 19 to 32	Determinations 19 to 25 relate to the National Parks Authorities and Determinations 26 to 32 relate to the Fire and Rescue Service	No comments are offered on these proposals as they do not relate to the Council
Determination 33	Principal Councils, NPAs and FRAs must pay the following fees to Co-opted Members (who have voting rights) <ul style="list-style-type: none"> • Chairs of Standards and Audit Committees £268 (4 hours and over) : £134 (up to 4 hours) • Ordinary members of Standards Committee who also Chair Standards Committees for Community/Town Councils £238 daily fee (4 hours and over) : £119 (up to 4 hours) • Ordinary members of Standards Committees; Education Scrutiny Committee, Crime and Disorder Scrutiny Committee and Audit Committee £210 (4 hours and over) : £105 (up to 4 hours) 	An increase of 1.06% in line with other allowances. Otherwise, no change.
Determination 34	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.	Effectively this means no change to existing arrangements is proposed. Members may wish to agree these proposals
Determination 35	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).	Effectively this means no change to existing arrangements is proposed. Members may wish to agree these proposals
Determination 36	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.	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
Determination 37	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.	No Change is proposed. Members may wish to agree these proposals
Determination 38	Each authority, through its Democratic Services Committee or other appropriate committee, must ensure that all voting co-opted members are given as much support as is necessary to enable them to fulfil their duties	No change. This support is already provided.

	effectively. Such support should be without cost to the individual member	
Determination 39	<p>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:</p> <p>Formal (registered with Care Inspectorate Wales) care costs to be reimbursed in full.</p> <p>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.</p> <p>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</p>	<p>The IRP is proposing to rename “Reimbursement of costs of care’ as a Contribution, to reflect the fact that the sums are taxable.</p> <p>The IRP also proposes increasing the sums that can be claimed in line with CIW costs or the Real Living Wage.</p> <p>Section 10 of the draft report also sets out principles and actions for publicising the scheme and encouraging take-up</p> <p>The Committee may wish to welcome these proposals and promote the entitlement more widely. The Committee previously agreed to send an e-mail to all Councillors reminding them of the availability of these allowances.</p> <p>No claims have ever been submitted.</p>
Determinations 40 - 48	Determinations 40 - 48 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 £150 per Councillor and an increase of 1.06% to senior salaries. 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 Committee has already responded to the differing levels of payments and the potential inconsistencies. 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 Panel report

Dated: 15th October 2020