

# Report

## Democratic Services Committee

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### Part 1

Date: 24 November 2016

Item No: 5

### Subject **Independent Remuneration Panel Draft Report**

**Purpose** To consider making comments on the proposals within the IRP report

**Author** Chief Democratic Services Officer

**Ward** No Wards / All members affected

**Summary** Members of the Democratic Services Committee will be aware that 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 2017-2018 has now been published on its website.

Consultation ends on 28 November 2016. The final IRPW report will be published in February 2017.

The full IRPW Draft Annual Report may be viewed at  
<http://gov.wales/docs/ds/jlg/publications/161003-irp-draft-report-en.pdf>

In summary the Remuneration panel proposes the following changes:

- **Basic Salaries** – a ‘very modest increase of 0.75% to the basic salary’ for councillors. This is the first increase for 3 years and ‘follows the slight easing of restraint in the pay of public sector employees’. It represents a £100 increase in the Basic salary for councillors (to £13,400)
- **Senior Salaries** – No increase is proposed for senior salaries
- **Sickness Absence for Senior Salary Holders** – this is proposed in response to feedback from members and authorities. The approach will operate in a similar way to the current ‘family absence’ provisions. This proposal was broadly welcomed by WLGA members during the meeting. Our Committee’s view was that the current arrangements relating to dispensation for absence beyond 6 months worked adequately without such provision.
- **Care Allowances** – The IRP has been concerned for a number of years about the low take up of this allowance.

The IRP is proposing to rename 'Care Allowances' as 'Reimbursement of costs of care' to try to separate it from being perceived as part of an individual councillors' salary or allowances.

The IRP also proposes changing the way such payments are published by allowing councils to either:

- Publish 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.

The Panel is asking for the Committee's responses to the proposals. The final report will be presented in due course and will be presented to Council as a determinant of the allowances to be paid.

As to timing, given the elections next May, the IRP's determinations (once finalised) will come into force as follows:

- Basic salary holders - 5 May 2017, (subject to the member having signed the declaration of acceptance of office)
- Senior salary holders - following the first annual meeting of the new council. This means that the senior salary will be paid immediately that members are appointed to the position by Council and not backdated.

A table is set out below to assist discussions on a potential response

**Proposal** To consider a proposed response

**Action by** Head of Democratic Services

**Timetable** In line with the deadline

This report was prepared after consultation with:

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

## Background

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 2017/18 for elected members of principal councils shall be £13,400.	This is a rise of £100. 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 2017/18 for members of principal councils shall be as set out in the table immediately below	<p>The Authority remains concerned at the two levels of payments for Cabinet Members and Committee Chairs created in February 2016 as expressed in response to the consultation on the IRP report last year.</p> <p>In general, as Senior Salaries include the Basic Salary element, they have all raised by £100 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

	2016-2017	2017-2018	Comments
Basic Salary	£13,300	£13,400	Increase by £100 per annum or 0.75%
No of eligible Senior salaries for Newport	18		No change
Leader ( In Newport)	£48,000	£48,100	No change other than the increase in basic salary
Deputy Leader ( In Newport)	£33,300	£33,400	No change other than the increase in basic salary
Cabinet members in Newport	4 at £29,000 Remainder at £26,100	£29,100 or £26,200 to be determined by Council	No change other than the increase in basic salary  Currently all Cabinet members receive the full allowance of £29,000.
Committee Chairs	Level 1 Chairs £22,000 or  Level 2 Chairs: £20,000	Level 1 Chairs £22,100 or Level 2 Chairs: £20,100 To be determined by Council	No change other than the increase in basic salary  Currently all Chairs receive the Level 1 payment
Leader of the Opposition	£22,000	£22,100	No change other than the increase in basic salary

<p>Determination 3</p>	<p>The Panel has determined that (where paid) Civic Salaries at the following levels are payable (Table 3 of the IRPW Report) and will be applied by principal Councils as each considers appropriate, taking account of the anticipated workloads and responsibilities.</p>	<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 £100 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>
<p>Determination 4</p>	<p>The Panel has determined that, where appointed and if remunerated, a Presiding Member must be paid a Band 3 Level 1 Senior Salary. This post will count towards the cap.</p>	<p>This does not apply in Newport – No comment is suggested</p>
<p>Determination 5</p>	<p>The Panel has determined that the post of deputy presiding member will not be remunerated.</p>	<p>This does not apply in Newport – No comment is suggested</p>
<p>Determination 6</p>	<p>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 and email facilities and electronic access to appropriate information.</p>	<p>This operates within Newport and members of the Committee are provided with an annual report by the Head of Democratic Services.</p> <p>This effectively represents no change and members may wish to agree with this determination</p>
<p>Determination 7</p>	<p>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 toward the cost of support which the authority has decided necessary for the effectiveness and/or efficiency of members.</p>	<p>This operates within Newport</p> <p>This effectively represents no change and members may wish to agree with this determination</p>
<p>Determination 8</p>	<p>The Panel has determined to include a provision for specific or additional senior salaries that do not fall within the current Remuneration Framework.</p>	<p>Further clarification should be sought from the IRPW regarding this determination. On the face of it, it provides an opportunity for the Council to apply to provide a salary to be applied to a post it considers worthy of a senior salary.</p>

		However, it seems to imply that subject to IRPW approval, Authority's would be allowed to exceed their Senior Salary Cap of 18 but would not be able to exceed 50% of the membership. The basic idea seems worthy of support, subject to clarification
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 last year. 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
Determination 38	Principal Councils, NPAs and FRAs must pay the following fees to Co-opted Members (who have voting rights) <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>	No change is proposed. Members may wish to agree these proposals
Determination 39	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 40	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 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.	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 42	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 43	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 shall only be made on production of receipts from the carer.	<p>The IRP is proposing to rename 'Care Allowances' as 'Reimbursement of costs of care' to try to separate it from being perceived as part of an individual councillors' salary or allowances.</p> <p>The IRP also proposes changing the way such payments are published by allowing councils to either:</p> <ul style="list-style-type: none"> <li>• Publish the details of the amounts reimbursed to named members; or</li> <li>• The total amount reimbursed by the authority during the year but not attributed to any named member.</li> </ul> <p>The Committee may wish to welcome these proposals and perhaps support the view that the Council should publish the total amount reimbursed by the authority during the year but not attributed to any named member.</p>
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 £100 per Councillor will add £5,000 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 17/18, with the revised basic salaries taking effect on 5<sup>th</sup> May (subject to Members signing their declarations of acceptance of office) and the senior salaries being payable from the date of appointment at the AGM. 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. However, the existing scheme does give an element of local discretion and these draft proposals would extend that principle even further.

Comments are invited on the recommendation to increase the basic salary by £100 to reflect the fact that salary levels have not kept pace with average earnings. However, the IRP recognises that the allowances have to be "affordable" in accordance with the Measure.

Despite the concerns expressed by DSC and the fact that no Welsh Councils pay differential salary levels to Cabinet Members, the IRP proposes to continue with two-tier level of payment, according to responsibility. However, all Cabinet Members in Newport continue to be paid at level 1.

They also propose to continue with the two-tier system of salaries for Chairs of Committee. The Council would, again, have a discretion as to whether to pay these senior salaries to Committee Chairs and, if so, at what level.

The only two additional provisions relate to sickness absence and care costs. The proposal for senior salaries to be paid for up to 26 weeks in the event of extended sickness absence, and for an additional allowance to be paid to any substitute during this period, is equivalent to the existing family absence provision. In practice, the 6 months disqualification rule and internal cover arrangements may well render this unnecessary. Currently, care allowances are paid as part of the member's salary and the payment is identified in the annual statement of allowances. The IRP feel that this publicity may have

discouraged eligible councillors from claiming the payment and, therefore, are recommending that it should be paid as a separate reimbursement of care costs rather than as part of a member's salary. They are seeking comments on whether the rules on publication should be relaxed to anonymise these payments and not identify the individual members concerned. DSC may wish to endorse this approach if the intention is to encourage more members to claim their entitlement, without their personal circumstances being made public.

## **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.

## **Comments of Cabinet Member**

No cabinet member is responsible for payments to elected members

## **Local issues**

There are no local issues arising from the report as it affects all members of the Council.

## **Scrutiny Committees**

The consideration of the proposals in this report fall to the Democratic Services Committee

## **Equalities Impact Assessment**

No Equalities Impact Assessment was undertaken as the report is suggesting a response to proposed determinations that would affect elected members only

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

No part of this report impacts directly on Children and young people.

## **Consultation**

Please use this section to include any comments received from wider consultation – including consultation with all elected members- this section, together with any responses:

## **Background Papers**

Draft Independent Remuneration report

Dated: 16 November 2016