

Monday, 25 November 2019
All Scrutiny Committees
Independent Remuneration Panel for Wales (IRPW) Draft Annual Report 2020/21
To apprise Members of the IRPW Draft Annual Report for 2020/21
Head of Democratic Services
Head of Democratic Services
This is an internal matter and consultation is, therefore, not necessary. However, all Members of the Council have been circulated by email on 16th October, a link to the IRPW's Annual Report for 2020/21 including information on how to respond to the consultation by the deadline of 10th December, 2019.
As indicated within the report, the Council has resolved to abide by the determinations of the IRPW as set out in its Annual Report each year

Executive Summary:

- To apprise Members of the draft IRPW Annual Report for 2020/21.
- In accordance with the requirements of Section 147 of the Local Government (Wales) Measure 2011, the IRPW is required to publish an Annual Report by 28th February, 2020, which would have effect for the financial year 2020/21.
- Any representations on the draft IRPW Annual Report should be submitted to the IRPW Secretariat by no later than 10th December, 2019.
- In determining the level of payments to Members of local Councils, the Panel has sought to meet the principle of 'acceptability' by ensuring that these are not 'so great as to require a significant diversion of resources from key council priorities'. The Panel acknowledges that the issue of affordability in relation both to relevant Authorities' service budgets and to the electorate's disposable incomes is likely to impact on the public perception of any increases to Members' payments. It is therefore a matter of balancing issues of affordability and public perception with fairness to Members for their time, worth and responsibility.



• The full draft Annual Report can be found at <u>https://gov.wales/independent-remuneration-panel-wales-draft-annual-report-2020-2021</u>

Recommendation

 That the Committee consider the draft Report (in particular, any new determinations) and any comments from the Committee be forwarded to the IRPW by 10th December, 2019.

Reason for Recommendation

1. To provide the opportunity for the Committee, Political Groups and individual Members to consider the draft IRPW Annual Report and submit any comments on the same.

1. Background

- **1.1** Under section 147 of the Local Government (Wales) Measure 2011, the IRPW is required to publish an Annual Report by 28th February, 2020, which would have effect for the financial year 2020/21.
- **1.2** As in previous years the IRPW has recently issued its draft Annual Report for 2020/21. The draft Annual Report once formerly published will represent the 12th of such reports containing proposed changes to the IRPW Remuneration Framework.
- **1.3** The Council's Members' Allowances Scheme (as contained in the Council's Constitution) reflects the fact that the Council has resolved to abide by the determinations of the IRPW as set out in its Annual Report each year.

2. Key Issues for Consideration

- **2.1** The IRPW Draft Annual Report contains a number of determinations that don't affect the Council and therefore omitted from this report.
- **2.2** For ease of reference, an extract of the Determinations of the IRPW Draft Annual Report and the proposed response of the Committee on behalf of the Council is appended as Appendix A. The Appendix seeks to stimulate debate and ultimately a formal response to the IRPW consultation.
- **2.3** Since their last report the Panel has produced a short film entitled "Ever thought about being a Welsh councillor?" This is in anticipation of the Local Government elections to be held in 2022.
- 2.4 The Panel has previously indicated that payments to Councillors have not kept pace with the original comparator the Panel used to establish an appropriate level of remuneration due to pressure on public expenditure. In 2009 the Panel set the maximum basic salary at £13,868, representing three fifths of the then median gross earnings of all full-time employees' resident in Wales as reported in the Annual Survey of Hourly Earnings (ASHE) published by the Office of National Statistics. The Panel assessed it was appropriate to use a figure comparable with

constituents' pay, adjusted for the part-time nature of the work of a Member with no senior responsibilities. This identical figure of £13,868 was determined as the basic salary in the IRPW 2019 Annual Report, ten years on. The effect of this can be seen in the below tables.

2.5 Table 1, illustrated by Graph 1, demonstrates the rate of increase of these alternative measures on the basic salary from 2012 of £13,175.

Year	2013	2014	2015	2016	2017	2018	2019	2020
IRPW Basic	13175	13300	13300	13300	13400	13600	13868	14218
RPI	13175	13531	13747	13912	14259	14845	15245	15702
СРІ	13175	13518	13720	13734	13775	14175	14515	14805
Wales Median	13175	13702	13784	13922	14297	14441	14758	15053*
NJC SP 27**	13175	13267	13321	13587	13723	13860	14137	14505
Living Wage	13175	13425	13828	14257	15326	15970	16672	17489
AMs Salary	13175	13175	13175	13175	13306	15662	15991	16550
MPs Salary	13175	13307	13440	14824	15017	15227	15501	15920

2.6 Table 1 - Alternative measures and benchmarks for basic salary (2013 baseline)

* Estimated ** SP27 changes to SP20 from 2019

2.7 Table 2 expresses these increases as a percentage year on year. The various comparators analysed are Retail Prices Index, Consumer Prices Index, Wales Median Salary (ASHE), NJC (public sector employees), Living Wage, Assembly Members, and MPs. This is calculated on an assumption that the basic activity required of an elected Member (i.e. without the additional work required for a senior salary) is equivalent to three days' work a week. The Panel acknowledges that many Members routinely work more than these hours, as analysed in paragraphs 3.2 and 3.3 of their draft report.

Year	2013	2014	2015	2016	2017	2018	2019	2020	Total 7yrs compound
IRPW Basic		0.9	0	0	0.8	1.5	2.0	2.5	7.9%
RPI		2.7	1.6	1.2	2.5	4.1	2.7	3.0	19.2%
СРІ		2.6	1.5	0.1	0.3	2.9	2.4	2.0	12.4%
Wales Median		4.0	0.6	1.0	2.7	1.0	2.2	2.0*	14.3%
NJC SP 27**		0.7	0.4	2.0	1.0	1.0	2.0	2.6	10.0%

2.8 Table 2 – Percentage increases by alternative measures or benchmarks

Living Wage	1.9	3.0	3.1	7.5	4.2	4.4	4.9	32.7%
AMs Salary	0	0	0	1.0	17.7	2.1	3.5	25.6%
MPs Salary	1.0	1.0	10.3	1.3	1.4	1.8	2.7	20.8%

* Estimated ** SP27 changes to SP20 from 2019

- 2.9 When making financial determinations for this Annual Report, the Panel has considered the progression of the variety of benchmark figures outlined above for the period from 2012 to 2019. As shown in Table 1 above, the gap between the level of basic remuneration for Elected Members of Principal Councils and relevant indicators of rises in income and costs of living indicators has continued to grow.
- 2.10 In line with the Panel's most recent determinations (2017 onwards) it is still of the view that action is still required to limit the rate of erosion to basic salaries. The Panel acknowledges the continued constraints on public sector funding however, information set out in Tables 1 and 2 supports the Panel's consideration that a further increase in the basic salary is justified.
- 2.11 Consequently, the Panel is proposing modest increase in the basic salary of Elected Members of Principal Councils for 2020/21 of £350 a year which equates to 2.5%, a point midway between RPI and CPI.
- 2.12 The Panel is further proposing that there will be no additional increases in payments to members of the Executive, Chairmen of Committees and the Leader of the Opposition (Senior Salary holders) for 2020/21. This reflect the Panel's determination made in last year's last Annual Report where such Members received an uplift.
- **2.13** The Panel is also proposing in line with paragraph 2.14 above, that there is also no uplift in Civic Salaries for 2020/21.
- 3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?
- **3.1** The Well-being of Future Generations (Wales) Act sets out effective transparency as a key part of improving the delivery of public bodies.
- **3.2** The Act requires public bodies to communicate and explain the processes of selecting its well-being objectives and how these objectives have been chosen, how decisions are taken in line with these objectives and what difference these objectives have made.
- **3.3** The importance of presenting the report is to ensure that transparency has taken place and to inform the Council and the public of the above arrangements which are required to be undertaken to comply with the Local Government (Wales) Measure 2011 (as amended).

4. Resources and Legal Considerations

<u>Financial</u>

- **4.1** The IRPW has proposed an increase of £350 / 2.5% to the Basic Salary in order to avoid further erosion in relation to average earning.
- **4.2** In the event the proposed increases to Members' basic salary are incorporated within the final IRPW Annual Report, the overall cost of Members' Allowances within the Council would rise by £16,450 (should all Members accept the increase) and this will need to be fully reflected in future budgets from 2020-2021. The actual cost in any one year will depend upon who holds any of the Civic or Senior Salary Offices in year (i.e. where one Councillor might discharge two roles but only receive one higher allowance).

Employment

4.3 There are no direct implications arising from this report.

Legal (Including Equalities)

4.4 There are no direct implications arising from this report.

5. Background Papers

Draft Annual Report 2020/21 – Independent Remuneration Panel for Wales

Extract of the Determinations of the IRPW Draft Annual Report 2020-2021 and the Vale of Glamorgan Council Comments

Note: For ease this report only outlines the salary figures of Group B Councils to which the Council belongs.

Gene	ral Observations
1)	Section 9 - Payments to Co-opted Members of Principal Councils, National Park Authorities and Fire and Rescue Authorities Paragraph 9.2 states that a Principal Council "can decide on the maximum number of days in any one year for which Co- opted Members may be paid".
	The Council has already determined that the maximum amount of days is capped at 10 days and that the Council's Monitoring Officer will determine each request for payment on merit in advance of the meeting. This information is contained in the Councils Constitution (Members' Allowance Scheme).
2)	Annex 4 Publication of Remuneration - The Panel's Requirements Paragraph 1 sub paragraph (f) states: "In respect of the publication of the reimbursement of the costs of care, the Panel has decided that relevant authorities should only publish the total amount reimbursed during the year. It is a matter for each authority to determine its response to any Freedom of Information requests it receives. However, it is not intended that details of individual claims should be disclosed".
	This is a new requirement determined by the Panel which removes the previous alternative option that permitted the publication of such payments on the basis of the individually named members. This Authority has previously agreed to publish the total amount for all Councillor claims under the Reimbursement of Costs of Care and therefore already meets the above proposed change.
	This Council supports this change and hopes that it will encourage more Councillors and Co-opted Members to come forward to utilise the financial assistance on offer.
	This decision by the IRPW may also encourage diversity in democracy by attracting new candidates to stand for election which is welcomed.

Observ	ations	Relating to Section 3 "Payments to Elected Members of Principal Councils: Basic, Senior and Civic Salaries
1)	The C	Council notes that the following paragraphs extracted from the IRPW's Draft Annual Report 2020-2021:
	"3.1	In 2009 the Panel set the maximum basic salary at £13,868, representing three fifths of the then median gross earnings of all full-time employees resident in Wales as reported in the Annual Survey of Hourly Earnings (ASHE) published by the Office of National Statistics. The Panel assessed it appropriate to use a figure comparable with constituents' pay, adjusted for the part-time nature of the work of a member with no senior responsibilities. This identical figure of £13,868 was determined as the basic salary in the IRPW 2019 annual report, ten years on.
	3.1.1	Over this last decade, taking account of affordability and acceptability, the Panel has determined figures for basic salary which have varied but have not kept pace with measures of inflation or other possible comparators. Table 1, illustrated by Graph 1, demonstrates the rate of increase of these alternative measures on the basic salary from 2012 of £13,175. Table 2 expresses these increases as a percentage year on year. The various comparators analysed are Retail Prices Index, Consumer Prices Index, Wales Median Salary (ASHE), NJC (public sector employees), Living Wage, Assembly Members, and MPs. This is calculated on an assumption that the basic activity required of an elected member (i.e. without the additional work required for a senior salary) is equivalent to three days' work a week. The Panel acknowledges that many members routinely work in excess of these hours, as analysed in paragraphs 3.2 and 3.3. It follows that, other than the Basic Elected Member figure, the amounts shown are predictive and notional.
	3.1.2	To set this in the context of other Welsh elected members, over this same 8-year period an assembly member's salary has increased by 25.6% (£53,852 to £67,649 - now indexed to Average Salaries in Wales ASHE) and an MP's salary has increased by 22.4% (£65,738 to £79,468, again linked to constituents' pay).
	3.1.3	Thus, backbench members' salaries have fallen significantly behind by any reasonable measure of inflation."
2)		graph 3.5 "This salary shall be paid by each principal authority in Wales from 1 April 2020 to each of its ad members unless any individual member opts personally and in writing to receive a lower amount".
		Council has traditionally paid its Members based on the Financial Year and has no objection to the proposed ion of this requirement.

Section 3 - Payments to Elected Members of Principal Councils: Basic, Senior and Civic Salaries

Determination 1	The Basic Salary in 2020/21 for elected members of principal councils shall be £14,218 with effect from 1 April 2020.					
Comments	This is a rise of £350 per Councillor. Given the explanation for the pay rise as outlined above, the Authority makes no comment on the increase.					

Determination 2	Senior Salary levels in 2020/21 for members of principal councils shall be as set out in Table 5 (of the IRPW Report) with effect from 1 April 2020. The proposed and current levels are outlined below for ease.
Comments	Senior Salaries include the Basic Salary element. They have all raised by £350 in line with Determination 1. There has been no further change to Senior Salaries. Given the explanation for the pay rise as outlined above, the Authority makes no comment on the increase. Determination 2 of the IRPW would have the following effect:

Senior Salaries (inclusive of basic salary) - Group B Councils	Current 2019/20	Proposed 2020/21
Band 1		
Leader	£49,100	£49,450
Deputy Leader	£34,600	£34,950
Band 2		
Executive Members	£30,100	£30,450
Band 3		
Committee Chairs (if remunerated)	£22,568	£22,918
Band 4		
Leader of the Largest Opposition Group	£22,568	£22,918
Band 5		
Leader of Other Political Groups	£17,568	£17,918

Determination 3	Where paid, a Civic Head must be paid a Band 3 salary of £22,918 and, where paid, a Deputy Civic Head must be paid a Band 5 salary of £17,918 with effect from 1 April 2020.
Comments	Civic Salaries include the Basic Salary element. They have increased by £350 in line with Determination 1. There has been no further change to Senior Salaries. Given the explanation for the pay rise as outlined above, the Authority
	makes no comment on the increase.

Civic Salaries (inclusive of Basic Salary)		Current 2019/20		2020/21
Responsibility Level	Civic Leader	Dep Civic Leader	Civic Leader	Dep Civic Leader
	£22,568	£17,568	£22,918	£17,918

Determination 4	Where appointed and if remunerated, a Presiding Member must be paid a Band 3 Senior salary of £22,918.
Comments	This has raised by £350 in line with Determination 1. No comment.

Determination 5	The post of Deputy Presiding Member will not be remunerated.
Comments	No Change. Agreed.

Determination 6	 a) An elected member must not be remunerated for more than one senior post within their authority. b) An elected member must not be paid a senior salary and a civic salary.
	 c) All senior and civic salaries are paid inclusive of basic salary. d) 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.
Comments	No Change. Agreed.

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 and subsistence expenses and reimbursement of costs of care.
Comments	No Change. Agreed.

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 other than travel and subsistence expenses and reimbursement of costs of care.
Comments	No Comment. Agreed.

Determination 9	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.
Comments	No Comment. Agreed.

	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.
Comments	No Comment. Agreed.

	Principal Councils can apply for specific or additional senior salaries that do not fall within the current Remuneration Framework.
Comments	No Comment. Agreed.

Section 5 - Pension provision for Elected Members of Principal Councils

Determination 12	The entitlement to join the Local Government Pension Scheme (LGPS) shall apply to all eligible elected members of principal councils.
Comments	No Change. Agreed.

Section 6 – Entitlement to Family Absence

Determination 13	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.
Comments	No Change. Agreed.

Determination 14	When a senior salary holder is eligible for family absence, they will continue to receive the salary for the duration of the absence.
Comments	No Change. Agreed.

	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.
Comments	No Change. Agreed.

	If the paid substitution results in the authority exceeding the maximum number of senior salaries which relates to it, as set out in the Panel's Annual Report, an addition to the maximum will be allowed for the duration of the substitution. However, this will not apply to the Isle of Anglesey or Merthyr Tydfil Councils if it would result in the number of senior salaries exceeding fifty percent of the Council membership. Specific approval of Welsh Ministers is required in such circumstances.
Comments	No Change. Agreed.

Determination 17	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.	
Comments	No Change. Agreed.	

Determination 18	The Council's schedule of remuneration must be amended to reflect the implication of the family absence.		
Comments	No Change. Agreed.		

Section 7 - Payments to Members of National Park Authorities

Determinations 19-26 relate to Members of National Park Authorities. The Authority does not have any Councillors that are Members of National Park Authorities. No comment.

Section 8 - Payments to Members of Welsh Fire and Rescue Authorities

Determination 27	The basic salary for FRA ordinary members shall be £2,005.	
Comments	There are 2 Council Members appointed to the South Wales Fire and Rescue Authority. This determination would lead	
	to an increase of £225 per Councillor which would be payable by the Fire and Rescue Service. No comment.	

Determination 28	The senior salary of the Chair of an FRA shall be £10,705.	
Comments	This determination would lead to an increase of £225 for the Chair of the FRA which would be payable by the Fire and	
	Rescue Service. No comment.	

Determination 29	An FRA senior salary of £5,705 must be paid to the Deputy Chair where appointed.	
Comments	This determination would lead to an increase of £225 for the Deputy Chair of the FRA which would be payable by the	
	Fire and Rescue Service. No comment.	

Determination 30	Up to two Chairs of committees can be paid. This shall be paid at £5,705.	
Comments	This determination would lead to an increase of £225 for up to 2 Chairs of Committees of the FRA which would be	
	payable by the Fire and Rescue Service. No comment.	

Determination 31	FRAs can apply for specific or additional senior salaries that do not fall within the current Remuneration Framework.	
Comments	No Comment. Agreed.	

Determination 32	Members must not receive more than one FRA senior salary.
Comments	No Comment. Agreed

Determination 33	A FRA senior salary is paid inclusive of the FRA basic salary and must reflect significant and sustained responsibility.	
Comments	No Comment. Agreed.	

	Members of a principal council in receipt of a Band 1 or Band 2 senior salary cannot receive a salary from any FRA to which they have been nominated.	
Comments	No Comment. Agreed.	

Section 9 - Payments to Co-opted Members of Principal Councils, National Park Authorities and Fire and Rescue Authorities

Determination 35	Principal councils, NPAs and FRAs must pay the following fees to co-opted members who have voting rights Table 8 (of the IRPW Report).	
Comments	No Change. Agreed.	

Chairs of Standards, and Audit Committees	£256 (4 hours and over)
	£128 (up to 4 hours)
Ordinary members of Standards Committee who also Chair Standards Committees for	£226 daily fee (4 hours and over)
Community / Town Councils	£113 (up to 4 hours)
Ordinary members of Standards Committees; Education Scrutiny Committee, Crime and	£198 (4 hours and over)
Disorder Scrutiny Committee and Audit Committee	£99 (up to 4 hours)
Community and Town Councillors sitting on Principal Council Standards Committees	£198 (4 hours and over)
	£99 (up to 4 hours)

	Reasonable time for pre-meeting preparation is 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.
Comments	No Change. Agreed.

Determination 37	Travelling time to and from the place of the meeting is to be included in the claims for payments made by co- opted members (up to the maximum of the daily rate).
Comments	No Change. Agreed.

	The appropriate officer within the authority must 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.
Comments	No Change. Agreed.

Determination 39	Fees must be paid for meetings and other activities including 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.
Comments	No Change. Agreed.
Determination 40	Each authority, through its Democratic Services Committee or other appropriate committee, must ensure that all
	veting an ontol moment of a given as much support as is necessary to enable them to fulfil their duties

	voting co-opted members are given as much support as is necessary to enable them to fulfil their duties
	effectively. Such support should be without cost to the individual member.
Comments	No Change. Agreed.

Section 10 – Reimbursement of Costs of Care

Determination 41	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 to enable them to carry out their approved duties. Reimbursement shall only be made on production of receipts from the carer.
Comments	No Change. Agreed.

Section 13 - Payments to Members of Community and Town Councils

Determinations 42-51 relate to Community / Town Councils. They are listed below for information only.

Determination 42	All community and town councils must make available a payment to each of their members of £150 per year as a
	contribution to costs and expenses.
Comments	No Comment. Agreed.

	Community and town councils in Group A must make available an annual payment of £500 each to a minimum of 1 and a maximum of 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses.
Comments	No Comment. Agreed.

Determination 44	Community and town councils in Groups B or C can make an annual payment of up to £500 each to up to 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses.
Comments	No Comment. Agreed.

Determination 45	 Community and Town councils can make payments to each of their members in respect of travel costs for attending approved duties. Such payments must be the actual costs of travel by public transport or the HMRC mileage allowances as below: 45p per mile up to 10,000 miles in the year. 25p per mile over 10,000 miles. 5p per mile per passenger carried on authority business. 24p per mile for private motor cycles. 20p per mile for bicycles.
Comments	No Comment. Agreed.

Determination 46	If a Community or town council resolves that a particular duty requires an overnight stay, it can authorise reimbursement of subsistence expenses to its members at the maximum rates set out below on the basis of receipted claims:
	 £28 per 24-hour period allowance for meals, including breakfast where not provided. £200 - London overnight.
	£95 - elsewhere overnight.
	• £30 - staying with friends and/or family overnight.
Comments	No Comment. Agreed.

Determination 47	 Community and town councils can pay financial loss compensation to each of their members, where such loss has occurred, for attending approved duties as follows: Up to £55.50 for each period not exceeding 4 hours. Up to £110.00 for each period exceeding 4 hours but not exceeding 24 hours.
Comments	No Comment. Agreed.

D	etermination 48	All community and town councils 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 to enable them to carry out their approved duties. Reimbursement shall only be made on production of receipts from the carer.
С	omments	No Comment. Agreed.

	Community and town councils can provide a payment to the mayor or chair of the council up to a maximum of £1,500. This is in addition to the £150 payment for costs and expenses and the £500 senior salary if these are claimed.
Comments	No Comment. Agreed.

	Community and town councils can provide a payment to the deputy mayor or deputy chair of the council up to a maximum of £500. This is in addition to the £150 payment for costs and expenses and the £500 senior salary if these are claimed.
Comments	No Comment. Agreed.

Determination 51	Members in receipt of a Band 1 or Band 2 senior salary from a principal council (that is Leader, Deputy Leader or Executive Member) cannot receive any payment from any community or town council, other than travel and subsistence expenses and reimbursement of costs of care.
Comments	No Comment. Agreed.