

Meeting of:	<b>Democratic Services Committee</b>
Date of Meeting:	<b>Monday, 16 November 2020</b>
Relevant Scrutiny Committee:	All Scrutiny Committees
Report Title:	Independent Remuneration Panel for Wales (IRPW) Draft Annual Report 2021/22
Purpose of Report:	To consult and comment on the IRPW Draft Annual Report for 2021/22
Report Owner:	Head of Democratic Services
Responsible Officer:	Head of Democratic Services
Elected Member and Officer Consultation:	This is an internal matter and consultation is, therefore, not necessary. However, all Members of the Council have been circulated by email on 7th October, a link to the IRPW's Annual Report for 2021/22 including information on how to respond to the consultation by the deadline of 23rd November, 2020.
Policy Framework:	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.
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• To apprise Members of the draft IRPW Annual Report for 2021/22.</li> <li>• In accordance with the requirements of Section 147 of the Local Government (Wales) Measure 2011, the IRPW is required to publish an Annual Report, which would have effect for the financial year 2021/22.</li> <li>• Any representations on the draft IRPW Annual Report should be submitted to the IRPW Secretariat by no later than 23rd November, 2020.</li> <li>• 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.</li> </ul>	

- The full draft Annual Report can be found at <https://gov.wales/sites/default/files/publications/2020-09/independent-remuneration-panel-draft-annual-report-2021-2022.pdf>

## **Recommendation**

1. That the Committee consider the draft Report (in particular, any new determinations) and any comments from the Committee be forwarded to the IRPW by 23rd November, 2020.

## **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 February 2021, which would have effect for the financial year 2021/22.
- 1.2 As in previous years the IRPW has recently issued its draft Annual Report for 2021/22. The draft Annual Report once formerly published will represent the 13th 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.
- 1.4 All Members of the Council were emailed on 7th October, 2020 the link to the IRPW's Draft Annual Report for 2021/22 including, information on how to respond to the consultation by the deadline of 23rd November 2020.

## **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 When making financial determinations for this draft Annual Report, the Panel has considered the progression of the variety of benchmark figures outlined above for the period from 2012 to 2020. Any adjustments in recent years have been in keeping with the Panel's principle that its determinations should be affordable and acceptable. This principle is maintained in the proposed increase for 2021/2022 an increase in the basic salary of Elected Members of £150.
- 2.4 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.

- 2.5** Consequently, the Panel is proposing a small increase in the basic salary of Elected Members of Principal Councils for 2021/22 of £150 a year which equates to 1.06% or £14,368.
- 2.6** The Panel is further proposing that the same rate of increase for Senior Salaries will also apply (1.06%) to members of the Executive, Chairmen of Committees and the Leader of the Opposition (Senior Salary holders) for 2021/22.
- 2.7** The Panel is also proposing that Civic Salaries for 2021/22 will be £23,161 for the Civic Head and £18,108 for the Deputy Civic Head.
- 2.8** The most significant change proposed by the IRPW relates to contributions towards the costs of care and personal assistance.  
The Costs of Care element has also been amended with the removal of the £403 monthly cap. This has been replaced with:
- 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 (current rate is calculated at £9.30 per hour) at the time the costs are incurred.
- 2.9** I have raised the matter of the cap since the publication of the draft report with the IRPW secretariat, pointing out that paragraph 22 page 65 will require amending, possibly deleting as it currently states that a "maximum amount will be determined by the Panel".
- Since raising the matter, I have received a response from the secretariat intimating that the paragraph is likely to be changed post consultation.

### **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**

#### **Financial**

- 4.1** The IRPW has proposed an increase of £150 / 1.06% 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 £12,928 including oncosts (should all Members accept the increase) and this will need to be fully reflected in future budgets from 2021-2022. 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 2021/22 – Independent Remuneration Panel for Wales

**Extract of the Determinations of the IRPW Draft Annual Report 2021-2022 and the Vale of Glamorgan Council Comments**

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

**Observations Relating to Section 3 “Payments to Elected Members of Principal Councils: Basic, Senior and Civic Salaries**

1)	<p>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. A detailed explanatory paper setting out the historical context and analysis is available on the IRPW website at this link. The key issues are outlined below.</p> <p>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. These include: Retail Prices Index, Consumer Prices Index, Wales Median Salary (ASHE), NJC (public sector employees), National Living Wage, Members of Senedd, and MPs. Table 1, illustrated by Graph 1, shows the percentage increases to the basic salary and these alternatives from 2012 to 2021.</p> <p>1.2 To set this in the context of other Welsh elected members, from 2013 to 2020 the basic salary increased by 7.9% (£13,175 to £14,218) whilst a Senedd Cymru member’s salary increased by 31.1% (£53,852 to £70,625 - now indexed to Average Salaries in Wales ASHE for the previous year) and an MP’s salary increased by 23.4% (£66,396 to £81,932).</p> <p>1.3 Thus, backbench members’ salaries have fallen significantly behind by any reasonable measure of inflation.</p>
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**Section 3 - Payments to Elected Members of Principal Councils: Basic, Senior and Civic Salaries**

<b>Determination 1</b>	<b>The Basic Salary in 2021/22 for elected members of principal councils shall be £14,368 with effect from 1 April 2021.</b>
<b>Comments</b>	This is a rise of £150 per Councillor. Given the explanation for the pay rise as outlined above, the Authority makes no comment on the increase.

<b>Determination 2</b>	<b>Senior Salary levels in 2021/22 for members of principal councils shall be as set out in Table 3 (of the IRPW Report) with effect from 1 April 2021.</b> <i>The proposed and current levels are outlined below for ease.</i>
<b>Comments</b>	Senior Salaries include the Basic Salary element. Senior Salaries will be increased at the same rate as basic salaries (1.06%). 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:

<b>Senior Salaries (inclusive of basic salary) - Group B Councils</b>	<b>Current 2020/21</b>	<b>Proposed 2021/22</b>
<b>Band 1</b>		
Leader	£49,450	£49,974
Deputy Leader	£34,950	£35,320
<b>Band 2</b>		
Executive Members	£30,450	£30,773
<b>Band 3</b>		
Committee Chairs (if remunerated)	£22,918	£23,161
<b>Band 4</b>		
Leader of the Largest Opposition Group	£22,918	£23,161
<b>Band 5</b>		
Leader of Other Political Groups	£17,918	£18,108

<b>Determination 3</b>	<b>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.</b>
<b>Comments</b>	Civic Salaries include the Basic Salary element. They have increased in line with Determination 1. Given the explanation for the pay rise as outlined above, the Authority makes no comment on the increase.

<b>Civic Salaries (inclusive of Basic Salary)</b>	<b>Current 2020/21</b>		<b>Proposed 2021/22</b>	
<b>Responsibility Level</b>	Civic Leader	Dep Civic Leader	Civic Leader	Dep Civic Leader
	£22,918	£17,918	£23,161	£18,108

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

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

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



<b>Determination 7</b>	<b>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 contribution towards costs of care and personal assistance from NPA or FRA.</b>
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<b>Comments</b>	Slight amendment to the wording. Agreed.
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<b>Determination 8</b>	<b>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 / Town Council.</b>
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<b>Comments</b>	Slight amendment to the wording. Agreed.
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<b>Determination 9</b>	<b>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.</b>
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<b>Comments</b>	No Change. Agreed.
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<b>Determination 10</b>	<b>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.</b>
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<b>Comments</b>	No Change. Agreed.
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<b>Determination 11</b>	<b>Principal Councils can apply for specific or additional senior salaries that do not fall within the current Remuneration Framework.</b>
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<b>Comments</b>	No Change. Agreed.
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**Section 5 - Pension provision for Elected Members of Principal Councils**

<b>Determination 12</b>	<b>The entitlement to join the Local Government Pension Scheme (LGPS) shall apply to all eligible elected members of principal councils.</b>
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<b>Comments</b>	No Change. Agreed.
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**Section 6 – Entitlement to Family Absence**

<b>Determination 13</b>	<b>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.</b>
<b>Comments</b>	No Change. Agreed.
<b>Determination 14</b>	<b>When a senior salary holder is eligible for family absence, they will continue to receive the salary for the duration of the absence.</b>
<b>Comments</b>	No Change. Agreed.
<b>Determination 15</b>	<b>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.</b>
<b>Comments</b>	No Change. Agreed.
<b>Determination 16</b>	<b>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.</b>
<b>Comments</b>	No Change. Agreed.
<b>Determination 17</b>	<b>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.</b>
<b>Comments</b>	No Change. Agreed.
<b>Determination 18</b>	<b>The Council's schedule of remuneration must be amended to reflect the implication of the family absence.</b>
<b>Comments</b>	No Change. Agreed.

## Section 7 - Payments to Members of National Park Authorities

Determinations 19-25 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

<b>Determination 26</b>	<b>The basic salary for FRA ordinary members shall be £2,026 with effect from 1 April 2021.</b>
<b>Comments</b>	There are 2 Councillors that are Members of Welsh Fire and Rescue Authorities. This determination would lead to a salary increase per Councillor which would be payable by the Fire and Rescue Service. No comment.
<b>Determination 27</b>	<b>The senior salary of the Chair of an FRA shall be £10,818 with effect from 1 April 2021.</b>
<b>Comments</b>	The Chair is paid by the Fire and Rescue Service. No comment.
<b>Determination 28</b>	<b>An FRA senior salary of £5,765 must be paid to the Deputy Chair where appointed.</b>
<b>Comments</b>	The Deputy Chair is paid by the Fire and Rescue Service. No comment.
<b>Determination 29</b>	<b>Chairs of committees or other senior posts can be paid. This shall be paid at £5,765.</b>
<b>Comments</b>	Chair of Committees are paid by the Fire and Rescue Service. No comment.
<b>Determination 30</b>	<b>Members must not receive more than one FRA senior salary.</b>
<b>Comments</b>	No Comment. Agreed
<b>Determination 31</b>	<b>A FRA senior salary is paid inclusive of the FRA basic salary and must reflect significant and sustained responsibility.</b>
<b>Comments</b>	No Comment. Agreed.
<b>Determination 32</b>	<b>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.</b>
<b>Comments</b>	No Comment. Agreed.

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

<b>Determination 33</b>	<b>Principal councils, NPAs and FRAs must pay the following fees to co-opted members who have voting rights Table 6 (of the IRPW Report). The Panel proposes an increase of £12 to £210 daily rate and for those with additional responsibility.</b>
<b>Comments</b>	No Comment. Agreed.

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)
Community and Town Councillors sitting on Principal Council Standards Committees	£210 (4 hours and over) £105 (up to 4 hours)

<b>Determination 34</b>	<b>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.</b>
<b>Comments</b>	No Change. Agreed.

<b>Determination 35</b>	<b>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).</b>
<b>Comments</b>	No Change. Agreed.

<b>Determination 36</b>	<b>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.</b>
<b>Comments</b>	No Change. Agreed.

<b>Determination 37</b>	<b>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.</b>
<b>Comments</b>	No Change. Agreed.

<b>Determination 38</b>	<b>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 effectively. Such support should be without cost to the individual member.</b>
<b>Comments</b>	No Change. Agreed.

## **Section 10 – Reimbursement of Costs of Care**

<b>Determination 39</b>	<p><b>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:</b></p> <ul style="list-style-type: none"> <li>• <b>Formal (registered with Care Inspectorate Wales) care costs to be reimbursed in full.</b></li> <li>• <b>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.</b></li> </ul> <p><b>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.</b></p>
<b>Comments</b>	<p>This determination represents a significant change. It sees the removal of the £403 monthly cap and allows a Councillor and / or Co-opted Member to seek their full costs of care to be reimbursed fully for formal carers and up to a maximum rate equivalent to the real Living Wage for informal carers.</p> <p>This determination will place an additional financial burden on the Council; however given the historic numbers of claimants, it is envisaged that this will be managed within budget.</p>

	Agree.
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### Section 13 - Payments to Members of Community and Town Councils

Determinations 40-48 relate to Community / Town Councils. They are listed below for information only.

<b>Determination 40</b>	<b>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.</b>
<b>Comments</b>	No Change. Agreed.
<b>Determination 41</b>	<b>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.</b>
<b>Comments</b>	No Change. Agreed.
<b>Determination 42</b>	<b>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.</b>
<b>Comments</b>	No Change. Agreed.
<b>Determination 43</b>	<p><b>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:</b></p> <ul style="list-style-type: none"> <li>• <b>45p per mile up to 10,000 miles in the year.</b></li> <li>• <b>25p per mile over 10,000 miles.</b></li> <li>• <b>5p per mile per passenger carried on authority business.</b></li> <li>• <b>24p per mile for private motor cycles.</b></li> <li>• <b>20p per mile for bicycles.</b></li> </ul>
<b>Comments</b>	No Change. Agreed.

<b>Determination 44</b>	<p>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:</p> <ul style="list-style-type: none"> <li>• £28 per 24-hour period allowance for meals, including breakfast where not provided.</li> <li>• £200 - London overnight.</li> <li>• £95 - elsewhere overnight.</li> <li>• £30 - staying with friends and/or family overnight.</li> </ul>
<b>Comments</b>	No Change. Agreed.
<b>Determination 45</b>	<p>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:</p> <ul style="list-style-type: none"> <li>• Up to £55.50 for each period not exceeding 4 hours.</li> <li>• Up to £110.00 for each period exceeding 4 hours but not exceeding 24 hours.</li> </ul>
<b>Comments</b>	No Change. Agreed.
<b>Determination 46</b>	<p>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.</p>
<b>Comments</b>	No Change. Agreed.
<b>Determination 47</b>	<p>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.</p>
<b>Comments</b>	No Change. Agreed.
<b>Determination 48</b>	<p>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.</p>
<b>Comments</b>	No Change. Agreed.