

**ANNUAL COUNCIL:**

**21 MAY 2015**

**REPORT OF THE CHIEF EXECUTIVE**

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**MEMBERS' REMUNERATION AND ALLOWANCES 2015/16**

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**Reason for this Report**

1. To consider the prescribed levels of Members' remuneration and allowances that are payable in 2015/16, as determined by the Independent Remuneration Panel for Wales (The Panel), and agree those matters which are reserved for local determination by the Council.

**Background**

2. The the Independent Remuneration Panel for Wales is a statutory body established by Welsh Government in January 2008 to determine the scope and salaries, allowances and expenses payable to Councillors and Co-opted Members.
3. The Local Government (Wales) Measure 2011 gave the Independent Remuneration Panel for Wales additional powers to prescribe Members remuneration. The Panel received further powers following the introduction of the Local Government (Democracy) (Wales) Act 2013.
4. A copy of the Panel's 7<sup>th</sup> Annual Report was published in February 2015 and a relevant authority must implement the Panel's determinations in the report for 2015/16 from the date of its Annual Meeting. The report is available at the following link:  
<http://gov.wales/irpwsb/home/publication/2015-16/annual-report-2015-16/?lang=en>

**Issues**

5. When the Panel made its initial determinations in its 2009 report it aligned payments to Members to the medium gross earnings of all full time employees resident in Wales. The Basic Salary was set at three-fifths of the All Wales medium salary and Senior Salary at multiples of this annual medium salary. In setting these salaries, the Panel recognised that there was an unpaid public service contribution.
6. In 2014/15, the Panel decided, given the modest relaxation in the constraints on public sector pay and to prevent an erosion of relative levels of remuneration, to increase the Basic Salary for Members by 0.9%, and to increase other payments proportionately. For 2015/16, the Panel has decided

not to increase remuneration because of the continuing cuts in local government funds.

7. The Panel remains firmly of the view that maintaining the democratic values of local government is not cost free. Publicly funded remuneration is made available to encourage a diversity of willing and able local people to undertake local government, through their elected, appointed or co-opted roles.

#### Basic Salary

8. The Panel has determined that the Basic Salary that is payable to elected Members of all Principal Councils in Wales in 2015/16 will remain the same as 2014/15 at **£13,300**.

#### Senior Salary

9. The Panel has determined five bands of Senior Salary. Band 1 includes Leader and Deputy Leader and Band 2 includes Cabinet Members. In the Panel's discussions with elected Members across Wales in 2013 there was a consistent view expressed that leadership with executive roles carried the greatest accountability. The Panel also received representations that these accountabilities are often the same regardless of the size of population served by the Council. The Panel did however determine that the size of population remains a major factor in levels of responsibility and has decided to maintain the use of the population groups for the purposes of Senior Salaries in Bands 1 and 2.
10. The Panel has determined that the Senior Salaries payable in 2015/16 by local authorities in population Group A (i.e. those with populations over 200,000, which includes Cardiff) remain as follows:

<b>Bands of Responsibility</b>	<b>Role(s)</b>	<b>Senior Salaries determined by the Panel for 2014/15 (inclusive of Basic Salary)</b>
Band 1	Leader	£53,000
	Deputy Leader	£37,000
Band 2	Other Cabinet Members	£32,000
Band 3	Committee Chairs	£22,000
Band 4	Leader of largest opposition group	£22,000
Band 5	Leader(s) of other political group(s) comprising at least 10% membership of the Authority	£17,000

11. The level of Senior Salary set by the Panel is inclusive of Basic Salary and Members must not be paid more than one Senior Salary by his or her Authority. In addition, Cabinet Members in receipt of a Band 1 or Band 2

Senior Salary cannot receive a salary from the Fire & Rescue Authority to which they have been appointed.

#### Allocation of Senior Salary Positions

12. The Panel has determined that there is no change to the maximum number of the Council's membership that is eligible to receive a Senior Salary in 2015/16. In Cardiff (Population Group A), the maximum number of Senior Salary positions is 19, excluding Civic Salary positions.
13. At the Annual Meeting of Council in May 2014, the Council agreed to allocate 18 out of the maximum of 19 Senior Salaries, as a result of a reduction by one in the number of Cabinet Members, as follows:

<b>Bands of Responsibility</b>	<b>Role(s)</b>	<b>No. of Senior Salary Positions</b>
Band 1	Leader	1
	Deputy Leader	1
Band 2	Other Cabinet Members	7
Band 3	Scrutiny Committee Chairs	5
	Planning Committee Chair	1
	Licensing / Public Protection Committees Chair	1
	Democratic Services Committee Chair	1
Band 4	Leader of largest opposition group	1
<b>Total =</b>		<b>18</b>

14. The Panel has taken the view that the payment of the Leader of the largest opposition group (subject to the political group comprising at least 10% membership of the Authority) is important for local democracy. The Panel have therefore continued their previous determination that this Senior Salary (Band 4) must be paid.

#### Specific or Additional Senior Salaries

15. The Panel has also determined that a provision for 'development posts' is to be included within the Remuneration Framework. In accordance with guidance issued by the Panel in 2014, this allows principal councils to apply to the Panel for specific and additional Senior Salaries, which do not fall within the current Remuneration Framework or which could not be accommodated within the maximum number of Senior Salaries payable, for a 'development post' that a principal council considers to be important and involves a significant, sustained and additional responsibility. Any applications to the Panel must provide clear evidence that the post(s) have additional

responsibility demonstrated by a description of the role, function and duration and would be subject to both approval and formal review by Full Council.

### Civic Salary

16. The Panel has determined that the levels of Civic Salary (inclusive of Basic Salary) which are payable in 2015/16 should remain the same as 2014/15 and will be applied by individual authorities as each considers appropriate, taking account of the anticipated workload and responsibilities of Civic Heads and Deputy Civic Heads:

<b>Band</b>	<b>Civic Heads (inclusive of Basic Salary)</b>	<b>Deputy Civic Heads (inclusive of Basic Salary)</b>
A	<b>£24,000</b>	<b>£18,000</b>
B	£21,500	£16,000
C	£19,000	£14,000

17. A Councillor must not be paid a Senior Salary and a Civic Salary.
18. It is proposed that a Band A Civic Salary will be paid by the Council in 2015/16 to both the Civic Head (Lord Mayor) and Deputy Civic Head (Deputy Lord Mayor), which would be commensurate with Cardiff's status as the Capital City of Wales and the associated civic responsibilities and workload during the municipal year.

### Presiding Member and Deputy Presiding Member

19. The Local Government (Democracy) (Wales) Act 2013 allows local authorities to appoint an additional post of Presiding Member, in addition to a Civic Leader, who would Chair the business meetings of the Council. A Council may also appoint a Deputy Presiding Member.
20. Where appointed and if remunerated, the Panel has determined that a Presiding Member must be paid a Band 3 Senior Salary (**£22,000**). The post would also count towards the maximum number of Senior Salaries which can be allocated by the Council (i.e. 19). The Panel has also determined that the position of Deputy Presiding Member will not be remunerated.

### Joint Overview and Scrutiny Committees (JOSCs)

21. Two or more authorities can establish joint scrutiny committees and decide whether or not the chairs of those committees (or a sub-committee of a joint scrutiny committee) will be paid. If they decide to make payments the following determinations apply:
22. If a Senior Salary is paid for this role, the Panel has determined that the Chair of a JOSC is eligible for a Senior Salary of **£8,700**, which is equivalent to that part of a Band 3 Senior Salary for a Committee Chair, excluding the amount

of Basic Salary (£13,300). In cases where the Chair of a JOSC is already in receipt of a Band 3, 4 or 5 Senior Salary, the payment will be **£4,350**.

23. The Chair of a JOSC Sub Committee is eligible for a salary of **£2,175**. In cases where the Chair of the JOSC Sub Committee is already in receipt of a Band 3, 4 or 5 Senior Salary, the payment will be **£1,090**. Payments to Chairs of JOSC Task & Finish Sub Committees are to be pro-rated to the duration of the task.
24. Payments made to a Chair of a JOSC or a Chair of a JOSC Sub Committee are additional to the maximum proportion of the Council's membership that is eligible to be paid a Senior Salary (i.e. 25% of membership). However, this should not exceed the statutory limit on Senior Salary payments of no more than 50% of a council's membership.
25. Deputy Chairs of JOSCs or JOSC Sub Committees are not eligible for payment. In addition, Co-opted Members of JOSCs or JOSC Sub Committees are not eligible for payment of a Co-opted Member fee unless they are appointed by an authority under Section 144(5) of the Local Government (Wales) Measure 2011 and have voting rights.

#### Pensions

27. The Panel has determined that the entitlement to join the Local Government Pension Scheme (LGPS) shall apply to all elected members of principal councils.

#### Co-opted Member Payments

28. The Panel has determined no change to the payments or fees which must be paid to Co-opted Members (provided that they are Co-opted Members with voting rights) in 2015/16. The fees are as follows: :

<b>Co-opted Members</b>	<b>Co-opted Member Payments/Fees</b>
Committee Chairs: <ul style="list-style-type: none"> <li>• Standards &amp; Ethics Committee;</li> <li>• Audit Committee (if chaired by independent/lay member).</li> </ul>	<b>£256 (4 hours and over)</b> <b>£128 (up to 4 hours)</b>
Co-opted Ordinary Members of the Council's Standards & Ethics Committee who also chair standards committees for community councils	<b>£226 (4 hours and over)</b> <b>£113 (up to 4 hours)</b>
Committee Members: <ul style="list-style-type: none"> <li>• Standards &amp; Ethics Committee;</li> <li>• Audit Committee;</li> <li>• Education Scrutiny Committee;</li> <li>• Crime &amp; Disorder Scrutiny Committee</li> </ul>	<b>£198 (4 hours and over)</b> <b>£99 (up to 4 hours)</b>

29. The Panel determined that a Council can decide on a maximum number of days for which Co-opted Members may be paid in any one year. Since 2013/14, the Council has agreed to cap the payments to Co-opted Members at a maximum of the equivalent of 10 full days a year for each Committee to

which an independent/lay member has been co-opted (i.e. maximum payments totalling **£2560** to Co-opted Member Chairs of Committees and **£1980** to Co-opted Ordinary Members of Committees). It is proposed that this maximum or 'cap' of the equivalent of 10 full days a year for each Committee including Co-opted Members should be retained by the Council in 2015/16.

30. A full day meeting is defined by the Panel as over 4 hours and a half day meeting is defined as up to 4 hours. Eligible meetings include other committees and working groups (including task & 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.
31. The Panel has again allowed Co-opted voting Members to include travelling time and reasonable time for pre-meeting preparation, the extent of which can be determined by the appropriate officer in advance of the meeting. The appropriate officer can also determine in advance whether a meeting is programmed for a full day (over 4 hours) and Co-opted Member payments will be made on the basis of this determination even if the meeting finishes before 4 hours has elapsed.
32. Co-opted Members are also eligible to claim for Care, Travel and Subsistence Allowances, where applicable.

### **Allowances**

33. The Panel has determined that the term 'allowance' is reserved for payments which are for the reimbursement of actual expenses (e.g. for care, travel and subsistence) which are necessarily incurred by Members and Co-opted Members when conducting their duties as part of official business.

### Care Allowance

34. The Panel has determined that, for 2015/16, Care Allowance will continue to be payable up to a **maximum payment of £403 per month** (depending upon actual costs incurred) to reimburse those Members or Co-opted Members who incur necessary expenses for the care of dependent children or adults whilst undertaking their duties.
35. Reimbursement of expenses will only be made on the basis of the submission of a monthly claim form listing the duties completed or official business undertaken, together with the production of receipts for the cost of the formal and informal care arrangements claimed. The Panel has confirmed that, as this is a contribution to actual monthly costs, this payment cannot be annualised.

### Travel Allowance

36. The Travel Allowance payable in 2015/16 is linked to current HM Revenue & Customs (HMRC) rates and is unchanged and payable as follows:

Private Motor Vehicles	<b>45p per mile (up to 10,000 miles)</b>
	<b>25p per mile (over 10,000 miles)</b>

	<b>5p per passenger per mile (passenger supplement)</b>
Private Motor Cycles	<b>24p per mile</b>
Bicycles	<b>20p per mile</b>

37. Claims for the reimbursement of travel expenses incurred as part of official business will be payable on the completion of the relevant claim form and should be accompanied by VAT fuel receipts, where appropriate. All claims for other travel expenses (e.g. public transport) will only be reimbursed on production of receipts and are subject to any further requirements or limitations set by the Council.

#### Subsistence Allowance

38. Subsistence Allowance will only be paid for 'out-of-county' expenses incurred as part of official business outside the Council's administrative boundaries.
39. In terms of Subsistence Allowance for the reimbursement of the cost of any meals within a 24-hour period, the Panel has determined that a **maximum of £28 per day** is payable in 2014/15 (including breakfast if not included in overnight accommodation costs), provided that any claim for expenses is supported by receipts. This level of payment is unchanged from 2012/13 and 2013/14.
40. In terms of Subsistence Allowance which is payable in 2014/15 for the reimbursement of the cost of overnight accommodation, the Panel has determined that the maximum levels payable are also unchanged and paid as follows:

Overnight stay in London	<b>Max. £150 per night</b>
Overnight stays elsewhere	<b>Max. £95 per night</b>
Overnight stay with friends or relatives whilst on official business	<b>Max. £25 per night</b>

41. The Panel has confirmed that the above limits apply when an individual Member claims in arrears for the reimbursement of overnight accommodation costs and do not apply when the Council reserves and pays directly for overnight accommodation.

#### Entitlement to Family Absence

42. Members are entitled to the following periods of family absence under the Family Allowance for Members of Local Authorities (Wales) Regulations 2013:
- Maternity Absence – Available to pregnant Members who can take an absence period of up to a maximum of 26 weeks beginning any time between 11 weeks before up to the date of childbirth.

- Newborn Absence – Available to a Member who is the father or, is married to, is the civil partner or is the partner of a child’s mother and expects to have the main responsibility for the upbringing of the child. Up to two consecutive weeks are available to be taken within 56 days following a child’s birth.
  - Adopter’s Absence – Available to a Member who adopts a child. Up to two consecutive weeks are available to be taken within 56 days of a child being adopted.
  - New Adoption Absence – Available to a Member who is married to, the civil partner or partner of a person adopting a child and expects to have the main responsibility for the upbringing of the child. Up to two consecutive weeks are available to be taken within 56 days of a child being adopted.
  - Parental Absence – Available to a Member who has or expects to have responsibility for the care of a child and does not satisfy the criteria for Newborn Absence, Adopters Absence or New Adoption Absence. Up to three months can be taken in a single or a series of absences from the date a Member assumes responsibility for the care of a child under the age of 14 and ends 1 year later.
43. Members are entitled to retain their Basic Salary during any period of family absence irrespective of the attendance record immediately preceding the commencement of family absence. When a Senior Salary holder is eligible for family absence he/she will continue to receive the salary for the duration of the absence. Should a Senior Salary holder take a period of family absence, a substitute appointment can be made to that Senior Salary post and a Senior Salary paid (an addition is then allowed to the maximum number of senior salaries allowed for the duration of the substitution, the schedule of remuneration must be amended and the Panel must be informed).

#### Supporting the Work of Local Authority Elected Members

44. The Panel has determined that each Authority must ensure that all Members are given as much support as is necessary to enable them to fulfil their duties effectively. All Members should be provided with adequate telephone and email facilities and electronic access to appropriate information.
45. The Panel has further determined that such support should be provided without cost to individual Members. Costs of support must be appropriate, reasonable and publicly declared. Deductions must not be made from Members’ salaries as a contribution towards those support costs which the Authority considers necessary for the effectiveness and/or efficiency of Members.

#### Publication of Remuneration and Allowances Information

46. The Council is required to agree, publish and maintain an annual Schedule of Member Remuneration, which sets out details of the specific payments that it intends to make to Members and Co-opted Members in accordance with the levels of remuneration and allowances determined by the Panel. In accordance with the Panel Regulations, the Council is required to produce a schedule of payments to Members and Co-opted Members no later than four weeks following the Council’s Annual Meeting and to publish the Schedule of



Member Remuneration as soon as practicable after determining the schedule of payments for the year and not later than 31 July 2015. As a result, the Council's Schedule of Member Remuneration for 2015/16 is expected to be considered by Council on 25 June 2015.

47. Details of Members' remuneration and allowances, including expenses claims made by Members and payments made to Members who are appointed by the Council to other public bodies, will also be published on the Council's website. The Council is required to make arrangements for the publication of details of all remuneration and allowances paid to Members and Co-opted Members in 2014/15 by 30 September 2015.

#### Election to Forgo Entitlement to Payment

48. It remains the right of any individual Member or Co-opted Member to independently and voluntarily opt to forgo all or any part of their entitlement to a salary, allowance or fee determined annually by the Panel in its Annual Report or any Supplementary Reports by giving notice in writing to the Proper Officer of the Council.

#### **Legal Implications**

49. The legal framework is set by Part 8 of the Local Government (Wales) Measure 2011 ("the Measure"), under which the Independent Remuneration Panel for Wales ("the Panel") is given functions relating to payments to Councillors and Councillors' pensions (s.142 of the Measure). The Panel is required to publish an annual report on the exercise of its functions with respect to each financial year (s.143 of the Measure); and the Council must comply with the requirements imposed on it by the Panel's Annual Report (s.153 of the Measure). The requirements imposed on the Council by the Panel's Annual Report are set out in the body of the report.

#### **Financial Implications**

50. This report sets out the framework within which the salaries and allowances will be determined. The proposals as listed are similar to the assumptions built in setting the 2015/16 budget for this function thus there are no direct financial implications arising from this report. However, in the event of the demands on the budget exceeding the allocation then consideration needs to be given as to what mitigation would need to be taken in order to remain within the budgetary resources allocated.

#### **RECOMMENDATIONS**

Council is recommended to:

1. agree the allocation of 18 Senior Salary positions for 2015/16, as set out in paragraph 13 of the report, and if Council so decides, an additional 1 Senior Salary position (to be determined);

2. agree to set the Civic Salary payable for the positions of Civic Head (Lord Mayor) and Deputy Civic Head (Deputy Lord Mayor) in accordance with the Band A level of Civic Salary payments in 2015/16; and
3. agree that the payment of Co-opted Member fees should continue to be based on a maximum of the equivalent of 10 full days a year in 2015/16.

PAUL ORDERS  
Chief Executive  
15 May 2015

**Background Paper**

Independent Remuneration Panel for Wales Annual Report February 2015

<http://gov.wales/irpwsb/home/publication/2015-16/annual-report-2015-16/?lang=en>