

ANNUAL COUNCIL:

29 MAY 2014

REPORT OF THE CHIEF EXECUTIVE

AGENDA ITEM: 9

MEMBERS' REMUNERATION AND ALLOWANCES 2014/15

Reason for this Report

1. To consider the prescribed levels of Members' remuneration and allowances that are payable in 2014/15, as determined by the Independent Remuneration Panel for Wales (IRPW), and agree those matters which are reserved for local determination by the Council

Background

2. In accordance with the extended remit and powers provided by the Local Government (Wales) Measure 2011, the IRPW published its Annual Report 2013 in February 2014. A relevant authority must implement the IRPW's determinations in the report for 2014/15 from the date of its Annual Meeting.

Issues

3. The IRPW Annual Report 2013 prescribes the levels of remuneration and maximum allowances payable to Members in 2014/15. It should be noted that the IRPW has not increased the overall amount of payments in the Remuneration Framework since it established the current levels of remuneration in its Annual Report 2011, which took effect in the 2012/13 municipal year.
4. As a result of the recent and very modest relaxation in the constraints on public sector pay, the IRPW has decided to increase the Basic Salary payable to members of principal councils by less than 1% in 2014/15 and to increase other payments proportionately. The Panel has also taken the opportunity to adjust some payments marginally through 'rounding up' and 'rounding down' of the amounts. The IRPW expects that this will help to prevent a further erosion of relative levels of remuneration.

Basic Salary

5. The IRPW has determined that it is now appropriate for the Basic Salary that is payable to elected members of all principal councils in Wales to be raised from £13,175 (which was payable in both 2012/13 and 2013/14) to **£13,300** in 2014/15.

Senior Salary

6. The IRPW has determined that the Senior Salaries payable in 2014/15 by local authorities in Population Group A (i.e. those with populations over 200,000, which includes Cardiff) will be as follows:

Bands of Responsibility	Role(s)	Senior Salaries determined by the IRPW for 2014/15 (inclusive of Basic Salary)
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

7. The level of Senior Salary set by the IRPW 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

8. The IRPW has determined that there is no change to the maximum proportion of the Council's membership that is eligible to receive a Senior Salary in 2014/15. In Cardiff (Population Group A), the maximum proportion is 25%, which equates to a maximum of 19 positions that are eligible for the payment of a Senior Salary, excluding Civic Salary positions.
9. At the previous Annual Meeting of Council in May 2013, the Council agreed to allocate the maximum of 19 Senior Salaries. This allocation was reduced subsequently during 2013/14 to 18 Senior Salaries as a result of a reduction by one in the number of Cabinet Members that was agreed at the meeting of Council on 27 March 2014 as follows:

Bands of Responsibility	Role(s)	No. of Senior Salary Positions
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
	Leader of largest opposition group	1
Total =		18

10. In 2014/15, the IRPW has determined that a council must pay a Senior Salary to the Leader of the largest opposition group, subject to the political group comprising at least 10% membership of the Authority.
11. The IRPW has determined that, where appointed and if remunerated, a Presiding Member must be paid a Band 3 Senior Salary (£22,000) in 2014/15, which will count towards the maximum number of Senior Salaries which can be allocated by the Council (i.e. 19). The IRPW has also determined that the position of Deputy Presiding Member will not be remunerated.
12. The IRPW has also determined that a provision for 'development posts' is to be included within the Remuneration Framework in 2014/15. Subject to guidance to be issued by the IRPW, this will allow principal councils to apply to the IRPW 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.

Joint Overview and Scrutiny Committees (JOSCs)

13. The remuneration of Chairs of Joint Overview and Scrutiny Committees (JOSCs) or JOSC Sub Committees of is not prescribed by the IRPW and is a matter for the constituent councils to decide whether such a post will be paid.
14. If a Senior Salary is paid for this role, the IRPW 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**.
15. 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.

16. 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.
17. 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.

Civic Salary

18. The IRPW has determined that the following levels of Civic Salary (inclusive of Basic Salary) are payable in 2014/15 and, where paid, 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:

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

19. A Councillor must not be paid a Senior Salary and a Civic Salary.
20. It is proposed that a Band A Civic Salary will be paid by the Council in 2014/15 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.

Co-opted Member Payments

21. The IRPW has determined the following payments or fees which must be paid to Co-opted Members (provided that they are Co-opted Members with voting rights) in 2014/15:

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

Committee Members:	£198 (4 hours and over)
<ul style="list-style-type: none"> • Standards & Ethics Committee; • Audit Committee; • Education Scrutiny Committee; • Crime & Disorder Scrutiny Committee 	£99 (up to 4 hours)

22. The IRPW has determined that a Council can decide on a maximum number of days for which Co-Opted Members may be paid in any one year. In 2013/14, the Council 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 2014/15.
23. A full day meeting is defined by the IRPW 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. Travelling time to and from the place of the meeting can also be included in the claims for payments made by Co-opted Members (up to the maximum of the daily rate).
24. The IRPW has determined that reasonable time for pre-meeting preparation is eligible to be included in claims made by Co-opted Members and this can be determined by an 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.
25. Co-opted Members are also eligible to claim for Care, Travel and Subsistence Allowances, where applicable.

Allowances

26. The IRPW 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

27. The IRPW has determined that, for 2014/15, 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.
28. 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 IRPW has confirmed that, as this is a contribution to actual monthly costs, this payment cannot be annualised.

Travel Allowance

29. The Travel Allowance payable in 2014/15 is linked to current HM Revenue & Customs (HMRC) rates and is unchanged from the amounts payable in 2012/13 and 2013/14 as follows:

Private Motor Vehicles	45p per mile (up to 10,000 miles)
	25p per mile (over 10,000 miles)
	5p per passenger per mile (passenger supplement)
Private Motor Cycles	24p per mile
Bicycles	20p per mile

30. 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

31. Subsistence Allowance will only be paid for 'out-of-county' expenses incurred as part of official business outside the Council's administrative boundaries.
32. In terms of Subsistence Allowance for the reimbursement of the cost of any meals within a 24-hour period, the IRPW 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.
33. In terms of Subsistence Allowance which is payable in 2014/15 for the reimbursement of the cost of overnight accommodation, the IRPW has determined that the maximum levels payable are also unchanged from 2012/13 and 2013/14 as follows:

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

34. The IRPW 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.

Supporting the Work of Local Authority Elected Members

35. The IRPW 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.
36. The IRPW 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

37. 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 IRPW. In accordance with the IRPW 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 2014. As a result, the Council's Schedule of Member Remuneration for 2014/15 is expected to be considered by Council on 26 June 2014.
38. 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 2013/14 by 30 September 2014.

Pensions

39. The IRPW has determined that the entitlement to join the Local Government Pension Scheme (LGPS) shall apply to all elected members of principal councils. It should be noted that the provision to join the LGPS still applies in Wales, but has been removed in England only with effect from 1 April 2014.

Election to Forgo Entitlement to Payment

40. The IRPW recognises and understands that the modest increases in remuneration that it has determined as payable in 2014/15 may cause concern to individual councillors given the general financial context for local government.

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

Legal Implications

42. 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 IRPW”) is given functions relating to payments to Councillors and Councillors’ pensions (s.142 of the Measure). The IRPW 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 IRPW’s Annual Report (s.153 of the Measure). The requirements imposed on the Council by the IRPW’s Annual Report are set out in the body of the report.

Financial Implications

43. This report sets out the framework within which the salaries and allowances will be determined. The total budget allocation in 2014/15 for these costs, inclusive of oncosts is £1,300,040 while the total budget allocation in 2014/15 for the Civic Salaries (exclusive of Basic Salaries) is £16,000.

RECOMMENDATIONS

Council is recommended to:

1. determine the allocation of 18 Senior Salary positions for 2014/15, as listed in paragraph 9 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 2014/15; 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 2014/15.

PAUL ORDERS
Chief Executive
22 May 2014

Background Paper

Independent Remuneration Panel for Wales Annual Report 2013

<http://wales.gov.uk/docs/dpsp/publications/140225-irp-final-report-en.pdf>