

REPORT OF THE CHIEF EXECUTIVE

MEMBERS' REMUNERATION AND ALLOWANCES 2016/17

Reason for this Report

1. To note the prescribed levels of Members' remuneration and allowances that are payable in 2016/17, 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 Independent Remuneration Panel for Wales is a statutory body that was established initially by the Welsh Government in January 2008 to recommend the levels of salaries, allowances and expenses payable to Councillors and Co-opted Members. The Local Government (Wales) Measure 2011 gave the Independent Remuneration Panel for Wales additional powers to prescribe the levels of member remuneration and allowances. The Panel also received further powers following the introduction of the Local Government (Democracy) (Wales) Act 2013.
3. The Panel's 8th Annual Report was published in February 2016 and a relevant authority must implement the Panel's determinations in the report for 2016/17 from the date of its Annual Meeting. The report is available on the Independent Remuneration Panel for Wales website via the following link:
<http://gov.wales/docs/dsjlg/publications/160217-irp-annual-report-16-17-en.pdf>

Issues

4. For the first time, the Panel was provided with a 'remit' letter in March 2015 by the Minister for Public Services, which drew the Panel's attention to the Welsh Government's desire to reduce the cost of politics to the public purse and pointed to a number of aspects of the current remuneration framework for consideration. The Minister also asked the Panel to consider whether the rates of payment to leaders and cabinet members is justified when compared with those paid in similarly sized councils in other parts of the UK. The Panel has given due consideration to the remit letter and has reached its determinations for 2016/17 without direction from the Welsh Government.
5. For 2016/17, the Panel has decided not to increase the basic or senior salaries because of the continuing constraints on local government spending.

Following consideration of advice and comparative information provided by a UK expert on elected member remuneration, the Panel is also reassured that, generally, the rates of Senior Salary that it has determined for leaders and cabinet members in Wales are both justified and appropriate in comparison to those of other UK nations.

6. The Panel remains firmly of the view that maintaining the democratic values of local government cannot be cost free, but payments to Members for their time, worth and responsibility must be, and must be seen to be, fair and affordable. Publicly funded remuneration is made available to encourage a diversity of willing and able people to undertake local governance through their elected, appointed or co-opted roles.

Basic Salary

7. The Panel has determined that the Basic Salary that is payable to elected Members of all principal councils in Wales will remain at **£13,300** in 2016/17. This amount has remained unchanged since 2014/15.

Senior Salary

8. The Panel has determined that the Senior Salaries payable in 2016/17 by local authorities in population Group A (i.e. those with populations over 200,000, which includes Cardiff) are as follows:

Bands of Responsibility	Role(s)	Senior Salaries determined by the Panel for 2016/17 (inclusive of Basic Salary)
Band 1	Leader	£53,000
	Deputy Leader	£37,000
Band 2	Cabinet Members – Level 1	£32,000
	Cabinet Members – Level 2	£28,800
Band 3	Committee Chairs – Level 1 (if remunerated)	£22,000
	Committee Chairs – Level 2 (if remunerated)	£20,000
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 (if remunerated)	£17,000

9. Whilst the Panel has decided not to increase Senior Salaries in 2016/17, it has made some changes to Band 2 and 3 Senior Salaries to provide greater opportunities for flexibility at a local level to reflect the variations in the governance structures of principal councils. The Panel has introduced two salary levels for Cabinet Members (except Leaders and Deputy Leaders) and for Committee Chairs (if remunerated) of principal councils so that they can take account of the differences in responsibilities that may be attached to specific posts.
10. It is at the discretion of each council as to which salary level is paid according to local circumstances. Nevertheless, the Panel considers that, in many instances, there are differences in the responsibilities attached to the portfolios of Cabinet Members and this should be reflected in the level of salary paid. The same principle also applies to Committee Chairs.
11. It is a matter for individual authorities to decide the implementation of the determinations on Senior Salary within their specific Cabinet structures. In 2016/17, it is proposed that the Band 2 Senior Salary payable to all Cabinet Members (except for the Leader and Deputy Leader) should be set in accordance with the Level 1 payment (£32,000) prescribed by the Panel that is applicable to the Council (i.e. population Group A). This would be broadly consistent with the Basic and Special Responsibility Allowances paid currently to Cabinet Members by other Core Cities such as Bristol, Manchester and Nottingham, as well as with the Level 1 payment that was agreed by Swansea Council (Group A principal council) at its Annual Meeting on 19 May 2016. It would also continue the payment of the Band 2 Senior Salary in 2016/17 at the same level that has been paid since 2014/15.
12. It is a matter for individual authorities to determine at which level a Chair is paid to reflect the appropriate responsibility attached to the specific post. In 2016/17, it is proposed that the Band 3 Senior Salary payable to those Committee Chairs that are remunerated should be set in accordance with the Level 1 payment (£22,000) prescribed by the Panel. Again, this would be consistent with the Level 1 payment that was agreed by Swansea Council (Group A principal council) at its Annual Meeting on 19 May 2016 and would continue the payment of the Band 3 Senior Salary in 2016/17 at the same level that has been paid since 2014/15.
13. 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

14. 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 2016/17. In Cardiff (Population Group A), the maximum number of Senior Salary positions is 19, excluding Civic Salary positions.
15. At the Annual Meeting of Council in May 2015, the Council agreed initially to allocate 18 of the maximum of 19 Senior Salaries allowable in 2015/16. An

additional Senior Salary (Band 5) for the Leader of the Conservative Group, payable on a pro rata basis from 26 June 2015 for the remainder of 2015/16, was agreed by the Council on 25 June 2015. This followed an increase in the group membership to 8 Members in June 2015, which increased further to 9 Members following the Pentyrch By-Election that was held on 30 June 2015. This meant that the Conservative Group exceeded the eligibility threshold of 10% of the Council's membership that applies to the payment of a Band 5 Senior Salary to Leaders of other political groups.

16. The 19 Senior Salaries paid by the Council from 26 June 2015 were 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
Band 4	Leader of largest opposition group	1
Band 5	Leader of the Conservative Group	1
Total =		19

17. 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 Band 4 Senior Salary must be paid.

Specific or Additional Senior Salaries

18. 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

19. The Panel has determined that the levels of Civic Salary (inclusive of Basic Salary) which are payable in 2016/17 should remain the same as 2015/16 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:

Responsibility Level	Civic Heads (inclusive of Basic Salary)	Deputy Civic Heads (inclusive of Basic Salary)
Level 1	£24,000	£18,000
Level 2	£21,500	£16,000
Level 3	£19,000	£14,000

20. A Councillor must not be paid a Senior Salary and a Civic Salary.
21. It is proposed that a Level 1 Civic Salary will be paid by the Council in 2016/17 to both the Civic Head/Lord Mayor (£24,000) and Deputy Civic Head/Deputy Lord Mayor (£18,000), 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

22. 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.
23. Where appointed and if remunerated, the Panel has determined that a Presiding Member must be paid a Band 3 Level 1 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)

24. 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 by the Panel, which will apply for 2016/17:
25. 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 **£6,700**, which is equivalent to that part of a Band 3 Level 2 Senior Salary for a Committee Chair (i.e. £20,000),

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 **£3,350**.

26. The Chair of a JOSC Sub Committee is eligible for a salary of **£1,675**. 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 **£837**. Payments to Chairs of JOSC Task & Finish Sub Committees are to be pro-rated to the duration of the task.
27. 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.
28. 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

29. 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

30. The Panel has determined that there will be 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 2016/17. The payments are as follows:

Co-opted Members (with voting rights)	Co-opted Member Payments
Chairs of: <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)
Ordinary Members of: <ul style="list-style-type: none"> • Standards & Ethics Committee; • Education Scrutiny Committee; • Crime & Disorder Scrutiny Committee; • Audit Committee. 	£198 (4 hours and over) £99 (up to 4 hours)

31. The level of Co-opted Member payments is equivalent to the current daily rates for chairs and members of the Welsh Government's Band 2 sponsored

bodies. The Panel has noted that there has been no uplift in these payment levels across such bodies since 2010.

32. 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 2016/17.
33. 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.
34. Co-opted Members with voting rights can claim travel allowance for travelling time to/from the place of the meeting 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.
35. Co-opted Members are also eligible to claim for Care, Travel and Subsistence Allowances, where applicable.

Allowances

36. 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

37. The Panel has determined that, for 2016/17, 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 or the care of personal assistance needs (provided by informal or formal carers) whilst undertaking their duties.
38. 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

39. The Travel Allowance payable in 2016/17 is linked to current HM Revenue & Customs (HMRC) rates and is unchanged and payable as follows:

45p per mile	Up to 10,000 miles in a year by car
25p per mile	Over 10,000 miles in a year by car
5p per passenger per mile	Passenger supplement
24p per mile	Motor cycles
20p per mile	Bicycles

40. 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.
41. Travel expenses paid to councillors by their local authority are exempt from Income Tax and employee National Insurance contributions.

Subsistence Allowance

42. Subsistence Allowance will only be paid for 'out-of-county' expenses incurred as part of official business outside the Council's administrative boundaries. Payment of a subsistence allowance to a local authority member for the performance of official business within the boundaries of a county or county borough where s/he is a member should only be made when the authority is satisfied that it can be justified on economic grounds. This does not apply in respect of co-opted members of a local authority who live outside that authority.
43. 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 2016/17 (including breakfast if not included in overnight accommodation costs), provided that any claim for expenses is supported by receipts.
44. In terms of Subsistence Allowance which is payable in 2016/17 for the reimbursement of the cost of overnight accommodation, the Panel has determined that the maximum levels payable be set in line with Welsh Government rates and paid as follows:

Max. £200 per night	Overnight stay in London
Max. £95 per night	Overnight stay elsewhere
Max. £30 per night	Overnight stay with friends and/or family

45. In 2016/17, the Subsistence Allowance payable for an overnight stay in London has been increased from a maximum of £150 per night to £200 per

night. Likewise, the maximum amount payable for an overnight stay with friends and/or family has been increased from £25 per night to £30 per night. The maximum amount payable for an overnight stay elsewhere in the UK remains unchanged at £95 per night.

46. 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. However, costs incurred must still be within reasonable limits to be set by the local authority.

Entitlement to Family Absence

47. 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.

48. 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.

49. 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

50. The Panel has determined that each Authority, through its Democratic Services Committee, 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.
51. The Panel has further determined that such support should be provided without cost to individual Members. Deductions must not be made from Members' salaries as a contribution towards those support costs which the Authority has decided necessary for the effectiveness and/or efficiency of Members.

Publication of Remuneration and Allowances Information

52. 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 2016. In order to comply with this timescale, the Council's Schedule of Member Remuneration for 2016/17 is to be submitted for consideration by Council on 30 June 2016.
53. 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 2015/16 by 30 September 2016.

Election to Forgo Entitlement to Payment

54. 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

55. 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

56. 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 2016/17 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. note the determinations of the Independent Remuneration Panel for Wales in respect of the prescribed levels of Members' remuneration and allowances payable in 2016/17, as set out in the report;
2. agree to set the Band 2 Senior Salary payable in 2016/17 to all Cabinet Members (except for the Leader and Deputy Leader) in accordance with the Level 1 payment (£32,000) prescribed by the Panel, as applicable to the Council;
3. agree to set the Band 3 Senior Salary payable in 2016/17 to those Committee Chairs that are remunerated in accordance with the Level 1 payment (£22,000) prescribed by the Panel;
4. agree to retain the current allocation of the maximum of 19 Senior Salary positions for 2016/17, as set out in paragraph 16 of the report;
5. agree to set the Civic Salary payable in 2016/17 for the positions of Civic Head/Lord Mayor (£24,000) and Deputy Civic Head/Deputy Lord Mayor (£18,000) in accordance with the Level 1 payments prescribed by the Panel; and
6. agree that the payment of Co-opted Member fees in 2016/17 should continue to be capped at a maximum of the equivalent of 10 full days a year.

PAUL ORDERS
Chief Executive
20 May 2016

Background Paper

Independent Remuneration Panel for Wales Annual Report February 2016:

<http://gov.wales/docs/dsjlg/publications/160217-irp-annual-report-16-17-en.pdf>