
REPORT OF THE CHIEF EXECUTIVE

MEMBERS' REMUNERATION AND ALLOWANCES 2019/20

Reason for this Report

1. To set out the determinations of the Independent Remuneration Panel for Wales (The Panel) following the publication of their 11th Annual Report in February 2019 on the levels of Members' remuneration and allowances that are payable for the municipal year 2019/2020 and other associated matters.
2. For the Council to agree those matters which are reserved for local determination by the Council.

Background

3. The Local Government Measure 2011 empowers the Independent Remuneration Panel for Wales (The Panel) to determine the level and scope of payments for elected Members of all authorities in Wales.
4. The Panel's Annual Report was published in February 2019 and the Council must implement the Panel's determinations in the report for 2019/20 from the date of its Annual Meeting. The report is available on the Independent Remuneration Panel for Wales website via the following link:
English https://gov.wales/sites/default/files/publications/2019-03/irp-annual-report-2019-2020_0.pdf
Cymraeg <https://llyw.cymru/sites/default/files/publications/2019-03/pacga-adroddiad-blynyddol-2019-2020.pdf>

Issues

5. The Panel has consistently expressed its view that maintaining the democratic values of local governance cannot be cost-free. Members of local authorities (including co-opted and appointed members) are there to represent the interests of local people, undertake the governance of local communities, and secure appropriate value for money public services for local taxpayers through effective scrutiny for which they are accountable to their community. These are significant and important tasks for members of the relevant authorities within the Panel's remit.
6. 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.

7. In 2017, following the Local Elections, the Panel visited all 22 of the principal authorities, to provide an opportunity for a cross section of members including Cabinet Members, other elected members, co-optees and senior officers to comment on the Remuneration Framework and to put forward ideas for future consideration. Wherever possible, some of the issues raised have been incorporated into the Panel's determinations.
8. The Panel originally determined (IRP Annual Report, December 2009) that the payment of Basic Salary would be aligned to the median gross earnings of full-time employees resident in Wales as reported in the Annual Survey of Hourly Earnings (ASHE). Given the pressures on public expenditure, it was not possible for this alignment to be maintained.
9. In its deliberations relating to its latest Annual report the Panel also considered the Retail Price Index, the Consumer Price Index, NJC Pay Scales and Living Wage figures. They noted these figures showed clear increases in the cost of living and earnings during this period. As the gap between the level of basic remuneration of Elected Members of principal councils, and relevant indicators of rises in income and costs of living indicators has continued to grow, the Panel believes it merited action to narrow the gap and limit the rate of erosion. They noted however, in doing so any adjustments must be in keeping with the Panel's principle that its determinations should be publicly affordable and acceptable.

Basic Salary

10. The Panel has decided to make an increase to the annual Basic Salary of £268 per annum (which equates to an increase of 1.97%) effective from 1st April 2019. This restores the level of the basic salary to the amount paid in 2011.
11. The Panel has determined that the Basic Salary that is payable to elected members of all principal councils in Wales will be **£13,868** in 2019/20.

Senior Salary

12. In 2009 the Panel concluded that Executive Members (in Cardiff known as Cabinet Members) should be considered as working the equivalent of full time (up to 40 hours per week) but not necessarily nine to five, and from further discussions between the Panel members and officers have reinforced this conclusion. In recognition of this the Panel has determined that there should be an increase to the Band 1 and Band 2 senior salaries payable to the Leader, the Deputy Leader and Cabinet Members. The amount of the increase is £800. This is inclusive of the £268 increase to the basic salary that all Elected Members receive.
13. The Panel has determined that the Senior Salaries payable in 2019/2019 by local authorities in population Group A (i.e. those with populations over 200,000, which includes Cardiff) are as follows:

Table 1 - Senior salaries payable to Members of a principal Council

Bands of Responsibility	Role(s)	Senior Salaries determined by the Panel for 2019/20 (inclusive of Basic Salary)
Band 1	Leader	£54,100
	Deputy Leader	£38, 100
Band 2	Cabinet Members	£33,100
Band 3	Committee Chairs (if remunerated)	£22,568
Band 4	Leader of largest Opposition Group	£22,568
Band 5	Leader(s) of other political group(s) <i>'a political group other than controlling/ largest opposition group (if any) which comprises not less than ten per cent of the members of the Council'</i> (if remunerated)	£17,568

14. The level of Senior Salary set by the Panel is inclusive of Basic Salary and a member 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 should they be appointed to the Fire & Rescue Authority by Full Council.

Allocation of Senior Salary Positions

15. 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 2019/20. In Cardiff (Population Group A), the maximum number of Senior Salary positions is **19**, excluding Civic Salary positions.
16. The Panel has taken the view that the payment to 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 has therefore continued its previous determination that a Band 4 Senior Salary must be paid.
17. In addition, it is a matter for individual authorities to determine which Chairs are paid at Band 3.
18. The Panel have stipulated that a Band 5 Senior Salary can if determined be paid to the Leader of any other political group comprising of at least 10% membership of the Authority.

19. The Council at its Annual Meeting in May 2018 approved the allocation of 19 Senior Salary posts in 2018 /2019 as set out in Table 2 below. No change is proposed to the current allocation.

Table 2 – Allocation of Senior Salaries

Bands of Responsibility	Role(s)	No. of Senior Salary Positions
Band 1	Leader	1
	Deputy Leader	1
Band 2	Other Cabinet Members	8
Band 3	Scrutiny Committee Chairs	5
	Planning Committee Chair	1
	Licensing / Public Protection Committees Chair	1
Band 4	Leader of largest opposition group (Conservative Group)	1
Band 5	Leader of the Liberal Democrat Group	1
Total		19

Specific or Additional Senior Salaries

20. 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, 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.
21. The Panel have maintained the option for Councils of operating some senior posts on a job share arrangement and the Panel were supportive of this provided that each ‘sharer’ will be paid 50% of the appropriate salary and the statutory maximum number of Cabinet Members (i.e. 10) is not exceeded, so both job sharers will count toward the maximum. The Panel must be informed of the details of any job share arrangements.

Civic Salary

22. The Panel has noted that many Councils had previously set salaries for civic heads and deputies to accord with their population groups, rather than to reflect

the specific responsibilities attached to the roles. Councils also expressed to the Panel that Elected Members do not wish to make decisions that require the Councils themselves to choose and match the level of activity or duties of a specific member to a given range of salary levels for a role. The Panel has therefore determined that the Panel shall remove all such choices.

23. Consequently, in the case of civic heads the payment, if remunerated, has been set at **£22,568** for a civic head and **£17,568** for a deputy civic head.
24. The posts of Mayor and deputy Mayor are not included in the Senior Salary cap of 19.
25. Members must not be paid a Senior Salary and a Civic Salary.

Presiding Member and Deputy Presiding Member

26. 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.
27. Where appointed and if remunerated, the Panel has determined that a Presiding Member must be paid a Band 3 Level 1 Senior Salary (£22,568). The post would also count towards the maximum number of Senior Salaries, which can be allocated by the Council (i.e. 19).
28. The Panel has also determined that the position of Deputy Presiding Member will not be remunerated. The option of a Presiding Member / Deputy does not feature in the Council's current allocation of Senior Salaries.

Joint Overview and Scrutiny Committees (JOSCs)

29. The Panel has determined to delete the JOSC payment arrangements from the framework as it found little use had been made in respect of those arrangements.
30. The Panel has stipulated that in future if a Council wishes to remunerate a chair of JOSC it can apply to do so using the arrangements detailed under specific or additional senior salaries.

Pensions

31. 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

32. 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 2019/2020.

Table 4: Fees for co-opted members 2019/20

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)
Community and town councillors sitting on principal council committees	£198 (4 hours and over) £99 (up to 4 hours)

33. The Panel has confirmed that Councils can continue to decide on the maximum number of days for which co-opted members may be paid in any one year. The Council has previously 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).
34. It is proposed that the Council should retain this maximum or 'cap' of the equivalent of 10 full days a year for each Committee including Co-opted Members in 2019/20.
35. The Panel has confirmed that reasonable time for pre meeting preparation is eligible 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.
36. Travelling time to and from the place of the meeting can be included in the claims for payments to co-opted members (up to the maximum of the daily rate).
37. The appropriate officer within the Council can 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. Meetings eligible for the payment of the fee include 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.
38. Co-opted Members are also eligible to claim reimbursement of costs of care, where applicable.

Allowances

39. 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.

Reimbursement of Costs of Care

40. The Panel has determined that, for 2019/20, all authorities must provide for the reimbursement of necessary costs for the care of dependent children and adults (provided by informal or formal carers) and for personal assistance needs up to a **maximum payment of £403 per month**. The reimbursement of the costs of care is intended to enable any person whose ability to participate as a member of an authority would be limited by their responsibilities as a carer, or for a member to receive care support to enable that individual to carry out their role.
41. 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 from the carer for the cost of the formal and informal care arrangements claimed.
42. The Panel has confirmed that, as this is a contribution to actual monthly costs, this payment cannot be annualised and published as a total amount reimbursed by the Council during the year but not attributed to any named member

Travel Allowance

43. The Travel Allowance payable in 2019/20 continues to be linked to current HM Revenue & Customs (HMRC) rates and is unchanged and payable as follows:

Table 5: Travel Allowance Payable

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

44. 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.
45. Travel expenses paid to Councillors for travel between home and a permanent workplace, where their home is within the authority area or no more than 20 miles from the area boundary, are exempt from tax and National Insurance contributions up to the approved mileage allowance payment scheme maximum as detailed in Table 5.

46. If a Councillor lives more than 20 miles outside the Authority area boundary, business mileage claims are subject to tax and National Insurance contributions.

Subsistence Allowance

47. 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.
48. 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 2019/20 (including breakfast if not included in overnight accommodation costs), provided that any claim for expenses is supported by receipts.
49. In terms of Subsistence Allowance which is payable in 2019/20 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

50. 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

51. 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.
 - New-born 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 New-born 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.
52. 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.
53. 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).

Sickness Absence for Senior Salary Holders

54. The Family Absence Regulations (approved by the National Assembly in 2014) are very specific relating to entitlement and only available for elected members of principal councils. Absence for reasons of ill health is not included.
55. Instances have been raised with the Panel of senior salary holders on long term sickness and the perceived unfairness in comparison with the arrangements for family absence. In consequence, councils are faced with the dilemma of:
- Operating without the individual member but still paying him/her the senior salary.
 - Replacing the member who therefore loses the senior salary (but retains the basic salary).
56. The Panel has considered this and has determined that the Framework be amended to provide specific arrangements for long term sickness as set out below:
- a) Long term sickness is defined as certified absences in excess of 4 weeks.
 - b) The maximum length of sickness absence within these proposals is 26 weeks or until the individual's term of office ends, whichever is sooner (but if reappointed any remaining balance of the 26 weeks will be included).
 - c) Within these parameters a senior salary holder on long term sickness can, if the authority decides continue to receive remuneration for the post held.
 - d) It is a decision of the authority whether to make a substitute appointment but the substitute will be eligible to be paid the senior salary appropriate to the post.
 - e) If the paid substitution results in the authority exceeding the maximum number of senior salaries payable for that authority as set out in the Annual Report, an addition will be allowed for the duration of the substitution.

- f) When an authority agrees a paid substitution the Panel must be informed within 14 days of the decision of the details including the specific post and the estimated length of the substitution. The authority's Schedule of Remuneration must be amended accordingly.
 - g) It does not apply to elected members of principal councils who are not senior post holders as they continue to receive basic salary for at least 37 six months irrespective of attendance and any extension beyond this timescale is a matter for the authority.
57. This arrangement applies to members of principal councils, National Park Authorities and Fire and Rescue Authorities who are senior salary holders, including Welsh Government appointed members, but does not apply to co-opted members.

Specific or Additional Senior Salaries

58. The Panel has allowed for greater flexibility through the provision for the Council to apply for specific or additional senior salaries that do not fall within the current remuneration framework or which could not be accommodated within the maximum number of Senior Salaries relating to the Council.
59. Guidance to local authorities on the application process was issued in April 2014 and incorporated the following principles:
- (a) The total number of senior salaries cannot exceed fifty percent of the membership;
 - (b) Applications will have to be approved by the authority as a whole (this cannot be delegated) prior to submission to the Panel.
 - (c) There must be clear evidence that the post/posts have additional responsibility demonstrated by a description of the role, function and duration; and
 - (d) Each application will have to indicate the timing for a formal review of the role to be considered by the authority as a whole.

Job Sharing Arrangements

60. The Panel has detailed the process to be followed in relation to Senior Salary job sharing arrangements in its latest report.

Supporting the Work of Local Authority Elected Members

61. 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.
62. 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.

Compliance and Publication of Remuneration and Allowances Information

63. 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 2019. In order to comply with this timescale, the Council's Schedule of Member Remuneration for 2019/20 is to be submitted for consideration by Council on 20 June 2019.
64. 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 Panel has determined that consistency can be improved by the use of a standard proforma. 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 2018/19 by 30 September 2019.

Election to Forgo Entitlement to Payment

65. 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

66. 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.
67. All Members entitled to receive payment have a personal interest in this report which should be declared. However, paragraph 12.2 of the Code of Conduct states that you will not be regarded as having a prejudicial interest in any business of the Council relating to remuneration or an allowance or payment or pension made in accordance with the Local Government (Wales) Measure 2011 or the Local Government and Housing Act 1989. This means all Members may debate and vote on the recommendations in this report.

Financial Implications

68. The report sets out the Members Remuneration and Allowances for 2019/20. The additional costs as a result of the changes to members allowances were included within the budgetary allocation for the year.

RECOMMENDATIONS

The Council is recommended to

1. note the determinations of the Independent Remuneration Panel for Wales made in its Annual Report 2019, as set out in the report;
2. note that an annual Basic Salary of £13,868 is payable to all elected members for the municipal year 2019/20;
3. agree to allocate the maximum of 19 Senior Salary positions payable for 2019/20 as follows:

Bands of Responsibility	Role(s)	No. of Senior Salary Positions
Band 1	Leader	1
	Deputy Leader	1
Band 2	Other Cabinet Members	8
Band 3	Scrutiny Committee Chairs	5
	Planning Committee Chair	1
	Licensing / Public Protection Committees Chair	1
Band 4	Leader of largest opposition group (Conservative Group)	1
Band 5	Leader of the Liberal Democrat Group	1
Total		19

4. note the Civic Salary payable in 2019/20 for the positions of Civic Head/Lord Mayor (£22,568) and Deputy Civic Head/Deputy Lord Mayor (£17,568), as prescribed by the Panel;
5. agree that the payment of Co-opted Member fees in 2019/20 should continue to be capped at a maximum of the equivalent of 10 full days a year; and
6. receive a report to approve a Schedule of Members' Remuneration 2019/20 at its next meeting.

PAUL ORDERS

Chief Executive

17 May 2019

Background Paper

Independent Remuneration Panel for Wales Annual Report February 2019

English - https://gov.wales/sites/default/files/publications/2019-03/irp-annualreport-2019-2020_0.pdf

Cymraeg – <https://llyw.cymru/sites/default/files/publications/2019-03/pacga-adroddiad-blynyddol-2019-2020.pdf>