

## **REPORT OF THE HEAD OF DEMOCRATIC SERVICES**

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### **INDEPENDENT REMUNERATION PANEL FOR WALES (IRPW) DRAFT ANNUAL REPORT 2021/ 2022**

#### **Reason for this Report**

1. To consult with Members on the Draft Annual Report 2021/22 of the Independent Remuneration Panel for Wales (IRPW). Draft copy attached as Appendix A.

#### **Background**

2. On 28 September 2020, the Independent Remuneration Panel for Wales (IRPW) published its draft annual report 2021/22.
3. A consultation meeting with the Panel for Chairs of Democratic Services and Heads of Democratic Services in the South East Wales Authorities was held on 27 October 2020.
4. The deadline for response on the consultation was 23 November 2020, however, this Authority was given an extension so that the Democratic Services Committee if it should wish could respond following its meeting on 30 November 2020.

#### **Issues**

5. In accordance with the requirements of Section 147 of the Local Government (Wales) Measure 2011, the IRPW has published its draft Annual Report setting out its determinations for the municipal year 2021/22.
6. The IRPW 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 tax-payers 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. Payments to members are made available to encourage a diversity of willing and able people to undertake local governance through their elected, appointed or co-opted roles.
7. The IRPW have chosen to make some changes to certain determinations as follows:

#### The Basic Salary

8. The Basic Salary (payable to all elected members) is remuneration for the responsibility of community representation and participation in the scrutiny, regulatory and related functions of local governance. The level was originally set at the time equivalent of three days a week and was aligned to the median gross earnings of all full time employees resident in Wales, as reported in the 2009 Annual Survey of Hourly Earnings (ASHE).
9. Over the last decade, taking account of affordability and acceptability, the Panel has determined figures for basic salary which have varied but have not kept pace with measures of inflation or other possible comparators. These include: Retail Prices Index, Consumer Prices Index, Wales Median Salary (ASHE), NJC (public sector employees), National Living Wage, Members of Senedd, and MPs.
10. The Panel remains aware that the key activities required of an elected member of a principal council vary. As an elected role, such posts are not readily treated in the same manner as employment with precisely quantified hours. The work that arises in representing ward residents is particularly varied because it is influenced by the very diverse socio-economic conditions, demographics, levels of urbanisation and different ratios of residents to councillors. Elected positions carry an expectation of a level of personal commitment to the community that goes beyond defined remunerated hours. Many elected members report that their time spent is well in excess of the notional three days (extra time worked and previously defined by the Panel as a 'public service discount').
11. When making financial determinations for this draft Annual Report, the Panel has considered the progression of the variety of benchmark figures for the period from 2012 to 2020. Any adjustments in recent years have been in keeping with the Panel's principle that its determinations should be affordable and acceptable. This principle is maintained in the proposed increase in the basic salary of elected members of £150 (1.06%) for 2021/2022.

**Determination 1: The Basic Salary in 2021/22 for elected members of principal councils shall be £14,368 with effect from 1 April 2021.**

#### Senior Salaries

12. Payments to members of the executive, chairs of committees and the leader of the opposition in 2021 senior salaries will be increased at the same rate (1.06%) as basic salaries.
13. The limit on the number of senior salaries payable ('the cap') will remain in place. In 2021/22 the maximum number of senior salaries payable will not be altered and will be 19 for Cardiff Council.

**Determination 2: Senior salary levels in 2021/22 for members of principal councils shall be as set out in Table 3 of the draft report with effect from 1 April 2021.**

<b>Senior salaries (inclusive of basic salary)</b>	
Leader	£55,027
Deputy Leader	£38,858

Executive members	£33,805
Committee chairs (if remunerated):	£23,161
Leader of largest opposition group	£23,161
Leader of other political groups More than 10% of members of the Council (Lib Dems)	£18,108

14. The stipulation that an opposition group leader or any other group leader must represent at least 10% of the council membership before qualifying for a senior salary remains unchanged.
15. The Panel has determined that a council must make a senior salary available to the leader of the largest opposition group. And that, if remunerated, a Band 5 senior salary must be paid to leaders of other political groups.

#### Civic Salaries

16. **With effect from 1 April 2021** the Panel has proposed that (where paid), civic salaries must be paid as follows:

<b>Civic salaries (inclusive of basic salary)</b>	
Lord Mayor	£23,161
Deputy Lord Mayor	£18,108

#### Payments to Co-opted Members

17. The number of days in any one year for which co-opted members may be paid varies and reflects the specific work discharged by the relevant committee. The Panel has proposed an increase of £12 to £210 daily rate for ordinary co-opted members and for those with additional responsibility and this is reflected as follows:

Chairs of Standards, and Audit committees	£268 (4 hours and over) £134 (up to 4 hours)
Ordinary members of standards committees who also chair standards committees for community and town councils	£238 (4 hours and over) £119 (up to 4 hours)
Ordinary members of standards committees; education scrutiny committee; crime and disorder scrutiny committee and audit committee	£210 (4 hours and over) £105 (up to 4 hours)
Community and town councillors sitting on principal council standards committees	£210 (4 hours and over) £105 (up to 4 hours)

#### Changes to the Reimbursement for the Cost of Care

18. The Panel has reviewed the arrangements for this financial support and has proposed the following changes:
- (a) As payments are taxable under the current HMRC rules, full reimbursement is not possible, so for clarity this will be retitled to "Contribution towards the costs of care and personal assistance". It will still require receipts to accompany claims.
- (b) Claims can be made in respect of a dependant under 16 years of age, or a minor or adult who normally lives with the member as part of their family and who cannot be left unsupervised.

(c) Clarification in respect of a member's own care or support needs:

Reimbursement may be claimed where the support and or cost of any additional needs are not available or are not met directly by the authority such as Access to work, Personal Payments Insurance. These could arise when the needs are recent and or temporary.

19. The Panel has reviewed the maximum monthly payment in recognition that this has not changed for several years. Costs and claims vary considerably and these can depend on the number of dependants, their ages and other factors. Therefore the monthly cap will be replaced with the following arrangements:

- Formal (registered with Care Inspectorate Wales) care costs to be reimbursed but taxed. (Name likely to be changed to "Registered")
- Informal care costs to be reimbursed up to a maximum rate equivalent to the Real Living Wage at the time the costs are incurred. (Name likely to be changed to "unregistered")

For clarification, care costs cannot be paid to someone who is a part of a member's household

20. The Democratic Services Committee is requested to identify and propose any feedback to the IRPW in respect of its draft report.

### **Legal Implications**

21. Under Part 8 of the Local Government (Wales) Measure 2011 ("the Measure"), the Independent Remuneration Panel for Wales ("the Panel") is given functions to determine the payments which must or may be made to Councillors for the discharge of their duties. The Panel's determinations must be set out in its published annual report; and the Council must comply with the requirements imposed on it by the Panel's Annual Report (s.153 of the Measure).

22. Before the Panel publishes its annual report, it must send a draft to the relevant authorities, the Welsh Ministers and any other appropriate persons; and must take into account any representations received.

23. This report provides the Council with the opportunity to comment on the proposed determinations set out in the draft annual report, before they become binding upon all Members.

### **Financial Implications**

24. The proposed changes to the remuneration of Elected Members for the 2021-22 financial year will potentially increase the financial commitment required in the budget.

25. The table below indicates that the budget needed to meet the requirement of the Elected Member salaries **increases by £14,492** for the 2021-22 period.

Description	2020-21			2021-22			Change
	Salary	Number of posts	Costs	Salary	Number of posts	Total	
Leader	£ 54,450.00	1	£ 54,450.00	£ 55,027.00	1	£ 55,027.00	£ 577.00
Deputy Leader	£ 38,450.00	1	£ 38,450.00	£ 38,858.00	1	£ 38,858.00	£ 408.00
Cabinet Members	£ 33,450.00	8	£ 267,600.00	£ 33,805.00	8	£ 270,440.00	£ 2,840.00
Committee Chairs	£ 22,918.00	7	£ 160,426.00	£ 23,161.00	7	£ 162,127.00	£ 1,701.00
Leader Largest	£ 22,918.00	1	£ 22,918.00	£ 23,161.00	1	£ 23,161.00	£ 243.00
Leader Other Groups	£ 17,918.00	1	£ 17,918.00	£ 18,108.00	1	£ 18,108.00	£ 190.00
Basic	£ 14,218.00	54	£ 767,772.00	£ 14,368.00	54	£ 775,872.00	£ 8,100.00
Civic Head	£ 22,918.00	1	£ 22,918.00	£ 23,161.00	1	£ 23,161.00	£ 243.00
Deputy Civic Head	£ 17,918.00	1	£ 17,918.00	£ 18,108.00	1	£ 18,108.00	£ 190.00
		75	£ 1,370,370.00		75	£ 1,384,862.00	£ 14,492.00

26. The table below indicates that the budget needed to meet the requirement of the Payments for Co-optees and Independent Members with voting rights **increases by £4,678** for the 2021-22 period.

Role	2020-21				2021-22				Difference
	Payment Level	Expected Number of Meetings	Number of recipients in this category	Estimated Cost	Payment Level	Expected Number of Meetings	Number of recipients in this category	Estimated Cost	
Chair of Standards Committee	£256 (4 hours +)	3	1	£ 768.00	£268 (4 hours +)	4	1	£ 1,072.00	£ 304.00
Chair of Audit Committee	£256 (4 hours +)	5	1	£ 1,280.00	£268 (4 hours +)	5	1	£ 1,340.00	£ 60.00
Audit - Independent Members	£198 (4 hours +)	5	3	£ 2,970.00	£210 (4 hours +)	5	3	£ 3,150.00	£ 180.00
CYP - Co-optees	£198 (4 hours +)	8	4	£ 6,336.00	£210 (4 hours +)	11	4	£ 9,240.00	£ 2,904.00
Standards & Ethics Independent Members	£198 (4 hours +)	3	4	£ 2,376.00	£210 (4 hours +)	4	4	£ 3,360.00	£ 984.00
Community Cllrs Standards committee	£198 (4 hours +)	3	1	£ 594.00	£210 (4 hours +)	4	1	£ 840.00	£ 246.00
				£ 14,324.00				£ 19,002.00	£ 4,678.00

Note: These figures does not take into account any "Special" meetings, Hearing Panels or other meetings that may occur.

27. A full assessment of the financial impact to the Council in respect of remuneration will be completed following the publication of the final versions of the IRPW Annual Report for 2021-22.

## RECOMMENDATION

The Committee receives and notes the draft IRPW report and gives consideration to any matters that they would wish to include in a response to the consultation.

**Gary Jones**  
**Head of Democratic Services**  
24 November 20

Appendix A:

Independent Remuneration Panel for Wales (IRPW) Draft Annual Report (February 2021)

Background Papers - None