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**REPORT OF THE INTERIM HEAD OF DEMOCRATIC SERVICES**

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**INDEPENDENT REMUNERATION PANEL FOR WALES (IPRW) DRAFT ANNUAL REPORT 2017/ 2018**

**Reason for this Report**

1. To consult with Members on the Draft Annual Report 2017/18 of the Independent Remuneration Panel for Wales (IRPW). Draft copy attached as Appendix A.

**Background**

2. In October, the Independent Remuneration Panel for Wales (IRPW) published its draft annual report 2017/18.
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 21 October 2016.
4. The deadline for response on the consultation was 28 November however City of Cardiff Council was given an extension so that the Democratic Services Committee if it should wish could respond following its meeting on 7 December. The Panel will be meeting on 15 December to consider all responses.

**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 2017/18.
6. The IRPW remains firmly of the 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 value-for money public services for local tax-payers through effective scrutiny. These are significant and considerable tasks for members of relevant authorities within the Panel's remit. 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. The IPRW 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. The basic salary was set at three-fifths of the All Wales Median Salary and any time commitment beyond the three days is considered as an unpaid public service contribution. The prescribed salary and expenses must be paid in full to each member unless an individual has independently and voluntarily written to the Authority's proper officer to forego all or any element of the payment.
10. With the financial constraints on the public sector and local authorities the IPRW has determined that they cannot maintain this link to the ASHE survey as it would result in the Basic Salary being raised to over £14,700. The IPRW has proposed a modest increase of £100 to the current Basic Salary which equates to a rise of 0.75%.

#### Reimbursement of Costs of Care

11. 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. Such provision would be especially relevant to those individuals in sectors of the population that are currently under-represented in local government but who may become engaged when awareness of the support available for the costs of care becomes more widely known.
12. The IPRW recognises that there is some sensitivity concerning the publication of this legitimate expense and has reflected this in its options for publication. However, the Panel urges authorities to promote this reimbursement and encourage greater take-up of this support to facilitate increased engagement amongst authority members.
13. The IPRW has requested that Councils use either of the following two options when publicising the reimbursement of costs of care:
  - 1) The details of the amounts reimbursed to named members; or
  - 2) The total amount reimbursed by the authority during the year but not attributed to any named member.
14. During discussions with the Chairs of Democratic Services Committees it was agreed that there was no objection to the publication of the total amount reimbursed as shown in (2) above as this would provide greater take up for this appropriate allowance.

## Sickness Absence for Senior Salary Holders

15. Instances have been raised with the IRPW of senior salary holders on long term sickness and the perceived unfairness in comparison with the arrangements for family absence. As a consequence, Councils are faced with the dilemma of operating without the individual member but still paying him/her the senior salary; and replacing the member who therefore loses the senior salary (but retains the basic salary).
16. The IRP intends to amend its framework to provide specific arrangements for long term sickness as shown 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. This would not apply in respect of a council executive member if it would result in the cabinet exceeding 10 posts - the statutory maximum).
  - f) When an authority agrees a paid substitution the IRPW 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 six months irrespective of attendance and any extension beyond this timescale is a matter for the authority.
17. The Council must implement the Panel's determinations in this report from the date of its annual meeting or a date specified within the Annual Report.
18. The IRPW will monitor the compliance with the determinations in its Annual Report by Council against the following requirements:
  - (i) Council must maintain an annual Schedule of Member Remuneration using the appropriate guidance;
  - (ii) Council must make arrangements for the Schedule's publication within the authority area and send the Schedule to the IRPW as soon as practicable and not later than 31 July in the year to which it applies.
  - (iii) Any amendments to the Schedule made during the year must be conveyed to the IRPW as soon as possible after the amendment is made.
  - (iv) Council must make arrangements for publication within the authority area of the total sum paid by it to each member and co-opted member in respect of salary (basic, senior and civic), allowances, fees and reimbursements in a Statement of

Payments as soon as practicable and no later than 30 September following the close of the year to which it relates.

19. During discussion with the IRPW the Chair of the Democratic Services Committee and the Head of Democratic Services were informed of the future intentions of the Panel to visit all Local Authorities following the Local Government Elections in 2017 to undertake discussions with Elected Members regarding their remuneration and with officers to ensure that processes were appropriate.

### **Legal Implications**

20. There are no direct legal implications arising from the content of this report.

### **Financial Implications**

21. The proposed changes to the remuneration of Elected Members for the 2017-18 financial year will potentially increase the financial commitment required in the budget.
22. A full assessment of the financial impact to the Council in respect of Elected Members' remuneration will be completed. An assessment will also be required to consider the potential changes which may occur as a result of the Local Government Elections on 4 May 2017.

### **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.

**G Shimell**  
**Interim Head of Democratic Services**  
1 December 2016

Appendix A: Independent Remuneration Panel for Wales (IRPW) Draft Annual Report (February 2017)

