

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO STANDARDS COMMITTEE

15 FEBRUARY 2012

REPORT OF THE MONITORING OFFICER

**THE REPORT OF THE INDEPENDENT REMUNERATION PANEL FOR WALES -
MEMBERS REMUNERATION**

1. PURPOSE OF REPORT

- 1.1 To advise Standards Committee of the determinations and recommendations contained within the December 2011 Report of the Independent Remuneration Panel for Wales.

2. CONNECTION TO CORPORATE IMPROVEMENT PLAN / OTHER PRIORITIES

- 2.1 The Independent Remuneration Panel for Wales has acknowledged the need to ensure that financial barriers do not stand in the way of attracting more people to serving in local government. The active participation of all Members contributes to the Corporate Improvement Plan and all Corporate Priorities.

3. BACKGROUND

- 3.1 The Local Authorities (Allowances for Members) (Wales) Regulations 2007 provided for the establishment of the Independent Remuneration Panel for Wales.
- 3.2 The Panel's decisions continue to be underpinned by a set of principles. The Panel has maintained the view that supporting local democratic representation cannot be cost-free. The Panel has recognised that elected and co-opted members of the relevant authorities within the Panel's remit are required to undertake a number of functions and roles. They not only represent the interests of local people, but also undertake the governance of local communities, and secure value-for-money public services for local taxpayers through effective scrutiny.
- 3.3 This is the first Independent Remuneration Panel for Wales report published under the requirements of the Local Government (Wales) Measure 2011. Under the powers provided by the Measure the Panel has produced a new set of Regulations (IRPW Regulations) which come into effect on 1 April 2012 and which apply to payments made to members and co-opted members of local authorities, National Park authorities, and Welsh fire and rescue authorities.

4. CURRENT SITUATION / PROPOSAL

- 4.1 The Local Government (Wales) Measure 2011 provides the power to prescribe the actual level of payments to members. It remains the case that individual councillors can forgo all, or part, of their salaries if they so wish. With the Measure in place, the existing Regulations are revoked.
- 4.2 In keeping with the Panels intentions as set out in 'Moving Forward: Proposals Beyond 2010', the Panel has determined that payments made from the 2012/13 municipal year to members in local authorities will be referred to as 'salary'. The Basic Salary is paid for the responsibility of community representation and participation in the scrutiny, regulatory or related functions of local governance at the time equivalent of three days a week and remains payable during periods of family absence as defined under the Measure. Any time commitment beyond three days is an unpaid public service contribution.
- 4.3 Payments to co-opted members from 2012/13 will be by way of daily fee. The term 'allowance' is reserved for payments which are reimbursement of expenses necessarily incurred in the performance of duties (such as for care, travel and subsistence) by councillors and co-opted members of local authorities.
- 4.4 The Panel's framework is unchanged in respect of population groups and banding. The Panel acknowledged that while there had been population growth throughout Wales, the most recent mid-year estimates do not suggest that it has been sufficient to move any local council to a higher or lower population group. Therefore Bridgend remains in Group B with a population between 100,000 and 200,000 people.
- 4.5 Bridgend has been set a maximum proportion of 33% of council's membership that can be paid a Senior Salary. This equates to 18 Members and can be made up from the following:

Leader
Deputy Leader
Cabinet Member
Committee Chairpersons
Group Leader (Largest Opposition Group)
Group Leaders (Groups more than 10% of all council members)

Council may distribute Senior Salaries across the responsibility bands as it sees fit, but the maximum number (18) of remunerated posts must not be exceeded, except for any period in which a temporary office holder substitutes for the family absence an appointed office holder.

- 4.6 The Measure has also brought the Civic responsibilities and payments to civic heads within the Panel's remit. The Panel carried out a survey of all principal councils during April 2011 and the information received was used to assess the remit and responsibilities of the civic role and how it should be remunerated. The evidence confirmed that members who carry civic responsibilities perform senior roles within

councils, but that these roles are distinct from political or executive leadership. The civic head role encompasses a distinct 'first citizen' leadership responsibility in representing Council to a wide variety of civil society institutions and carries with it a requirement to exemplify and promote good citizenship. The posts of civic head and deputy civic head are excluded from the proportion of senior salary holders but they will remain within the Panel's framework

4.7 The Basic and Senior Salaries

4.7.1 The Panel has determined that all councillors will receive a Basic Salary of £13,175 in 2012/13 which represents a 5% cut from the existing allowance.

4.7.2 For those posts that Council decides to pay a Senior/Civic Salary, the Panel has determined that for 2012/13, payment (inclusive of Basic Salary) shall be as shown below:

Senior Salaries (inclusive of Basic Salary)

Leader	£47,500
Deputy Leader	£33,460
Cabinet Member	£28,780
Committee Chairs/Leader of largest opposition group	£21,910
Leader of opposition group (>10% of Council Members)	£16,920
Civic Head (Mayor)	£21,375
Deputy Civic Head (Deputy Mayor)	£16,625

4.7.3 The Panel has determined that:

- A councillor must not be paid more than one Senior Salary.
- A councillor must not be paid a Senior Salary and a Civic Salary.
- All Senior and Civic Salaries are paid inclusive of Basic Salary
- The remuneration of Council Leaders and Cabinet Members is based on the Panel's assumption that these roles are full-time.

4.7.4 The Independent Remuneration Panel has indicated that change from the individual Special Responsibility Allowance (SRA) to the Senior Salary has reduced the payments for responsibilities shown by approximately 10%.

4.7.5 A full list of current SRA Posts is shown at Appendix 1.

4.8 Co-opted member payments

4.8.1 The level of payments to co-opted members (with voting rights) is prescribed as a daily fee (with a provision for half day payments) which takes account of the considerable variation in the workloads of co-opted members across authorities in Wales.

4.8.2 The following show the daily and ½ day rates for Co-optees

Appointment	Daily Fee
Co-opted Chair, Standards Committee Co-opted Chair, Audit Committee	£256 (£128 for ½ day)
Co-opted Ordinary member (ordinary members of the Standards Committee who also Chair Standards Committees for town and community councils.)	£226 (£113 for ½ day)
Co-opted Ordinary member (Standards committees; education scrutiny committee, crime and disorder scrutiny, committee and audit committee.)	£198 (£99 for ½ day)

4.8.3 These payments are capped at a maximum of the equivalent of 10 full days a year for each committee to which an individual may be co-opted. Payments are for meeting time only and include time spent on preparation and travelling. For the purposes of claiming:

- A half day meeting is defined as up to 4 hours.
- A full day meeting is defined as over 4 hours

4.9 Reimbursement of Care Expenses

4.9.1 The Panel have determined that for 2012/13 councils must provide for a maximum payment of £403 per month to members and co-opted members of local authorities who incur necessary expenses for the care of children dependants whilst undertaking their member duties. Reimbursements shall only be made on production of receipts from the carer.

4.10 Reimbursement of Travel expenses for official business

4.10.1 Mileage

4.10.2 The Panel determined there will be no change 2012/13 to mileage rates that can be claimed for travel. These are the current HMRC rates:

- 45p per mile – up to 10,000 miles.
- 25p per mile - over 10,000 miles.
- 5p per passenger per mile – passenger supplement.
- 24p per mile – private motor cycles.
- 20p per mile - bicycles.

4.10.3 All other claims for travel will only be reimbursed on production of a receipt showing the actual expense, and are subject to any requirement or further limitation that a council may determine. Members and co-opted members should always be mindful of choosing the most cost-effective method of travel.

4.10.4 Official business (constituency responsibilities)

4.10.5 Council, if it so determines, may specify in its definition of official business (for the purposes of claiming travel allowances), that this includes members undertaking constituency responsibilities. However, there are concerns regarding the verification of such claims. It is therefore proposed that the definition of official business not be extended to include constituency responsibilities which would ensure that open checks and balances are in place for any expense claims.

4.10.6 Subsistence Allowance:

4.10.7 The Panel has determined that for 2012/13 the maximum rates for subsistence whilst on approved duties will be as set out below, with all claims to be supported by receipts:

- A maximum of £28 per day, including breakfast if not included in overnight cost
- Overnight costs to a maximum of £150 in London; £120 in Cardiff and £95 elsewhere.
- A maximum of £25 per night if staying with friends or relatives.

4.11 Expectations of the Panel

4.11.1 The Panel expects that councils should:

- Provide, without charge to individual councillors, as much support as is necessary (e.g. telephones, postal costs, IT equipment) to enable councillors to fulfil their duties as determined by the council.
- Make publicly available a statement of the basic responsibilities of a councillor, identifying clearly the duties expected.
- In the interests of transparency, in their annual public declarations of payments to members include remuneration from all public service appointments held by elected members.
- Negotiate with HMRC block tax dispensations for councillors in respect of the full range of allowable expenses and secure timely tax and benefit advice for councillors in respect of their earnings and expenses.

4.11.2 Role descriptions have been previously agreed by Council for the following roles:

- [Elected Member](#)
- [Leader \(Deputy Leader\)](#)
- [Cabinet](#)
- [Mayor](#)
- [Overview and Scrutiny - Chairperson](#)
- [Chair of Regulatory Committee](#)
- [Member of Regulatory Committee](#)
- [Member Mentor](#)

4.11.3 Further work will be undertaken to:

- Develop role descriptions to cover all senior salary posts as shown in Appendix 1.
- Liaise with other public service bodies to which representatives from Council are appointed to ensure that any remuneration is recorded.
- Negotiate with HMRC block tax dispensations for elected Members

4.12 Pensions

4.12.1 The Panel has recommended that Members who are in receipt of Basic and Senior salaries should be eligible to join the Local Government Pension Scheme. The Local Government (Wales) Measure 2011 provides a power to the Panel to make determinations on pension entitlement for members of local authorities and the Panel will consider doing so for 2013/14.

4.12.2 There are currently 18 of the 54 elected members signed up to the Local Government Pension Scheme. If more members wish to join the scheme budgets would be required to be adjusted accordingly.

4.13 Compliance and Monitoring of the Panel's Requirements

4.13.1 Section 153 of the Local Government Measure empowers the Panel to require the Authority to comply with the requirements imposed on it by a Panel annual report. It also enables the Panel to monitor the compliance with Panel determinations on payments and pensions. The Panel believes that this will provide a comprehensive national framework for member remuneration that is consistently applied in all relevant authorities.

4.13.2 The Panel's intentions to monitor compliance of its 2012/13 determinations are as follows:

- The Authority must maintain an annual Schedule of Member Remuneration which must include:
 - Named members who receive only the Basic salary
 - Named members who receive Senior salaries, the office and portfolio held and the amount paid.
 - Named members who receive the co-opted Member fee and whether they are a chairperson or an ordinary member.
 - Confirmation that the maximum number of senior salary holders has not been exceeded.
- The Schedule must set out the arrangements for:
 - the payment of salaries, allowances and fees to all members and co-opted members.
 - arrangements for making claims for care, travel and subsistence expenses.
 - arrangements for the avoidance of duplication
 - arrangements for re-payment of salaries, allowances and fees
 - the duties for which members and co-opted members are able to claim travel, subsistence and care allowances.
- A declaration whether:
 - A statement of the basic responsibilities of a councillor is in place
 - Role descriptions of senior salary office holders is in place
 - Records are kept of councillor attendance
 - Records are kept of any councillor activity
 - Annual reports are prepared by councillors, and published on the council website.

4.13.3 Amendments made to the schedule are to be communicated to the Panel as soon as practicable.

4.13.4 The Council must make arrangements for the publication of the Schedule of Member Remuneration as soon as practicable after its determination and no later than 31 July of the year in which it applies to.

4.13.5 Work will be undertaken by the Democratic Services Team to develop the Schedule of Remuneration in line with the Panel's proposals.

4.14 Publication of Remuneration Details

4.14.1 Council must make arrangements for the publication within the authority area of the remuneration received by its members and co-opted members at the end of the municipal year or by 30 Sept. The following information must be provided:

- The amount of Basic Salary, Senior Salary, and Co-opted Member fee paid to each named member/co-opted member of the Authority. This should include where the member had chosen to forgo all or part of the salary or fee relating to the year in question and where a senior salary had been paid the title of the senior office must be provided.
- The amount of any further remuneration received by any named member nominated to, or appointed by, another relevant authority. All care, travel and subsistence expenses received by each named member and co-opted member of the relevant authority, with each category identified separately.
- Named members who received a Senior Salary on a temporary basis to cover for the family absence of Senior Salary office holder for all or part of the annual period to which the schedule applies.
- Named members who did not receive Basic or Senior salaries because they were suspended for all or part of the annual period to which the schedule applies

4.15 Implementation

4.15.1 The arrangements for implementation of the Panel's decisions for 2012/13 are affected by the local government elections in Wales which will take place on the 3 May 2012. The following will apply:

- From 1 April 2012 to 7 May 2012 the Panel's determinations in its December 2010 Annual Report will continue to apply.
- From 7 May 2012 all the determinations in the Panels 2011 report will apply except those relating to Senior salaries subject to the newly elected councillors having signed the requisite declaration of office.
- For senior salaries the provisions of the 2011 report will take effect from the date of the Annual Meeting of Council on 16 May 2012.

4.16 Impact of the changes

4.17 The full impact of these changes cannot be fully realised until the final publication of

the guidance that compliments the Local Government Measure. We are aware that there will be some changes to the make up of committees including the introduction of the Democratic Services Committee and additional lay members to support the Audit Committee. This will produce at least one additional chairperson and additional co-optees that may be entitled to be remunerated.

- 4.18 The outcomes of the Local Elections in May will also have an effect on the details of the Schedule of Remuneration. The number of group leaders with a membership greater 10% of all council members may increase or decrease which may impact which senior salaries the Council will determine to include in the schedule.
- 4.19 It is anticipated that the Independent Remuneration Panel determination will make savings in some areas and incur costs in others.
- 4.20 With the implementation of the Independent Remuneration Panel determinations not due until after the Elections in May and the lack of clarity regarding the requirements of the Local Government Measure, it is proposed that a subsequent report be submitted to the Annual Meeting of Council to confirm those Senior Salary posts that will be remunerated and to approve the arrangements that are currently being developed to meet the Panel's requirements for the monitoring of the Schedule of Member Remuneration.

5. EFFECT UPON POLICY FRAMEWORK & PROCEDURE RULES

- 5.1 The existing Members' Allowances Scheme will need to be updated to reflect any changes approved by Council to meet the requirements of the Independent Remuneration Panel and the Schedule of Member Remuneration.

6. EQUALITIES IMPACT ASSESSMENT

- 6.1 There are no negative equality implications arising from this report.

7. FINANCIAL IMPLICATIONS

- 7.1 It is estimated that overall the costs identified in the body of the report will be met from existing budgets, which will need to be realigned when the full impact of the changes are known. With any surplus initially identified being set aside to meet any additional costs as a result of changes in the committee structure and the outcome of the Local Elections in May.

8. RECOMMENDATIONS

- 8.1 Standards Committee is recommended to note the report

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Background Papers:

Independent Remuneration Panel for Wales Annual Report December 2011

CURRENT SRA'S AGAINST SENIOR SALARIES POSITIONS

	Posts	Role Descriptions
1	Leader	Yes
2	Deputy Leader	Yes
3	Cabinet Member (a)	Yes
4	Cabinet Member (b)	Yes
5	Cabinet Member (c)	Yes
6	Cabinet Member (d)	Yes
7	Chair – Overview & Scrutiny Committee (a)	Yes
8	Chair – Overview & Scrutiny Committee (b)	Yes
9	Chair – Overview & Scrutiny Committee (c)	Yes
10	Chair – Overview & Scrutiny Committee (d)	Yes
11	Chair – Overview & Scrutiny Committee (e)	Yes
12	Chair – Appeals Committee	Yes
13	Chair – Development Control Committee	Yes
14	Chair – Licensing Committee	Yes
15	Chair – Audit Committee	Yes
16	Leader of the Largest Opposition Group	No
17	Leader Conservatives	No
18	Leader Lib Democrats	No
	Chair – Democratic Services Committee (TBC)	No
	Cabinet Member (Cabinet may be formed by up to 10 councillors including Leader and Deputy Leader)	Yes

MAYOR AND DEPUTY MAYOR / CIVIC SALARY

Civic Head – Mayor
Civic Head – Deputy Mayor

CO-OPTEES

1	Registered Rep (a)
2	Registered Rep (b)
3	Registered Rep (c)
4	Registered Rep (d)
5	Registered Rep (e)
6	Standards Member (a)
7	Standards Member (b)
8	Standards Member (c)
10	Standards Chairperson

- Additional Co-optees may be required under the Local Government Measure for Audit and other Committees