

BRIDGEND COUNTY BOROUGH COUNCIL
REPORT TO THE ANNUAL MEETING OF COUNCIL
17 MAY 2017

REPORT OF THE MONITORING OFFICER

REPORT OF THE INDEPENDENT REMUNERATION PANEL FOR WALES

1. PURPOSE OF REPORT

- 1.1 To advise Council of the determinations and recommendations contained within the February 2017 Annual Report of the Independent Remuneration Panel for Wales in respect of the level and range of remuneration the Authority must make available to its Members for the 2017/18 municipal year.
- 1.2 To seek:
- the adoption of the relevant determinations of the Independent Remuneration Panel contained within its February 2017 report
 - Determination of those posts who will receive a senior/civic salary.
 - Council's determination of the level of remuneration for the Senior and Civic Salaries.
 - approval of the revised Members' Schedule of Remuneration at Appendix 2, which will become effective from 17 May 2017 (Annual Meeting of Council).
 - approval that the Members' Schedule of Remuneration be automatically updated with any changes to remuneration subsequently made by Council during the 2017/18 municipal year.

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 serve in local government. The active participation of all Members contributes to all the following Corporate Priorities.
1. **Supporting a successful economy** – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
 2. **Helping people to be more self-reliant** – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
 3. **Smarter use of resources** – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as

possible and support the development of resources throughout the community that can help deliver the Council's 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 This is the ninth Annual Report of the Independent Remuneration Panel for Wales (the Panel), and the sixth published under the requirements of the Local Government (Wales) Measure 2011. The Measure extended the responsibilities of the Panel and its powers under Section 142 to decide (prescribe) payments to members of relevant authorities.
- 3.3 The Local Government (Democracy) (Wales) Act 2013 amended the Local Government (Wales) Measure 2011 by inserting Section 143A. This requires that any principal council or fire and rescue Authority that intends to change the salary of its Head of Paid Service must consult the Panel unless the change is in keeping with changes applied to other officers. Section 143A also enables the Panel to take a view on anything in the Pay Policy Statement of an authority that relates to the salary of the Head of Paid Service (normally the Chief Executive or Chief Fire Officer). The Local Government (Wales) Act 2015 extended this responsibility, on a temporary basis, to Chief Officers of principal authorities. The Panel's approach to its use of these powers is set out in Section 15 of this Report and accords with the guidance issued to the Panel by the Welsh Government.
- 3.4 The Panel remained 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.
- 3.4 The 51 determinations of the Independent Remuneration Panel Annual Report 2017, which were published in February 2017, are shown at **Appendix 1** and are separated into appropriate sections for clarity.

4. CURRENT SITUATION / PROPOSAL

4.1 Basic Salary

- 4.1.1 The Panel originally determined (IRP Annual Report December, 2009) that the payment of basic salary would be aligned to the median gross earnings of all full-time employees resident in Wales as reported in the Annual Survey of Hourly Earnings (ASHE). Given that the basic salary was set at three-fifths of the All Wales Median Salary in setting these salaries the Panel recognised that there was an unpaid public service contribution.
- 4.1.2 Given the pressures on public expenditure it was not possible for this alignment to

be maintained. If this alignment had continued the basic salary would currently be in the region of £14,700. While in the current economic circumstances it is not possible to reinstate the link between basic salary and average Welsh earnings, the Panel will, in the future examine possible benchmarks that would be appropriate for the remuneration of Elected Members.

4.1.3 It has been determined that although public sector funding continues to be constrained, the Panel considers that a modest increase in the basic salary is justified and has determined there shall be an increase of £100 (which equates to 0.75%) from 8 May 2017 to the basic salary for members of principal councils including Bridgend. This will help to limit further erosion of relative levels of remuneration in the basic salary paid in recognition of the duties expected of all elected members. Basic salary in 2017/18 for Elected Members of principal councils shall be £13,400. **(Determination 1)**.

4.2 Senior Salaries

4.2.1 The Panel has not changed its previous decisions in respect of the senior salaries paid to these Senior Salary Post holders. The Senior Salaries are inclusive of the Basic Salary. The senior salary posts have not received an increase of salary but the increase in Basic Salary has been reflected in the total senior salary.

4.2.2 Leader and Deputy Leader

The Salary for the Leader and Deputy Leader has been based on the population of the County Borough (100,000 – 200,000). The Leader can receive £48,100 and the Deputy Leader £33,600.

4.2.3 Cabinet Members

Many Councils operate with a Cabinet of 10, the statutory maximum, others choose to have smaller Cabinets and therefore the range of individual portfolios is much greater. The Panel has concluded that this differing range of portfolios should be reflected in the remuneration framework. It is not the role of the Panel to determine the structure of Cabinets of local authorities. Each newly elected council is able to determine the remuneration based on the level of responsibility and workload.

Cabinet members may be paid at either of the two following senior salary levels:

- Level 1 - £29,100
- Level 2 - £26,200

It has been previously considered that if there were less than 8 Cabinet Members the workload and responsibility would warrant them being paid at the Level 1 salary. Bridgend has historically had 4 or 5 Cabinet Members in addition to the Leader and Deputy Leader

4.2.4 Chairs of Committees

The Panel continues to take the view that the responsibility and function of chairing a committee is not generally influenced by population of the Authority. However, there is recognition that the specific responsibility and workload of some chairs is greater than others, and this has been a topic of ongoing dialogue and debate. Where chairs of committees are remunerated, there are two levels of remuneration available:

- Level 1 chairs will be paid a salary of £22,100

- Level 2 chairs will be paid a salary of £20,100

The Panel has determined that it is a matter for individual authorities to determine which chairs are paid and at which level, to reflect the appropriate responsibility attached to the specific post. In previous years the follow Committee Chairpersons have been remunerated at the levels shown:

- Level 1 Senior Salary
Appeals Panel
Audit Committee
Development Control Committee
Licensing/Act 2003 Committee
Scrutiny Committee
- An Independent Member chairs the Standards Committee and receives £256 for a meeting lasting over 4 hours or £128 for meeting under 4 Hours
- The following Committees are chaired by members who are already in receipt of a Senior/Civic salary and therefore do not receive any further remuneration
 - Council
 - Appointments Committee
 - Town & Community Council Forum
 - Right of Way Sub-Committee
- The Democratic Services Committee Chairperson was not remunerated in the previous administration.

4.2.5 Largest Opposition Group Leader

The Panel previously determined that Council must make a senior salary available to the leader of the largest opposition group who represents at least 10% (6 Members) of the Council before qualifying for a senior salary.

4.2.6 Opposition Group Leaders

There is senior salary able to be paid to any another group leader who represents at least 10% (6 Members) of the Council.

4.2.7 Maximum number of Senior Salaries

The Panel has prescribed that Bridgend cannot remunerate more than 18 Senior Salaries posts.

4.2.8 The Panel has determined that senior salary levels in 2017/18 for members of principal councils shall be as set out above **(Determination 2)**.

4.3 Civic Salaries

4.3.1 The Panel has determined **(Determination 3)** that civic salaries can be paid and that the level of remuneration should be decided by Councils after taking into account the anticipated workloads and responsibilities of the roles.

<u>Level</u>	<u>Mayor</u>	<u>Deputy Mayor</u>
Level 1	£24,100	£18,100
Level 2	£21,600	£16,100
Level 3	£19,100	£14,100

- 4.3.2 The current Mayor and Deputy Mayor receive Level 2 Civic Salaries and Council is requested to approve the continuation of this level of remuneration for the 2017-18 municipal year.
- 4.4 The Panel's determination of the remuneration of the Presiding Member and Deputy Presiding Member (**Determinations 4 & 5**) are not applicable to this Authority.
- 4.5 Support for Elected Members
- 4.5.1 The Panel has reiterated its view that each Authority must ensure that all its councillors are given as much support as is necessary to enable them to fulfil their duties effectively. Deductions must not be made from members' salaries by the respective Authority as a contribution towards the cost of support which the Authority has decided necessary for the effectiveness and/or efficiency of members. The Panel considered that determining the level of appropriate support fell within the function of the Democratic Services Committee (DSC) and it was for this Committee to review the support provided to councillors and recommendations could be made to Council accordingly. (**Determinations 6 & 7**)
- 4.6 Specific or Additional Senior Salaries
- 4.6.1 The Panel has included the ability to remunerate for specific or additional senior salaries which do not fit with the existing remuneration Framework (**Determination 8**). The Panel provided opportunities in its last report for other roles for which senior salaries can be paid. Guidance to local authorities on the application process was issued in April 2014 and incorporated the following principles:
- The total number of senior salaries cannot exceed fifty percent of the membership (this applies to principal councils; different restrictions will apply to national park authorities and fire and rescue authorities).
 - Applications will have to be approved by the Authority as a whole (this cannot be delegated) prior to submission to the Panel.
 - There must be clear evidence that the post/posts have additional responsibility demonstrated by a description of the role, function and duration.
 - Each application will have to indicate the timing for a formal review of the role to be considered by the Authority as a whole.
- 4.7 Joint Overview and Scrutiny
There are currently no Joint Overview and Scrutiny roles within the Authority and therefore **Determinations 9-16** do not apply. However if Joint Overview and Scrutiny Committees are formed this may need to be revisited.
- 4.8 Local Government Pension Scheme
Determination 17 made by the Panel enables all Councillors in the Authority to join the Local Government Pension Scheme if they so wish.

4.9 Family Absence

- 4.9.1 The Panel has determined that an Elected Member is entitled to retain a basic salary when taking family absence under The Family Absence for Members of Local Authorities (Wales) Regulations 2013 irrespective of the attendance record immediately preceding the commencement of the family absence. **(Determination 18)**.
- 4.9.2 When a senior salary holder is eligible for family absence, he/she will continue to receive the salary for the duration of the absence **(Determination 19)**. It is then a matter for the Authority to decide whether or not to make a substitute appointment. The Elected Member substituting for a senior salary holder taking family absence will be eligible to be paid a senior salary, if the Authority so decides. **(Determination 20)**
- 4.9.3 If the paid substitution results in the Authority exceeding the maximum number of senior salaries which relate to it, as set out in the Panel's Annual Report, an addition to the maximum will be allowed for the duration of the substitution. **(Determination 21)**
- 4.9.4 When a Council agrees a paid substitution for family absence, the Panel must be informed, within 14 days of the date of the decision, of the details including the particular post and the duration of the substitution. **(Determination 22)**, The Council's schedule of remuneration must be amended to reflect the implication of the family absence. **(Determination 23)**

Note: The Regulations apply to Elected Members in cases of maternity, new born, adoption and parental absences from official business.

4.10 National Park Authorities(NPAs)

- 4.10.1 This Authority has no representations on the NPAs therefore **Determinations 24-30** do not apply.

4.11 Fire and Rescue Authorities (FRAs)

- 4.11.1 **Determinations 31-37** relate to the FRAs. Cabinet will be appointing 2 members to the South Wales FRA. Any Leader or Cabinet Member appointed to the FRA cannot receive any additional salary from the FRA. The FRA is responsible for remunerating its representatives and publishing the details of any payments that they make.

4.12 Co-Opted Members

- 4.12.1 This Authority must pay the following fees to Co-opted Members (who have voting rights) **(Determination 38)**.

Chairs of standards, and audit committees	£256 (4 hours and over) £128 (up to 4 hours)
Ordinary members of standards committees who also chair standards committees for	£226 daily fee (4 hours and over)

community and town councils	£113 (up to 4 hours)
Ordinary members of standards committees; education scrutiny committee; crime and disorder scrutiny committee and 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)

4.12.2 Reasonable time for pre meeting preparation and travelling time to and from the place of the meeting is eligible to be included in claims made by Co-opted Members (up to the maximum of the daily rate). The extent of which can be determined by the Monitoring Officer in advance of the meeting. **(Determinations 39-41)**

4.12.3 It has been determined by the Panel that meetings eligible for the payment of fees 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. **(Determination 42)**

4.12.4 The Authority currently has the following Co-optees with voting rights:

- Chair of the Standards Committee
- 3 Independent Members of the Standards Committee
- 2 Town and Community Council Co-optees on the Standards Committee
- 5 Registered representatives (Church and School Governors)
- 1 Lay-person appointed to the Audit Committee

4.12.5 Co-optees are permitted to claim up to a total of 10 full day meetings in the year. However, the maximum claim by any individual Co-optee equates to a total of 4 full day meetings.

4.13 Reimbursement of Care costs

4.13.1 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 of £403 per month. Reimbursement shall only be made on production of receipts from the carer. **(Determination 43)**

4.13.2 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. The Panel recognises that there is some sensitivity concerning the publication of this legitimate expense and has reflected this in the options for publication. However, the Panel urges authorities to promote this reimbursement and encourage greater take-up of this support to facilitate participation amongst existing authority members and encourage diversity among future elected members.

4.14 Sickness Absence for Senior Salary Holders

4.14.1 The Family Absence for Members of Local Authorities (Wales) Regulations 2013 are very specific relating to entitlement and only available for Elected Members of principal councils. Absence for reasons of ill-health is not included. 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).

4.14.2 The Panel has considered this and is amending the Framework 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. (However this would not apply to Merthyr Tydfil or the Isle of Anglesey councils if it would result in more than 50% of the membership receiving a senior salary. It would also 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 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 six months irrespective of attendance and any extension beyond this timescale is a matter for the Authority.

4.14.3 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.

4.15 Reimbursement of travel, subsistence and care costs when on official business

4.15.1 The Panel has determined that there will be no change to the mileage rates for which members are entitled to claim. All authorities may only reimburse travel costs for their members undertaking official business at the current HMRC rates which are 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

4.15.2 In respect of the reimbursement of subsistence costs the Panel has agreed that: the rates payable must be in alignment to those of the Welsh Government as follows:

- £28 per day allowance for meals, including breakfast, where not provided in the overnight charge
- £200 per night London
- £95 per night Elsewhere including Cardiff
- £30 per night Staying with friends and/or family

It should be noted that the subsistence rate for London has increased from £150 to £200 and the rate for staying with friends and/or family has increased from £25 to £30 in this report.

4.16 Payments to members of Town and Community Councils

4.16.1 **Determinations 44-51** relate to payments to members of Town and Community Councils and therefore are not applicable to this Authority.

4.17 Electing to Forego Remuneration

4.17.1 Although Council is unable to change the prescribed level of remuneration determined by the Panel, individual members are permitted to independently and voluntarily forego all or any element of remuneration to which they are entitled by writing to the Authority's Proper Officer.

4.18 Compliance

4.18.1 The Panel report also requires the Authority to publish the Schedule of Remuneration in accordance with the guidance and update it whenever changes are required. Details of all remuneration received by Elected Members must be published annually on the Local Authority's website in the prescribed format.

4.18.2 This Authority has a very good relationship with the Independent Remuneration Panel and its practices and documentation have been used as an exemplar of good practice and shared with all Authorities in Wales.

5. EFFECT UPON POLICY FRAMEWORK & PROCEDURE RULES

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

6. EQUALITIES IMPACT ASSESSMENT

6.1 This report is supportive of the equalities implications for Elected Members by including care, family and other allowances .

7. FINANCIAL IMPLICATIONS

7.1 The current budget set for 2017/18 for the remuneration of elected members is £1,104,140.

7.2 It is very difficult to assess whether the budget is sufficient to cover the maximum salary and payments which could be paid in 2017/18. The determination of Council regarding the number of remunerated posts, the level of salary that will be provided and the wishes of each individual Members regarding their remuneration will impact on the current budget. It is envisaged based on historical information that the budget will be sufficient. However, the budget will need to be monitored and reviewed in 2017/18 in readiness for the 2018/19 budget setting process.

8. RECOMMENDATIONS

8.1 Council is recommended to note the determinations and recommendations contained within the February 2017 Report of the Independent Remuneration Panel for Wales in respect of the level and range of remuneration the Authority must pay its Members for the 2017/18 municipal year as shown at **Appendix 1**.

8.2 Council is requested to approve:

- the adoption of the relevant determinations of the Independent Remuneration Panel contained within its February 2017 report
- those posts (as shown in the revised Members' Schedule of Remuneration at **Appendix 2**), who will receive a senior/civic salary.
- the level of remuneration for the Senior and Civic Salaries (where appropriate).
- the revised Members' Schedule of Remuneration at **Appendix 2**, and for it to become effective from 17 May 2017 (Annual Meeting of Council).
- that the Members' Schedule of Remuneration be automatically updated with any changes to Senior/Civic Salary positions subsequently made by Council during the 2017/18 municipal year.

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11 May 2017

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Background documents:

- [Independent Remuneration Panel for Wales Annual Report February 2017.](#)
- Local Government (Wales) Measure 2011