

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO DEMOCRATIC SERVICES COMMITTEE

5 NOVEMBER 2015

REPORT OF THE ASSISTANT CHIEF EXECUTIVE LEGAL & REGULATORY SERVICES

CONSULTATION - INDEPENDENT REMUNERATION PANEL FOR WALES DRAFT ANNUAL REPORT 2016-17

1. Purpose of Report.

- 1.1 The Independent Remuneration Panel for Wales (IRPW) has issued its Draft Annual Report (February 2016) for consultation. The Democratic Services Committee is requested to provide its views in respect of the draft report. A response will be submitted to the IRPW and the WLGA by the deadline of 30th November 2015. A copy of the draft report is shown at Appendix A.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 Elected Members support the achievement of all Corporate Priorities.

3. Background.

- 3.1 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 2016/17.
- 3.2 In order to meet the requirement of the Measure to publish its final report by 28 February 2016 the IRPW has requested that any representations or comments about this report should be received no later than 30 November 2015. The IRPW has advised that representations or comments received after this date may not be considered.
- 3.3 For the first time this year the IRPW also received a remit letter from its sponsor Minister which drew Panel's attention to the Welsh Government's desire to reduce the cost of politics.
- 3.4 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.
- 3.5 The IRPW has considered its remuneration framework in depth. It has obtained

comparative information and has proposed a number of changes to the payment of senior salaries as a result of its considerations. The IRPW has also given further consideration to the remuneration of members of community and town councils and in light of the additional information obtained, amendments have been suggested to the remuneration framework as it applies to community and town councils.

4. Current situation / proposal.

4.1 The draft report proposes some changes to the current remuneration prescribed for Elected Members at principal (County Borough) and Town and Community Council levels. The following paragraphs summarises the key elements of the report

4.1.1 The Basic Salary (payable to all elected members)

This is remuneration for the responsibility of community representation and participation in the scrutiny, regulatory and related functions of local governance for the time equivalent of three days a week. Any time commitment beyond three days is 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 opted in writing to the Authority's proper officer to forego all or any element of the payment.

4.1.2 Senior Salaries

The number of senior salaries available to this Authority remains unchanged at 18 but there are proposed changes to the level of remuneration of senior salary holders:

- The Leader's salary would remain unchanged.
- The Deputy Leader's salary would reduce by £150 to £33,350.
- Executive member salaries (up to a maximum of 4 or 5 if no Deputy Leader) will be prescribed a salary of £29,000. Other Executive members (to statutory maximum) would receive £26,100. It will be a matter for individual authorities to decide the implementation within their specific cabinet structures.
- There are no proposed changes to the Civic Leaders (Mayor's) and Deputy Civic Leaders salaries. However, a Council may decide not to apply any civic salary to the posts of civic head and/or deputy civic head. It should be noted that Civic Salaries do not form part of the 18 allowable senior salaries.
- The report introduces two proposed levels of remuneration for chairs of committees:
 - Level 1 chairs will be paid a salary of £22,000
 - Level 2 chairs will be paid a salary of £20,000

The IRPW has determined that it will be a matter for individual authorities to decide which of the chairs (if remunerated) are level 1 or level 2 with the expectation that the payment of a level 1 salary would be to recognise exceptional responsibility. The IRPW is aware of the importance placed by the Welsh Government on the value of the scrutiny function for local

democracy and has noted that in total there are currently 91 chairs of scrutiny who receive senior salaries. The IRPW believes that this is a clear recognition of the importance of this function and should be maintained.

- The IRPW has previously determined that a Council must make a senior salary available to the Leader of the largest opposition group. The range of responsibility and accountability of the Leader of the largest opposition group varies across authorities. Nevertheless, the IRPW remains of the view that payment for this position is important for local democracy and that this role should be remunerated at £20,000.
- Fees for co-opted members (with voting rights) of local authorities remain unchanged. This includes:
 - Chairs of Standards Committees and Audit Committees
 - Ordinary members of standards committees; education scrutiny committee; crime and disorder scrutiny committee and audit committee

4.2 Supporting the work of local authority elected members

4.2.1 In the draft report the IRPW expresses its concerns that there is variation and inconsistency of support provided to members. It states it is important for authorities to remain aware that insufficient support undermines the ability of members to discharge their basic duties effectively. The IRPW expects that the support provided (other than staffing) should take account of the specific needs of individual members. The functions of Democratic Services Committees include a requirement to review the level of support provided to members to carry out their duties and the Panel would expect these committees to carry this out and bring forward proposals to the full council as to what is considered to be reasonable.

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

4.3.1 The IRPW has determined that there will be no change to mileage rates which members are entitled to claim. All authorities may only reimburse travel costs for their members undertaking official business within and/or outside the authority's boundaries at current HMRC rates.

4.3.2 All claims for travel must only be reimbursed on production of receipts showing the actual cost and will be subject to any requirement or further limitation that an authority may determine. Members should always be mindful of choosing the most cost effective method of travel.

4.3.3 All authorities must provide for the reimbursement of necessary costs for the care of dependent children and adults (provided by informal or formal carers) up to a maximum of £403 per month. Reimbursement shall only be made on production of receipts from the carer.

4.3.4 The IRPW recognises that there is some sensitivity concerning the publication of this legitimate expense. However it urges authorities to promote this allowance and encourage greater takeup of this support to facilitate increased engagement amongst authority members. 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.

4.4 There is no change in respect of remuneration for Family Absence, Joint Overview and Scrutiny Committees or access to Local Government Pension Scheme.

4.5 Payments to Members of Community and Town Councils

4.5.1 The IRPW has had responsibility for the remuneration of Town and Community Councils since the Measure of 2011 and its first determinations for such members came into effect in the financial year 2013/2014. The IRPW has made considerable efforts to consult with the 735 community and town councils in Wales over the past three years with limited success. Its survey in 2014 achieved a return rate of only 11.5%.

4.5.2 The IRPW has determined that Town & Community Councils are authorised to:

- make a payment to each of their members of a maximum amount of £100 per year for costs incurred in respect of telephone usage, information technology, consumables etc.
- make an annual payment not exceeding £500 to up to 3 members in recognition of specific responsibilities.
- provide a civic allowance to the mayor/chair and deputy mayor/chair of the Council at an amount that they deem appropriate to undertake the functions of that office.
- Make payments to each of their members in respect of travel costs for attending approved duties both within and outside the area of the council. Such payments must be the actual costs of travel by public transport or the HMRC mileage allowances.
- pay an Attendance Allowance to each of their members for attending approved duties outside the area of the council as follows:
 - £16.23 for a period not exceeding 4 hours.
 - £32.46 for a period exceeding 4 hours but not exceeding 24 hours.
- pay a Financial Loss Allowance to each of their members where such loss has actually occurred, for attending approved duties outside the area of the council as follows:
 - a. £30.05 for a period not exceeding 4 hours.
 - b. £60.11 for a period exceeding 4 hours but not exceeding 24 hours.
 - c. £60.11 plus such amount as is payable under (a) and (b) above as appropriate for a period exceeding 24 hours.
- provide the reimbursement of necessary costs for the care of dependent children and adults (provided by informal or formal carers) up to a maximum of £403 per month. Reimbursement shall only be made on production of receipts from the carer.

4.5.3 There is a requirement on Town and Community Councils to publish details of all payments made to individual members. This information must be published (for example, on council websites) and provided to the Panel by email or by post no later than 30 September following the end of the year to which the payments relate.

4.6 Salaries of Heads of Paid Service

4.6.1 The role of the IRPW in respect of Heads of Paid Service remain unchanged.

4.7 Compliance with the IRPW Requirements

4.7.1 Compliance in respect of the IRPW requirements remain extant. It should be noted that earlier this year the IRPW identified Bridgend's Schedule of Remuneration as an exemplar of good practice and was circulated to all Local Authorities in Wales.

5. **Effect upon Policy Framework& Procedure Rules.**

5.1 There is no effect on the Policy Framework& Procedure Rules in respect of this Report.

6. **Equality Impact Assessment**

6.1 There are no equalities impacts in respect of this report.

7. **Financial Implications.**

7.1 The proposed changes to the remuneration of Elected Members for the 2016-17 municipal year will reduce the financial commitment required from the Authority. However should these proposals be revised in the final IRWP report a full assessment of the financial impact to the Authority will be undertaken.

8. **Recommendation.**

8.1 It is recommended that the Democratic Services Committee:

- a. Note the content of the report.
- b. Provide a response in respect of the Independent Remuneration Panel for Wales Draft Annual Report 2016-17.
- c. Approve that its response be submitted to the IRPW and the WLGA by the deadline of 30th November 2015

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Background documents: None