

Committee: The Chair & Members of the Democratic Services Committee

Date of meeting: **8th November 2021**

Report Subject: **Draft Report of the Independent Remuneration Panel for Wales 2022/23**

Portfolio Holder: **Councillor N.J. Daniels**

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Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
20/10/2021	21/10/2021			x			x	

1.0 Purpose of the Report

1.1 To inform Members of the proposals contained within the draft report of the Independent Remuneration Panel for Wales for 2022/23.

2.0 Scope and Background

2.0.1 The report considers the main proposals included within the 2022/23 draft report of the Independent Remuneration Panel for Wales (the Panel) as they relate to Blaenau Gwent County Borough Council.

2.0.2 The Local Government (Wales) Measure 2011 requires the Panel's Annual Report to take effect from 1 April. In most years, this is in line with financial and administrative arrangements of all authorities. However, when new councils are elected some of the Panel's determinations are to be effective for the new municipal term.

On 9 May 2022, new municipal arrangements will come into effect following local government elections. This Annual Report therefore has two different effective dates as set out below:

- For the period 1 April 2022 to 8 May 2022, all of the Determinations contained in the Independent Remuneration Panel for Wales' Annual Report 2021/2022 will continue to apply in respect of principal councils and community and town councils.
- With effect from 9 May 2022, (the new municipal year) the determinations set out in this Report in Sections 3 and 13 will apply to principal councils and community and town councils.

2.0.3 On an annual basis the Panel publish a report on Members remuneration. The draft annual report for 2022/23 (attached at Appendix 1, point 7.2 – published October 2021) details the determinations for the upcoming year

and a summary of the new and updated determinations is within Appendix 2.

2.1 **Basic & Senior Salaries**

2.1.1 In 2009 the Panel decided the average work commitment of an elected councillor of a principal council was three working days. The maximum basic salary was set at £13,868. This reflected three fifths of the then median gross earnings of full-time male employees' resident in Wales as reported in the Annual Survey of Hourly Earnings (ASHE) published by the Office of National Statistics. At the introduction of austerity measures, the basic salary was reduced to £13,175 and the link to ASHE was broken.

2.1.2 Since 2009, the Panel has met its duty to take account of affordability and acceptability and set amounts for the basic salary that varied but have not kept pace with measures of inflation or other comparators.

When making determinations for this Annual Report, the Panel considered the progression of the variety of benchmark figures for the period from 2013 to 2021.

2.1.3 The Panel believes that local elections in May 2022 provide an opportune time to rectify the imbalance between the basic salary of councillors and the average salaries of their constituents.

The basic salary of councillors of principal councils elected in the May 2022 local elections will be reset to align with the 2020 ASHE. This will be £16,800

2.2 **Executive**

2.2.1 Many Councils operate with a cabinet (Executive) of 10 (the statutory maximum) others choose to have a smaller cabinet and the range of individual portfolios is much greater. The Panel's previous determinations contained flexibility for each council to decide the appropriate range of portfolios to meet local needs and to adjust payments within the Executive to reflect responsibility.

2.2.2 The Panel continues to take the view that Executive members should be considered as working the equivalent of full time (around 40 hours per week) but not necessarily nine to five. Continued discussions with members and officers in recent years have reinforced this conclusion.

2.3 **Chairs of Committee**

2.3.1 There is a significant difference in the responsibilities and functions of chairing different committees. Councils do not have to pay chairs of committees and it is a matter for each council to decide which, if any, are remunerated. This allows councils to take account of differing levels of responsibility.

2.3.2 The Panel has considered the role element of the chair's salary. The move to a single level of chair payment in 2019 reduced the differentials with other

senior payments. To reset this, the Panel has decided not to change the role element at the 2021 figure of £8,793 for 2022-2023. The basic salary increase will apply.

2.3.3 Payment of basic & senior salaries for 2022/23 are therefore:-

	2021/22 £	2022/2023 £
Basic Salary	14,368	16,800
Senior Salaries		
Leader	44,921	53,550
Deputy Leader	31,783	37,485
Executive Members	27,741	32,130
Committee Chairs	23,161	25,593
Leader of Largest Opposition Group	23,161	25,593
Leader of other political groups	18,108	20,540

2.4 **Leader of Largest Opposition Group**

2.4.1 The Panel remains of the view that a council must make a senior salary available to the leader of the largest opposition group and has determined that this role should be remunerated at £25,593

2.5 **Civic Heads and Deputies**

2.5.1 Civic heads are senior posts within councils which are distinct from political or executive leadership and a council may decide not to pay any civic salary to the posts of civic head and or deputy civic head.

If paid, civic heads must be remunerated at Band 3 level and deputy civic heads at Band 5.

In the case of civic salaries, if paid, the payment for Band 3 is set at £25,593 for a civic head and at the Band 5 salary of £20,540 for a deputy civic head.

2.6 **Presiding Member**

2.6.1 Councils are reminded that if a presiding member is appointed they do not have to be remunerated. If they are remunerated the post will count towards the cap and be paid at a Band 3 senior salary.

2.7 **Specific or additional senior salaries**

2.7.1 Councils can apply for specific or additional salaries that do not fall within the current Remuneration Framework or which could not be accommodated within the maximum number of senior salaries.

2.8 **Job Share Arrangements**

2.8.1 Section 58 of the Local Government and Elections Act (Wales) 2021 established new arrangements for job sharing for executive leaders and executive members. The Act makes provision:

- a) requiring local authorities to include in their executive arrangements provision for enabling two or more councillors to share an office on an executive, including the office of executive leader
- b) changing the maximum number of members of an executive when members of the executive share an office and
- c) about voting and quorum where members of an executive share office.

For members of an executive: Each job sharer will be paid an appropriate proportion of the salary group as set out in Table 3.

The statutory maximum, as set out in the Act, for cabinets cannot be exceeded so each job sharer will count toward the maximum.

Under the Measure, it is the number of persons in receipt of a senior salary, not the number of senior salary posts that count towards the cap. Therefore, for all job share arrangements the senior salary cap will be increased subject to the statutory maximum of 50% of the council's membership. Where the arrangements would mean that the statutory maximum would be exceeded the Panel would need to seek the approval of Welsh Ministers.

2.9 **Supporting the Work of Elected members**

2.9.1 The Panel expects support provided should take account of the specific needs of individual members. Democratic Services Committees are required to periodically review the level of support provided to members to carry out their duties. The Panel would expect these committees to carry this out and bring forward proposals to the full council as to what is required.

2.9.2 The Panel considers it is necessary for each elected member to have ready use of email services, and electronic access to appropriate information via an internet connection. The Panel does not consider it appropriate that elected members should be required to pay for internet related services to enable them to discharge their council duties.

Access to electronic communications is essential for a member to be in proper contact with council services and to maintain contact with those they represent.

Councils are committed to paperless working and without electronic access members would be significantly limited in their ability to discharge their duties. It is inappropriate for facilities required by members only to be available within council offices within office hours.

2.9.3 The responsibility of each council, through its Democratic Services Committee, to provide support should be based on an assessment of the needs of its members. When members' additional needs or matters of disability apply, or there are specific training requirements indicated, each authority will need to assess any particular requirements of individual members.

2.10 **Key Factors underpinning the Panel's determinations**

2.10.1 The basic salary, paid to all elected members, is remuneration for the responsibility of community representation and participation in the scrutiny, regulatory and related functions of local governance. It is based on a full time equivalent of three days a week

2.10.2 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 decline all or any element of the payment. It is fundamental there is transparency in this process so any possible suggestion that members are put under pressure to decline salaries is avoided.

2.10.3 The following must be applied:
Determination 7:

- a) An elected member must not be remunerated for more than one senior post within their authority.
- b) An elected member must not be paid a senior salary and a civic salary.
- c) All senior and civic salaries are paid inclusive of basic salary.
- d) If a council chooses to have more than one remunerated deputy leader, the difference between the senior salary for the deputy leader and other executive members should be divided by the number of deputy leaders and added to the senior salary for other executive members in order to calculate the senior salary payable to each deputy leader.

Determination 8: Members in receipt of a Band 1 or Band 2 senior salary cannot receive a salary from any NPA or FRA to which they have been appointed. They remain eligible to claim travel and subsistence expenses and contribution towards costs of care and personal assistance from the NPA or FRA.

Determination 9: Members in receipt of a Band 1 or Band 2 salary cannot receive any payment from a community or town council of which they are a member. They remain eligible to claim travel and subsistence expenses and contribution towards costs of care and personal assistance from the community or town council. Where this situation applies, it is the responsibility of the individual member to comply.

2.11 **Reimbursement of Mileage, Other Travel & Subsistence Costs**

2.11.1 The Panel has determined 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 the current HM Revenue and Customs (HMRC) rates which are:-

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 mile	Per passenger carried
24p per mile	Motor cycles

20p per mile	Bicycles
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2.11.2 The Subsistence rates will be as follows, these rates are in line with Welsh Government Rates:-

£28 per day	Day allowance for meals, including breakfast, where not provided in the overnight charge
£200 per night	London
£95 per night	Elsewhere
£30 per night	Stay with friends / family

2.11.3 Recommended practice is that overnight accommodation should usually be reserved and paid for on behalf of members by the Authority, in which case the authority may set its own reasonable limits. – we would not normally divert from these levels.

2.12 **Contribution towards costs of care and personal assistance (CPA)**

2.12.1 The purpose of this section is to enable people who have personal support needs and or caring responsibilities to carry out their duties effectively as a member of an authority. The Panel believes that additional costs of care required to carry out approved duties should not deter any individual from becoming and remaining a member of an authority or limit their ability to carry out the role. The Panel has adopted specific principles related to support for the costs of care which were the subject of a Supplementary Report published in February 2020.

2.12.2 The Panel reviewed the arrangements for this financial support and has made the following changes:

- As payments are taxable under the current HMRC rules, full reimbursement is not possible so for clarity this is retitled to “contribution towards the costs of care and personal assistance”. It will still require receipts to accompany claims.
- 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.
- Reimbursement may be claimed for member’s own care or support needs 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 Independence Payments, insurance. These could arise when the needs are recent and or temporary.

2.12.3 Members, including co-opted members are entitled to claim towards the costs of care and personal assistance, for activities that the individual council has designated official business or an approved duty which might include appropriate and reasonable preparation and travelling time. It is a matter for individual authorities to determine specific arrangements to implement this. Each authority must ensure that any payments made are appropriately linked to official business or approved duty.

2.12.4 The Panel has reviewed the maximum monthly payment in recognition that this has not changed for several years. Information indicates that monthly costs and claims vary considerably. 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 paid as evidenced.
- Informal (unregistered) care costs to be paid up to a maximum rate equivalent to hourly rates as defined by the Living Wage Foundation at the time the costs are incurred.

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

2.13 **Entitlement to Family Absence**

2.13.1 An elected member is entitled to retain a basic salary when taking family absence under the regulations irrespective of the attendance record immediately preceding the commencement of the family absence.

2.13.2 When a senior salary holder is eligible for family absence, they will continue to receive the salary for the duration of the absence.

2.13.3 It is 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.

If the paid substitution results in the authority exceeding the maximum number of senior salaries which relates 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.

2.13.4 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.

2.14 **Sickness Absence for Senior Salary Holders**

2.14.1 The Family Absence Regulations (approved by the National Assembly in 2014) are very specific relating to entitlement and only available for elected members of principal councils.

2.14.2 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 them the senior salary.
- replacing the member who therefore loses the senior salary (but

retains the basic salary).

2.14.3 The Panel's Framework provides 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. It 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 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 authorities' 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.

2.15 **Payments to Co-opted Members**

2.15.1 The Panel has determined that a daily/half daily fee remains appropriate remuneration for the role undertaken by co-opted members of the Council as follows:-

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

2.15.2 Reasonable time for pre-meeting preparation is eligible to be included in claims made by co-opted members, the extent of which can be determined by the appropriate officer in advance of the meeting.

- 2.15.3 Travelling time to and from the place of the meeting can be included in the claims for payments made by the co-opted member (up to the daily rate).
- 2.15.4 The appropriate officer within the authority can determine in advance whether the meeting is programmed for a full day and the meeting will be paid on this basis even if the meeting finishes before four hours has elapsed.
- 2.15.5 Meetings eligible for the payment of fees include other committees and working groups (including task & 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.

2.16.0 **Assistants to the Executive**

- 2.16.1 The Local Government and Elections Act also provides for principal councils to be able to appoint elected members to assist the executive in discharging its functions.

Such appointments are made by the leader of the council and can include:

- the number of assistants that may be appointed
- the term of office of the assistants
- the responsibility of the assistants

There are exclusions to the appointments as set out in the legislation and assistants are not members of the cabinet.

- 2.16.2 The Panel will decide on a case-by-case basis the appropriate senior salary, if any, for assistants to the executive.

3. **Options for Recommendation**

- 3.1 Democratic Services Committee to consider and agree the Draft IRPW proposals for 2022/2023 prior to Consideration by full Council.

Option 1:

Agree with the determinations set out in the draft IRPW report in Appendix 1 for 2022/2023

Option 2:

Consider each of the determinations contained in the draft IRPW report for 2022/2023 and give comments for submission to the IRPW as part of the consultation process that ends on 26th November 2021.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

5. **Implications Against Each Option**

- 5.1 **Impact on Budget (short and long term impact)**

It is anticipated that the proposal within the IRPW will be within the current budget due to the overall reduction of elected members from the May 2022 election.

5.2 Risk including Mitigating Actions

Failure to comply with the Panel's determinations will result in reputational damage for the Council. This is mitigated by Democratic Services Committee and Council considering and agreeing the determinations.

5.3 Legal

The report outlines the plans of the IRPW in terms of elected member remuneration which will become regulation.

It is also the responsibility of the Council to establish our position on how to respond to any Freedom of Information requests we receive in relation to reimbursement of costs of care. The IRPW states within annex 4 of appendix 1, that it is not the intention to disclose details of individual's claims.

5.4 Personnel

There are no direct staffing implications from this report.

6. Supporting Evidence

Independent Remuneration Panel for Wales Draft Report 2022/23
<https://gov.wales/sites/default/files/publications/2021-09/annual-report.docx>

6.1 Performance Information and Data

Not applicable to this report

6.2 Expected outcome for the public

Not applicable to this report

6.3 Involvement (consultation, engagement, participation)

Not applicable to this report

6.4 Thinking for the Long term (forward planning)

Not applicable to this report

6.5 Preventative focus

Not applicable to this report

6.6 Collaboration / partnership working

Not applicable to this report

6.7 Integration(across service areas)

Not applicable to this report

6.8 Decarbonisation and Reducing Carbon Emissions

Not applicable to this report

6.9a **Socio Economic Duty Impact Assessment**

Not applicable to this report

6.9b **Equality Impact Assessment**

Not applicable to this report

7. **Monitoring Arrangements**

7.1 *State how the work will be monitored e.g. through scrutiny or directorate performance management arrangements*

7.2 **Background Documents /Electronic Links**

Appendix 1

- *The Draft Independent Remuneration Panel for Wales Report 2022/2023*

<https://gov.wales/sites/default/files/publications/2021-09/annual-report.docx>

Appendix 2

- *Summary of new and updated determinations contained within the draft report 2022/2023*



Summary of new
and updated detern