

Committee: **Corporate and Performance Scrutiny Committee**

Date of meeting: **21st November 2022**

Report Subject: **Consultation on the Independent Remuneration Panel for Wales Draft Annual Report 2023**

Portfolio Holder: **Leader of the Council, Cabinet Member Corporate and Performance**

Report Submitted by: **Gemma Wasley, Service Manager Performance and Democratic**
Andrea Prosser, Head of Organisational Development

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
Virtual	Virtual	07.11.22			21/11/22		24/11/22	

1. Purpose of the Report

- 1.1 To present to members of the Corporate and Performance Scrutiny Committee the draft annual report (attached at appendix 1) of the Independent Remuneration Panel for Wales (IRPW) for consultation before approval at Council.
- 1.2 The Local Government (Wales) Measure 2011 requires the IRPW's Annual Report to take effect from 1 April each year.

2. Scope and Background

- 2.1 The IRPW is responsible for setting the levels and arrangements for the remuneration of members of the following organisations.
- Principal Councils – county and county borough councils
 - Community and Town Councils
 - National Park Authorities
 - Fire and Rescue Authorities
 - Corporate Joint Committees
- 2.2 The IRPW is an independent body and is able to make decisions about:
- The salary structure within which members are remunerated
 - The type and nature of allowances to be paid to members
 - Whether payments are mandatory or allow a level of local flexibility
 - Arrangements in respect of family absence
 - Arrangements for monitoring compliance with the Panel's decisions
- 2.3 The Panel is an independent organisation and the organisations listed above are required, by law, to implement the decisions it makes.
- 2.4 The draft Report of the IRPW, sets out the Decisions and Determinations on pay, expenses and benefits for elected members of principal councils,

community and town councils, National Park Authorities and Fire and Rescue Authorities for implementation from April 2023.

- 2.5 The IRPW has a duty to set payments that are fair and that encourage and enable democratic participation. It must also take account of affordability and acceptability.
- 2.6 In making its determinations for this Draft Report, the IRPW considered a range of benchmarks, including past, current, and projected indices and actual figures and the known and forecast extent and impact of multiple economic and social factors. These included post Brexit and COVID work environments and the cost of living, energy, and climate crises.
- 2.7 The IRPWs proposals are consulted on and, following consideration of the views received in response to its consultation, the IRPW makes its final determinations which are published each year in its Annual Report.

3. **Options for Recommendation**

3.1.1 **Option 1:**

Support the determinations as set out in the draft IRPW report in Appendix 1 for 2023/2024.

3.1.2 **Option 2:**

Consider each of the determinations contained in the draft IRPW report for 2023/2024 highlighted in paragraphs 6.1.1 to 6.1.6 and give comments against each or all of the determinations for submission to the IRPW as part of the consultation process that ends on 1st December 2022.

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

- 4.1 The Local Government (Wales) Measure 2011 requires the IRPW's Annual Report to take effect from 1 April each year.
- 4.2 The Panel is an independent organisation and the organisations listed in paragraph 2.1 are required, by law, to implement the decisions it makes.

5. **Implications Against Each Option**

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

The basic salary of councillors of principal councils from May 2022 was set at £16,800. For 2023 the basic salary will increase by 4.76% to £17, 600.

The proposals as set out in the draft report of the IRPW will be paid from the Members allowances. The proposals are within budget.

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 Scrutiny Committee (usually 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 that it is not the intention to disclose details of individual's claims.

5.4 ***Human Resources***

There are no direct staffing implications from this report.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

The report considers the main proposals included within the 2023/24 draft report of the IRPW as they relate to Blaenau Gwent County Borough Council.

Summary of the Independent Remuneration Panel's Determinations for 2023 to 2024

6.1.1 **Determination 1 - Basic salary for elected members of principal councils:**

The basic level of salary for elected members of principal councils will set at £17,600.

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. The Panel regularly reviews this time commitment, and no changes are proposed for 2023 to 2024.

Last year the Panel reset the basic salary to align with the 2020 Annual Survey of Hours and Earnings (ASHE) published by the Office of National Statistics. This reduced the imbalance that had arisen between the basic salary of members of principal councils and the average salaries of their constituents. The change took effect from the May 2022 local elections.

Building on this decision the Panel has determined that for the financial year 1 April 2023 to 31 March 2024 it is right to retain a link between the basic salary of councillors and the average salaries of their constituents.

The basic salary will be aligned with three fifths of the all Wales 2021 ASHE, the latest figure available at drafting. This will be £17,600. This will represent a 4.76% increase in the basic salary.

6.1.2 Determination 2 – Salaries paid to Senior, Civic and Presiding members of principal councils:

The limit on the number of senior salaries payable (“the cap”) will remain in place (for Blaenau Gwent this is 16).

All senior salaries include the basic salary payment. The different levels of additional responsibility of and between each role is recognised in a banded framework. No changes to banding are proposed this year.

Early next year the Panel will gather evidence from principal councils to explore whether and how the workload of elected members has changed.

The ASHE 2021 increase (4.76%) applies to the role element of Band 1 and Band 2 salaries – leader, deputy leader and executive members.

Band 3 and Band 4 salary holders will receive a small increase to the role element of their pay and the role element of Band 5 pay will remain frozen. The increase in basic salary will apply.

Draft determinations for 2023 to 2024 include

- An increase of 4.76% in the basic allowance for all councillors of principal councils, taking the basic salary from £16,800 to £17,600.
- Senior salary payments as follows:

Band	Role	Group A	Group B	Group C*
Band 1	Leader	£66,000	£59,400	£56,100
	Deputy Leader	£46,200	£41,580	£39,270
Band 2	Executive	£39,600	£35,640	£33,660
Band 3	Committee Chair (if paid)	£26,400		
	Civic Head			
	Presiding Officer			
Band 4	Leader of largest opposition group	£26,400		
Band 5	Leader of Other Political Groups	£21,340		
	Deputy Civic Head			
	Deputy Presiding Officer – no role payment	£17,600		

**Group C: Blaenau Gwent, Ceredigion, Denbighshire, Merthyr Tydfil, Monmouthshire, Torfaen, Isle of Anglesey*

There are no further changes to the payments and benefits paid to elected members and therefore all other Determinations from 2022 to 2023 still stand and should be applied in 2023 to 2024, including those covering:

- Travel and subsistence;
- Care and Personal Assistance;
- Sickness Absence;
- Corporate Joint Committees,
- Assistants to the Executive,
- Additional salaries and Job sharing arrangements and
- Co-opted Members

6.1.3 Determination 3 - Salaries for Joint Overview and Scrutiny Committees:

The salary of a chair of a Joint Overview and Scrutiny Committee will be £8,800.

The salary of vice-chair will be £4,400.

6.1.4 Determination 4 - Payments towards costs and expenses of members of Community and Town Councils:

Members of Community and Town Councils will be paid £156 a year (equivalent to £3 a week) towards the extra household expenses (including heating, lighting, power and broadband) of working from home. And Councils must either pay their members £52 a year for the cost of office consumables required to carry out their role, or alternatively councils must enable members to claim full reimbursement for the cost of their office consumables.

There are no further changes to the payments and benefits paid to elected members and therefore all other Determinations from 2022 to 2023 still stand and should be applied in 2023 to 2024, including those covering:

- Payments for undertaking senior roles;
- Contributions towards costs of care and personal assistance;
- Reimbursement of Travel and subsistence costs;
- Compensation for financial loss:
- Attendance allowance and
- Co-opted Members

6.1.5 Determination 5 – Payments to National Parks Authorities and Fire and Rescue Authorities:

The basic pay of members of National Park Authorities and Fire and Rescue Authorities has been increased by 4.76%. Full details of the levels of remuneration for members of National Park Authorities and Fire and Rescue Authorities, is set out in the report.

All other Determinations for 2022 to 2023 will still stand and should be applied in 2023 to 2024, including those covering;

- Contributions towards costs of care and personal assistance;
- Reimbursement of Travel and subsistence costs;
- Compensation for financial loss;
- Co-opted Members and
- Restrictions on receiving double remuneration where a member holds more than one post.

6.1.6 **Determination 6:**

All other Determinations set out in the 2022 to 2023 Annual Report of the Panel remain valid and should be applied.

6.2 ***Expected outcome for the public***

Members of Council represent their ward and the borough in order to provide a voice to the constituents, support decision making and provide community leadership.

6.3 ***Involvement (consultation, engagement, participation)***

The IRPW is looking to involve members, officers and interested parties in the consultation on their draft report 2023.

6.4 ***Thinking for the Long term (forward planning)***

The IRPW considers evidence and research in order to establish the reasoning for its determinations and aims to support the role of elected member now and in the future.

6.5 ***Preventative focus***

The IRPW consider it important that payments to elected members of principal councils are fair and at a level that is not a disincentive to potential candidates for election. Therefore, the Panel has decided to reset the basic salaries of elected members to closer align with the average earnings in Wales.

6.6 ***Collaboration / partnership working***

The IRPW works collaboratively with key stakeholders engaged in promoting participation in local democracy.

6.7 ***Integration (across service areas)***

Elected Members work across all directorates of the Council in order to understand activity and to inform effective decision making.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

There is no direct link to reducing carbon emissions from this report however, the Council and its members have moved to an online approach to working greatly reducing the negative impact on the environment through the stopping of printing committee papers.

6.9a ***Socio Economic Duty Impact Assessment***

The decision for remuneration is for the IRPW to make and the Council is a consultee in this, there is no direct decision from the Council.

6.9b. ***Equality Impact Assessment***

The IRPW aims to support members with regards to:

- Travel and subsistence
- Care and Personal Assistance
- Sickness Absence

7. **Monitoring Arrangements**

7.1 Arrangements are in place to consider the reports of the IRPW as required through the democratic process.

Background Documents /Electronic Links

- *Draft IRPW Report*
- *Consultation Questions*