

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

COUNCIL

15 March 2017

Joint Report of the Director of Finance and Corporate Services and the Head of Corporate Strategy and Democratic Services

Matter for Decision

Wards Affected: All Wards

Report on Members Remuneration and Expenses 2017/18

Purpose of the Report

1. The purpose of this report is to advise Members of the content of the Annual Report of the Independent Remuneration Panel for Wales (IRPW) as it relates to the remuneration of elected Members, setting out Members remuneration for the financial year 2017/18 and to secure any decisions which are required.

Background

2. The Independent Remuneration Panel for Wales (IRPW) was first appointed in January 2008 by the then Welsh Assembly Government Minister for Social Justice and Local Government following a public recruitment exercise.
3. As a permanent body, independent of any other organisation, including County and County Borough Councils, the Welsh Government and the Welsh Local Government Association, the IRPW exercises powers granted to it under Part 8 of the Local Government (Wales) Measure 2011.
4. The Panel have the power to make various decisions which have the force of law but may also make recommendations. In addition, the IRPW has power to set the level of remuneration payable to Members and Co-opted Members of Local Authorities and has also been given a general power to review authorities' pay policy statements as far as they relate to heads of paid service (s.63 Local Government (Democracy) (Wales) Act 2013). The remuneration for an ordinary Member is known as the basic salary. Members who occupy roles of particular special responsibility specified by the panel are paid what is known as a senior salary.

Changes to Member Remuneration and Expenses 2017/18

5. The Panel has 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 spring 2017 to the basic salary for members of principal councils. The panel believe that 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.
6. The responsibility element of senior salaries is not being increased but senior salary holders will receive the uplift to the basic salary.

7. Members should note that the Panel has decided that the existing salaries that apply to 2016/17 should continue until the Local Government Elections in May 2017. Thereafter the new rates set out in this report will become applicable from 8 May 2017 (subject to Members having signed their individual Declarations of Acceptance of Office).
8. 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 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.
9. However, the Panel have confirmed that while in the current economic circumstances it is not possible to reinstate the link between basic salary and average Welsh earnings, in the future the Panel will examine possible benchmarks that would be appropriate for the remuneration of elected members.
10. It is up to the Council to decide, within the limited discretion given to it by the IRPW, which roles attract the senior salary. Last year senior salaries were paid to:-
11. The Leader, Deputy Leader and the 7 Cabinet Members, the Chairs of the 5 Over-viewing Scrutiny Committees, the Planning and Licensing Committees and the Common Chair of the Audit and Democratic Services Committees. The Leader of the largest opposition group also receives a senior salary. The other political group is not large enough under the IRPW "Regulations" to attract a senior salary for the Group Leader.
12. The Leader of the largest opposition group will be paid a Senior Salary subject to the political group comprising 10% or more of the Council membership. A Senior Salary will also be paid to the next largest political group leader again subject to their membership comprising 10% of the Council's political composition.
13. In addition to the salary, the Council operates a Support Scheme for elected Members. The Council will pay a flat rate support allowance of £200 per annum in respect of telephone, broadband and other office costs.

14. This sum will not apply to Cabinet Members as they have the use of mobile phones and handheld devices to receive emails, together with the use of office facilities based at Port Talbot Civic Centre.

The 2017/2018 bandings available for Executive Members and Committee Chairs are:

Band	Executive Members	Committee Chairs
Level 1	£29,100	£22,100
Level 2	£26,200	£20,100

15. It is a matter for Council to determine which of the bandings should be applied in this authority. Members attracting the senior salaries are currently paid at Level 1. Council should note in considering which level to apply that there is no proposed change to the workload or level of responsibility of the Senior Salaried posts in 2017/18. Consequently, Council is asked to confirm Level 1 should continue to be applied to the roles.
16. In respect of the civic heads and deputy civic heads, the IRPW has decided that local authorities are to continue to be provided with some flexibility as to whether to remunerate these roles, or not, and if they are to be remunerated, there are three bands that local authorities may select from.
17. The 3 bands for 2017/18 are as follows:

Option	Civic Leader	Deputy Civic Leader
Level 1	£24,100	£18,100
Level 2	£21,600	£16,100

Level 3	£19,100	£14,100
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18. Council has previously determined that Level 2 would be applied in this Council and now needs to confirm this option is to be applied in 2017/18.
19. The Democratic Services Committee has reviewed the adequacy of ICT support for Members. The Committee concluded that some further adjustments are needed to the Scheme in order to enable Members to take full advantage of the functionality of digital technology and to prepare for the intake of new Council Members following the Local Government elections scheduled to take place on Thursday, 4 May, 2017.
20. A scheme for the reimbursement of costs of care is also available for Members and Co-opted Members. This provision 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.
21. In respect of the publication of the reimbursement of the costs of care, the Panel has decided to provide the relevant authorities with two options.
 - Option 1: The details of the amounts reimbursed to named members;
 - Option 2: The total amount reimbursed by the authority during the year but not attributed to any named member. However, should the Council decide on this option it will have to name recipients if a request is received under the Freedom of Information Act.
22. Members are recommended to approve Option 1.
23. 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. Absence for reasons of ill-health is not included.
24. 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).

25. The panel has considered this and has amended the Framework to provide specific arrangements for long term sickness, These amendments have been incorporated in the Authority's 2017/18 scheme as outlined in Appendix 1.
26. Members continue to have the opportunity to produce an Annual Report in line with the approved Council Scheme. Support will be provided to Members who wish to produce such reports including making available the facility to publish reports on the Council website.
27. A Member may by notice in writing delivered to the Director of Finance and Corporate Services can elect to forego any part of that Member's entitlement under this scheme. Please note that Members that wish to forego any entitlement under this scheme must provide notice in writing in each civic year of the elements that they wish to forego.
28. As Members are aware the following was agreed with Trade Unions and staff as part of the Workforce Agreement 2013:

Para 29 states - "From 1 April 2014, for a period of four years, Elected Members will be invited to make a voluntary contribution equivalent to comparable groups of employees in terms of remuneration and subject to a de minimus threshold equivalent to scp 24 (£21,067 p.a. from April 2013)".

This is equivalent to foregoing 50% of the annual pay award and in effect relates to all Senior Salary recipients.

29. In relation to overnight stays with friends and family, the current IRPW report recommends a payment of £30 per night be available to Elected Members. This element has been included as an incentive, where appropriate, for Members to seek alternative arrangements to more expensive hotel accommodation. To ensure compliance the 2017/18 scheme has been amended to incorporate this amendment, subject to approval of Members.

30. A copy of the Members Remuneration and Expenses Scheme for 2017/18 is attached at Appendix 1.

IRPW Compliance Audit

31. The IRPW carry out audits of all local authority Schedules of Member Remuneration on an annual basis to assess their compliance with requirements. Two minor compliance issues were raised with the authority in relation to the submitted 2016/17 schedule. This related to providing the panel with a direct copy of the authorities Statement of Payments by 30 September of each financial year and amending the reimbursement of subsistence costs for overnight stays with friends and family. Both issues have been duly acknowledged and appropriate action taken.

Payment Arrangements

32. From 1 April 2015, payment of salary and other allowances under this Scheme has been made to Members through the Council's payroll system. There is no provision for Members to be paid through the Cashiers Service.
33. Due to the forthcoming Local Government Elections to be held on Thursday, 4 May, 2017, the salary grades applicable to all current elected members between 1 April and 8 May 2017, is outlined in Appendix 1, Schedule 4. In addition, the appropriate remuneration for all elected Members for the period 8 May, 2017 to 31 March 2018 (subject to the member having signed their declaration of acceptance of office) is detailed in Schedule 4A.

Financial Impact

34. With regard to the 2017/18 determinations of the Independent Remuneration Panel for Wales (IRPW) the cost of the modest increase to the basic salary for elected members, Senior Salary holders and payments to civic heads and deputies will be met from within existing budget allocations for Member allowances.

Equality Impact Assessment

- 35. There are positive equality impacts associated with this report due to the IRPW determinations in relation to reimbursement of care costs for Members and Co-opted Members who have caring responsibilities for dependent Children, adults or for personal assistance needs.
- 36. The determinations also provide positive impacts for Members in relation to family absence arrangements and sickness absence for Senior Salary Holders. A screening assessment has been undertaken but a full equality impact assessment is not warranted.

Workforce Impacts

- 37. There are no workforce impacts associated with this report.

Legal Powers

- 38. The Members Scheme for Remuneration 2017/18 is made under the Local Government (Wales) Measure 2011 and the Independent Remuneration Panel for Wales (IRPW) Regulations which apply to payments made to members and co-opted members of local authorities.

Risk Management

- 39. Without the implementation of this annual Members Remuneration Scheme the Council would fail to meet the relevant compliance requirements as stipulated by the Independent Remuneration Panel for Wales (IRPW).

Consultation

- 40. There is no requirement under the Constitution for external consultation on this item.

Recommendations

41. That the Council notes the decisions of the IRPW as to basic salary, senior salary and fees for Co-opted Members which will be implemented for the financial year 2017/18.
42. That fees for Co-opted Members be payable for all meetings of Committees on which those Members serve together with any seminars, training events or briefings within the terms of the IRPW report.
43. That the senior salaries be paid to those office holders identified in the Schedule of Councillors and Co-opted Members Remuneration for 2017/18 contained in Appendix 1 to this report.
44. That Council confirms that the Level 1 payment band be applied to Executive Members and Committee Chairs.
45. That Council confirms that the Level 2 payment band should continue to be applied for Civic Duties.
46. That individual Members advise the Director of Finance & Corporate Services in writing of any variation to the Senior Salary amount they wish to be paid in 2017/18.
47. That council confirms that Option 1 be utilised in relation to the publication of the reimbursement of the costs of care.

Reasons for Proposed Decision

48. To ensure that the Council's Member Remuneration schedule complies with the latest determinations of the Independent Remuneration Panel for Wales as set out in their Annual Report dated February 2017.

Implementation of Decision

49. The decision is proposed for immediate implementation.

Appendices

Appendix 1 - Members Scheme of Remuneration 2017/18

List of Background Papers

Annual Report of the Independent Remuneration Panel for Wales (IRPW)
February 2017 <http://gov.wales/docs/dsijlg/publications/localgov/170223-annual-report-en.pdf>

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