

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

COUNCIL

29 March 2018

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 2018/19

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 2018/19 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 2018/19

5. The Panel originally determined in its 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 significantly higher than the current prescribed amount (close to £15,000 per annum).
6. This is calculated on an assumption that the basic activity of an elected member (i.e. without the additional work required for a senior salary) is equivalent to three days' work per week.
7. On this basis, the Panel has determined that, although public sector funding continues to be constrained, an increase in the basic salary is justified. As such, it has recommended there shall be an increase of £200 per annum (which equates to 1.49%) effective from April 2018 to the basic salary for members of principal councils.
8. It is hoped that this will help to limit further erosion of relative levels of remuneration in the basic salary paid in recognition of the basic duties expected of all elected members.

9. The responsibility element of senior salaries is not being increased but senior salary holders will receive the uplift to the basic salary which will mean that all elected members will benefit from the recommendation.
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 eight Cabinet Members, the Chairs of the five Over-view and Scrutiny Committees, the common 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. 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.
13. Due to the additional executive administrative support available for Cabinet Members this fee will not apply to the Executive.

The 2018/2019 banding available for Executive Members and Committee Chairs are:

Executive Members	Committee Chairs
£29,300	£22,300

14. Following consultation the Panel has recognised the overwhelming support for its determinations to be prescriptive and therefore has removed the two tier system for chairs of committees and salaries of

executive members. This will have no impact on the remuneration scheme as the Council has never chosen to implement this type of arrangement.

15. Where Committee Chairs and Executive Members are paid the remuneration is as shown above.
16. In respect of the civic heads and deputy civic heads, the Panel 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 2018/19 are as follows:

Option	Civic Leader	Deputy Civic Leader
Level 1	£24,300	£18,300
Level 2	£21,800	£16,300
Level 3	£19,300	£14,300

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 2018/19.
19. The Democratic Services Committee has previously reviewed the adequacy of ICT support for Members which was updated following the induction of the new Council from May 2017 as shown in Appendix 2.
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. To date no Members have chosen to take up this element of the scheme, however the IRPW remain keen to encourage Members to take advantage of the entitlement where appropriate.
22. 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.
23. Members are recommended to approve Option 1.
24. 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.
25. 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).
26. 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 2018/19 scheme as outlined in Appendix 1.
27. 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.

28. The Democratic Services Committee will also be undertaking a review of the current Member Development arrangements during the civic year 2018/19.
29. 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.
30. As Members are aware the 2013 Workforce Agreement will conclude on 31 March 2018. Due to this fact there will be no expectation for a voluntary 50% reduction in the annual increase to be applied in relation to Elected Members.
31. With regard 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.
32. A copy of the Members Remuneration and Expenses Scheme for 2018/19 is attached at Appendix 1.

IRPW Compliance Audit

33. The IRPW carry out audits of all local authority Schedules of Member Remuneration on an annual basis to assess their compliance with requirements.
34. No compliance issues were raised with the authority in relation to the financial year 2017/18.

Payment Arrangements

35. 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.
36. All payment arrangements as outlined in the attached schedule will take effect from 1 April 2018.

Financial Impact

37. With regard to the 2018/19 determinations of the Independent Remuneration Panel for Wales (IRPW) the cost of the increase to the basic salary for elected members, Senior Salary holders and payments to civic heads and deputies have been provided for in the 2018/19 budget allocation for Member allowances.

Equality Impact Assessment

38. 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.
39. 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

40. There are no workforce impacts associated with this report.

Legal Powers

41. The Members Scheme for Remuneration 2018/19 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

42. 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

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

Recommendations

44. 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 2018/19.
45. 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.
46. That the senior salaries be paid to those office holders identified in the Schedule of Councillors and Co-opted Members Remuneration for 2018/19 contained in Appendix 1 to this report.
47. That Council confirms the new standard payment band be applied to Executive Members and Committee Chairs (see paragraph 13).
48. That Council confirms that the Level 2 payment band should continue to be applied for Civic salaries.
49. 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 2018/19.
50. That council confirms that Option 1 be utilised in relation to the publication of the reimbursement of the costs of care (see paragraph 22-23).

Reasons for Proposed Decision

51. 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 2018.

Implementation of Decision

52. The decision is proposed for immediate implementation.

Appendices

Appendix 1 - Members Scheme of Remuneration 2018/19

List of Background Papers

Annual Report of the Independent Remuneration Panel for Wales (IRPW)
February 2018 <http://gov.wales/docs/dsjlg/publications/localgov/180226-annual-report-2018-en.pdf>

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