

Report of the Head of Democratic Services

Council – 26 November 2015

INDEPENDENT REMUNERATION PANEL FOR WALES (IRPW) DRAFT ANNUAL REPORT 2016 - CONSULTATION

Purpose:	To inform Council of the Independent Remuneration Panel for Wales (IRPW) Draft Annual Report 2016 and to outline the determinations made. The comments made at Council will form the formal response to the consultation by the City and County of Swansea.
Policy Framework:	None.
Reason for Decision:	To prepare a formal response to the Independent Remuneration Panel for Wales (IRPW) Draft Annual Report 2016 consultation.
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that: 1) The views of the Council are sought.
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Legal Officer:	Patrick Arran
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1. Introduction

- 1.1 The Independent Remuneration Panel for Wales (IRPW) is the body tasked with setting the remuneration levels for Councils in Wales. Each year, they publish a Draft Annual Report which is circulated for consultation.
- 1.2 The 2016 Draft Annual Report is currently out for consultation. The consultation period closes on 30 November 2015.
- 1.3 This report sets out the determinations in the Draft Annual Report 2016 and proposes a response to them.
- 1.4 The full IRPW Draft Annual Report 2016 may be viewed at <http://gov.wales/irpwsb/home/publication/2016-17/draft-annual-report-2016-17/?lang=en>

2. Duties Placed on the Democratic Services Committee

- 2.1 An extract of Paragraph 1.17 of the IRPW Draft Annual Report 2016 states:

“The Panel expects that the support provided should take account of the specific needs of individual members. The functions of the Democratic Services Committee 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 full Council as to what is considered to be reasonable...”

- 2.2 Paragraph 1.18 of the IRPW Draft Annual Report 2016 states:

“The Panel notes that members have not always utilised the support that has been provided through the Panel’s remuneration framework, particularly in respect of the care allowance. Some members are reluctant to claim all that they are entitled to claim in support of their work, particularly the care allowance, because of concerns about the adverse publicity this can attract. Democratic Services Committee should take steps to encourage and facilitate eligible members in claiming these allowances.”

- 2.3 In light of the content of Paragraphs 1.17 and 1.18 of the IRPW Draft Annual Report 2015, the Chair of Democratic Services and Head of Democratic Services have agreed to add the issue to the work plan of the Democratic Services Committee.

3. Determinations within the IRPW Draft Annual Report 2016

- 3.1 The IRPW Draft Annual Report 2016 contains 51 Determinations in all. A large number of these determinations don’t directly affect the City and County of Swansea and as such they are omitted from this report.
- 3.2 An “Extract of the Determinations of the IRPW Draft Annual Report 2016 and Comments of the City and County of Swansea” is appended as **Appendix A**. The appendix sets out the determinations together with initial comments which are intended to stimulate debate and ultimately a formal response to the IRPW consultation.

4. Independence of the Independent Remuneration Panel for Wales

- 4.1 The Authority echoes the concerns of the WLGA in that the independence of the IRPW may have been compromised, given they have introduced new proposals following a Ministerial remit letter and that questions were raised about the IRPW's decision-making processes given the proposals are a significant deviation from an established and stable remuneration framework, even though the evidence and methodology has remained unchanged.

5. Equality and Engagement Implications

- 5.1 An Equality Impact Assessment (EIA) screening process took place prior to the consultation period. The outcome indicated that it was low priority and a full report was not required.

6. Financial Implications

- 6.1 There are no specific financial implications associated with this report.

7. Legal Implications

- 7.1 There are no specific legal implications associated with this report.

Background Papers: None.

Appendices:

Appendix A	Extract of the Determinations of the IRPW Draft Annual Report 2016 and Comments of the City and County of Swansea.
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Extract of the Determinations of the IRPW Draft Annual Report 2016 and Comments of the City and County of Swansea

Section 3 - Payments to Elected Members of Principal Councils: Basic, Senior and Civic Salaries

NOTE: For ease this report only outlines the salary figures of Group A Council's to which the City and County of Swansea belongs.

Determination 1	Basic Salary in 2016/17 for elected members of principal councils shall remain at £13,300.
Comments	No change. Agreed
Determination 2	The Panel has determined that senior salary levels in 2016/17 for members of principal councils shall be as set out in Table 2 (of the IRPW Report). The proposed and current levels are outlined below for ease.
Comments	<p>In light of the desire of the Welsh Government to reorganise Local Government, it is prudent to continue with the pay freeze until such time as a final decision is made. As part of the reorganisation process the IRPW should carry out a full review of Councillor Remuneration taking on board its decision in 2009 to align salaries to the median gross earnings in Wales and the Remit letter from the Minister for Public Services dated 25 March 2015 which outlines Welsh Government's desire to reduce the cost of politics to the public purse.</p> <p>As such, the Council oppose any further reduction and propose that the levels remain frozen.</p> <p>The Authority is concerned at the proposal to create two levels of payments to Cabinet Members as it believes that a Leader of a Council would create a balanced Cabinet with collective responsibility. No Cabinet Member is more or less important to the decision making process. Whilst it may appear that some Portfolios are smaller than others, those with smaller budgets will face difficulties as a smaller budget could quite easily mean more drastic outcomes.</p>

	<p>The Authority therefore opposes the suggestion to create two levels of payments for Cabinet Members.</p> <p>The Authority also seeks clarity in relation to the determination relating to the proposed split levels of salary for Committee Chairs. Will the IRPW please provide a definition of ‘exceptional responsibility’?</p> <p>Determination 2 of the IRPW would have the following effect:</p>
	<p>1) The Senior Salary of the Deputy Leader would fall by £200 per annum;</p>
	<p>2) There would be two levels of payments to Cabinet Members. The higher payment would be at £32,000 which is the current level paid to Cabinet Members. The lower payment would be at £28,800 which is £3,200 lower than the current level paid to Cabinet Members.</p> <p>The proposed system is as follows:</p> <p>Up to 5 Cabinet Posts (excluding Leaders) will be paid a salary of £32,000.</p> <p>Deputy Leaders (where appointed) will be one of the 5 posts and the salary will be increased by 15%. NOTE: This would take the Deputy Leader’s salary up to £36,800 which is £200 less than the current level of payment.</p> <p>Any other Cabinet Members (up to the statutory maximum) will be paid a salary of £28,800 which is £3,200 less than the current level paid to Cabinet Members.</p> <p>It would be a matter for individual authorities to decide the implementation of the determinations within their specific structures.</p>

	3)	<p>The Senior Salary of the Committee Chairs (if remunerated) will be split into 2 levels. Level 1 would be at £22,000, which is the current level payable. Level 2 would be at £20,000 which is £2,000 less than the current level payable to Committee Chairs.</p> <p>The IRPW states that “<i>although it will be a matter for individual authorities to decide which of the Chairs (if remunerated) are level 1 or level 2, the Panel expects that the payment of a level 1 salary would be to recognise exceptional responsibility</i>”.</p>
	4)	The Senior Salary of the Leader of the Largest Deputy Leader would fall by £2,000 per annum;

Senior Salaries (inclusive of basic salary) - Group A Councils	Proposed		Current
Band 1 Leader Deputy Leader	£53,000		£53,000 £37,000
Band 2 Executive Members (up to a maximum of 4 or 5 if no Deputy Leader) Other Executive Members (to statutory maximum)	£32,000		£32,000 (One Level for all)
Band 3 Committee Chairs (if remunerated)	Level 1	£22,000	£22,000 (One Level for all)
	Level 2	£20,000	
Band 4 Leader of the Largest Opposition Group	£20,000		£22,000
Band 5 Leader of Other Political Groups	£17,000		£17,000

Determination 3	The Panel has determined that (where paid) Civic Salaries at the following levels are payable (Table 3 of the IRPW Report) and will be applied by principal Councils as each considers appropriate, taking account of the anticipated workloads and responsibilities.
Comments	No change. Agreed
Determination 4	The Panel has determined that, where appointed and if remunerated, a Presiding Member must be paid a Band 3 Level 1 Senior Salary. This post will count towards the cap.
Comments	The Presiding Member in Swansea is not remunerated. Agreed
Determination 5	The Panel has determined that the post of deputy presiding member will not be remunerated.
Comments	No change. Agreed
Determination 6	The Panel has determined that each authority, through its Democratic Services Committee, must ensure that all its members are given as much support as is necessary to enable them to fulfil their duties effectively. All elected members should be provided with adequate telephone and email facilities and electronic access to appropriate information.
Comments	No Change. Agreed
Determination 7	The Panel has determined that such support should be without cost to the individual member. Deductions must not be made from members' salaries by the respective authority as a contribution towards the cost of support which the authority has decided necessary for the effectiveness and/or efficiency of members.
Comments	No Change. Agreed
Determination 8	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
Comments	No Change. Agreed

Determination 9	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.
Comments	No Change. Agreed
Determination 10	When a senior salary holder is eligible for family absence, he/she will continue to receive the salary for the duration of the absence.
Comments	No Change. Agreed
Determination 11	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.
Comments	No change. Agreed
Determination 12	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. However, this will not apply to the Isle of Anglesey or Merthyr Tydfil Councils if it would result in the number of senior salaries exceeding fifty percent of the Council membership. Specific approval of Welsh Ministers is required in such circumstances.
Comments	No Change. Agreed
Determination 13	When an authority 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.
Comments	No Change. Agreed

Determination 14	The Council's schedule of remuneration must be amended to reflect the implication of the family absence.
Comments	No Change. Agreed

Section 4 - Joint Overview and Scrutiny Committees (JOSC)

Determination 15	The chair of a Joint Overview and Scrutiny Committee is eligible for a salary equivalent to that part of a Band 3 Level 2 senior salary that remunerates a committee chair of a principal authority (£8,700).
Comments	<p>The current level of payment is £8,700. The proposal therefore is for the salary to drop by £2,000. There are no Councillors affected by this within the City and County of Swansea.</p> <p>In light of the desire of the Welsh Government to reorganise Local Government, it is prudent to continue with the pay freeze until such time as a final decision is made. As part of the reorganisation process the IRPW should carry out a full review of Councillor Remuneration taking on board its decision in 2009 to align salaries to the median gross earnings in Wales and the Remit letter from the Minister for Public Services dated 25 March 2015 which outlines Welsh Government's desire to reduce the cost of politics to the public purse.</p> <p>As such, the Council oppose any further reduction and propose that the levels remain frozen.</p>

Determination 16	In cases where the chair is already in receipt of a senior salary for a Band 3, 4 or 5 role the payment will be £3,350.
Comments	<p>The current level of payment is £4,350. The proposal therefore is for the salary to drop by £1,000. There are no Councillors affected by this within the City and County of Swansea.</p> <p>In light of the desire of the Welsh Government to reorganise Local Government, it is prudent to continue with the pay freeze until such time as a final decision is made. As part of the reorganisation process the IRPW should carry out a full review of Councillor Remuneration taking on board its decision in 2009 to align salaries to the median gross earnings in Wales and the Remit letter from the Minister for Public Services dated 25</p>

	<p>March 2015 which outlines Welsh Government's desire to reduce the cost of politics to the public purse.</p> <p>As such, the Council oppose any further reduction and propose that the levels remain frozen.</p>
Determination 17	The chair of a sub committee of a JOSC is eligible for a salary of £1,675.
Comments	<p>The current level of payment is £2,175. The proposal therefore is for the salary to drop by £500. There are no Councillors affected by this within the City and County of Swansea.</p> <p>In light of the desire of the Welsh Government to reorganise Local Government, it is prudent to continue with the pay freeze until such time as a final decision is made. As part of the reorganisation process the IRPW should carry out a full review of Councillor Remuneration taking on board its decision in 2009 to align salaries to the median gross earnings in Wales and the Remit letter from the Minister for Public Services dated 25 March 2015 which outlines Welsh Government's desire to reduce the cost of politics to the public purse.</p> <p>As such, the Council oppose any further reduction and propose that the levels remain frozen.</p>
Determination 18	In cases where the chair of the sub committee is already in receipt of a senior salary for a Band 3, 4 or 5 role the payment will be £837.
Comments	<p>The current level of payment is £1,090. The proposal therefore is for the salary to drop by £253. There are no Councillors affected by this within the City and County of Swansea.</p> <p>In light of the desire of the Welsh Government to reorganise Local Government, it is prudent to continue with the pay freeze until such time as a final decision is made. As part of the reorganisation process the IRPW should carry out a full review of Councillor Remuneration taking on board its decision in 2009 to align salaries to the median gross earnings in Wales and the Remit letter from the Minister for Public Services dated 25 March 2015 which outlines Welsh Government's desire to reduce the cost of politics to the public purse.</p>

	As such, the Council oppose any further reduction and propose that the levels remain frozen.
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Determination 19	Payments to chairs of task and finish sub committees are to be pro-rated to the duration of the task.
Comments	No Change. Agreed

Determination 20	Payments made to a chair of a JOSC, or a chair of a sub committee of a JOSC, are additional to the maximum proportion of the authority's membership eligible for a senior salary. It should be noted that the statutory limit of no more than 50% of a council's membership receiving a senior salary applies (Section 142 (5) of the Measure).
Comments	No change. Agreed

Determination 21	A deputy chair of a JOSC or sub committee is not eligible for payment.
Comments	No Change. Agreed

Determination 22	Co-optees to a JOSC or to a sub committee are not eligible for a co-opted member fee unless they are appointed by an authority under Section 144(5) of the Measure.
Comments	No Change. Agreed

Section 5 - Pension provision for Elected Members of Principal Councils

Determination 23	The entitlement to join the Local Government Pension Scheme (LGPS) shall apply to all eligible elected members of principal councils.
Comments	No Change. Agreed

Section 6 - Payments to Members of National Park Authorities, Section 7 - Payments to Members of Welsh Fire and Rescue Authorities and Section 8 - Payments to Co-opted Members of Principal Councils, National Park Authorities and Fire and Rescue Authorities

Determinations 24 - 43 relate to the above specific bodies. The Authority therefore has no comments on those determinations.

Section 9 - Specific or Additional Senior Salaries

Determination 44	The Panel has determined to include a provision for specific or additional senior salaries that do not fall within the current Remuneration Framework..
Comments	Agreed

Section 10 - Payments to Members of Community and Town Councils

Determinations 45 - 51 relate to the above specific body. The Authority therefore has no comments on those determinations.