

CYNGOR SIR POWYS COUNTY COUNCIL.

COUNTY COUNCIL ANNUAL MEETING

17th May 2018

REPORT AUTHOR: Chief Finance Officer (Section 151 Officer)

SUBJECT: Members' Salaries, Allowances and Expenses

REPORT FOR: Decision

1. Purpose and Reason for Report

1.1 To consider and make decisions in connection with the salaries, allowances and fees that are payable to Members and Co-Opted Members of the Council in accordance with statute, regulations and annual report of the Independent Remuneration Panel for Wales (IRPW).

2. Background

2.1 Part 8 (sections 141 to 160) and schedules 2 & 3 of the Local Government (Wales) Measure 2011 (the Measure) set out the arrangements for the payments and pensions for Members of relevant authorities such as Powys County Council and the functions and responsibilities of the IRPW.

2.2 The IRPW produced its annual report for 2018/19 in February of this year (the IRPW Report) and this prescribes the actual level of payments to Members. The IRPW Report can be accessed at www.remunerationpanelwales.org.uk

2.3 Following the 2017/18 modest uplift to the basic salary of £100, (0.75%), effective from 9th May 2017, the IRPW Panel has this year decided to award a further uplift to the basic salary of £200 (1.5%), effective from Council's AGM on 17th May 2018.

2.4 The IRPW Regulations require all Councils to produce annually a Schedule of Member Remuneration (the Schedule of Member Remuneration) which in essence is a list setting out a Council's decisions in respect of payments to be made during the municipal year to all Members and Co-Opted Members of the Council.

2.5 The Schedule of Member Remuneration must be produced no later than 4 weeks following the annual meeting of the Council. The IRPW Regulations also requires that as soon as practicable after determining its Schedule of Remuneration for the year and in any event no later than 31st July the Council must make arrangements for the schedule's publication.

2.6 The following paragraphs of this report set out the main elements and details relating to the payment of prescribed salaries, allowances and fees to Members and Co-Opted Members of Powys County Council for the municipal year 2018/19 in accordance with statute, the IRPW Report and the IRPW Regulations and include details of what are effectively current arrangements arising out of decisions previously taken by Council which continue in force and which Council is asked to formally endorse. They form the basis for the production of the Schedule of Member Remuneration. Some matters however (such as senior salaries) require specific decisions by Council and these are highlighted in the following paragraphs of this report.

3. Basic Salary

3.1 The panel have determined that the basic salary level for Members of principal local authorities will be uplifted by £200 per annum to £13,600 per annum, effective from the Council AGM on 17th May 2018. The annual Basic Salary of £13,600 **MUST** be paid to all Councillors.

3.2 **However**, as with all three types of salaries (basic, senior and civic) a Member may elect to forego the whole or part of the Basic Salary. This is a decision for the individual Member and is not a matter for Council. To forego a salary a Member or Co-Opted Member must notify the **Chief Finance Officer** in writing.

3.3 This salary remains payable during a period of family absence (as defined in Part 2 of the Local Government (Wales) Measure, 2011). It will not be paid during any period of suspension.

3.4 Where the term of office of a Member begins or ends other than at the beginning or end of the municipal year, the entitlement of that Member will be pro-rated accordingly.

3.5 Accordingly there is **no specific decision** of Council required at this time in respect of the Basic Salary.

4. Senior Salary

4.1 The IRPW Report provides that Powys **may** pay a Senior Salary to a maximum of 18 councillors in the prescribed responsibility bands. The Council has a total discretion as to how many Senior Salaries it allocates but it **must not** allocate more than 18 in total and if it allocates a Senior Salary it **must** be paid at the rate set out below. **However** the maximum number of 18 can be exceeded for any period in which a temporary office holder substitutes for the family absence of an appointed office holder.

- 4.2 A Member can only receive one Senior Salary. A Member in receipt of a Senior Salary as Leader or Cabinet Member may not receive a second salary as a member appointed to serve on a National Park authority or a Welsh fire and rescue authority.
- 4.3 Where a Member does not have, throughout the year, specific responsibilities that allow entitlement to a Senior Salary, that Member's payment will be pro-rated accordingly.
- 4.4 This salary remains payable during a period of family absence. It will not be paid during any period of suspension.
- 4.5 The Senior Salary comprises an amalgam of the Basic Salary and an additional amount for the relevant specific responsibility. It is not paid in addition to the Basic Salary.
- 4.6 If the Leader is allocated a Senior Salary he or she would receive a Band 1, LA Group B payment of £48,300 (inclusive of the basic salary). If the Deputy Leader is allocated a Senior Salary he or she would receive a Band 1, LA Group B payment of £33,800 (inclusive of the basic salary). Cabinet Members allocated a Senior Salary would receive a Band 2, LA group B payment of £29,300 (inclusive of the basic salary). If there is more than 1 Deputy Leader, the difference between the Cabinet Member Senior Salary and the Deputy Leader Senior Salary can be divided between the number of Deputy Leaders.
- 4.7 The statutory maximum a Council may appoint to Cabinet (including Leader) is 10. The remaining allocation of Senior Salaries can be allocated accordingly up to a maximum of 18.
- 4.8 Previously, Council agreed that Senior Salaries be allocated to the chairs of the following committees:-
- (a) Audit Committee
 - (b) Scrutiny Committee B
 - (c) Scrutiny Committee A
 - (d) Planning, Taxi Licensing and Rights of Way Committee
 - (e) Employment and Appeals Committee
 - (f) Pensions and Investment Committee
 - (g) Democratic Services Committee
- 4.9. Council previously agreed that the Leader of the largest opposition group will receive a Senior Salary. It is a determination of the IRPW that the Council must pay a Senior Salary to the Leader of the largest opposition group, providing that group contains not less than 10% of all Council Members. The Leader of the largest opposition group would receive a Band 4, LA group B payment of £22,300 (inclusive of basic salary).

4.10 If the Council wishes, senior salaries could be allocated to the following categories of post holder as per the prescribed responsibility bands:-

(a)	Deputy Leader (BAND 1 - LA GROUP B)	£33,800
(b)	Committee Chair (BAND 3)	£22,300
(c)	Leader of political groups not less than 10% of all council members (BAND 4)	£17,300

NB These salaries are inclusive of, and are not additional to, the basic salary of £13,600.

As with the basic salary the amount of a Senior Salary is a fixed absolute sum and is not a maximum.

4.11 Council is requested **to decide** the allocation of up to 18 Senior Salaries.

5. Sickness Absence for Senior Salary Holders

5.1 The Independent Remuneration Panel for Wales has amended the framework to provide specific arrangements for the long term sickness of Senior Salary Holders as follows:

- (a) Long term sickness if defined as certified absences in excess of 4 weeks.
- (b) The maximum length of sickness 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 the 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, an addition will be allowed for the duration of the substitution. However this 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 authority's 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. It does not also apply to co-opted members.

6. Civic Salary

- 6.1 The IRPW has determined that three levels of Civic Salaries may be paid to the Chair and Vice Chair of Council. On the 22 April 2016, Political Group Leaders unanimously agreed to continue with the current Level 2 payments, these being £21,800 for Chair and £16,300 for Vice Chair. These payments are inclusive of the basic salary of £13,600.
- 6.2 A Councillor must not be paid a Senior Salary and a Civic Salary.
- 6.3 A Civic Salary will not be paid during any period of suspension.
- 6.4 There is no provision to pay an Assistant Vice-Chair.
- 6.5 A Civic Salary will be apportioned on the same basis as a Senior Salary for part year service (see paragraph 4.3 above).
- 6.6 These 2 posts do not count towards the maximum number of 18 Senior Salaries which the Council may allocate.
- 6.7 Accordingly there is **no specific decision** of Council required at this time in respect of Civic Salaries.

7. Co-Opted Member Payment

- 7.1 The Council **must** pay the following daily fee/half daily fee to those Co-Opted members indicated below:-

Co-Opted Chair, Standards Committee Co-Opted Chair, Audit Committee	£256 daily fee (over 4 hours) (£128 for half a day – up to 4 hours)
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Co-Opted Member who Chairs the Standards Community Sub-Committee	£226 daily fee (over 4 hours) (£113 for half a day – up to 4 hours)
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Co-Opted Member of Standards Committee Co-Opted Member of Education Scrutiny Committee Co-Opted Member of Audit Committee	£198 daily fee (over 4 hours) (£99 for half a day – up to 4 hours)
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- 7.2 This fee is payable by claim but only paid to VOTING co-optees so the single Co-Opted Member on Scrutiny Committee A is not eligible to receive this fee as currently this position is non-voting.
- 7.3 County Council agreed the following on 24th October, 2013:
- (i) That the maximum number of days for which the Standards Committee Lay Members and Standards Sub-Committee Town and Community Council Representatives may be paid from the Council AGM 2014 be 10 days.
 - (ii) That the maximum number of days for which the Standards Committee Lay Member who Chairs the Committee may be paid from the Council AGM 2014 be 12 days.
 - (iii) That the maximum number of days for which the Church Representatives may be paid from the Council AGM 2015 be 15 days.
 - (iv) That the maximum number of days for which the Parent Governor representatives may be paid from the Council AGM 2014 be 20 days.
 - (v) That, following County Council agreement on 21st January 2015, the maximum number of days for which the Audit Committee Lay Member may be paid from the Council AGM 2015 be 25 days on an interim basis.
- 7.4 Payments can include a reasonable pre meeting preparation time as well as time travelling to and from meetings as well as authorised training events, conferences and pre-meetings with officers.
- 7.5 Accordingly there is **no specific decision** of Council required at this time in respect of the Co-Opted Member Payment.

8. Care Allowance

- 8.1 The Council **must** pay a care allowance to Members and Co-Opted Members who incur necessary expenses for the care of children and/or dependents whilst undertaking their official duties.
- 8.2 These payments must not exceed £403 per month (this cannot be annualised) and reimbursement will only be made on production of receipts from the carer.
- 8.3 Care Allowance payments must not be made:
- In respect of any child over the age of fifteen years or dependant unless the Member/Co-Opted Member satisfies the authority that the child or dependant required supervision which has caused the Member/Co-Opted Member to incur expenses that were necessary in respect of the care of that child or dependant in the carrying out of the duties of a Member or Co-Opted Member;

- To more than one Member/Co-Opted Member in relation to the care of the same child or dependant;
 - Of more than one care allowance to a Member or Co-Opted Member of the authority who is unable to demonstrate to the satisfaction of the authority that the Member/Co-Opted Member has to make separate arrangements for the care of different children or dependants.
- 8.4 Members claiming a Care Allowance will be required to complete a declaration form prior to their first claim.
- 8.5 Care Allowances will be paid to Members and Co-Opted Members monthly in arrears **ONLY** where the Member or Co-Opted Member has submitted in writing a fully completed and signed Carer's Claim Form and has produced receipts from the carer in respect of which the claim is made **PROVIDED ALWAYS** that no such claim will be paid which is in respect of a month or months which are more than 2 month's prior to the date the claim is received by the Council **UNLESS** that payment is authorised by the Standards Committee on the application of the Member or Co-Opted Member. The decision of the Standards Committee in this connection will be final.
- 8.6 Accordingly there is **no specific decision** of Council required at this time in respect of the Care Allowance.

9 Travel allowance

- 9.1 The IRPW prescribed Travel Allowance payments will be made to Members and Co-Opted Members in respect of costs incurred in the performance of the **official business** of the Council (see below).
- 9.2 The mileage rates which can be claimed for travel using the Member's own private vehicle are the current HMRC rates:-
- Private motor car up to 10,000 miles – 45p per mile
 - Private motor car over 10,000 miles – 25p per mile
 - Passenger supplement – 5p per passenger per mile
 - Private motor cycles – 24p per mile
 - Bicycles – 20p per mile
- 9.3 The payment of travel allowance based on these mileage rates is subject to the following:
- Claims must only be for the actual journey undertaken on Council business. Claimants are expected to use the shortest reasonably practicable route.

- Where a friend or relative, who is not a Member, transports a non-driving Member the same scale of rates will apply to the journey as if it were the Member's own vehicle.
- All mileage claims should be submitted with valid fuel VAT receipts. Members submitting claims through iTrent Self Service and are declaring that a VAT receipt has been obtained, **this must be retained for 6 years by the Member and provided when requested (or submitted to the Council at the end of their Councillor term).**

9.4 From April 2016, travel expenses paid to Members by the Council are exempt from Income Tax and employee National Insurance Contributions.

9.5 All other claims for travel will be reimbursed on production of a receipt showing the actual expense. Members should always be mindful of choosing the most cost-effective method of travel:-

- Rail fare will be reimbursed up to a maximum of first class rates.
- Air fares, where appropriate, will be reimbursed at the ordinary fare.
- Taxi fares where suitable alternative public transport is not available.

9.6 **Official business** has the meaning contained in Section 142 (10) of the Measure in relation to the payment of allowances for care, travel and subsistence as reimbursement of expenses necessarily incurred by Members and Co-Opted Members when:

- (a) Attending a meeting of the Authority or any committee of the Authority or any body to which the Authority makes appointments or nominations or of any committee of such a body;
- (b) Attending a meeting of any association of authorities of which the Authority is a member;
- (c) Attending a meeting, the holding of which is authorised by the Authority or by a committee of the Authority or by a joint committee of the Authority and one or more other authorities;
- (d) Attending any training or development event approved by the Authority or the Cabinet;
- (e) A duty undertaken for the purpose of or in connection with the discharge of the functions of an executive within the meaning of Part 2 of the 2000 Act, as amended;

- (f) a duty undertaken in pursuance of a Standing Order which requires a Member or Members to be present when tender documents are opened;
- (g) A duty undertaken in connection with the discharge of any function of the Authority to inspect or authorise the inspection of premises;
- (h) A duty undertaken by Members in connection with constituency or ward responsibilities which arise from the discharge of local authority functions;
- (i) Any other duty approved by the Authority, or any duty of class so approved, undertaken for the purpose of, or in connection with, the discharge of the functions of the Authority or of any of its committees.

9.7 In relation to (i) above in respect of the other duties approved by the Council the following decisions have been previously made:-

9.7.1 When a Councillor attends a meeting of a committee of which he/she is not a Member they would need to justify such attendance in order to qualify for the payment of travel allowance. Otherwise the expenditure on travel in attending the meeting will not be paid. Councillors should check with the Chief Finance Officer before attending so that they know before attending if they qualify to receive travelling.

9.7.2 Members will qualify for payment of travel allowance notwithstanding that the Councillor is attending a meeting of a committee of which he/she is not a Member:-

- (i) Where a Group Leader, Scrutiny Committee Chair and Vice Chair and Audit Committee Chair and Vice Chair attends a meeting of the Cabinet.
- (ii) Where a Councillor (who is not a Member of the Regulatory Committee) exercises the right as a Local Representative to attend and address the Regulatory Committee in accordance with the Council's Planning Protocol.
- (iii) Where a Councillor attends a meeting of a committee of which he/she is not a Member and is allowed to address the committee on an item of business before it.
- (iv) Where a Councillor attends a meeting of the Cabinet and is allowed to address the meeting with the consent of the Executive Member presiding.

9.7.3 Attendance by a Councillor at a meeting of a committee of which he or she is not a member outside of the circumstances detailed above shall

not qualify the Councillor to receive payments by way of travelling allowances in respect of attending such a meeting.

- 9.7.4 Where a travel allowances is recoverable by a Member from an outside organisation in respect of duties carried out by the Member in connection with that outside organisation, the Member is not eligible to also claim a travel allowance or subsistence allowance expenses from Powys County Council in respect of those duties.
- 9.7.5 A Travel Allowance will be paid to Members and Co-Opted Members monthly in arrears ONLY where the Member or Co-Opted Member has submitted in writing a fully completed and signed Travel Allowance Claim Form and has produced receipts for those journeys in respect of which the claim is made PROVIDED ALWAYS that no such claim will be paid which is in respect of a month or months which are more than 2 months prior to the date the claim is received by the Council UNLESS that payment is authorised by the Standards Committee on the application of the Member or Co-Opted Member. The decision of the Standards Committee in this connection will be final.

10. Subsistence Allowance

- 10.1 A Subsistence Allowance **must** be payable when official business requires a Member or Co-Opted Member to travel beyond county boundaries when additional subsistence costs may be incurred. In this case, reimbursement of subsistence, subject to the limits set out below, is acceptable. All claims must be supported by receipts:
- A maximum of £28.00 per day, including breakfast if not included in overnight cost;
 - Overnight costs to a maximum of £200 in London and £95 elsewhere,
 - A maximum of £30 per night if staying with friends or relatives. (not payable in Powys according to the IRPW document)
- 10.2 Wherever possible, overnight accommodation should be reserved and paid for by the Council itself. There may be circumstances where the authority deems it reasonable and cost effective to arrange overnight accommodation within the Council area.
- 10.3 A Subsistence Allowance is claimable for official business within the county by a Co-Opted Member who lives outside of the County.
- 10.4 Those provisions concerning “official business” in Sections 8.5 and 8.6 above relating to the Travel Allowance apply equally to the Subsistence Allowance subject to the overriding requirement of the performance of the official business being outside the boundaries of the county.
- 10.5 The rates prescribed are in-line with Welsh Government rates.

10.6 Accordingly there is **no specific decision** of Council required at this time in respect of the Subsistence Allowance.

11. Arrangements for the Payments of Salaries, Allowances and Fees

11.1 BASIC AND SENIOR SALARIES will be paid automatically in the current month and Members and (in respect of Senior Salaries) Co-Opted Members will not be required to submit any claim or demand.

11.2 CIVIC SALARIES will be paid automatically in the current month and neither the Chair nor the Vice-Chair of the Council will be required to submit any claim or demand.

11.3 CO-OPTED MEMBER PAYMENTS and TRAVEL AND SUBSISTENCE ALLOWANCE will be paid to Co-Opted Members monthly in arrears ONLY where the Co-Opted Member has submitted in writing or on line a fully completed Co –opted Member Claim Form.

11.4 CARE ALLOWANCES will be paid to Members and Co-Opted Members monthly in arrears ONLY where the Member or Co-Opted Member has submitted in writing or on line a fully completed Carer's Claim Form and has produced receipts from the carer in respect of which the claim is made.

11.5 TRAVEL & SUBSISTENCE ALLOWANCES will be paid to Members ONLY where the Member has submitted an on-line fully completed Travel & Subsistence Allowance Claim Form and has produced and retains receipts for those journeys and or subsistence in respect of which the claim is made. Paper claims forms will not be accepted.

11.6 PROVIDED ALWAYS that no claim in respect of:-

- A Co-Opted member's Payment
- Care Allowance; or
- A Travel and/or Subsistence Claim

will be paid which is in respect of a month or months which are more than 3 month's prior to the date the claim is received by the Council UNLESS that payment is authorised by the Standards Committee on the application of the Member or Co-Opted Member. The decision of the Standards Committee in this connection will be final.

11.7 No person other than the Member or Co-Opted Member submitting the claim may complete or amend a claim.

11.8 All on-line claims input via iTrent Self Service must be submitted no later than the 15th of the month, the claim can include expenses incurred up to and including the 15th, and will be paid with the

basic/senior/civic salary at the end of the month in which the claim is submitted. Any amendments to this date will be communicated accordingly.

- 11.9 Queries relating to pay should be directed to Dai Davies, Payroll Team Manager, Employment Services, County Hall.
(telephone 01597 826313, email david.davies@powys.gov.uk)

12. Office and Other Costs and Tax Relief

- 12.1 Where Members incur office and other costs they may claim tax relief.
- 12.2 Details of the arrangement reached with H.M. Revenues and Customs are available from Employment Services.

13. Arrangements for the Repayment of Salaries, Allowances and Fees

- 13.1 The IRPW require Councils to make specific provision in this regard and therefore the following arrangements comply in that regard.
- 13.2 Where such part of a Salary, Allowance or Fee which has been paid to a Member or Co-Opted Member was in respect of a period during which the Member or Co-Opted Member concerned was in any way not entitled to receive such Salary, Allowance or Fee (including when the Member or Co-Opted Member was suspended, partially suspended or ceased to be a Member or Co-Opted Member of the Council) the Chief Finance Officer will serve written notice on the Member or Co-Opted Member specifying the amount or amounts which the Member or Co-Opted Member is required to re-pay to the Council whereupon that amount or those amounts will become re-payable to the Council.
- 13.3 The Chief Finance Officer will serve such written notice as soon as reasonably practicable after becoming aware that such re-payment or re-payments is/are due from the Member or Co-Opted Member.
- 13.4 Such written notice will specify the period or periods over which the re-payment is to be made and whether or not it is to be by way of deduction from future payments of Salary, Allowance, or Fees which will be due in future to the Member or Co-Opted Member in question.
- 13.5 Such re-payment will in any event be concluded within 6 months of the date of such written notice by the Chief Finance Officer.
- 13.6 Any Member or Co-Opted Member who receives such written notice from the Chief Finance Officer may request that the matter be referred to the Council's Standards Committee whose decision will be final.

14. Foregoing Salaries, Allowances or Fees

- 14.1 Any Member or Co-Opted Member may serve written notice on the Chief Finance Officer electing to forego any part of their entitlement to a Salary, Allowance or Fee for that financial year. A Member will be required to resubmit this **written notice** to the **Chief Finance Officer** for **each subsequent financial year** that they elect to forego any part of their entitlement to a Salary, Allowance or Fee.
- 14.2 A Member or Co-Opted Member who has served such written notice will receive confirmation in writing from the Chief Finance Officer setting out the details of the revised payments the Member or Co-Opted Member will receive as a result of such election to forego and the Chief Finance Officer will amend the Schedule accordingly.

15. Withholding of Allowances – Suspension of Member

- 15.1 Where a Member/Co-Opted Member is suspended or partially suspended from being a Member/Co-Opted Member of the Council, the part of each salary and allowance payable to that Member/Co-Opted Member in respect of the responsibilities or duties from which that Member/Co-Opted Member is suspended or partially suspended will be withheld by the Authority. If the partial suspension relates only to the specific responsibility element of the Senior Salary payment, the Member may retain the Basic Salary.

16. Pensions

- 16.1 The Local Authorities (Allowances for Members of County and County Borough Councils) (Wales) Regulations 2003 allow Councils to enable their Councillors to join the local government pension scheme (LGPS).
- 16.2 Powys County Council has determined that its Members should be entitled to join the LGPS.

17. Decisions required at Annual Meeting

- 17.1 Council is required to take the following decisions in connection with the salaries, allowances and fees that are payable to Members and Co-Opted Members of the Council in accordance with statute and the regulations and annual report of the Independent Remuneration Panel for Wales (IRPW):-
- (a) the allocation of up to 18 Senior Salaries as detailed in section 4 of this report.

- (b) generally to endorse the contents of this report.
- (c) approve the Schedule of Member Remuneration based on this report subject to the inclusion of any amendments to the Chairs of Committees (attached as an Appendix to this report).

Recommendation:	Reason for Recommendation:
That Members: (i) approve the allocation of up to 18 Senior Salaries as detailed in section 4 of this report. (ii) generally endorse the contents of this report. (iii) approve the Schedule of Member Remuneration based on this report subject to the inclusion of any amendments to the Chairs of Committees (attached as an Appendix to this report).	To take decisions relating to Members' Salaries, Allowances and Expenses in accordance with statute and the annual report and regulations of the IRPW.

Relevant Policy (ies):	
Within Policy:	Y / N
Within Budget:	Y / N

Relevant Local Member(s):	
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Person(s) To Implement Decision:	Wyn Richards, Graham Evans
Date By When Decision To Be Implemented:	

Contact Officer Name:	Tel:	Fax:	Email:
Graham Evans Wyn Richards	01597 826609 01597 826375		graham.evans@powys.gov.uk wyn.richards@powys.gov.uk

Background Papers used to prepare Report:

IRPW Annual Report February 2018