

Report To: County Council

Date of Meeting: 8th April 2014

Lead Member / Officer: Councillor Barbara Smith/Gary Williams

Report Author: Gary Williams, Monitoring Officer

Title: Independent Remuneration Panel for Wales Report 2014/15

1 What is the report about?

- 1.1 The publication of the report of the Independent Remuneration Panel for Wales (the Panel) for the financial year 2014/15. The Panel requires the authority to implement the determinations in the report from the date of its annual meeting (13 May 2014).

2 What is the reason for making this report?

- 2.1 The reason for making this report is to notify Members of the Panel's report, for Members to adopt the recommendations asked in the report and to decide upon the level of remuneration for the Chair and Vice-Chair of Council for the financial year 2014/15.

3 What are the Recommendations?

- 3.1 That Members adopt the recommendations of the Panel for financial year 2014/15 in respect of the payment of Basic Salaries and Senior Salaries.
- 3.2 That Members determine the level of remuneration to be paid to the Chair and Vice-Chair for the financial year 2014/15.
- 3.3 That Members adopt the recommendations of the Panel in respect of payments to co-opted members.
- 3.4 That Members adopt the Scheme of Payments to Members set out in Appendix 3 to the report.

4 Report details.

- 4.1 The Local Government (Wales) Measure 2011 (the Measure) provides that the Panel must publish a report about the exercise of its functions with respect to each financial year. An annual report can impose requirements to make payments on local authorities.

- 4.2 The Measure further provides that a local authority must comply with the requirements imposed on it by an annual report.
- 4.3 The Panel did visit all 22 local authorities in Wales to ascertain the views of Members and officers during the summer of 2013.
- 4.4 The Panel produced a draft annual report for consultation which was considered by the Democratic Services Committee in November 2013.
- 4.5 The final version of the Panel's annual report has now been published. The final report does differ in some important respects from the draft report.
- 4.6 The Panel has not changed the level of remuneration since 2011. The Panel had previously aligned the payment of Basic Salary to the medium gross earnings of full time employees in Wales. In the last three years there has been a reduction in funding for local authorities and a freeze on public pay. The Panel had determined during that period not to retain the alignment with medium earnings which has resulted in a reduction of the Basic Salary level in real terms.
- 4.7 Given the modest relaxation in the constraints on public sector pay the Panel has decided to increase the Basic Salary by less than 1% from £13,175 to £13,300 for financial year 2014/15.
- 4.8 The Panel has decided to continue with the cap on the number of Senior Salaries. The Panel has also decided to continue with the grouping of Councils in accordance with population size. Denbighshire is in Group C and has a cap of 17 Senior Salaries. The population groups can be seen at Table 1 in the report attached as Appendix 1.
- 4.9 During the consultation visits conducted in 2013 the Panel states that a consistent view was expressed by Members that the leadership and executive roles, (Band 1 and Band 2 salaries respectively) carry the greatest individual accountability and that these accountabilities exist regardless of the size of the population served. The Panel remains of the view that size of population is a major factor in influencing bands of responsibility and has retained the link between the groupings of Councils and those Senior Salaries. The Panel has however made minor adjustments to Band 1 and 2 salaries to narrow the differentials between the groupings.
- 4.10 The draft annual report of the Panel had suggested that Band 3 salaries payable to Committee Chairs should be determined locally and set at one of three different bands depending on the level responsibility and workload undertaken by different Chairs. Responses to the draft report, including that of this Council, were not supportive of that suggestion. The Panel has therefore decided not to introduce responsibility levels and has determined that Senior Salaries for Committee Chairs, if remunerated, should be paid at £22,000 per annum.

- 4.11 The requirement to pay a Senior Salary to the Leader of the largest opposition group remains. The Panel recognises that the range of responsibility and accountabilities of this role varies across authorities but takes the view that payment for this position is important for local democracy. The Senior Salary payable for this role will be at Band 3, £22,000 per annum provided that the group represents at least 10% of the membership of the Council.
- 4.12 The Panel has noted that very few authorities pay leaders of other political groups. Where such Senior Salaries are paid, they are to be set at a Band 5 level of £17,000 per annum.
- 4.13 Civic Salaries are the payments made to the Civic Head and the Deputy Civic Head. In Denbighshire these are the Chair and Vice-Chair of Council. Civic Salaries do not count towards the cap on Senior Salaries.
- 4.14 The Panel has considered the varied workloads and level of commitment expected from Civic Heads and their Deputies across local authorities in Wales. The Panel has decided that each local authority should set the level of salary payable to Civic Heads and Deputies from one of three levels determined by the Panel as payable. These levels do not relate to population size and are for each authority to determine according to the anticipated workload and responsibilities. A Council may decide not to apply any Civic Salary.
- 4.15 The levels of salary available are set out in Table 3 of the Panel's report. They are as follows:

	Civic Heads	Deputy Civic Heads
a)	£24,000	£18,000
b)	£21,500	£16,000
c)	£19,000	£14,000

- 4.16 The current levels payable to the Chair and Vice-Chair are £19,035 and £14,805 respectively.
- 4.17 The level of remuneration payable to co-opted members remains unchanged.
- 4.18 The Panel has set levels of remuneration for Chairs of Joint Overview and Scrutiny Committee. No such committees currently exist in Denbighshire. There is not a requirement to pay Senior Salaries for such posts and this would be a matter for agreement between the participating authorities.
- 4.19 The mileage rates payable to Members remain unchanged.
- 4.20 The subsistence rates for Members remain unchanged, save for the removal of the rate for overnight accommodation in Cardiff. This brings the overnight accommodation rates in line with Welsh Government rates.

5 How does the decision contribute to the Corporate Priorities?

- 5.1 This does not directly impact on the Corporate Priorities.

6 What will it cost and how will it affect other services?

- 6.1 The changes to the Basic Salary and Senior Salary levels for these salaries paid by the Council would account to an extra £10,105 per annum. The determination of Civic Salary levels will cost as follows. Band a will cost £8,160, Band b will cost £3,660 and Band c will save £840 if the same band levels are chosen for both the chair and vice chair of Council.

7 What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?

- 7.1 There is no requirement to conduct an Equality Impact Assessment.

8 What consultations have been carried out with Scrutiny and others?

- 8.1 The draft annual report was considered by Democratic Services Committee and the Chairs and Vice-Chairs of Scrutiny.

9 Chief Finance Officer Statement

- 9.1 A provision of £18k has been allowed for within the 2014/15 budget for the additional costs arising from implementing the Panel's recommendations. Any costs above this will result in a budget pressure.

10 What risks are there and is there anything we can do to reduce them?

- 10.1 There is a risk that if the Council fails to adopt the requirements of the Panel that it will be directed to do so under the provisions of the Local Government (Wales) Measure 2011.

11 Power to make the Decision

- 11.1 Section 153 Local Government (Wales) Measure 2011.