

Report To: County Council

Date of Meeting: 12 April 2016

Lead Member / Officer: Gary Williams, Head of Legal, HR & Democratic Services

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Title: Independent Remuneration Panel for Wales Annual Report 2016/17

1 What is the report about?

- 1.1 The report is about the Independent Remuneration Panel for Wales' (the 'Panel') annual report for 2016/17.

2 What is the reason for making this report?

- 2.1 To make the Committee aware of the Panel's determinations for 2016/17 in respect of payments to members and co-opted members.

3 What are the Recommendations?

- 3.1 That Members note the determinations of the Panel for the 2016/17 municipal year in respect of the payment of Basic Salaries and Senior Salaries and payments to co-opted members.
- 3.2 That Members adopt the schedule of remuneration as set out in appendix 1 (which remains unchanged from 2015/16) for the 2016/17 municipal year.

4 Report details

- 4.1 The Independent Remuneration Panel for Wales was established in 2008. The Panel's remit and functions were extended in the Local Government (Wales) Measure 2011. The Panel's remit includes councillors, other members of National Park Authorities, Welsh Fire and Rescue Authorities and Community and Town Councils in addition to County and County Borough Councils.
- 4.2 The Panel is able to stipulate the actual amount of payment an authority may make to a member and the duties and responsibilities which may qualify councillors to receive payments.
- 4.3 The Panel is required to produce an annual report setting out the levels at which members are to be paid for various duties and responsibilities for the coming municipal year. That report is attached as appendix 2. The Local Government (Wales) Measure 2011 requires local authorities to implement the recommendations of the Panel.
- 4.4 The report sets out three bands of Council, sets out the number of councillors in each and the maximum number of senior salaries that the relevant council may pay. These groupings are set out in Table 1 of the attached report. Table 2 sets out the basic salary and senior salaries that shall be payable to Members of Councils in 2016/17.

- 4.5 This year the Panel have decided not to increase remuneration because of the continuing cuts in local government funds. The Panel has introduced the possibility for lower payment levels for most Cabinet members and the chairs of committees (see paragraphs 4.10 and 4.11 below and the Minister for Public Services' remit letter to the Panel in annex 5 of the attached report).
- 4.6 The Panel remains firmly of the view that maintaining the democratic values of local government is not cost free. Publicly funded remuneration is made available to encourage a diversity of willing and able local people to undertake local government, through their elected, appointed or co-opted roles.
- 4.7 When the Panel made its initial determinations in its 2009 report it aligned payments to Members to the medium gross earnings of all full time employees resident in Wales. The basic salary was set at $\frac{3}{5}$ of the All Wales medium salary and senior salary at multiples of this annual medium salary. In setting these salaries the Panel recognised that there was an unpaid public service contribution.
- 4.8 Civic Salaries - The Panel introduced responsibility levels for each council to determine the level of payments for civic leaders and deputy civic leaders. For Denbighshire this means the Chair of Council and the Vice Chair of Council. The levels remain unchanged and are shown below.

	Civic leaders	Deputy civic leaders
a	£24,000	£18,000
b	£21,500	£16,000
c	£19,000	£14,000

- 4.9 In April 2014, Council decided to set the level of payments for the Chair of Council at £21,500 and for the Vice Chair at £14,000. **Both figures include the basic salary each councillor is entitled to be paid of £13,300.** The payment of Civic Salaries is not included in the cap on the number of Senior Salaries available to an authority. A Council may decide not to pay any Civic Salaries.
- 4.10 Senior Salary Band 1 and 2 – The Panel has determined five bands of Senior Salary. Band 1 includes Leader and Deputy Leader and Band 2 includes other Cabinet Members. In the Panel's discussions with elected Members across Wales in 2013 there was a consistent view expressed that leadership with executive roles carried the greatest accountability. The Panel also received representations that these accountabilities are often the same regardless of the size of population served by the Council. The Panel did however determine that the size of population remains a major factor in levels of responsibility and has decided to maintain the use of the population groups as set out in Table 1 for the purposes of Senior Salaries in Bands 1 and 2.

This year the Panel have allowed for Band 2 Cabinet members (i.e. Cabinet members other than the Leader and Deputy Leader) to be paid (inclusive of the basic salary) either £26,000 as at present or £23,400. It is for individual authorities to decide on the appropriate level. Relevant considerations include Denbighshire's decision to reduce the size of its Cabinet from 10 members to 8 to save money, which as the Panel notes in its report results in a much greater range of portfolio responsibilities for each Cabinet member.

4.11 Band 3 – In the same manner the Panel has directed that for 2016/17 committee chairs may be paid either the present £22,000 (inclusive of the basic salary) or £20,000. Again, this is a matter for local determination and in Denbighshire's case there are fewer scrutiny committees than in most other authorities and the importance of the chairing roles for the other committees such as the Planning and Licensing Committees should be recognised.

Denbighshire has set the number of its senior salary payments (the number of Cabinet and committee chair allowances being paid) at 2 below the maximum allowed by the Panel for an authority of Denbighshire's size.

4.12 Band 4 and 5 – The Panel has taken the view that the payment of the leader of the largest opposition group is important for local democracy. The Panel have therefore continued their previous determination that this Senior Salary (band 4) must be paid. The payment corresponds to the higher level of payment for committee chairs.

4.13 The Panel notes that very few leaders of other political groups have been allocated a salary in Welsh authorities. The Panel has determined that where such salaries are paid the level should be at £17,000 per annum as set out in Table 2.

4.14 Co-opted Members – Table 4 of the Panel's report has the fees for co-opted members with voting rights which remain unchanged from last year and are based on an attendance allowance and time commitment of up to 4 hours (a half day fee) or over 4 hours (a daily fee). The Panel has again allowed co-opted voting members to include travelling time and reasonable time for pre-meeting preparation, the extent of which can be determined by the appropriate officer in advance of the meeting.

4.15 Co-opted members are also eligible to receive payments of fees for attending working group meetings, meetings with officers, training and attendance at conferences or any other formal meetings to which they have been invited to attend.

4.16 Mileage and Subsistence Rates – Authorities can only reimburse travel costs for their members undertaking official business. There is to be no change to the mileage rates. The Panel has clarified that a member who has been a passenger in a vehicle driven by someone else should be paid the prescribed rate provided that the authority is satisfied that the cost has been incurred by the member.

4.17 Presiding Member - The Local Government Democracy Act 2013 allows local authorities to appoint a presiding member who would chair the business meetings of the Council in addition to a civic leader. A Council may also appoint a deputy presiding member. Where appointed, a presiding member would be paid at the higher level committee chair salary and the post would contribute towards the cap on the number of senior salaries that can be paid. The post of deputy presiding members would not receive a payment.

4.18 Joint Scrutiny Committees – Two or more authorities can establish joint scrutiny committees and decide whether or not the chairs of those committees (or a sub-committee of a joint scrutiny committee) will be paid. If they decide to make payments the following determinations apply:

- The Chair of a Joint Scrutiny Committee is eligible for a salary equivalent to that part of a lower level band 3 Senior Salary that remunerates a Committee Chair; namely £6,700

- 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
- The chair of a sub-committee of a joint scrutiny committee is eligible for a salary of £1,675.
- In cases where the chair of the sub-committee is already in receipt of a senior salary payment for a band 3, 4 or 5 role the payment will be £837.
- A vice chair of a joint scrutiny committee or sub-committee will not receive a payment
- Payments to a chair of a joint scrutiny committee or sub-committee are not counted as part of Denbighshire's maximum number of councillors (17) who may receive a senior salary payment although there is a statutory limit of no more than 50% of a council's membership being allowed to receive a senior salary payment.

4.19 Heads of Paid Service and Chief Officers – The Panel has been given powers to be consulted on changes to the head of paid service's salary (the Chief Executive) or to chief officers' salaries unless the change being considered is commensurate with a general pay increase or decrease for the "authorities other staff" and for authorities to have regard to the Panel's recommendations.

4.20 Support to Members to Discharge Functions – The Panel remains concerned at the wide variation and inconsistency of support provided to members by different authorities to enable them to discharge their functions effectively. Denbighshire provides a range of support and will be reviewing the appropriate support for members of the new Council from May 2017.

5 How does the decision contribute to the Corporate Priorities?

5.1 This report outlines the decisions taken by the Panel and does not in itself contribute to the corporate Priorities.

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

6.1 The Panel's annual report largely continues the payment levels of 2015/2016 which are contained within existing budgets.

7 What consultations have been carried out and has an Equality Impact Assessment Screening been undertaken?

7.1 This report is made in accordance with statutory obligations. An Equality Impact Assessment has not been required for this report.

8 Chief Finance Officer Statement

8.1 The proposals as listed are allowed for within existing resources and therefore do not create an additional budget pressure.

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

9.1 The majority of the payments set out in the annual report have to be made available to members and co-opted members and a budget has been allocated to cover the payments.

10 Power to make the Decision

10.1 Section 111 Local Government Act 1972

10.2 Local Government (Wales) Measure 2011