

**Report To:** County Council

**Date of Meeting:** 10 April 2018

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

**Report Author:** Steve Price, Democratic Services Manager

**Title:** Independent Remuneration Panel for Wales Annual Report 2018 / 19

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## **1 What is the report about?**

The report is about the Independent Remuneration Panel for Wales' (the 'Panel') annual report for 2018 /19.

## **2 What is the reason for making this report?**

To advise of the Panel's determinations for 2018 / 19 in respect of payments to members and co-opted members and to adopt a schedule of remuneration.

## **3 What are the Recommendations?**

- 3.1 That Council notes the determinations of the Panel for the 2018 / 19 municipal year in respect of the payment of Basic Salaries, Senior and Civic Salaries and payments to co-opted members.
- 3.2 That Council adopts the schedule of remuneration as set out in appendix 1 (which remains unchanged from 2017 / 18 except as outlined in paragraph 4.4) for the 2018 / 19 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. 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.
- 4.2 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. The Local Government (Wales) Measure 2011 requires local authorities to implement the recommendations of the Panel. The 2018 / 19 annual report can be viewed on the following link:

<http://gov.wales/docs/dsijg/publications/localgov/180226-annual-report-2018-en.pdf> ?

- 4.3 The Panel's 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 annual report. Table 2 sets out the basic salary and senior salaries that shall be payable to Members of Councils in 2018 / 19.

- 4.4 This year the Panel have decided to provide an increment of £200 a year to the basic salary for each councillor, effective from April 2018. There is no change to the senior or civic salary levels from last year but these post holders will receive the increment in the basic salary paid to all councillors. For the past two years the Panel allowed the possibility for lower payment levels for most Cabinet members and the chairs of committees but these options have been discarded for this year.
- 4.5 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.
- 4.6 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 and the basic salary was set at  $\frac{3}{5}$  of the All Wales medium salary. The Panel concluded that Cabinet members should be considered as full-time posts. In setting these salaries the Panel recognised that there was an unpaid public service contribution.
- 4.7 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 (except for the £200 increase in the basic salaries) and are shown below.

	Civic leaders	Deputy civic leaders
a	£24,300	£18,300
b	£21,800	£16,300
c	£19,300	£14,300

- 4.8 In April 2014, Council decided to set the level of payments for the Chair of Council at level b and for the Vice Chair at level c. **Both figures in the table above include the basic salary each councillor is entitled to be paid of £13,600.** 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.
- 4.9 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 and 2017 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 retains its view that the size of population remains a major factor in influencing levels of responsibility and has therefore retained the 3 population groups (A, B and C) as set out in Tables 1 and 2 of the annual report for the purposes of setting the number of senior salaries available and the level of the Senior Salaries in Bands 1 and 2.

It should be noted that in order to save money Denbighshire appoints 8 Cabinet posts from the maximum of 10 posts it could appoint to which results in a greater range of portfolio responsibilities for each Cabinet member.

4.10 Band 3 – For 2018 / 19 committee chairs (if remunerated) will be paid £22,300 (inclusive of the basic salary). 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 acknowledged.

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.

4.11 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 level of payment for committee chairs. The Panel has previously noted 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 £17,300 per annum as set out in Table 2.

4.12 Co-opted Members with Voting Rights – Table 6 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 allows 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.

4.13 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.

4.14 Mileage Rates – Authorities can only reimburse travel costs for their members undertaking official business. There is to no change to the mileage rates. The Panel has determined 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.

4.15 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 Band 3 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.

4.16 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 an additional salary of £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.

- 4.16 Town, Community and City Councils – Importantly for town, city or community councils (all referred to here now as 'community councils') the Panel has grouped community councils into 3 groups (A, B and C) based on their income or expenditure last year. Those below £30,000 are in Group C, between £30,000 and £199,999 are in Group B and those with £200,000 and above are in Group A (see table 7 of the Panel's report).
- 4.17 Community councils in Groups A and B must make available a payment to each of their members of £150 per year for the costs incurred on council business e.g. telephone usage and IT costs.
- 4.18 Community councils in Group C can take a decision on whether to make a payment of £150 to each of their members to cover IT and telephone costs.
- 4.19 Group A community councils must make an annual payment of £500 each to at least 1 of their members and up to 5 members in recognition of specific responsibilities. This is in addition to the payment of £150 for costs and expenses. Group B and C councils are able to decide whether they make a payment of £500 to up to 5 members in recognition of specific responsibilities (in addition to the £150 payments for costs and expenses).
- 4.20 County councillors on Cabinet cannot receive any payment from a community council other than travel and subsistence expenses and reimbursement of costs of care. However, this does not preclude them from taking on a senior role that would otherwise attract a payment.

## **5 How does the decision contribute to the Corporate Priorities?**

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?**

The Panel's annual report largely continues the payment levels of 2018 /2019. The increase in the basic salary equates to £9,400 a year for all members.

## **7 What are the main conclusions of the Well-being Impact Assessment?**

This report is made in accordance with statutory obligations and the determinations of the Independent Remuneration Panel for Wales. An impact assessment is not required for this report.

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

The Panel consults nationally on the draft contents of each annual report.

## **9 Chief Finance Officer Statement**

The Member's budget is currently underspending in 17/18 due to delays in appointment of Cabinet and Committee Chairs following the Council elections. It is the intention to request these funds to be carried forward into 2018/19 in order to fund cost pressures within the service area including training requirements and the determinations of the Independent Remuneration Panel for Wales Annual Report . A full review of the budget will take place during 2018/19 to set a sustainable annual budget going forward.

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

The majority of the payments (basic salaries, leader of the largest opposition group, co-opted members with voting rights) set out in the annual report have to be made available and a budget has been allocated to cover the payments.

## **11 Power to make the Decision**

Section 111 Local Government Act 1972

Local Government (Wales) Measure 2011