

Report To: Democratic Services Committee

Date of Meeting: 29th March 2019

Lead Member / Officer: Councillor Mark Young, Lead Member for Corporate Standards
Gary Williams, Head of Legal, HR & Democratic Services

Report Author: Steve Price, Democratic Services Manager

Title: Independent Remuneration Panel for Wales Annual Report 2019 / 2020

1 What is the report about?

The report is about the Independent Remuneration Panel for Wales' (the 'Panel') annual report for 2019 /20.

2 What is the reason for making this report?

- 2.1 To advise of the Panel's determinations for 2019 / 20 in respect of payments to elected and co-opted members. The Panel's annual reports have previously been submitted to full Council but the Panel have recently confirmed that this is not required as the Panel itself sets the determinations (decisions) rather than the local authorities.
- 2.2 The Panel allows local authorities some discretion over whether to remunerate certain roles. Any changes to Denbighshire's schedule of remuneration (the roles that are paid a senior or civic salary) allowed by the Panel's framework would need to be authorised by full Council.

3 What are the Recommendations?

- 3.1 That the Committee notes the determinations of the Independent Remuneration Panel for Wales for 2019 / 20 in respect of the payment of basic, senior and civic salaries and payments to co-opted members.
- 3.2 That the Committee considers the schedule of remuneration as set out in appendix 1 for the 2019 / 20 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 2019 / 20 annual report is attached as appendix 2.

- 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 2019 / 20.
- 4.4 This year the Panel have decided to provide an increment of £268 or 1.97% to £13,868 a year to the basic salary for each councillor. The Panel has also increased the Cabinet members' senior salaries by £800 (including the £268 raise on the basic salary).
- 4.5 There is no change to the senior salaries this year for committee chairs but they will receive the increment to their basic salaries, paid to all councillors.
- 4.6 The Panel has noted that councils have strongly expressed to the Panel their wish for the Panel to set the payments for civic salaries (for the Chair and Vice Chair of Council). Previously, the Panel allowed councils to choose from 3 payment rates. Now, the Panel has determined that the Chair of Council will be paid at £22,568 and the Vice Chair at £17,568 – both inclusive of the basic salary. These equate to Band 3 and Band 5 rates respectively.
- 4.7 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.
- 4.8 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.
- 4.9 Senior Salary Band 1 and 2 – The Panel has determined five bands of Senior Salary. Band 1 includes the 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 4 and 5 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 2019/20 committee chairs (if remunerated) will be paid £22,568 (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 £17,568 per annum as set out in Table 5.
- 4.12 Co-opted Members with Voting Rights – Table 8 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 4 hours or more (a daily fee). The Panel allows co-opted voting members to include travelling time and reasonable time for pre-meeting preparation.
- 4.13 Co-opted members are also eligible to receive payments 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 by the Council as part of their co-optee roles.
- 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 as Denbighshire and Conwy have recently done with the establishment of the Joint Scrutiny Committee for the Public Services Board. Previously, the chairs of a joint scrutiny committee could be paid though Denbighshire and Conwy decided not to so. That option to pay joint scrutiny committee chairs has been removed by the Panel with this annual report.
- 4.17 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, whichever is the highest. 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 9 of the Panel's report).
- 4.18 Community councils in all 3 groups must now 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. This is a change from 2018 / 19 where only community councils in groups A and B were required to make this payment available. Receipts are not required for these payments.

- 4.19 Group A community councils must make an annual payment of £500 each to at least 1 of their members and up to a maximum of 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 £12,596 a year for all members. The increase in Cabinet member payments will be £4,256 and the civic payments will increase by £3,500.

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

Not required for this report.

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