

<b>Report to</b>	Democratic Services Committee
<b>Date of meeting</b>	5 <sup>th</sup> November 2021
<b>Lead Member / Officer</b>	Gary Williams, Head of Legal, HR and Democratic Services
<b>Report author</b>	Gary Williams, Head of Legal, HR and Democratic Services
<b>Title</b>	Draft Annual Report of the Independent Remuneration Panel for Wales 2022-2023

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

- 1.1. The report is about the draft annual report of the Independent Remuneration Panel for Wales (the Panel) for the civic year 2022-2023

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

- 2.1. To inform the committee of the Panel's initial determinations in respect of basic, civic and senior salaries and to seek the Committee's views in order that a response be prepared to the consultation being conducted by the Panel in respect of their draft annual report.

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

- 3.1. That the Committee considers the contents of the Panel's draft annual report which is attached at Appendix 1 to this report and provides any comments that it wishes to make in response to the consultation being conducted by the IRPW.

## **4. Report details**

- 4.1. The Independent Remuneration Panel for Wales, (the Panel), 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 2022-2023 draft annual report is attached as Appendix 1.
- 4.3. From inception, the Panel has consistently and vigorously expressed that local democracy and the governance of public services are not cost free and need to be valued if we are to enable everyone to participate. Levels of remuneration need to be set at a level sufficient to encourage a diversity of willing and able people to undertake local governance through elected, appointed or co-opted roles. It is important to promote a culture which encourages take up of remuneration to ensure that people from all walks of life can participate confidently in our democracy.
- 4.4. The Panel states that since 2009, remuneration of elected members of local government in Wales has not kept pace with measures of inflation or other possible comparators. It states that during this period, decision-making and local governance has increased in complexity with increased responsibilities flowing from legal, social, economic, cultural and technological changes.
- 4.5. The Panel states that the link between member remuneration and average earnings in Wales has not been able to be maintained over the past few years and believes that this should be restored.
- 4.6. The Panel is concerned at the lack of take up by elected members of the payments available for care to enable them to fulfil their duties and asks that Democratic Services Committees should encourage members with caring responsibilities to take up this assistance to ensure that they are not disadvantaged.

- 4.7. There is a clear link between the Panel's determinations and the Diversity in Democracy agenda in ensuring that people of all backgrounds can afford to engage in local democracy.
- 4.8. Appendix 2 to this report contains Table 4 of the draft annual report which sets out the proposed salaries to be paid to different posts within the Council. These salaries will become payable in May 2022.
- 4.9. The banding of local authorities into groups A, B, and C will continue. The Panel believes that population size is a significant factor and the senior salaries of some post holders vary depending on the size of their Council. Denbighshire is in Group C which includes the smallest Councils by population in Wales and the levels of the senior salary posts set out above are therefore lower than those for similar posts in larger councils.
- 4.10. Members will see from Appendix 2 that the basic salary to be paid to all members is proposed to be set at £16,800 per annum. The Council is required by law to pay this salary to each individual member. An individual member may decide to forego all or any of the salary that they are entitled to be paid but the Council cannot determine that any member or members should not be paid the full amount.
- 4.11. Senior salaries are those salaries that are payable to certain post holders within each Council. Appendix 2 sets out the proposed levels of salary that will be payable in 2022-2023. These sums are all inclusive of the basic salary and are not in addition to it. It is not mandatory to pay a senior salary to all post holders. The only senior salary that is a legal requirement to pay is that of the Leader of the Largest Opposition Group. All other senior salaries are discretionary, however, where a Council chooses to pay a senior salary, it must be paid at the rate set out by the Panel unless an individual member decides to forego all or any of it. No member may be paid more than one senior salary.
- 4.12. Each Council has a cap set by the Panel as to the numbers of senior salaries that may be paid by it. The cap for Denbighshire is 17 senior salaries. The Council does not utilise the maximum number of senior salaries and currently pays 15 senior salaries.
- 4.13. The senior salaries paid by the Council are as follows;

- Leader
- Deputy Leader
- Cabinet Member x6
- Chair of Planning Committee
- Chair of Licensing Committee
- Chair of Governance and Audit Committee
- Chair of Scrutiny Committee x 3
- Leader of Largest Opposition Group

4.14. In setting the senior salary levels for the forthcoming municipal year the Panel explains in the report that it is concerned that the current payment levels are often financially unattractive and are seen as a barrier to participation. This is not, in the Panel's view, in the spirit of diversity, inclusion, or democracy, or efficient for the effective running of principal councils.

4.15. The Panel recognises that roles of Chairs of Committees can vary in terms of responsibility. Each Council should determine which of its Chair roles attract a senior salary and where they do, they must pay them at Band 3. In the last report, the Panel reduced the differential between salaries paid to Chairs of Committees and those of other senior salaries. They have therefore decided this year not to increase the role element of these salaries.

4.16. The Panel also sets the levels of Civic Salaries which may be paid to the Chair and Vice Chair of Council. These do not count towards the cap on senior salaries. Each Council must determine whether or not pay Civic Salaries, but where they do, they must pay them at the rate set out in the report. This Council does pay Civic Salaries and for 2022-2023 the Panel proposes that the salary payable to the Chair would be a Band 3 salary, and the Vice Chair of Council should be paid at Band 5.

4.17. The Local Government and Elections (Wales) Act 2021 introduces the possibility of job sharing executive roles and the potential for Leaders to appoint assistants to the executive. The Panel sets out in this report a framework by which councils may apply for additional senior salaries to be payable to the holders of such positions, subject to a maximum cap of no more than 50% of

the Council's membership being in receipt of a senior salary. The Panel says that any such applications will be considered on a case by case basis.

4.18. The Panel's report deals with remuneration issues for other public bodies including Town, City and Community Councils. It is not possible within the body of this report to set all of the determinations made by the Panel but officers will be able to elaborate at Committee.

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

5.1. The report does not contribute to the Corporate Priorities.

## **6. What will it cost and how will it affect other services?**

6.1. The basic and senior salary levels proposed in the Panel's report would amount to an increase of £161K.

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

7.1. This report does not require such an assessment

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

8.1. The Committee is being consulted in respect of the Panel's recommendations. There has been no other consultation.

## **9. Chief Finance Officer Statement**

9.1. Text here

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

10.1. There is a risk that if the remuneration levels payable to elected members are not set at a sufficient level that some people will not be able to afford to participate in local democracy and stand for election.

## **11. Power to make the decision**

11.1. Local Government Wales Measure 2011