

**Report To:** County Council

**Date of Meeting:** 15<sup>th</sup> May 2012

**Lead Member / Officer:**

**Report Author:** Gary Williams – Head of Legal and Democratic Services

**Title:** Members' Remuneration

---

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

The report is about the level of Members' remuneration for the financial year 2012/2013 and the recommendations made by the Independent Remuneration Panel for Wales in its Annual Report.

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

2.1 The Council needs to formally agree the level of Members' remuneration for the financial year 2012/13.

**3. What are the Recommendations?**

3.1 That Council adopts the recommendations of the Independent Remuneration Panel for Wales in respect of the amounts to be paid by way of Basic Salary, Senior Salaries and Civic Salaries.

3.2 That Council determines the positions that will attract Senior and Civic Salaries.

3.3 That Council adopts the fee rates for co-opted members as recommended by the Independent Remuneration Panel for Wales.

3.4 That Council adopts the recommendations of the Independent Remuneration Panel for Wales in respect of the payment of travel expenses, subsistence, and reimbursement of expenses incurred for the care of children or dependants.

**4. Report details**

4.1 The Independent Remuneration Panel for Wales (the Panel) has published its first Annual Report. This report deals with the remuneration of Members for 2012/2013. The Council must under S153 Local Government (Wales) Measure 2011 implement the Panel's requirements.

4.2 The Panel has this year decided to use its powers to prescribe payments rather than just setting maxima. Accordingly the previous regulations referring to allowances are revoked. There is now a Basic Salary and a range of Senior Salaries. In addition there are Civic Salaries for the Civic Head (Chair of Council) and Deputy Civic Head (Vice Chair). The Council must pay each

Member a Basic Salary. The Council may pay Senior Salaries and Civic Salaries. Where a Council chooses to pay Senior and Civic Salaries they must be paid at the amounts set by the Panel and for the positions identified by the Panel.

- 4.3 The Panel describes its decision to prescribe actual payment levels for Basic and Senior Salary and payments to Civic Heads as a result of previous consultation exercises. The Panel has been concerned that pressure on local authorities in the current economic climate to set Member remuneration at an artificially low level may result in what they consider to be an unedifying and potentially damaging “race to the bottom”.
- 4.4 In addition the Panel noted that the majority of councils had adopted less than the Panel’s previous maxima in their schemes of councillor allowances. This has worked against the Panel’s development of a consistent national remuneration framework. The Panel therefore decided that the consistent implementation of the national framework for councillor remuneration would only be achieved if it used its powers to prescribe actual levels. It remains the case that individual councillors can forgo all or part of their salaries if they so wish.
- 4.5 The Panel has accepted the views expressed by respondents to the initial draft report that its original proposals were too restrictive and had the potential to negatively impact on the ability of councils to govern and manage effectively.
- 4.6 The Panel has therefore decided to increase the maximum proportion of each council’s membership that can be paid a Senior Salary and to remove the post of Civic Head and Deputy Civic Head from the posts included in the maximum proportion of Senior Salaries that councils could establish. The maximum proportion of membership eligible for payment of a Senior Salary is set for each Authority as follows:-

<b>Local Authority</b>	<b>No. councillors</b>	<b>Max. Senior Salaries %</b>
<b>Group A</b>		
Cardiff	75	25
Rhondda Cynon Taff	75	25
Swansea	73	26
<b>Group B</b>		
Bridgend	54	33
Caerphilly	73	24
Carmarthenshire	74	24
Conwy	59	30
Flintshire	70	25
Gwynedd	75	24

Neath Port Talbot	64	28
Newport	50	36
Pembrokeshire	60	30
Powys	73	24
Vale of Glamorgan	47	38
Wrexham	52	34
<b>Group C</b>		
Blaenau Gwent	42	40
Ceredigion	42	40
Denbighshire	47	36
Isle of Anglesey	40	NA
Merthyr Tydfil	33	50
Monmouthshire	43	39
Torfaen	44	38

4.7 This means that the number of Senior Salaries that Denbighshire County Council can have is seventeen, not including the post of Civic Head and Deputy Civic Head.

4.8 The Basic, Senior and Civic Salaries are set out below. Denbighshire is a Group C authority. The Basic Salary is the same in all councils. Senior Salaries are higher in Group A and B authorities.

	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
<b>Basic Salary</b>	£13,175	£13,175	£13,175
<b>Senior Salaries (inclusive of Basic Salary)</b>			
<b>Band 1</b>			
Leader	£52,700	£47,500	£42,300
Deputy Leader	£37,100	£33,460	£29,820
<b>Band 2</b>			
Executive	£31,900	£28,780	£25,660

<b>Band 3</b>			
Committee Chairs	£21,910	£21,910	£21,910
Leader of largest opposition group			
<b>Band 4</b>			
Leader of other political groups	£16,920	£16,920	£16,920
<b>Civic Salaries (inclusive of Basic Salary)</b>			
Civic Head (Mayor/Chair of Council)	£23,715	£21,375	£19,035
Deputy Civic Head	£18,445	£16,625	£14,805

4.9 A councillor must not be paid more than one Senior Salary and must not be paid a Senior Salary and a Civic Salary. All Senior or Civic Salaries are paid inclusive of Basic Salary.

4.10 The Panel expects councils, in the interest of transparency, in their annual public declarations of payments to Members, to include remuneration from all public service appointments held by elected members.

4.11 The Panel has also decided that for 2012/13, local authorities must pay the following fees to co-opted members:

- Co-opted Chair, Standards Committee and Co-opted Chair, Audit Committee £256 daily fee (£128 for half a day).
- Co-opted ordinary member £198 daily fee (£99 for half a day). A co-opted ordinary member includes members of Standards Committee, Education Scrutiny Committee, Crime and Disorder Scrutiny Committee and Audit Committee.

4.12 The payments are capped at a maximum of the equivalent of 10 full days a year for each committee to which an individual may be co-opted. Payments are for meeting time only and include time spent on preparation and travel. A half day meeting is defined as up to 4 hours and a full day meeting is defined as over 4 hours.

4.13 The Panel has decided that for 2012/13 Councils must provide for a maximum payment of £403 per month to members and co-opted members of authorities who incur necessary expenses for the care of children or dependants whilst undertaking their duties. Reimbursements may only be made on production of receipts.

4.14 The Panel has also considered the issue of travel and subsistence expenses. They have decided that there is no change to the mileage rates that can be claimed for travel. These are set out below.

45p per mile – up to 10,000 miles.

25p per mile – over 10,000 miles.

5p per passenger per mile – passenger supplement.

24p per mile – private motor cycles.

20p per mile – bicycles.

4.15 Other forms of travel will only be reimbursed on production of a valid receipt. Members should always choose the most cost effective method of travel.

4.16 The definition of official business may if a Council wishes include members undertaking constituency responsibilities. The consultation on the draft report highlighted some concerns about how such claims would be verified. It is therefore suggested that this not be included in the definition of official business.

4.17 Subsistence rates are as set out below with all claims supported by receipts.

- maximum £28 per day including breakfast if not included in overnight costs.
- overnight costs up to a maximum of £150 in London, £120 in Cardiff and £95 elsewhere, per night
- maximum of £25 per night if staying with friends or relatives.

4.18 Subsistence expenses will not be reimbursed for official business which takes place within county boundaries.

4.19 A relevant authority must maintain an annual schedule of member remuneration, and must publish that schedule as soon as practicable after determination and by no later than 31<sup>st</sup> July 2012.

4.20 The authority must send a schedule to the Panel as soon as practicable after determination and no later than 31<sup>st</sup> July 2012.

4.21 The authority must make arrangements for publication within the area the total sum paid by it to each member and co-opted member in respect of salary, allowances, fees and reimbursement as soon as practicable and by no later than 30<sup>th</sup> September 2013.

4.22 The Council will under the provisions of the Measure be required to have an Audit Committee and a Democratic Services Committee. It is suggested that the Audit Committee will be the Corporate Governance Committee. The Democratic Services Committee may only have to meet once a year and its terms of reference are fairly limited in scope. It is suggested that the Chair of Democratic Services Committee does not attract a Senior Salary.

4.23 If the suggestions made in 4.22 are adopted the following posts would be eligible for a Senior Salary:

<b><u>Post</u></b>	<b><u>Band</u></b>	<b><u>Salary</u></b>
Leader	Band 1	£42,300
Deputy Leader	Band 1	£29,820
Cabinet Member x 6	Band 2	£25,660
Chair of Scrutiny Committee x 3	Band 3	£21,910
Chair of Planning Committee	Band 3	£21,910
Chair of Licensing Committee	Band 3	£21,910
Chair of Audit / Corporate Governance Committee	Band 3	£21,910

This gives a total of 14 Senior Salaries.

4.24 Whether there are any other posts eligible for a Senior Salary will depend on the appointment of Members to the posts identified in 4.23. If all political groups are represented on Cabinet there will be no Opposition Group and therefore no Leader of the Largest Opposition Group.

4.25 If Group Leaders are appointed to any of the posts listed in 4.23 they will not be eligible for a Band 4 Senior Salary as no Member may receive more than one Senior Salary.

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

5.1 The decision implements the requirements of the Local Government (Wales) Measure 2011 and contributes to the priority of a high performing Council.

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

6.1 The cost of 31 Basic Salaries, Civic Head, Deputy Civic Head and 14 Senior Salaries would amount to £799,805. The matters set out in paragraphs 4.24 and 4.25 and the amount of travelling, subsistence and Co-opted Member payments incurred will determine the full cost of Members' Remuneration.

## **7. What consultations have been carried out?**

7.1 The Independent Remuneration Panel for Wales' draft report was widely consulted upon with local authorities and WLGA. The report was amended following consultation.

## **8. Chief Finance Officer Statement**

It is a statutory requirement to pay salaries at this rate. The costs can be met from within existing budgets

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

9.1 If the Council does not implement the requirements of the Independent Remuneration Panel for Wales the Welsh Ministers have power to direct the Council to comply with the requirements and may enforce any such direction by applying for a mandatory order.

## **10. Power to make the Decision**

Section 153 Local Government (Wales) Measure 2011.