

**Report To:** Democratic Services Committee

**Date of Meeting:** 14<sup>th</sup> November 2013

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

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

**Title:** Independent Remuneration Panel for Wales draft Annual Report 2014/15

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**1 What is the report about?**

- 1.1 The report is about the Independent Remuneration Panel for Wales' draft report for 2014/15 upon which the Council is being consulted.

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

- 2.1 To seek Members' views on the draft report in order that the Council's views be fed back to the Panel.

**3 What are the Recommendations?**

- 3.1 That Members note the contents of the draft report and provide views to be included in a response.

**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 has to be prepared by February in each year and must be the subject of consultation with Welsh Ministers, local authorities and the other bodies to whom the Panel's requirements apply.
- 4.4 The Panel has produced for consultation a draft report for the municipal year 2014/15. The consultation on the draft report is open until 26th November. The Panel will then publish a final report by the end of February 2014, the recommendations of which will take effect in the municipal year 2014/15. The draft report is attached as Appendix 1.
- 4.5 The Local Government (Wales) Measure 2011 requires local authorities to implement the recommendations of the Panel.

- 4.6 In preparing the draft Annual Report for 2014/15 members of the Panel did visit all 22 local authorities to seek the views of Members and officers.
- 4.7 The draft 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. Table 2 sets out the basic salary and senior salaries that shall be payable to Members of Councils in 2014/15.
- 4.8 The basic salary has risen from £13,175 to £13,300.
- 4.9 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.
- 4.10 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.
- 4.11 In the last three years there has been a reduction in resources for local authorities in a freeze of public sector pay. The Panel concluded that to retain this alignment would have resulted in an inappropriate uplift in levels of remuneration. This has resulted in a reduction of the amount of the basic salary in real terms over this period. Given the modest relaxation in the constraints on public sector pay this year, the Panel has decided to increase the basic salary by less than 1% from Spring 2014 and to increase other payment proportionately.
- 4.12 In its discussions with Members and officers of Councils, the Panel have felt that there was a desire to increased flexibility in the remuneration framework whilst retaining nationally consistent levels of remuneration. The Panel also noted the wide range of structures for Council committees across Wales and different methods of allocating duties and responsibilities to elected Members.
- 4.13 The Panel has therefore introduced responsibility levels for each Council to determine the level of payments to Committee Chairs, Civic Heads and Deputy Civic Heads.
- 4.14 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 Cabinet Members. In the Panel's discussions with elected Members across Wales 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 has however determined 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. The Panel have however made minor adjustments for salaries paid in Bands 1 and 2 to narrow the differentials between Councils in the different population groups.
- 4.15 Band 3 – The Panel states that there was a significant consensus across Wales that a single salary rate for Chairs of Committees of Council did not reflect the variety of roles, responsibilities and workload undertaken by Committee Chairs.

- 4.16 The Panel have therefore introduced responsibility levels. There are three responsibility levels for a Band 3 Senior Salary and it will be for local determination by each authority as to the most appropriate of these levels of remuneration to be paid to Chairs of Committees and to Civic Heads and Deputy Civic Heads.
- 4.17 Band 4 and 5 – The Panel have taken the view that the payment of the leader of the largest opposition group is important for local democracy. The Panel have therefore determined that this Senior Salary must be paid.
- 4.18 The level of this payment is to be pegged at Level 1 of the Band 3 Senior Salary i.e. the highest responsibility level for Committee Chairs.
- 4.19 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.
- 4.20 Civic Heads and Deputies – during its consultation in 2013 the Panel has taken into account that the level of support given, the personal financial outlay and the level of activity during the year in office varies considerably between authorities and that the size of the authority is no reliable indicator as to the commitment required of or given by Civic Heads. The Panel has decided that the amount to be paid to Civic Heads will be a matter for local authorities taking into account the anticipated workloads and responsibilities of Civic Heads. Table 3 sets out what Civic Salaries are available to be paid to Members of Principal Councils. There are three bands, A, B and C which local authorities may choose to apply to their Civic Salaries. The population groups do not apply in relation to Civic Salaries. 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.
- 4.21 There is to be no change to mileage rates available to be claimed. The Panel has removed the category of overnight stay in Cardiff from the recommended levels for accommodation costs for overnight stays such that there is now only a London rate and an all other areas rate.
- 4.22 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 Head. A Council may also appoint a Deputy Presiding Member.
- 4.23 The Panel has determined that where appointed, a Presiding Member will be remunerated at the appropriate level of a Band 3 Senior Salary as determined by the Council and that such a post would count towards the cap on Senior Salaries. The Panel has determined that the post of Deputy Presiding Member will not be remunerated.
- 4.24 The Panel has made determinations in respect of the operation of Joint Overview and Scrutiny Committees. The Chair of a Joint Overview and Scrutiny Committee is eligible for salary equivalent to that part of a Band 3 Senior Salary that remunerates a Committee Chair. It is for the constituent authorities to decide at which level the salary for the Chair should be set. The salaries reflect the Senior Salaries payable under Band 3 to Committee Chairs.

- 4.25 Where the Chair is already in receipt of a Senior Salary for a Band 3, 4 or 5 role, the payment will be at one of three lesser levels and again it is for the constituent authorities to determine at which level it should be set. The Chair of a Sub-Committee of a Joint Overview and Scrutiny Committee is eligible for a salary at one of 3 levels set out in the report, again the actual level is for the constituent authorities to determine and there is a lesser level to be paid to a Chair of a Sub-Committee if they are already in receipt of a Senior Salary for a Band 3, 4 or 5 role.
- 4.26 It is possible to make payments to Chairs of Task and Finish Sub-Committees of Joint Overview and Scrutiny Committees but these are to be pro rata to the duration of the task. Payments made to a Chair of a Joint Overview and Scrutiny Committee or of a Sub-Committee are additional to the maximum proportion of the authorities' membership eligible for a Senior Salary. In this case the maximum number of Senior Salaries in Denbighshire is 17, however, the statutory limit of no more than 50% of the Council's Membership receiving a Senior Salary still applies. The Panel has kept the levels of payment for co-opted members at the same rates as in previous years.
- 4.27 Payments to co-opted members remain at the same level as currently set. There are some changes to the way in which the amount of time allowable to be claimed is calculated.

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

- 5.1 The decision is a response to consultation and does not contribute to the corporate Priorities.

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

- 6.1 The cost will depend on the decision made by Council following the publication of the final Annual Report by the Panel in February 2014.

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

- 7.1 The Chair and Vice Chairs of Scrutiny and Cabinet have been consulted.

## **8 Chief Finance Officer Statement**

- 8.1 The report is simply a response to a consultation and, as such, has no major financial implications. These will be determined once the revisions to the scheme are confirmed

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

- 9.1 The risk of not responding to the consultation is that the Council's views will not be taken into account.

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

- 10.1 Section 111 Local Government Act 1972