



## **FULL COUNCIL**

Date Written	10 <sup>th</sup> July 2017
Report Author	Ann Taylor
Service Area	Democratic Services
Exempt/Non Exempt	Non Exempt
Committee Date	26 <sup>th</sup> July 2017

*To: Mayor, Ladies and Gentlemen*

# **Independent Remuneration Panel for Wales Annual Report 2017-2018**

## **1.0 SUMMARY OF THE REPORT**

- 1.1 The Independent Remuneration Panel for Wales (IRPW) Annual Report relates to the payments to local authority elected members, co-opted members and Heads of Paid Service in Wales.
- 1.2 The salary determinations in Appendix 1 come from the IRPW Annual Report for 2017-2018 and were brought into effect from May 2017. A comprehensive list of all the determinations is available on page 56 of the Annual Report.
- 1.3 Each senior salary was set at the lowest level.

## **2.0 RECOMMENDATIONS**

- 2.1 The content of the Annual Report of the IRPW for 2017-2018 be noted.
- 2.2 Council's instructions on whether to amend the senior salary levels are requested.

## **3.0 INTRODUCTION AND BACKGROUND**

- 3.1 The 2017-2018 Annual Report from the IRPW (which is available via the background papers link) is the ninth since the Panel was established in 2008; and the fifth since the approval of the Local Government Measure (Wales) 2011 which extended their powers to prescribe members' salaries.

- 3.2 In 2009 the Panel aligned payments to the median gross earnings of full-time employees resident in Wales as reported in the Annual Survey of Hourly Earnings (ASHE). The basic salary for elected members was set at three-fifths of the All Wales Median Salary and senior salaries were set at multiples of this annual median salary.
- 3.3 Given the continuing constraints on local government spending, the Panel felt that it was not possible to maintain the link with average Welsh earnings and there has been no increase in the basic salary since 2013.
- 3.4 In 2016 the Annual Report also introduced salary levels for members of council's executives and committee chairs of principal authorities.

#### **4.0 NEW PANEL DETERMINATIONS FOR 2017-2018**

- 4.1 The 2017-2018 Annual Report sees a moderate increase in basic salary for the financial year and whilst there is no specific increase for senior salaries, they will receive the uplift in the basic.
- 4.2 An elected member is entitled to retain a salary when taking family absence. It is for the authority to decide whether or not to make a substitute appointment. The elected member substituting for a senior salary holder taking family absence will be eligible to be paid a senior salary, if the authority so decides. In Merthyr Tydfil, if the paid substitution results in the number of senior salaries exceeding 50% of the council membership, specific approval of Welsh Ministers is required.
- 4.3 All authorities must provide for the reimbursement of necessary costs for the care of dependent children and adults up to a maximum of £403 per month.
- 4.4 Following comments from stakeholders and the introduction of regulations relating to family absence and care allowance; further proposals have been included to allow principal councils to make arrangements to cover cases of long term sickness absence for elected members.

#### **5.0 FINANCIAL IMPLICATIONS**

- 5.1 The Merthyr Tydfil County Borough Council budget requirement for 2016-2017 based on the IRPW Annual Report and the authority's committee structure is shown at Appendix 1.
- 5.2 Whilst there have been no changes to the committee structure, the IRPW determination to raise the basic salary by £100 increases the budget requirement by £3,300.
- 5.3 In addition, each individual Councillor is only entitled to one senior salary and as the Audit Committee and Democratic Services Committee were both Chaired by the Leader of the Opposition, one senior salary covered all three posts for 2016-2017. In 2017-2018, whilst the two committees continue to be Chaired by the same Councillor the role is no longer undertaken by the Leader of the Opposition, so an additional

senior salary is to be paid to the Chair of Audit Committee/Democratic Services Committee.

- 5.4 Conversely, there will be no payment for the Deputy Mayor for 2017-2018 as the Councillor is in receipt of a senior salary as Chair of the Planning and Regulatory Committee.
- 5.5 The optional payment levels can alter the overall figures and it is a matter for the individual authorities to determine at which level a Cabinet Member, Chair and (Deputy) Civic Head is paid, to reflect the appropriate responsibility attached to the specific post.
- 5.6 There have been no changes to the fees for co-opted members.

## **6.0 EQUALITY IMPACT ASSESSMENT**

- 6.1 An Equality Impact Assessment (EqIA) form has been prepared for the purpose of this report. It has been found that a full assessment is not required at this time. The form can be accessed on the Council's website/intranet via the 'Equality Impact Assessment' link.

**GARETH CHAPMAN**  
**CHIEF EXECUTIVE**

**COUNCILLOR ANDREW BARRY**  
**CABINET MEMBER GOVERNANCE AND**  
**CORPORATE SERVICES**

<b>BACKGROUND PAPERS</b>		
<b>Title of Document(s)</b>	<b>Document(s) Date</b>	<b>Document Location</b>
IRPW Annual Report	2017/2018	MTCBC website
Schedule of Member Remuneration	2017/2018	MTCBC Website
<b>Does the report contain any issue that may impact the Council's Constitution?</b>		<b>Yes</b>

***Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.***

## COMPARISON OF IRPW FINANCIAL DETERMINATIONS THAT AFFECT THE MERTHYR TYDFIL COUNTY BOROUGH COUNCIL STRUCTURE FOR 2017-2018

	2016-2017	2017-2018	
		Level 1	Level 2 <sup>1</sup>
<b>TOTALS</b>	<b>£603,400</b>	<b>£624,400</b>	<b>£591,000</b>

<b>BASIC SALARY</b> (ONLY payable to all elected members who are not in receipt of a senior salary) <sup>2</sup>	£13,300	£13,400	£13,400
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<b>SENIOR SALARIES</b>			
<b>Band 1 – Leader &amp; Deputy Leader</b>			
Leader	£43,000	£43,100	£43,100
Deputy Leader with Portfolio for Governance & Corporate Services	£30,000	£30,100	£30,100
<b>Band 2 – Other Executives (i.e. Members of Cabinet)</b>			
Cabinet Member Portfolio for Neighbourhood Services, Planning & Countryside	£26,000	£26,100	£23,500
Cabinet Member Portfolio for Regeneration & Public Protection	£26,000	£26,100	£23,500
Cabinet Member Portfolio for Social Services	£26,000	£26,100	£23,500
Cabinet Member Portfolio for Learning	£26,000	£26,100	£23,500
<b>Band 3 – Committee Chairs</b>			
Chair of Audit Committee <sup>3</sup>	£0	£22,100	£20,100
Chair of Democratic Services Committee <sup>1</sup>	£0	£0	£0
Chair of Planning & Regulatory Committee	£22,000	£22,100	£20,100
Chair of Scrutiny for Governance, Performance, Business Change & Corporate Services	£22,000	£22,100	£20,100

<sup>1</sup> There are three levels for Civic Heads and Deputy Civic Heads. This column shows the minimum amount at Level 3. Level 2 would make the overall total £595,500

<sup>2</sup> There were x18 basic salaries in 2016/2017, but x17 in 2017/2018; because we have an additional senior salary for the Chair of Audit/Democratic Services.

<sup>3</sup> In 2016/2017 the Leader of the Opposition Chaired both the Audit Committee and Democratic Services Committee. Each individual Councillor is only entitled to one senior salary, so we did not pay a senior salary for these two Committee Chair posts. Whilst the two committees continue to be Chaired by the same Councillor the role is no longer undertaken by the Leader of the Opposition, so a senior salary is to be paid to the Chair of Audit / Democratic Services for 2017/2018.

<b>Band 3 – Committee Chairs Cont'd...</b>			
Chair of Scrutiny for Neighbourhood Services, Planning & Countryside	£22,000	£22,100	£20,100
Chair of Scrutiny for Regeneration & Public Protection	£22,000	£22,100	£20,100
Chair of Scrutiny for Social Services	£22,000	£22,100	£20,100
Chair of Scrutiny for Learning and LAESCYP <sup>4</sup>	£22,000	£22,100	£20,100
<b>Band 4 – Opposition Leader</b>			
Leader of Largest Opposition Group	£22,000	£22,100	£22,100
<b>Band 5 – Other Leaders</b>			
Leader of political groups not less than 10% of all council members <sup>5</sup>	£0	£0	n/a

<b>CIVIC SALARIES (Inclusive of basic Salary)</b>			
Civic Head (Mayor) <sup>6</sup>	£19,000	£24,100	£19,100
Deputy Civic Head (Deputy Mayor)	£14,000	£18,100	£14,100

<b>CO-OPTED MEMBERS WITH VOTING RIGHTS</b>	
Chair of Standards Committee & Audit Committee	£256 (4 hrs & over) £128 (up to 4 hours)
Ordinary members of standards committees who also Chair standards committees for community and town councils	£226 (4 hrs & over) £113 (up to 4 hours)
Ordinary members of standards committees; education scrutiny committee; crime and disorder scrutiny committee and audit committee	£198 (4 hrs & over) £99 (up to 4 hours)

<b>CO-OPTED MEMBERS WITH NO VOTING RIGHTS &amp; INVITED ATTENDEES (AUDIT COMMITTEE)</b>	Travelling Expenses Only
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<sup>4</sup> LAESCYP – Local Authority Education Services for Children and Young People

<sup>5</sup> MTCBC has no Councillor(s) in this category

<sup>6</sup> There are three salary levels for Civic Heads and Deputy Civic Heads. These figures show the maximum (Level 1) and minimum (Level 3) salaries. Level 2 salaries are £21,600 and £16,100 respectively.