



FULL COUNCIL

Date Written	30 th October 2018
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Service Area	Democratic Services
Exempt/Non Exempt	Non Exempt
Committee Date	21 st November 2018

To: Chair, Ladies and Gentlemen

Independent Remuneration Panel for Wales (Draft) Annual Report

1.0 SUMMARY OF THE REPORT

- 1.1 The Local Government (Wales) Measure 2011 (as amended) sets out the functions of the Independent Remuneration Panel for Wales (IRPW); part of which is to publish an annual report setting determinations on Elected Member remuneration.
- 1.3 The draft Annual Report for 2019/2020 was published on 2nd October 2018 and proposed:
- 1.3.1 An increase of £268 to the basic salary;
 - 1.3.2 An increase of £800 for the Leader, Deputy Leader and Executive Members inclusive of the increase on the basic salary; and
 - 1.3.3 The removal of the choice of remuneration levels for Civic Heads and Deputy Heads which will be replaced with specific salaries in line with Bands 3 and 5 as established by the IRPW.

2.0 RECOMMENDATION(S) that

- 2.1 The content of the Draft Annual Report of the IRPW for 2019/2020 be noted.
- 2.2 Comments are forwarded to Democratic Services for collation and forwarding on to the IRPW before the consultation deadline on Tuesday 27th November 2018.

3.0 INTRODUCTION AND BACKGROUND

- 3.1.1 The IRPW considers population size a major factor in influencing responsibility and uses three population groups to determine salaries. As the smallest authority, Merthyr Tydfil is in Group C which means a lower senior salary for Executive Members.
- 3.2 There is a statutory limit of no more than 50% of a council's membership receiving a senior salary. However, whilst in the majority of cases the posts of civic head and deputy civic head are not included in the cap; they **are** included for Merthyr Tydfil because the cap is 16.
- 3.3 Should the authority wish to exceed the maximum number of senior salaries; consent must be obtained from Welsh Ministers.
- 3.4 Opposition Group Leaders or other Group Leaders must represent at least 10% of the Council membership before qualifying for a senior salary.
- 3.5 The entitlement to join the Local Government Pension Scheme applies to all eligible Elected Members of principal councils.
- 3.6 Elected Members may claim reimbursement for travel and subsistence costs where they have arisen as a result of undertaking official duties and on production of receipts.
- 3.7 In 2015 the responsibilities of the Panel were extended to include the provision that if a principal council intends to change the salary of the Head of Paid Service or Chief Officer, the IRPW must be consulted; and the authority must have regard to their recommendations when reaching a final decision.
- 3.8 The Council must maintain an annual Schedule of Member Remuneration in accordance with the Panel's determinations on Elected Member salary and co-opted member payments. It must also publish a Statement of Payments made to its members, and both of these documents are published annually on the Merthyr Tydfil County Borough Council website.

4.0 PROPOSED SALARY CHANGES FOR 2019/2020

Basic Salary

- 4.1 The IRPW aligned the basic salary of elected members to the median gross earnings of full time employees resident in Wales in 2009 on the assumption that the basic activity required was equivalent to three days' work. Executive members were assessed to be equivalent to full time. Given the pressures on public expenditure however, the alignment of salaries was not maintained.
- 4.2 In 2017, following visits to the 22 principal councils across Wales the basic salary was increased by £200 when the IRPW began action to narrow the gap in salaries and limit the rate of erosion; which reports suggested also discouraged diversity.

- 4.2 This year, following continued liaison with elected members and comparison of relevant indicators such as the median gross earnings, NJC pay scales and living wage, the IRPW has determined that a further increase to the basic salary is justified at £268.

Committee Chairs

- 4.3 If an authority chooses to remunerate their Committee Chairs, they will benefit from the same increase to their basic salary set out at 4.2, but the senior salary will not increase.

Executive Members:

- 4.4 The continued discussions with members and officers reinforced the conclusion reached in 2009 that the work of an Executive member is full time equivalent; and concerns were also expressed that the differential in salary between a Chair of a committee and a member of an Executive did not recognise the difference in responsibility or workload.
- 4.5 In recognition of this, the IRPW has determined that there should be an increase of £800 to the Leader, Deputy Leader and Executive Members' salaries inclusive of the increase in basic salary set out at 4.2

Civic Heads and Deputy Civic Heads:

- 4.6 The IRPW commented that Councils strongly expressed their aversion to making choices that require them to choose and match the level of activity or duties of a specific member to a given range of salary levels for a role. Therefore, all such choices have been removed and in the case of civic salaries, if paid, the payment is set at £22,568 for a civic head and £17,568 for a deputy civic head.

5.0 SUPPORT FOR ELECTED MEMBERS

- 5.1 The IRPW has determined that each authority, through its Democratic Services Committee, must ensure that all its elected members are given as much support as is necessary to enable them to fulfil their duties effectively. All elected members should be provided with adequate telephone, email and internet facilities giving electronic access to appropriate information.
- 5.2 Such support should be without cost to the individual Elected Member, and must not be deducted from their salaries as a contribution toward any support that the authority has decided necessary for the effectiveness and/or efficiency of Elected Members.
- 5.3 A determination has also been made to include a provision for job sharing arrangements and additional senior salaries that do not fall within the current remuneration framework. However, Welsh Ministers' approval is required if the number of senior salaries exceeds 50% of the Council membership.

- 5.4 Provision is available for the reimbursement of costs for the care of dependent children and adults and for personal assistance needs incurred by Elected Members in order for them to carry out their approved duties. Reimbursement shall only be made on production of receipts from the carer.
- 5.5 An Elected Member is entitled to retain their salary when taking family absence. It is a matter for Council to decide whether or not to make a substitute appointment for a senior salary holder. However, Welsh Ministers' approval is required if the number of senior salaries exceeds 50% of the Council membership.
- 5.6 Section 11 of the IRPW provides specific arrangements for long term sickness of an Elected Member as a result of perceived unfairness in comparison with the arrangements for family absence.

6.0 FINANCIAL IMPLICATION(S)

- 6.1 The £268 increase to the basic salary equals an additional £6,968 per annum based on the current structure.
- 6.2 The £800 increase to the executive member salaries equals an additional £4,800 per annum based on the current structure of Leader, Deputy Leader and four Executive Members.
- 6.3 The change to the remuneration of Civic Heads and Deputy Civic Heads equates to an increase of £3,268 per annum based on our current structure where the salary bands have been removed and the Deputy Civic Head is not remunerated because he receives a senior salary for his role as Committee Chair.

7.0 INTEGRATED IMPACT ASSESSMENT

	Positive Impacts	Negative Impacts	Not Applicable
1. Merthyr Tydfil Well-being Objectives	0 of 4	0 of 4	4 of 4
2. Sustainable Development Principles - How have you considered the five ways of working: <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement 	1 of 5	0 of 5	4 of 5
3. Protected Characteristics <i>(including Welsh Language)</i>	0 of 10	0 of 10	0 of 10

4. Biodiversity	0 of 1	0 of 1	0 of 1
<u>Summary:</u>			
The main positive impacts are that we are ensuring to meet legal requirements so that there are no future challenges			
There are no negative impacts			

GARETH CHAPMAN
CHIEF EXECUTIVE

COUNCILLOR ANDREW BARRY
CABINET MEMBER FOR GOVERNANCE
AND CORPORATE SERVICES

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Draft IRPW Annual Report 19/20	October 2018	Democratic Services
Final IRPW Annual Report 18/19	February 2018	Democratic Services
Does the report contain any issue that may impact the Council's Constitution?		No

SALARY BANDS

2019 / 2020

Basic salary (payable to all elected members) £13,868

Senior salaries (inclusive of basic salary)

	Group A (Cardiff, Rhondda Cynon Taf, Swansea)	Group B (Bridgend, Caerphilly, Carmarthenshire, Conwy, Flintshire, Gwynedd, Newport, Neath Port Talbot, Pembrokeshire, Powys, Vale of Glamorgan, Wrexham)	Group C (Blaenau Gwent, Ceredigion, Denbighshire, Merthyr Tydfil , Monmouthshire, Torfaen, Isle of Anglesey)
Band 1 Leader Deputy Leader	£54,100 £38,100	£49,100 £34,600	£44,100 £31,100
Band 2 Executive members	£33,100	£30,100	£27,100
Band 3 Committee Chairs (if remunerated) Civic Head (Mayor) (if remunerated)			£22,568
Band 4 Leader of largest opposition group			£22,568
Band 5 Leader of other political groups (over 10%) Deputy Civic Head (Deputy Mayor) (if remunerated)			£17,568

SALARY BANDS

2018 / 2019

Basic salary (payable to all elected members) £13,600

Senior salaries (inclusive of basic salary)

	Group A (Cardiff, Rhondda Cynon Taf, Swansea)	Group B (Bridgend, Caerphilly, Carmarthenshire, Conwy, Flintshire, Gwynedd, Newport, Neath Port Talbot, Pembrokeshire, Powys, Vale of Glamorgan, Wrexham)	Group C (Blaenau Gwent, Ceredigion, Denbighshire, Merthyr Tydfil , Monmouthshire, Torfaen, Isle of Anglesey)
Band 1 Leader Deputy Leader	£53,300 £37,300	£48,300 £33,800	£43,300 £30,300
Band 2 Executive members	£32,300	£29,300	£26,300
Band 3 Committee Chairs (if remunerated)			£22,300
Band 4 Leader of largest opposition group			£22,300
Band 5 Leader of other political groups (over 10%)			£17,300

Remuneration of civic heads and deputy civic heads (inclusive of basic salaries)

Responsibility Level	Civic Heads	Deputy Civic Heads
Level 1	£24,300	£18,300
Level 2	£21,800	£16,300
Level 3	£19,300	£14,300