

<b>MEETING</b>	<b>Democratic Services Committee</b>
<b>DATE</b>	<b>25 October 2018</b>
<b>REPORT TITLE</b>	<b>Independent Remuneration Panel – consultation</b>
<b>PURPOSE</b>	<b>To receive the observations of the Democratic Services Committee in response to the consultation</b>
<b>RECOMMENDATION</b>	<b>The Head of Democratic Services to respond to the consultation based on the comments of the committee.</b>
<b>AUTHOR</b>	<b>Geraint Owen Head of Democratic Services Vera Jones Democratic Services Manager</b>

1. The Independent Remuneration Panel for Wales is responsible for determining the salaries and costs payable to councillors for carrying out their duties. The Panel publishes draft proposals, which are consulted upon, every year.

2. A copy of the full consultation can be seen by clicking on the following link:

[Independent Remuneration Panel for Wales Draft Annual Report - February 2019](#)

3. The consultation is open until 27th November, 2018 and the Head of Democratic Services will respond to the consultation based on the committee's comments.

4. Attention is drawn to the main suggestions which deserve attention:

**a) Basic salary:**

*The Panel is recommending an increase in the basic salary of £268 a year (£13,868 compared to the current £13,600). This would be an increase of 1.97%.*

In order to give some context, it should be noted that the Panel's decision in its report in 2009, when setting the members' salary base, links payments with median gross earnings of full-time workers living in Wales. The basic salary was determined on a level which was three fifths of the all-Wales Medial Salary, recognising that there is an unpaid contribution to public service. As a result of financial restrictions on the public sector and local authorities specifically, it has not been possible to maintain the link with median earnings in Wales. The Panel considers that this has undervalued the worth of elected members. To avoid further erosion in relation to average earnings the Panel has decided to increase the basic annual salary to £13,868 (an increase of 1.97%).

The Panel also noted, following discussions with various authorities, that many members expressed that the basic salary is too low to attract younger people and to encourage diversity, and that there is a significant difference between remuneration and support available to elected members in other levels of government in Wales.

**b) Salaries for Leaders and Members of the Executive:**

*The Panel is recommending increasing salaries for Leaders and Members of the Executive by £800 (to include the basic increase of £168).*

The salaries of leaders and members of the executive have not been increased for several years (except for the increase in the basic element). The Panel consider that holders of these posts have significant functional responsibility and compared to remuneration of many other public sector roles are not well paid. The Panel have therefore proposed a modest increase of £800 (inclusive of the £268 increase in the basic salary).

**c) Payments to Civic Heads and Deputies (Civic Salaries)**

*The Panel is recommending one level of civic salaries, if they are paid, with the salary of £22,568 for Civic Heads and £17,568 for deputies.*

Councils have strongly expressed to the Panel that elected members do not wish to make any choices that require Councils themselves to choose and match the level of activity or duties of a specific member to a given range of salary levels for a role. All such choices are now removed, with civic salaries set as noted above.

**Ch) Community and Town Councils**

The recommendations concerning Community and Town Councils do not directly affect this Council. However, as we are able to comment on the full consultation, and, as a number of Gwynedd Council elected members are also Community and Town Council members, the main recommendations have been outlined below.

*The Panel has a number of recommendations for Community and Town Councils, as noted below:*

- *All community and town councils must make available a payment to each of their members of £150 per year as a contribution to costs and expenses.*
- *Community and town councils in Group A must make available an annual payment of £500 each to a minimum of 1 and a maximum of 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses.*
- *Community and town councils in Groups B or C can make an annual payment of £500 each to up to 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses.*

Since producing its last report, the Panel has met with a number of Councillors and Clerks representing 175 community and town councils in Wales. The Panel confirms the roles individual councils undertake vary significantly and that in accordance with this wide variation, the responsibilities and accountabilities of councillors must also vary. Councillors managing income or expenditure of £1m and those delivering significant services, including some that might have been delegated from principal councils, are operating in a much more complex environment than a council with an annual budget of less than £30,000.

In its last Annual Report the Panel formed 3 groups of community and town councils to reflect these differences based on the level of income *or* expenditure, whichever is the highest, in the previous financial year. These remain unchanged as set out in Table 8.

**Table 8: Community and Town Council Groupings**

<b>Community and Town Council Group</b>	<b>Income <i>or</i> expenditure in 2018-19</b>
A	£200,000 and above
B	£30,000 - £199,999
C	Below £30,000

Note, Members in receipt of a Band 1 or Band 2 senior salary from a principal council cannot receive any payment from any community or town council, other than travel and subsistence expenses and reimbursement of costs of care. However, this does not preclude them from holding a senior role. For the avoidance of doubt this determination now includes councils in Group C as well as Groups A and B. Where a person is a member of more than one town or community council, they are eligible to receive the £150 and, if appropriate, £500 from each council of which they are a member.

- 5. The Panel notes that there is a cost to democracy, and in order to ensure local democracy these costs must be met. On the other hand, local authorities must meet the additional costs for elected members in local authority. The requirements for community and town councils to ensure adequate budgets to meet the costs must also be considered, and could lead to an increase in their precepts which would effect the people of Gwynedd.
- 6. Comments are invited from the Committee as a basis of the Head of Democratic Services response to the consultation by the Independent Remuneration Panel for Wales.