



Ms L Hatcher  
Deputy Committee Clerk  
Legislation Office  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

Our Ref: qA753050/A4316845

16<sup>th</sup> January 2013

Dear Ms Hatcher

**Local Government (Democracy) (Wales) Bill**

The members of the Independent Remuneration Panel for Wales are grateful for the opportunity to provide evidence to the Communities, Equalities and Local Government Committee on the elements of the Bill relating their work.

The Local Government (Wales) Measure 2011 made significant changes to the remit and operation of the Panel and as a result we have been able to construct a consistent framework for the remuneration of members of relevant authorities. However, some operational issues emerged during the development of the First Annual Report under the Measure. These were mostly in respect of practical application but some issues of fairness and accountability (to the electorate) also emerged.

We provided the Welsh Government with our findings and these have been incorporated into the proposals in the Bill. For the information of the Committee we have set out our views in answer to the relevant questions in the pro forma provided at Annex 1.

If required, we would gladly come along to Committee to provide oral evidence.

Regards

Yours sincerely

Chair  
Independent Remuneration Panel for Wales

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**IRP response to CE&LG Call for Evidence on LG (Democracy)(Wales) Bill**

Consultation Response Form

Responses should be sent to: [CELG.committee@wales.gov.uk](mailto:CELG.committee@wales.gov.uk)

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**Independent Remuneration Panel for Wales**

Question 7: Do you think the provisions relating to the Independent Remuneration Panel for Wales are appropriate? (Chapter 5, Sections 58-62)			
Yes	X	No	
<p><u>Section 58</u></p> <p>We support this proposal.</p> <p>We understand the reason for the wording of the Measure but it became clear in our deliberations on the First Annual Report under the Measure that there would be presentational issues relating to the determination of a maximum proportion of a council whose members could receive a senior salary. The variation in the numbers of councillors within the 22 principal authorities is significant and is not, in many instances, related to their population. The basis of our framework is heavily influenced by population and in terms of the level of senior salaries for the Executives of councils it was a determining factor. Similarly we used population to establish the proportion of a council membership that could be paid a senior salary. We considered that it would be both inconsistent and unfair to set the same proportion for all councils; therefore we had to provide a specific percentage for each council that would produce the appropriate numerical product for each population band. The result is a range of percentages from 24% to 50%.</p> <p>We believe that the alternative of setting the maximum as a number is more easily understood and would demonstrate a consistent application within the national framework of remuneration.</p>			

**IRP response to CE&LG Call for Evidence on LG (Democracy)(Wales) Bill**Section 59

Although we did not suggest this proposal, we believe that it has merit. It has the potential to create a level playing field for the remuneration of members of public bodies sponsored by the Welsh Government. It will assist the Panel to provide a more consistent (and therefore more equitable) framework than currently exists. Most importantly the detailed analysis and comparison of such bodies would be undertaken by an independent and impartial body.

In our First Annual Report (effective from April 1<sup>st</sup>) following the Measure we introduced a restriction on members of council executives receiving additional payments if they were also nominated to National Park or Fire and Rescue Authorities. The justification for this is the fact that we have determined that the remuneration of Council Leaders and Executive members (the amounts are now prescribed) are based on full time commitment. It is therefore unreasonable for the public purse to make additional payments to a councillor already getting a full time salary. We have been made aware that such members can and do receive payments for serving on other public bodies in Wales. We believe that this is inconsistent but as these other bodies are outside our remit we cannot intervene.

However, subsection (b) (6) (c) proposes a qualification relating to which public bodies could be included. This appears restrictive and could create inconsistencies in application that would be difficult to justify in the public arena.

**IRP response to CE&LG Call for Evidence on LG (Democracy)(Wales) Bill**Section 60

As this section applies both to the Annual and Supplementary Reports of the Panel we suggest that this should be reflected in the heading.

We support the proposal to amend the timing of the publication of the Annual Report. The current requirement for publication means that the consultation on the draft report is during the summer months, a time when it is difficult for authorities to obtain a council/authority wide view because of the recess. Changing the date to the end of February will enhance the consultation process and allow improved information on the operation of the Panel's determinations from the previous year. As the implementation date for each Report is the Annual Meeting of the authority, it should not create administrative issues for authorities. We are aware that some concern has been raised that this amendment will have implications on budget setting. Our view is that this should not be a major factor as any year on year changes are likely to be very modest in financial terms and would be signalled in the draft Report which would be published prior to budget setting.

We support the backdating of determinations made by Supplementary Reports in the interest of fairness. There will be specific requests for additions to the framework which are justified and approved. These are most likely to be effected by a Supplementary Report which requires a draft for consultation and cannot come into force earlier than three months from the date of publication of the final version of the Supplementary Report. Backdating is currently prohibited by the Measure results in individual members being unable to receive payments for many months despite undertaking a role for which a senior salary is considered appropriate.

Allowing the Panel discretion to set a date for implementation will rectify this unfairness but as the proposal in the Bill is a maximum of three months there could be occasions when the consultation process leads to a longer timescale. We suggested in our response to the white paper consultation that backdating to a maximum of six months would be more appropriate. We still hold that view.

Section 61

The majority of the Supplementary Reports to date have been specific to individual authorities and deal with matters brought to our attention by those authorities. It is likely that this will continue to be the case. It would be beneficial to the individual authority that we make a decision as speedily as possible so it is in their interest to have a shorter consultation period. We welcome the flexibility proposed which will allow a longer period when we deal with issues that may have a wider application than an individual authority.

**IRP response to CE&LG Call for Evidence on LG (Democracy)(Wales) Bill**Section 62

We have previously expressed strong views on this point. We consider that the citizens of an authority have a right to know the extent of payments received from public bodies by members they have elected (either directly or indirectly). We hope that this would be implemented by all authorities voluntarily but empowering the Panel will ensure consistency of application throughout Wales.

**Access to information (Town and Community Councils)**

Question 8: Do you think the provisions relating to improving access to information (Town and Community Councils) are appropriate?

Yes

X

No

Section 53

We agree with this proposal. In preparation for the Annual Report, December 2012 we gathered evidence and consulted with a range of organisations regarding a remuneration framework for community councils.

We were surprised by the number of councils that did not have websites or internet communication. It made the initial consultation more difficult and more costly, but more importantly may have resulted in many community councillors not being aware that we were gathering evidence and seeking their views on remuneration issues.

Community and town councils are important public bodies with a crucial role in community cohesion and should be using modern communication methods to function efficiently.

**Chairing of Principal Councils (Chairs and Mayors of Principal Councils)**

Question 9: Do you think the provisions relating to the Chairing of Principal Councils (Chairs and Mayors of Principal Councils) are appropriate?

Yes

X

No

Section 51

We agree with the proposal to recognise the role of Presiding member as this has been raised with us in respect of the payment of a senior salary for such individuals.