



Paper for the Equalities, Local Government and Communities Committee

Local Government and Elections (Wales) Bill

Introduction

- 1.1. The Independent Remuneration Panel for Wales is pleased to have the opportunity to comment on the Bill. We have been requested to frame our evidence relating to Parts 4 and 7 of the Bill, however we also have observations in respect of Part 3 – Promoting access to Local Government.
- 1.2. It has been our practice to visit each of the 22 principal councils soon after each election as part of evidence gathering to ensure that we are cognisant with the issues and matters that need to be examined and reflected in our Remuneration Framework. Following the elections in 2017 we met in excess of 450 elected members, all of the leaders, many members of council executives and the chief executives and senior officers.
- 1.3. In subsequent years we meet with the 3 National Park Authorities and the 3 Fire and Rescue authorities.
- 1.4. We also have an ongoing Programme of contact with community and town councils mainly through county council liaison arrangements.
- 1.5. As a result of this ongoing contact we have a comprehensive knowledge of the local government sector in Wales.

Part 3 Promoting Access to Local Government

- 2.1. It is widely recognised that diversity of membership in democratic representation at local level is still at an unacceptable level. We observed that the 2017 intake showed an encouraging increase in newly elected female members and younger people of both genders. However, this was not a universal trend and there remains a significant lacuna particularly in respect of ethnic minority and persons with disability.
- 2.2. We have been encouraged by successive Ministers to play a part within our statutory remit in providing a framework that supports the potential for improving diversity. The elements that are within our statutory functions that contribute to this aim are:
- Financial support
 - The provision of the necessary support to enable members to function efficiently and safely.

Remuneration

- 2.3. Criticism about payments to elected representatives is all too frequent so we make it clear in our Reports that democracy is not cost free.
- 2.4. Payments for councillors is not the only factor to support improving diversity but it is an important one. Many of the new intake in 2017 made it clear that while the payment regime was not the main factor in standing for election, they could not have done so if it was not available. We are aware that at current levels of payment many backbench members struggle financially.
- 2.5. Financial restrictions on local authorities have impacted on the ability for the annual salary of a backbench member to keep pace. The Panel is bound by its statutory limitations to take account of the affordability of its determinations so in the earlier years of austerity the salaries of councillors lost ground against the original benchmark which aligned backbench members' payments to 3/5th of average welsh earnings. More recently we have been able to make modest increases but the current basic salary of £13868 p.a. is more than £2000 lower than it would be against the original benchmark. Realistically, it is unlikely that the original basis will be

reinstated. We continue to examine other methodology to reach an appropriate conclusion in each Annual Report. In reaching our annual determination on salaries we have to balance fairness to the 1254 councillors and the affordability for the 22 principal councils

Provision of appropriate support

- 2.6. We have been and continue to be clear that members should not be out of pocket in carrying out their role and they should not be expected to use their salary to be able to operate efficiently. In the earlier years some councils required members to pay for computer/telephones etc. for council business. We have made it clear that this is inappropriate.
- 2.7. Social media has had a profound effect on the function of a ward councillor. It has changed the perception of many of their constituents and an overwhelming majority of the members we met indicated that it had increased their workload and the demands and expectations of those that they represent. More sinister is the extent of the abuse and threats that are now apparent. We have been clear that it is crucial that councils provide necessary support to safeguard individual members subjected to threats of violence. One of the pleas that we heard many times was to remove the statutory requirement that individual members' home addresses be published. We understand that this is change included in the Bill.
- 2.8. Financial support for caring needs is an important factor in ensuring that individuals are not disenfranchised because they have care commitments or have personal care requirements. The then Welsh Assembly Government introduced a Care Allowance Scheme in 2003, and the responsibility for setting the policy in this respect was transferred to the Panel when it was established. Despite an obvious need from many members who have caring responsibilities the take up has been negligible. One of the reasons for this was the public criticism following the annual publication. Also there is anecdotal evidence of peer criticism. We have changed this financial support from an allowance to a reimbursement of costs so that there can be no suggestion that an individual could "make a profit". We have also changed the arrangements for publication so that no individual is identified. Despite this the take up has not increased significantly. We still believe that this, as part of an overall package, is important in attracting candidates from more diverse backgrounds to stand for election in the future. Despite care costs being a receipted

reimbursement the HMRC has determined that it is taxable income which means that some members claiming it could be out of pocket.

Part 4 Local Authority Executives, Members, Officers and Committees

- 3.1. We note the proposal to make the appointment of a chief executive mandatory for principal councils with specific statutory responsibilities. Our view, although not a matter within our remit, is that this is an appropriate direction. It will provide greater consistency between councils in establishing clarity of the role and duties of those occupying the post.
- 3.2. Clause 61 proposes to amend Section 143A of the Local Government (Wales) Measure 2011 so that the term salary is replaced with remuneration. This change will have implications for our role in considering proposals from councils to change the payment made to its chief executive. The Local Government (Democracy) Act 2013 amended the Measure in respect of the Panel's remit. Section 143A was inserted which requires, in certain circumstances, the authority to consult the Panel and have regard to our recommendations.
- 3.3. The current legislation also applies to the Head of Paid Service in the 3 Fire and Rescue Authorities (usually the Chief Fire Officer). The Bill will need to be clear whether the amendment at clause 61 excludes FRAs.
- 3.4. We administer this element of our function taking account of Welsh Government Guidance which will need to be updated when the Bill is enacted.
- 3.5. Clause 62 clarifies the situation when Welsh Ministers give a direction to an authority that has disregarded the recommendation of the Panel under Section 143A. The Panel supports this as it has been an issue of controversy in the past.

Appointment of Assistants to executive

- 3.6. During our visits in 2017 several council leaders indicated that they would like to be able to appoint deputies or assistants to the members of their cabinets. They considered that it would provide development opportunities for individuals who could be future members of the executive as well as improving the functioning of the cabinet by providing

support to busy portfolio holders. Potentially, it would have a positive improvement in the diversity of cabinets. Clause 63 will provide for such appointments but there are consequential issues for the Panel.

3.7. Currently each principal council is allocated a maximum number of senior positions that can be paid. These maxima (or Caps) are set out in our Annual Report and vary according to which of 3 population groups the council is in. It is within our discretion to change the cap so in most cases if the assistants warrant additional remuneration this can be accommodated. However, there is an overriding statutory maximum number of members who can be paid for holding a senior post. This is 50% of the council's total membership and can only be varied with the specific approval of Welsh Ministers. 2 councils would definitely be affected – Isle of Anglesey and Merthyr Tydfil. Both would be unable to appoint paid Assistants unless they withdrew payments from some current senior salary holders. Rather than have individual requests to override the statutory maximum to Welsh Ministers it might be more appropriate for the statutory position to be delegated to the Panel.

Job-sharing: executive leaders and executive members

3.8. A number of leaders have raised the possibility of operating job-sharing for some of the cabinet portfolios which they believe would widen opportunities and improve the diversity within executives. The difficulty in implementing this to date is the current statutory maximum of 10 members of Executives. The proposals set out in clause 64 would resolve this and allow the Panel to construct appropriate remuneration arrangements to meet an individual council's requirements.

Family absence for members of local authorities

3.9. Our Remuneration Framework includes entitlement to remuneration of a member eligible for family absence and mirrors the regulations currently in force. The Panel would amend the Framework to accord with changes to the regulations.

3.10. The Committee are advised that our Framework also provides for arrangements for long term sickness of members.

Part 7 Mergers and Restructuring of Principal Areas

Chapter 4: Remuneration arrangements for new principal councils

- 4.1. Whether and when there will be a submission from two or more existing councils is impossible to predict, however it is important that appropriate legislation is in place to manage the process effectively. The process should include the arrangements for the remuneration of the shadow council and the new principal council.
- 4.2. The proposals contained in this section of the Bill are broadly in line with the current remit of the Panel set by the Measure. The main addition is to extend the definition of “relevant authorities” to shadow councils.
- 4.3. In the event of a proposal for a merger, the Panel would examine the proposal to establish whether the new council would fit within the Panel’s Remuneration Framework that was in place at that time or whether it would require bespoke arrangements applying exclusively to the new council.
- 4.4. At this stage we have no concerns about the arrangements set out in clauses 141 to 144.

The Independent Remuneration Panel for Wales
4th December 2019