



Llywodraeth Cymru
Welsh Government

**WRITTEN STATEMENT
BY
THE WELSH GOVERNMENT**

TITLE **Governance and Scrutiny of Senior Officers' Remuneration**

DATE **4 February 2014**

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 Minister for Local Government and Government Business

The Local Government Democracy (Wales) Act 2013 (“the Democracy Act”) contains provisions relating to the remuneration of senior officers in Local Government. During its progress through the Assembly, I committed to implementing these for the financial year 2014-15 and to update Members on progress on these and a related set of measures. This package represents strong and decisive action to improve openness and transparency on this matter.

The governance and scrutiny of senior officers' remuneration is central to guaranteeing the effective delivery of our public services in Wales and to the public having trust in their public servants acting in the best interests of their communities.

Local Elected Members must take firm responsibility and ownership for decisions concerning the remuneration of their senior officers. It is their responsibility to ensure proper governance is practised and to be mindful of ensuring the best use of public funds. With this in mind, I will be proceeding with three initiatives to assist the development of transparency and accountability in this area.

Pay policy statements

Whilst I remain firmly of the view senior officer pay within Local Authorities remains the responsibility of each Authority and the scrutiny of related decisions rests with the Local Councillors, it is vital the Local Authorities making these decisions recognise such decisions must be transparent and open to public scrutiny. As a result of the provisions in the Localism Act which we have introduced in Wales, Authorities have been required to produce statements on their approach to setting pay for the last two years. I felt it was an appropriate time to review how these arrangements were operating.

It is clear from this review, whilst all Authorities have been meeting the requirement to prepare and publish these statements, there remains considerable variation in their format, content and presentation. I have, therefore, consulted on changes to the Statutory Guidance and will be publishing later this month updated Guidance which Authorities must have regard to in preparing their statements for 2014-15. I am confident the changes will result in greater consistency of reports and make statements easier to find on websites and read. Scrutiny Committees and auditors must review these reports and ensure the spirit, as well as the letter of the law, has been followed.

The role of the Independent Remuneration Panel on senior officers' salaries in Local Government

With effect from April 2014, it is my intention to commence the provisions of the Local Government (Democracy) (Wales) Act 2013 which enable the Remuneration Panel to have oversight of pay rises for Local Authority Chief Executives. I am currently consulting on statutory guidance to the Panel on this matter:

<http://wales.gov.uk/consultations/localgovernment/irp-guidance-salaries-la-chief-executives/?lang=en>

It will mean any future plans by a Local Authority to vary the salary of its Chief Executive, except when it reflects a pay increase or decrease being introduced for officers more generally, will have to be brought to the attention of the Panel, who will issue their view, to which the Authority in question will be obliged to have regard.

Local Authority Standing Order Regulations

Finally, I will be amending the regulations governing what Local Authorities must include in their standing orders regarding their staff. I will do this in good time for Local Authorities to be able to amend their standing orders at their annual meetings in May.

The amendments I intend to make will require all decisions on the remuneration of chief officers to be taken by resolution of the Authority itself.

They should also provide, where the relevant Authority proposes to appoint a chief officer and the remuneration it proposes to pay to the chief officer is £100,000 per year or more, the vacancy must be advertised externally, except where only a temporary appointment is being made.

I am satisfied the changes outlined above and put in place by the Welsh Government will provide for more robust arrangements in relation to issues which have clearly been handled poorly in some cases and have attracted negative publicity which is damaging for Local Government and Welsh public services more generally. These changes will also provide an important opportunity for Local Elected Members and senior officers to demonstrate the leadership and values which the public and their own workforces have a right to expect.