

Submission to Remuneration Authority

TO Thames-Coromandel District Council
FROM Angela Jane - Governance and Strategy Group Manager
DATE 24 November 2017
SUBJECT **Submission to Remuneration Authority**

1 Purpose of report

The purpose of the report is to present a draft submission on the Remuneration Authority's local government review consultation document for the Council's approval.

2 Background

The Remuneration Authority is seeking the views of local government (i.e. territorial authorities, unitary councils and regional councils) on proposals relating to elected members' salaries and the methodologies to calculate them. The Authority has been undertaking a review of remuneration issues for the past two years. The consultation document was in two parts - proposals covering the coming year (short term) and proposals for the longer term. The first part, which we submitted on in June 2017, focused on:

- RMA Plan hearing fees
- Leave of absence for elected members and acting mayor/chair payments
- Approach to expense policies
 - Provision of and allowances for information and communication technology and services
 - ICT hardware
 - Internet usage and phone plans
- Travel time allowance
- Mileage claims

The attached draft submission addresses the second part of the authority's consultation document and covers:

- Factors proposed to be used in sizing of councils for remuneration pool
- Weightings for salaries
- Remuneration pool for council determination or status quo with Authority approving split of pool
- Directors fees
- CB remuneration
- LG pay scale

These changes will affect elected mayors, chairs and councillors, as well as community bard members, from every council except Auckland. The Remuneration Authority will issue an additional consultation paper on the Auckland Council, following the completion of its governance review. They are proposing that the general principles outlined in consultation document around council sizing should apply to Auckland.

The full consultation document is attached as **Attachment B**. The submission is due with the Remuneration Authority by 5pm on 15 December 2017.

If the Council wants to make amendments to the proposed submission staff suggest that delegation be given to the Mayor to finalise the submission to meet the deadline.

3 Issue

The Remuneration Authority requested comment on the consultation document to be only from the Council and not individual members. Council approval is required for all submissions.

4 Discussion

The longer term proposals focus on the calculation of salaries. Details are included in the proposed submission in **Attachment A**.

5 Suggested resolution(s)

That the Thames-Coromandel District Council:

1. Receives the 'Submission to Remuneration Authority' report, dated 24 November 2017.
2. Approves the draft submission to the Remuneration Authority as provided in Attachment A to the report.

References-Tabled/Agenda Attachments

Attachment A *Draft submission to the Remuneration Authority*

Attachment B *Consultation document for Part B*

12 December 2017

Remuneration Authority
PO Box 10084
Wellington 6011

Attention: Fran Wilde

Dear Fran

Thames-Coromandel District Council submission Local Government Review

Thank you for the opportunity to provide comment on the Remuneration Authority's local government review of remuneration. The Council considered the Authority's salary proposals at its 12 December 2017 Council meeting and approved the following submission.

Council sizing

- **Are there significant influences on council size that are not recognised by the factors identified?**

Yes, the Thames-Coromandel District Council has over 50% of its rateable properties owned by absentee ratepayers. Many of these properties are inhabited on weekends and for half weeks. This type of residency is not reflected in the population statistics nor through guest nights. As a tourist destination the Council applauds the Remuneration Authority in including guest nights as a new factor in the Council sizing formula. Unfortunately the majority of our guests reside in our absentee ratepayers' homes as guests or through informal hiring arrangements which is not formally recorded.

We do not have a suggestion on how to estimate a better proxy for our visitor industry. We propose that the number of rating units be used to moderate the population statistics to reflect the minority of councils that are in a similar predicament to Thames-Coromandel district.

- **Are there any factors that we have identified that you believe should not be used and why?**

The Council would like to see rating units used within the other factors (population, operational expenditure, asset size, social deprivation and guest nights) to assist those districts that have high absentee ratepayers. Thames-Coromandel has now over 50% of its residences owned by people that reside in other districts and therefore are not counted in the population census statistics. Many of these ratepayers stay for half weeks regularly and/or rent their properties which means the facilities are being utilised and generates workload for the elected members.

- **When measuring council assets, do you support the inclusion of all council assets, including those commercial companies that are operated by boards?**

Thames-Coromandel District Council does not agree with using the asset value managed by CCOs. The workload associated with these assets is managed by professional directors and is arms-length from the Council's elected members.

- **If not, how should the Authority distinguish between different classes of assets?**

Request the data from each council when the triennial calculation is carried out.

Weighting

- **Are you aware of evidence that would support or challenge the relativity of the factors for each type of council?**

No

- **If you believe other factors should be taken into account, where would they sit relative to others?**

Rating units should be included in the first line to balance population and operational expenditure.

Mayor/Chair remuneration

- **Should mayor/chair roles should be treated as full time?**

Yes

- **If not, how should they be treated?**

N/A

- **Should there be a “base” remuneration level for all mayors/chairs, with additional remuneration added according to the size of the council?**

Yes set a base salary and supplement with a component for the size of the council.

- **If so, what should determine this “base remuneration”?**

The Council is satisfied to relate the Mayor's salary to the parliamentary remuneration as a suitable base.

Councillor remuneration

- **Should councillor remuneration be decided by each council within the parameters of a governance/representation pool allocated to each council by the Remuneration Authority?**

Yes, each Council is in the best position to determine the workloads for each position.

- **If so, should each additional position of responsibility, above a base councillor role, require a formal role description?**

Yes, formal role descriptions will enable Councils to stipulate expectations in delivering on the roles with additional responsibilities.

- **Should each council be required to gain a 75% majority vote to determine the allocation of remuneration across all its positions?**

Yes, the salary splits require more of a consensus than just a majority for the Council to unite at the commencement of a term and work cohesively together.

- **Should external representation roles be able to be remunerated in a similar way to council positions of responsibility?**

No, that would limit the potential to find suitably qualified people to assist the Council to be the most effective in all facets of its governance duties.

- **Do the additional demands placed on CCO board members make it fair for elected members appointed to such boards to receive the same director fees as are paid to other CCO board members?**

Yes, elected members appointed to CCO boards take on the responsibility that the Council is choosing to place at arms-length and they should only be appointed if they are suitably qualified to undertake these professional duties.

Community Board remuneration

- **Should community board remuneration always come out of the council governance/representation pool?**

No, there should be an additional pool made available to reflect the differences across the country that were mostly put in place from the 1989 amalgamation process.

- **If not, should it be funded by way of targeted rate on the community concerned?**

That should be a matter for each council to consider. Not all councils with Community Boards have the Community Boards representing their entire district. The circumstances for the creation of the Community Boards differ from council to council.

- **If not, what other transparent and fair mechanisms are there for funding the remuneration of community board members?**

The remuneration of Community Board members is transparent regardless of the funding source. It is on record in every council's Annual Report and every candidate information booklet for every election. Representation reviews also hold this information for the public to digest when considering its representation.

A local government pay scale

- **Is it appropriate for local government remuneration to be related to parliamentary remuneration, but taking account of differences in job sizes?**

Yes

- **If so, should that the relativity be capped so the incumbent in the biggest role in local government cannot receive more than a cabinet minister?**

Yes

- **If not, how should a local government pay scale be determined?**

N/A

If you have any queries from the content of our submission please do not hesitate to contact Angela Jane, Council's Governance and Strategy Group Manager on (07) 868 0200.

Yours sincerely

Rob Williams
Chief Executive

Consultation document commentary and questions

Council Sizing

1. Overview

We define council size as the accumulated demands on any council resulting from its accountability for its unique mix of functions, obligations, assets and citizenry. The size of councils varies considerably. The most obvious difference is in the size of population with the biggest council (Auckland) having 1,614,300 citizens and the smallest (the Chatham Islands) just 610 at the last census. Even outside of these two, there still a wide population range from Christchurch (375,000) to Kaikoura (3,740).

2. However, despite their differences, there are also many similarities between different councils and the roles of elected representatives.
3. All local government representatives have a basic workload that includes decision-making around local plans, policies and regulations; civic representation; assisting constituents; and working with other organisations (public and private sector). Importantly, councils are also tasked with employing a chief executive and monitoring performance and delivery.
4. With regard to differences, as noted above, the starkest is in population, but even then there is not an exact connection between population and work load. We have taken account of several characteristics in addition to population to compare the size of each council. We are limited by the ready availability of information. However, with the information that is available, we have been able to use statistical methods to identify several factors that are significant influences on the workload of Councils.
5. We can identify councils that are most likely to be comparable in size, despite differences in what brings this about. Such comparisons can never be exact, because amongst all the councils there are influences on their size that are either unique or unable to be quantified using existing evidence. The analytical approach taken this year by the Authority will be further developed whenever the information base is able to reflect such situations.
6. We considered a variety of factors that could be used for sizing councils and, after consultation and further analysis, we are proposing several factors, with some differences between territorial authorities and regional/unitary councils. The indicators for each factor came from official statistics and departmental reports, and they were analysed by standard statistical methods which enabled the variety of demands on councils from different sources to be compared and accumulated. The initial list of factors and the modelling was identified with a representative group of elected local authority leaders, and then developed further by the Authority.
7. The strong direct effects on size from population, assets and operational expenditure were modified by differences in guest night stays, social deprivation levels and physical size.

Factors proposed to be used in sizing

8. Territorial authorities:

- a) **Population.** This factor not only determines the scale of services that a council will provide, but also the rating base by which activities are funded. Population is most

likely to be the indicator that most New Zealanders would use when asked to distinguish between various councils. The statistics we are using are the most recent population estimates by Statistics New Zealand.

- b) **Operational expenditure.** In many cases, operational expenditure correlates with population, but there are also some differences - in particular when a council may be in the midst of a specific expansion programme in a particular area of activity. Our data is taken from the annual accounts of councils.
- c) **Asset size.** This represents the capital base of the council that the council is required to manage, providing essential service such as water, wastewater, roads and flood protection, and also social infrastructure. One of the challenges in asset management is to ensure that assets do not lose value. In recent years there has been greater focus on asset management in the sector, requiring (if it is undertaken rigorously) a higher degree of attention to detail on the part of elected members, not just the asset managers in the organisation. The data on asset size is also extracted from the consolidated annual accounts of councils and includes the value of their council controlled organisations (CCOs).

We acknowledge that there are different degrees of assets held by local government. Some have highly commercial assets with commercial boards comprising directors selected for their relevant competencies and business experience. Others have land holdings that are long-term and more “passive” investments. Others again are assets such as ports which although highly commercial and competitive are often also strategic assets for their local government owners.

There are also different degrees of oversight. Some councils are extremely “hands on” with their assets and others are more arms-length in their relationships, particularly with CCOs. We recognise that whatever measure of asset size is used, its relevance will differ somewhat among councils to a greater extent than is likely with other factors.

- d) **Social deprivation.** This measures the differences between councils in their need to take account of economic disadvantage among citizens. We recognise that in many council districts the high level of social deprivation in some areas is counterbalanced by a higher economic status in others. However, we believe there are some councils that do not have this balance and that, given the reliance of many councils on rates income, for those councils a high level of social deprivation will have a significant impact. Data is drawn from the third quartile of the NZDEP index prepared from the last population census.
- e) **Number of guest nights.** This represents the demands on councils (e.g. infrastructure development and service provision) resulting from visitors. We recognise that this is a current issue which may in future years be resolved and that it is but one sector in New Zealand’s economy which is of concern to local government. However, it has been raised with us on many occasions and we believe it is relevant to allow for such demands being faced by council at present. It may be that it is replaced by another factor in future years. For this factor we use the Monthly Accommodation Survey of Statistics New Zealand. We were unable to find any data on visitors who may pass through a district and use facilities but not stay overnight, or on the current vexed issue of freedom campers.

9. Regional councils:

Although all councils (territorial, regional and unitary) have a power of general competence, the legal responsibilities of regional councils and unitary councils differ from those of territorial authorities. The breadth of their mandate in national legal instruments (such as the Resource Management Act) requires regional and unitary councils to operate at a different scale from that of territorial authorities, especially in their focus on regulating and managing land and water. For example, regional and unitary councils must develop and administer Regional Plans and Unitary Plans, and territorial authorities must give effect to these plans, which drives behaviour around issues such as water quality (i.e. storm water and waste water). In contrast, regional councils do not have the significant focus on social issues that is required from either unitary or territorial councils. Hence **land size** is inherently important to the work of a regional or unitary council. In measuring size, we are proposing to eliminate the deprivation index factor for regional councils and add a land area factor.

10. Unitary councils:

For some years, the Authority has added a loading of 12.5% to account for the additional regional council responsibilities of the four smaller unitary councils – Gisborne, Marlborough, Nelson and Tasman. This did not include Auckland, even though it is also a unitary council, because the remuneration for Auckland was considered separately when it was set up.

We are uncertain as to the basis for the 12.5%, and are thus proposing that this loading now be removed and that instead the size of these four unitary councils be measured by both the regional and the territorial authority factors. Thus the factors by which we measure the size of unitary councils would include both land area and social deprivation.

The Authority believes that with the additional regional council factor of land area included, this is a fairer way of sizing unitary councils.

With regard to the proposed factors to be used for sizing councils

- **Are there significant influences on council size that are not recognised by the factors identified?**
- **Are there any factors that we have identified that you believe should not be used and why?**
- **When measuring council assets, do you support the inclusion of all council assets, including those commercial companies that are operated by boards?**
- **If not, how should the Authority distinguish between different classes of assets?**

Weighting

11. The weight given to each factor was assessed intuitively by the Local Government Leadership Group, drawing on their knowledge and experience. These weights were then further refined by formal statistical analysis. The Authority has not yet completed this part of the exercise and, before we do, we would like to hear views on the proposed factors. Nevertheless, in our work to date, the following “order of magnitude” listing indicates what we consider to be the relative importance of the various factors in determining size. They are listed here in terms of our current view of the highest to lowest influence on size.
12. Territorial authorities:
 - Population; operational expenditure
 - Assets
 - Deprivation index; visitor nights
13. Regional councils:
 - Operational expenditure; geographic size
 - Assets; population
 - Visitor nights
14. Unitary authorities:
 - Population; operational expenditure; geographic size
 - Assets
 - Deprivation index; visitor nights
15. When the weighting exercise is completed, the size of each council estimated in this way will become the size index.

- **Are you aware of evidence that would support or challenge the relativity of the factors for each type of council?**
- **If you believe other factors should be taken into account, where would they sit relative to others?**

Mayor/chair remuneration

16. The work that the Authority commissioned from the HayGroup in 2015 included a review and evaluation of the roles of mayor, regional council chair, committee chair and councillor across 20 councils.
17. The evidence reported by Hay was that mayor and regional council chair roles generally require a full-time commitment, though this is not true in absolutely all cases. Even in smaller authorities where the mayor’s role may not be full time, the nature of the job means that it is usually difficult to get another job to supplement what might not be a fulltime income. From the knowledge of members of the Authority and advice from a range of participants in local government, including the Advisory Panel, the Authority accepts that mayors/chairs are full time and we propose that mayor/chair remuneration be determined on this basis.

18. We are also proposing that there should be a “base pay” for all mayors/chairs. Additional remuneration would then be on top of this, depending on the size of the council.

- **Should mayor/chair roles should be treated as full time?**
- **If not, how should they be treated?**
- **Should there be a “base” remuneration level for all mayors/chairs, with additional remuneration added according to the size of the council?**
- **If so, what should determine this “base remuneration”?**

Councillor remuneration

19. The relativity between mayor/chair and councillors is somewhat more difficult to determine and we note that in 2015 the Authority suggested that although there was evidence about the size of positions, there was less evidence about workload.

20. We are aware that there are clear differences in both the job size and the workload of councillors on different councils for a several reasons. There can also be significant differences in workloads of councillors within a single council. The influences on a councillor workload obviously include measurable factors such as population and the other indicators we have outlined above in paragraph 5, as well as the number of councillors, which varies from council to council.

21. However, other influences include current issues within a council area and individual councillor interest in or affiliation to different interest groups. The latter also applies to workload differences amongst councillors on a single council, as does the appetite for work amongst different councillors. The Authority is not able to take account of such differences in our determinations. Nor are we able to provide for “performance pay”. This means that on any single council the remuneration of the hardest working councillor will be the same as that of the lowest contributor.

22. Having looked carefully at the sizing factors, and discussed mayor/chair and councillor relativity with a variety of people, we have formed a view that we are unable to accommodate the differences between councillors on different councils with sufficient granularity to have a single national approach. The large metropolitan councils, for example, seem to have a higher councillor workload than of smaller rural and provincial councils, though this is not a universal rule. Additionally, there are differences between similar sized councils which are addressed at council level by the allocation of committee and portfolio responsibilities.

23. We are also conscious of the discrepancies amongst councils in the current relationships between councillor remuneration and that of the mayor/chair. The range is from 54% down to 21%, and in some cases the proportion appears to be arbitrary. Discrepancies are also evident where councils of similar size (population) show variances of up to 10% in the ratio between councillors and mayors/chairs remuneration. Some of this may be

historical - the legacy of previous approaches - or the result of councils having decreased or increased the number of councillors over time.

24. The Authority is looking at a new approach that, while providing a fiscal framework, would put the decisions round the details of councillor remuneration into the hands of the local council, which we believe is better able to understand and reflect community needs than we are on a national basis.
25. We are looking at setting a total “governance/representation pool” that each council would distribute. The pool would be linked to the size of the council and thus be irrespective of the number of elected members. Because we are now proposing formally that all mayor/chair roles be considered full time, the Authority would be in a position to set the salary for that position. Thus the mayor/chair remuneration would be separately allocated by the Authority, but included in the governance/representation pool allocated to each council. However, remuneration for all other positions – councillors, deputy mayor/chair, chairs of committees, portfolio holders etc and community board members – would be allocated from its own pool by each council. The council’s proposed allocations would be forwarded to the Authority for inclusion in the Determination.
26. The pool proposal was included as one alternative in the 1997 LGNZ consultation paper, albeit the remuneration framework then was very different from how it has evolved today.
27. The advantages of this approach are that it focusses on the total governance and representation cost for each council (minus the mayor/chair) and that it allows each council to decide its own councillor and community board remuneration levels, including for positions of responsibility, reflecting its priorities for the current triennium. The total pool would be relative to the size of the council rather than to the number of elected members. Consequentially, if a council wished to increase its numbers via a representation review, and thus spread the workload, the allocated pool would need to be spread amongst more people. The reverse would also apply. It should be noted that if the workload for the whole council increased because of a change in the metrics of any factor(s) by which the council is sized, then the council would move to a higher ranking on the scale which would provide overall higher total remuneration pool.
28. The disadvantage is that no council is necessarily the master of its own destiny in terms of numbers of councillors. It must convince the Local Government Commission of the need to increase or decrease numbers. However, we do note that where representation changes reflect changes in what we call the “size” of the council (as described above in para 77-91), any changes should also be reflected in the remuneration pool available to the council so there would then be a direct connection.
29. The pool approach provides councils with the flexibility to provide differences in positions of responsibility in a nuanced way. Because each council varies in terms of its committee/portfolio structure, this is an area where councils need discretion to decide. Current practice is for the Authority to set the councillor remuneration for each council, then to provide each council a “pool” equivalent to twice the base remuneration of one of

its councillors to allocate to those undertaking specific positions of responsibility. These may include deputy mayor, committee chair, portfolio holder or other specifically designated roles. We have had no significant advice that the size of this extra pool is inadequate. However, we are aware that the provisions are applied in slightly different ways by different councils and that there are some councils that find the current provisions restrictive.

30. For example, there has been some confusion in the past as to whether every single councillor on a council can receive part of this additional pool by being allocated a position of responsibility. Generally, the Authority has not agreed to this when the council has proposed sharing the additional pool equally because this has simply amounted to a pay-rise for all councillors to move them above the level applied in the Determination. However, we have had enquiries about this and also observed current practice.
31. We propose that under the new regime (i.e. a total governance/representation pool for each council) the following rules should apply:
- a) All roles and remuneration levels will need to be agreed by formal resolution of the council, with a 75% majority.
 - b) A remuneration rate must be set for the base councillor role
 - c) The council needs to have a formal written role description for each additional position of responsibility above that of the base councillor role.
 - d) The Authority will expect that any such roles within a council will have different levels of additional remuneration, depending on the nature and workload involved. In particular this needs to apply where every single councillor is allocated an additional position (as distinct from a more usual practice of having a deputy mayor/chair and a handful of committee chairs).

- **Should councillor remuneration be decided by each council within the parameters of a governance/representation pool allocated to each council by the Remuneration Authority?**
- **If so, should each additional position of responsibility, above a base councillor role, require a formal role description?**
- **Should each council be required to gain a 75% majority vote to determine the allocation of remuneration across all its positions?**

32. We also note that elected members are increasingly being appointed to represent their council on various outside committees and bodies. We propose that if any council wishes to do so, such appointments can also be captured under the process outlined above.

• Should external representation roles be able to be remunerated in a similar way to council positions of responsibility?

33. The issue of director's fees for elected members who are appointed to CCOs is a difficult one. On the one hand it could be said that a councillor sitting on a CCO is doing work that is similar to that of another councillor who may have a specified position of responsibility – or even less if the second councillor is, for example, a committee chair. However, the legal liabilities of CCO directors have become more onerous in recent years and may be more than those of elected members.
34. Those appointed as directors of CCOs need to be aware of the specific legislative duties and regulatory obligations that are imposed on them, in their capacity as directors, by the various acts, including the Local Government Act 2002, the Companies Act 1993, the Health and Safety at Work Act 2015, the Charities Act 2005 and the Public Audit Act 2001.
35. It is not for the Authority to determine whether or not elected members should be directors of a CCO, but we do recognise the additional responsibility that is taken on in those cases and that it may require developing capabilities to meet obligations that are different from those required of other elected members. We also observe the increasing trend towards the appointment of external professional directors to such roles.

• Do the additional demands placed on CCO board members make it fair for elected members appointed to such boards to receive the same director fees as are paid to other CCO board members?

Community Board remuneration

36. We note that 40 councils (more than half the territorial authorities) have community boards. We also note that there is a huge variety in the nature of the work undertaken by community boards and in the powers delegated to them. Some undertake substantial and substantive governance work on behalf of the council, whereas others are more in the nature of community representatives and advocates.
37. We are also aware that in some places community board members are doing work that elsewhere might be undertaken by council officers. However, assuming that community boards are part of the governance/representation structure of a council, then this means that, all else being equal, the current cost of governance and representation for these councils could be relatively higher than that of councils which do not have them. Some councils fund the boards out of a targeted rate applied to the area that the board represents, whereas others use a general rate – i.e. the same as for funding the remuneration of councillors.
38. We suggest that if a council wishes to not cover remuneration for its community board members from the proposed governance/representation pool, then a targeted rate should apply to the area represented by the particular community board. However, councillors appointed to represent the council on the community board would be paid from the governance/representation pool.

39. We also consider that it is important that the functions undertaken by any community board are clearly and transparently defined by the council concerned and consider that all community board delegations should be by way of a formal council resolution.

- **Should community board remuneration always come out of the council governance/representation pool?**
- **If not, should it be funded by way of targeted rate on the community concerned?**
- **If not, what other transparent and fair mechanisms are there for funding the remuneration of community board members?**

A local government pay scale

40. Local government has no exact equivalent. The nearest that we have in New Zealand is central government, yet even that is not an exact match.

41. Section 2 of this paper sets out the legal requirements that the Authority is required to consider in making determinations. The first of those requires that the Authority “shall have regard in particular to the need to achieve and maintain fair relativity with remuneration received elsewhere”. This is particularly difficult in determining the remuneration for local government elected members because there is no obviously relevant comparator group. The Authority considered and rejected as inappropriate the following:

- a) Local government senior managers’ salaries.

Information on local government management remuneration is readily available in market salary surveys and through councils’ annual reports. However employees of councils are selected for the knowledge, skills and experience they hold relative to the needs of the employment role. Elected members do not fit that profile at all. They are democratically chosen by the electors to represent the interests of the people of a particular area and provide governance over the council’s operations. There is no logical alignment that would connect the remuneration of the two groups.

- b) Central government sector senior managers’ remuneration.

Information on public sector management remuneration is readily available in market salary surveys and the State Services Commission’s annual reports but this option suffers from exactly the same difficulties as option (a) above.

- c) Remuneration of directors on boards, including public sector boards, commercial boards and large not-for-profit boards.

A significant part of the work of elected members consists of representational activities of one sort or another. Most boards of directors do not have this role. Those that do are often in the not-for-profit or NGO sector and, even there, the nature and time requirements of the representational work, including managing constituency issues, is different. Further, most boards are governing an enterprise that is essentially focused on a single group of goods or services within one industry, whereas councils have a significant array of services that are not necessarily similar in any manner – for example, providing building consents compared to social services.

42. Other aspects of local government elected roles which differ from the above are:
- The sheer “visibility” of the people involved, resulting in a lack of privacy. In some cases where the elected person is very high profile or important in a community, or when the community is very small, this is extreme and often their close family members are also impacted by this.
 - This visibility is associated with the need for publicly elected representatives to “front” on difficult issues. This is less common amongst other boards members and managers. When something goes wrong on a council the councillors and mayor/chair are held to account by the public, whereas on a board it would normally (though we recognise not always) be the CEO.
 - The meeting requirements on local government are more onerous than they are in other sectors. The Local Government Official Information and Meetings Act 1987 and public expectation is that meetings will be held in public and that information behind decisions and actions will be readily available.
 - Finally, and perhaps related to all the above, local government entities hold far more frequent meetings/workshops than do other governance boards and the distinction between governance and management is less clear than it is in most other models.
43. In the light of this, the Authority looked at a possible alignment with parliamentary remuneration for comparative purposes. Even though (as we note above) local government is not an exact match to central government, parliamentarians are also democratically elected to represent sections of the populace, and those who are members of the Government of the day also exercise governance over the public service. Within the parliamentary group there are different levels of remuneration between backbenchers, ministers and some other identifiable roles.
44. Given the obvious difference between central and local government elected members, any remuneration alignment could not be a direct one-on-one relationship. However, the nature of the roles is such that there are also similarities and this is the closest the Authority can find to “fair relativity with remuneration received elsewhere”. As in other areas of our work, this decision involved a degree of judgement – there is no exact science here and we would observe that the utility and value of any elected person is in the eye of the beholder.
45. We therefore propose that mayor/chair remuneration be related to that of MPs, but capped so that the highest remuneration for any individual mayor or chair cannot be more

than that of a cabinet minister. All other mayor/chair roles would be provided with a relative alignment below that upper limit.

- **Is it appropriate for local government remuneration to be related to parliamentary remuneration, but taking account of differences in job sizes?**
- **If so, should that the relativity be capped so the incumbent in the biggest role in local government cannot receive more than a cabinet minister?**
- **If not, how should a local government pay scale be determined?**