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10<sup>th</sup> January 2005

Dear Nicholas

### Analyses of the Past Service Award Scheme

I previously agreed to provide you with details of the financial cost of the past service award scheme.

I attach for your information a copy of the report presented to the Local Government and Public Services Committee on 10 November 2004. This sets out the background to the scheme and details of the analyses undertaken to date, including the financial implications.

Best wishes,

Sue Essex



# Report for the Local Government and Public Service Committee

## Evaluation of the Past Service Awards Scheme

### Purpose

1. To provide the Committee with the initial findings from the evaluation of the Past Service Award scheme.

### Background

2. The University of Birmingham published a report in 2001 "Recognising Councillors' Worth to their Communities" which revealed a profile of councillors in Wales as white, male, with an average age of 59 and 49% over retirement age. This profile was confirmed in the report of the Commission on Local Government Electoral Arrangements in Wales (the Sunderland report). Wales had the lowest percentage of female councillors amongst principal councils in Great Britain.
3. It was recognised that the council chamber was not representative of the community it serves. Young people, people in work, women and people from ethnic minority backgrounds were all under represented.
4. Against this background the Welsh Assembly Government introduced the Past Service Awards. This policy was designed as a one-off incentive for older councillors to stand down and free up seats. The aspiration was for the Award together with the package of new allowances and pensions to attract new candidates from a more diverse background to replace the outgoing councillors.
5. The Past Service Awards were gratuities introduced through regulations under the Superannuation Act 1972 by the Office of the Deputy Prime Minister, at the request of the Assembly Government. The Local Government Act 2000 gave the Assembly powers to make regulations on entitlement to gratuities and separate regulations were made in the Assembly to do this.
6. The intention of the two sets of regulations was to enable councillors who had served at least 16 years in office, and who were prepared to vacate their seats at the local elections of 2004, to receive a payment of up to £20,000 (gross) for their period of service.

### Evaluation method

7. The initial evaluation of the Past Service Award Scheme has been conducted by desk research. Local authorities were asked to provide details of the name, age and gender of members who received an award and details of the replacement councillors. This information provided a basis for comparing characteristics of old and new councillors from local authorities participating in the scheme.

8. The Assembly has commissioned the Electoral Commission to produce a report on the local elections in Wales in 2004 and this will be published in December. As part of the report Professors Rallings and Thrasher have been tasked by the Electoral Commission to analyse aspects of the 2004 local government elections. Some of the data collected has been used in this evaluation of the Past Service Awards.

### Findings

9. A brief summary of the initial findings is set out below with a more detailed breakdown at **Annex 1**.

Characteristics	PSA Recipients	Replacement councillors
Male	68	56
Female	8	19
Under 50 years of age	0	28
Between 51-65 years of age	21	38
Between 66-75 year of age	38	8
Age 76+	17	0
Average age of councillors	69.77	52.25

10. The evaluation exercise shows that the majority of Past Service Award recipients were over the age of 65, the average being 69.77. The average age of the replacement councillors is 52.25. The youngest new councillor is 27 years of age.

### Uncontested Seats

11. The Sunderland report highlighted the level of uncontested seats in local government elections.
12. Data collected by Rallings and Thrasher from the 2004 election shows that in 2 local authorities in Wales (Powys and Anglesey) there was an increase in the number of uncontested seats compared with 1999. The general trend across Wales was, however, downwards, with the average number of uncontested seats reducing from 15% in 1999 to 12% in 2004. In the principal areas participating in the past service award scheme the percentage of uncontested seats fell from 9.7% in 1999 to 6.46% in 2004.
13. Across Wales the overall ratio of candidates to seats in 1999 was 2.3. This ratio increased to 2.5 in 2004, with all but one of the local authorities participating in the Past Service Award scheme reporting an increase in the number of candidates. Swansea reported the largest growth with 64 more candidates in 2004 compared to 1999.

### Women candidates

14. One aim of the Past Service Awards was to attract more women into office. 809 women candidates stood for election in 2004 compared to 687

in 1999. This accounted for just over a quarter of all candidates in 2004. Only in Flintshire did the number of women candidates reduce compared to the other authorities operating the Past Service Award scheme. However, the number of women elected in Flintshire in 2004 rose by two compared with 1999. Cardiff, Swansea and the Vale of Glamorgan saw the largest increase in the number of elected women candidates.

### **Financial Implications**

15. The Past Service Awards were subject to income tax and National Insurance. Local authorities operating the scheme have been reimbursed the full cost of the Awards (including Employers National Insurance contributions) but not including administration costs.
16. The total cost to the Assembly of the Past Service Awards was £1,667,112. The initial budget had been set at £1.3 million but an undertaking was given that the National Assembly would meet the costs in full. A breakdown of the amounts paid to each authority is at **Annex 2**.

### **Next Steps**

17. This information has been released now in the interest of openness. A longer term project will be undertaken to compare the changes brought about in the participating councils with local authorities across Wales as a whole. This will be carried out making use of data from research conducted by the Employers Organisation, the results of which are due to be published in early 2005.