

Memorandum of Understanding

between

the Cabinet Office

the Boundary Commission for Wales

**the Local Democracy and Boundary Commission for
Wales**

and

the Welsh Government

CONTENTS

1. Introduction

2. The shared secretariat

- 1. Co-operation between the signatories**
- 2. Mutual agreement**
- 3. Funding of the shared secretariat and shared resources**
- 4. Review and forward planning**
- 5. Audit arrangements**

**Annex A More information about the Local Democracy and Boundary Commission for Wales;
the Boundary Commission for Wales and their respective sponsoring bodies**

1. INTRODUCTION

- a. The Boundary Commission for Wales (BCW) and the Local Democracy and Boundary Commission for Wales (LDBCW) exist to make recommendations on any necessary revisions to parliamentary constituency and local government boundaries and electoral arrangements in Wales, according to their respective statutory remits.¹
- b. This work is technical and requires political neutrality, which is why both Commissions are set up as 'arm's length' bodies. The BCW is an Advisory Non-Departmental Public Body (NDPB) sponsored by the Cabinet Office (CO). The LDBCW is a Welsh Government Sponsored Body² sponsored by the Welsh Government (WG).
- c. The BCW and LDBCW are required to work together, because the secretariat of both Commissions is a shared resource. It is the intention of the BCW, the LDBCW and their respective sponsors to maximise the extent to which the secretariat functions as a shared resource, working to help both Commissions fulfil their statutory remits. The main purpose of this Memorandum is to set out how the BCW and LDBCW will seek to do this in practice.
- d. A separate Memorandum sets out the relationship between the BCW and its sponsor, the CO. That Memorandum should be read in conjunction with this document. Annex A gives more information about BCW, LDBCW and their respective sponsoring bodies.
- e. This Memorandum will be effective from 1 April 2015. It will be reviewed as soon as possible after the current triennial review of the Boundary Commissions is completed and then every three years after that. Amendments may be made at any time by agreement between the signatories.

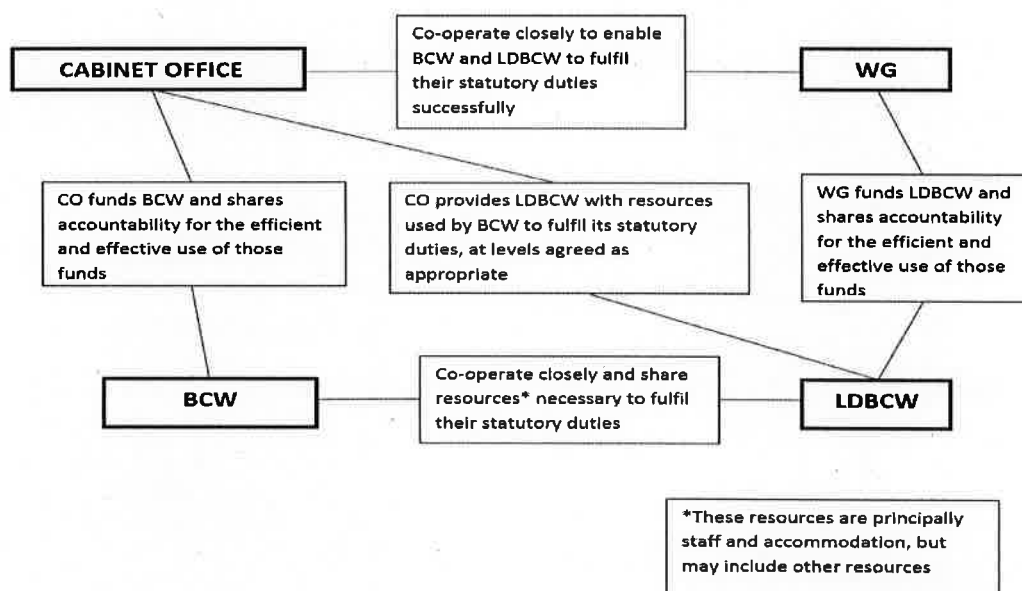
¹ The BCW's statutory duties are laid out in the Parliamentary Constituencies Act 1986 (as amended, principally by the Parliamentary Voting System and Constituencies Act 2011).

² The LDBCW's statutory duties are laid out in the Local Government (Democracy) (Wales) Act 2013.

2. THE SHARED SECRETARIAT

1. Co-operation between the signatories

- i. The BCW and the LDBCW deliver their business with the help of a shared secretariat. The resources shared by the secretariat are principally staff and accommodation but may include other resources such as computer hardware and software. It is the intention of the BCW, the LDBCW and their respective sponsors to maximise the extent to which the secretariat functions as a shared resource, working to help both Commissions fulfil their statutory remits.
- ii. In light of the sharing of resources needed, each Commission agrees that the successful delivery of their respective statutory duties requires a close level of co-operation. Similarly, close co-operation will be necessary between the Commissions' Sponsoring Bodies, the CO and the WG.
- iii. This Memorandum will ensure the continuation and consolidation of the current close working relationships among LDBCW, BCW, CO and WG (the signatories).³
- iv. The signatories agree that they will *"undertake to maintain a consistent, respectful and collegiate approach to dealing with each other in public and private. All parties undertake to strive for effective communication, to be as open as possible, to share information on a 'no surprises' basis and to manage contentious matters through dialogue and negotiation."*⁴
- v. The essential elements of the co-operation arrangements between the signatories are shown in the diagram below.



³ This document should be read in conjunction with the Memorandum of Understanding between the BCW and Cabinet Office so as to take into account BCW's responsibilities to Cabinet Office and the resources BCW needs to fulfil its statutory duties.

⁴ See the document *Governing principles defining relations between Assembly Government Sponsored Bodies and the Welsh Assembly Government*.

2. Mutual agreement

a. Mutual agreement between the Commissions

- i. The Commissions agree that the shared secretariat means that many decisions about the running of one Commission will be likely to affect the running of the other. The Commissions will therefore make their decisions on a 'no surprises' basis, involving each other to an appropriate degree, and as soon as possible.
- ii. The chief officer of the secretariat is both BCW Secretary and LDBCW Chief Executive. It will be the responsibility of the chief officer to manage the resources of the shared secretariat. In the event of difficulties arising the chief officer will escalate the matter to the Commissions and then, if appropriate, to the Sponsoring Bodies (CO and WG).
- iii. Decisions that will have a significant permanent or temporary impact on the shared secretariat's capacity or resources, for example decisions relating to staffing, accommodation or significant organisational changes, must be taken as joint decisions either by the chief officer or by the Commissions.

b. Mutual agreement between the Sponsoring Bodies

- i. Similarly, the CO and WG agree that the level of integration between the Commissions means that many decisions which they (CO and WG) take as sponsor departments could affect the running of both Commissions. Therefore, CO and WG will consult each other early and thoroughly regarding any decision which is likely to have a significant permanent or temporary impact on the shared secretariat's capacity or resources, for example decisions relating to staffing, accommodation or significant organisational changes. This is to allow the full range of interests of the Sponsoring Bodies and their respective Commissions to be taken into account as early as possible, and in any case, before a final decision has been made.
- ii. CO and WG will exercise discretion and flexibility in identifying questions which will not need the thorough consultation described above, because they will affect one Commission only. But in case of any doubt, thorough consultation will be presumed necessary.
- iii. CO and WG will make every effort to ensure mutual agreement on any decisions made about either Commission and, if areas of contention arise, to find solutions that suit both Commissions and/or Sponsoring Bodies.

3. Funding of the shared secretariat and shared resources

- i. The CO will provide funding to the LDBCW to cover the cost of the resources used by the BCW to fulfil its statutory duties. The broad principles of this arrangement are shown in the diagram above.
- ii. The resources are to be considered by the chief officer of the secretariat in the first instance and agreed by both Commissions and Sponsoring Bodies. Resources will be agreed over a five year period and reviewed annually.
- iii. The CO will provide to the LDBCW quarterly a fixed sum representing the proportion of costs that reflects maintaining the shared functionality and the estimated share of the secretariat's work on BCW matters over a five year period. Whilst the actual share of the secretariat's work in any one quarter may be more or less than this proportion, in particular during the period between reviews, by agreeing to a consistent figure all parties recognise the advantages of being able to plan ahead, and the advantages to both Commissions of being able to maintain skills and knowledge during quieter

periods. The expectation is that the funding provided will be sufficient to meet the BCW's requirements and any variation will need to be agreed between CO and WG.

- iv. The sum to be paid per quarter from the date of this Memorandum is £25,000. This sum represents the estimated cost of maintaining a BCW secretariat outside of a review period that is current at the time of this agreement.
- v. Although the amount and share of costs will be set over a five year period, it will be reviewed annually to give the opportunity for any exceptional circumstances to be considered. Separate consideration will need to be given to the additional expenditure required for the review periods and any subsequent controls which need to be put in place.
- vi. Nothing in the agreement to a fixed quarterly sum calculated on a five year basis commits either party to the maintenance of the status quo in any aspect of this agreement for that period – however, for significant decisions the presumptions at paragraph (ii) apply.

4. Review and forward planning

- i. Every six months, the chief officer together with CO and WG staff responsible for the sponsorship of BCW and LDBCW will meet to discuss the current work of the two Commissions and other matters of mutual interest.
- ii. Such matters may include:
 - risks or forthcoming decisions that could endanger the smooth and successful running of either Commission;
 - financing and staffing of current Local Government and Parliamentary Boundary Reviews;
 - relevant comparison with similar bodies, such as the other UK Boundary Commissions.⁵
- iii. The discussions will be supported by any documentation which those participating agree will help, including reviews and forecasts of past and future activities, including how changes in spending have changed or are likely to change in the future.
- iv. The work of the BCW and LDBCW is closely integrated, and there is a strong tradition of informal and flexible day-to-day discussion between the Commissions to ensure the smooth delivery of each Commission's statutory duties. Reviews and forward planning meetings should in no way replace more informal day-to-day discussions, which are a key part of the success of both Commissions.

5. Audit arrangements

- i. The Statutory Auditor for the LDBCW is the Auditor General for Wales (AGW) by virtue of section 19 of the Local Government (Democracy) (Wales) Act 2013 whereas the internal auditors are appointed by the LDBCW following a tendering exercise. The BCW and LDBCW agree that a single audit assurance will provide an economic, effective and efficient audit of the shared secretariat's operational and financial management systems. HM Treasury's Government Internal Audit Manual states that where reliance is placed on the systems of another Government department, that department should provide an audit assurance.

⁵ That is the parliamentary and local government Boundary Commissions for Scotland and England, and the Boundary Commission for Northern Ireland.

- ii. Except in the circumstances set out in paragraph (iv) below, the terms of reference for any Internal Audit may be agreed beforehand by the chief officer of the shared secretariat.
- iii. To provide the BCW with the audit assurance it requires, the AGW's audit report, Internal Audit Annual Report and the Annual Report of the Audit Committee on the secretariat will be made available to the BCW at the same time as they are submitted to the LDBCW.
- iv. CO Internal Audit has a duty to provide assurance to its Accounting Officer that resources are being used efficiently. CO Internal Audit, therefore, reserves the right of access to financial records should the need arise as part of a review or for general oversight and assurance to the Accounting Officer. Access would be facilitated through the LDBCW and copies of any report made by either Internal or External Auditors will be made available by LDBCW to CO Internal Audit as required. Any request for internal audit information will need to be directed to the shared secretariat in the first instance as an internal audit may have a confidentiality policy restricting them from providing such information if approached directly by a third party.

Agreed by:



Simon James Head of Elections Division, Cabinet Office



**Steve Halsall Chief Executive, Local Democracy and Boundary Commission for
Wales and Secretary, Boundary Commission for Wales**

**Lisa James Deputy Director, Local Government Democracy Division, Welsh
Government**



ANNEX A

More information about the Local Democracy and Boundary Commission for Wales, the Boundary Commission for Wales and their respective sponsoring bodies

The Local Democracy and Boundary Commission for Wales (LDBCW)

An organisation whose purpose is described in the Local Government (Democracy) (Wales) Act 2013 including Commissioners, a Chief Executive Officer and Secretariat staff, which is a resource shared with the BCW. The Commissioners are the Chair, the Deputy Chair and not more than three other members. The Commissioners are appointed by Welsh Ministers.

The Welsh Government (WG)

The devolved government of the National Assembly for Wales, as constituted under the Government of Wales Act 2006. The WG is the sponsoring body for the LDBCW.

The Boundary Commission for Wales (BCW)

An organisation described in part 3 of the *Memorandum of Understanding between the Cabinet Office and the Boundary Commission for Wales*. The BCW includes a number of Commissioners, Assistant Commissioners and technical assessors, and a secretariat staff which is a resource shared with the LDBCW.

The Cabinet Office (CO)

The UK Government department with responsibility for electoral law and the sponsoring body for the Boundary Commission for Wales.

The Secretariat

The secretariat shared by the BCW and LDBCW is headed by a chief officer recruited jointly by the CO and the WG. The Lord President of the Council or a Secretary of State appoints the chief officer as the BCW Secretary, and Welsh Ministers will appoint the person as Chief Executive for the LDBCW.

