

THE LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES



Comisiwn Ffiniau
Llywodraeth Leol
i Gymru



Local Government
Boundary Commission
for Wales

ANNUAL REPORT
2006/2007

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES
ANNUAL REPORT 2006/2007

Chair's Foreword

During the past year, the Commission's Secretariat continued to provide Secretarial functions for the Boundary Commission for Wales and it is anticipated that it will continue to do so for the immediate future.

We have undertaken a range of work within the statutory powers that govern our activity. Community reviews were the major part of the Commission's work during the year. In addition to completing a review commenced in the previous year, the Commission started preparatory work for the next review of the electoral arrangements of principal authorities and as part of this process assisted them to identify anomalies in community areas. This has involved for the most part carrying out work on their behalf under direction issued by the National Assembly for Wales.

The requirement for formal directions in each case where our assistances in community reviews is requested is a cumbersome and time consuming one, but is required by the current legislation. We would hope that the National Assembly may be able to use its new powers to bring about a change to the legislation to make it easier for the Commission to assist principal authorities in this area of their work.

The details of the reviews are set out in this report, but I must emphasise once again that our overriding objective in every case is to bring forward proposals that are in the interests of effective and convenient local government and which are arrived at objectively and independently. A vital part of all our work are our consultation procedures which we try to make as comprehensive as possible and as appropriate as possible to the scale of the review. We are grateful for all the representations that we receive. We consider very carefully every single one of them as we assess evidence before reaching our conclusions, although inevitably some people are sometimes disappointed by our conclusions.

This will be the last Annual Report produced under the sponsorship of the National Assembly for Wales. With effect from May 2007, we will see the formal division between the National Assembly for Wales and the Welsh Assembly Government. The Welsh Assembly Government will then become the sponsors of the Commission and we look forward to working within the new arrangements.

In conclusion, I would like once again to thank my fellow Commissioners and all the members of our small Secretariat for their continued support throughout the year.



Mrs. SUSAN SMITH LLB
Chair

CONTENTS

1.	INTRODUCTION	1
	- The Commission	1
	- Membership.....	1
	- The Secretariat.....	2
	- Statutory Duties.....	2
	- Review Procedure	3
2.	OBJECTIVES.....	4
	- Targets.....	4
3.	ACTIVITY IN THE PREVIOUS YEAR	5
	- Principal Area Reviews.....	5
	- Community Reviews	5
	- Community Ward Boundary Project.....	5
4.	THE WORK OF THE COMMISSION DURING 2006/07	6
	- Community Reviews	6
	- Community Ward Boundary Project.....	6
5.	CORPORATE MANAGEMENT: POLICIES AND PRACTICE	7
	- Management Statement, Financial Memorandum and Codes.....	7
	- Budget and Audit	7
	- Welsh Language Scheme	8
	- Training and Information Technology	8
	- Complaints Procedure	8
6.	SUMMARY FINANCIAL STATEMENT	9

1. INTRODUCTION

The Commission

- 1.1 The Local Government Boundary Commission for Wales (the Commission) was established in June 1974 under the terms of Section 53 of the Local Government Act 1972 (the 1972 Act). The statutory functions of the Commission are specified in Sections 54 to 78 of the 1972 Act as amended by the Local Government (Wales) Act 1994 (the 1994 Act). Schedule 8 to the 1972 Act makes provision for the Commission's constitution and proceedings.
- 1.2 The purpose of the Commission is:

To review local government areas and electoral arrangements in Wales, with a view to considering whether or not to make proposals to the National Assembly for Wales for effecting changes which appear to the Commission to be desirable in the interests of effective and convenient local government.

Membership

- 1.3 April to December 2006

Mrs S G Smith LLB	(Chair)
Mr J E Davies ICOSA IPFA	(Deputy Chair)
Mr D H Roberts BSc DMS MBCS MCFI	(Member)

January to March 2007

Mrs S G Smith LLB	(Chair)
Mr D H Roberts BSc DMS MBCS MCFI	(Deputy Chair)
Rev Hywel Meredydd Davies BD	(Member)

The Welsh Assembly Government makes appointments to the Commission. On the 1 January 2005 the appointments of the then current Commissioners were renewed. The appointment of the Chair is for a term of 4 years and runs until 31 December 2008. The appointment of the Deputy Chair was for a term of 2 years and ran until 31 December 2006. On 1 January 2007 Mr D H Roberts, who was previously the Commission Member, was appointed Deputy Chair and will serve in that capacity until his appointment as Commissioner ends on 31 December 2007. Rev Hywel Meredydd Davies was appointed Commission Member on 1 January 2007 for a term of 3 years until 31 December 2009. Mr. John Davies was Chair of the Audit Committee until his appointment ended and Mr Dennis Roberts took this position from 1 January 2007 onwards. The Commission must have at least one Welsh speaker and Mr. Davies, Mr. Roberts and Rev Davies fulfilled this requirement during 2006-07.

Commissioners currently hold membership of other public bodies. Mrs Smith is a Member of the Boundary Commission for Wales, Chair of the Pembrokeshire County Council Standards Committee and the Independent Adjudicator for Local Authorities in Wales (under Local Government and Housing Act 1989). She was a Director of the Llandaff Diocese Board of Finance (Church in Wales) and Chair of their Parsonage Board until October 2006. The Diocesan Board of Finance is a company limited by guarantee. Mr J E Davies is a Non Executive Director for the North West Wales NHS Trust. Rev H M Davies is Chair of Tearfund in Wales and Menter Môn and Vice Chair of the Anglesey Local

Health Board. He is also a Member of the Sports Council for Wales, the North Wales Court Board, Energywatch Wales Lay Committee and the Wales Council for Voluntary Action.

Commission meetings are held as often as the programme of work dictates. It is the Commission's normal practice to visit the locality of reviews, especially in respect of area (boundary) reviews. In the interests of efficiency, site inspections are combined with Commission meetings whenever possible. Nine meetings were held during 2006-07.

The Auditor General for Wales is the Commission's external auditor, while contracts exist for the provision of internal audit, legal, accountancy, translation and printing services.

The Secretariat

1.4 The Commission's secretariat is located in Caradog House, 1-6 St. Andrews Place, Cardiff. At the beginning of the year there were 5 members of staff. The posts of Secretary, Deputy Secretary and Finance Manager are occupied by direct employees of the Commission. The post of Secretary was part time from April to December 2006 and became full time with the agreement of the National Assembly from 1 January 2007 onwards. The posts of Deputy Secretary and Finance Manager are both full time. The 2 other members of staff are civil servants seconded from the Welsh Assembly Government: 1 working full time and 1 working part-time.

1.5 From 1 January 2002 the Commission's Secretariat undertook the responsibility of providing a Secretariat to the Boundary Commission for Wales for its Fifth General Review of the Parliamentary constituencies in Wales under a Memorandum of Agreement between the Commission, the National Assembly for Wales, the Department for Transport, Local Government and the Regions and the Office of National Statistics. The Boundary Commission for Wales' Fifth General Review started in December 2002 and was completed on 31st January 2005. It is anticipated that the Commission's Secretariat will continue to provide this function for the foreseeable future. The Sponsor Department for the Boundary Commission for Wales is the Ministry of Justice. A new Memorandum of Agreement between the Welsh Assembly Government and the Ministry of Justice was drafted during 2006-07.

Statutory Duties

1.6 The main duties of the Commission are:

Local Government Areas

- i) To keep under review all principal areas in Wales for the purpose of considering whether or not to propose to the Welsh Assembly Government changes appearing to the Commission desirable in the interests of effective and convenient local government;
- ii) To consider requests for reviews from local authorities;
- iii) To consider reports made by principal councils in respect of community area reviews carried out by them and make recommendations to the Welsh Assembly Government.

Electoral Arrangements

- iv) Under the provisions of the new section 64 inserted into the 1972 Act by Section 6 of the 1994 Act, as soon as practicable after the ordinary election of councillors for any of the Welsh principal areas held in 1995 the Commission were required to:
 - a) Review the electoral arrangements for those areas with a view to considering future electoral arrangements; and
 - b) Formulate proposals for those arrangements; and
- v) Not less than ten or more than fifteen years after the completion of the initial review and thereafter, at similar intervals, to review the electoral arrangements for every principal area in Wales.

Directions

- vi) The Welsh Assembly Government may direct the Commission to conduct a review of Wales as a whole, or of any one or more local government areas or parts of such areas in Wales.

Review Procedure

1.7 Section 60 of the 1972 Act lays down procedural guidelines to be followed when undertaking all reviews. The basic stages of a review are:

- i) An announcement of the review's commencement in which initial suggestions and comments are invited by a specified date;
- ii) The publication of the Commission's draft proposals when comments on them are similarly invited by a specified date; and
- iii) The publication of final proposals after which any further comments must be addressed to the Welsh Assembly Government.

2 OBJECTIVES

- 2.1 The Commission are sponsored by the Local Government Policy Division of the Welsh Assembly Government. The Commission are subject to periodic Policy Reviews that provide medium term strategic and policy guidelines for the Commission's annual plans. The last strategic planning period began with a Policy Review of the Commission undertaken by the National Assembly for Wales in 2001.

Targets

- 2.2 Directions from the Welsh Assembly Government to the Commission to undertake area reviews contain directed deadlines, which are set following consideration of the complexity of each review. The Commission aims to complete area reviews undertaken at the request of local authorities within twelve months.
- 2.3 The procedures to be followed when undertaking a review are defined by statute, requiring the Commission to inform and consult widely and take into account representations before making any final proposals to the Welsh Assembly Government.
- 2.4 There are no statutory time periods for the consultation or other stages of the procedures, which are left to the discretion of the Commission. The Commission have given careful consideration to the need to provide adequate time for the views of local authorities and other interested persons to be submitted. Targets are set within the twelve months of a review for the stages of publicity and consultation, the production of draft and final reports and the time needed for assessing the issues involved. However, the Commission occasionally find it necessary to take into consideration particular circumstances and, unless directed deadlines apply, are flexible in adherence to targets.

3. ACTIVITY IN THE PREVIOUS YEAR 2005-06

Principal Area Reviews

- 3.1 The Commission completed their review of the boundary between the Counties of Ceredigion and Pembrokeshire in the vicinity of Cilgerran, publishing their Report and Proposals in May 2005.

Community Reviews

- 3.2 The Commission completed their review of the boundary between the Communities of Brackla and Coity Higher in the County Borough of Bridgend, publishing their Draft Proposals in April 2005 and their Report and Proposals in August 2005.
- 3.3 In May 2005 the Commission commenced a review of the boundary between the Communities of Dyffryn Clydach and Blaenhonddan in the County Borough of Neath Port Talbot. Draft Proposals for this review were published in November 2005.
- 3.4 The Commission has become aware that since the Special Community reviews of the 1980s, the principal councils have conducted relatively few reviews. The Commission wrote to all Chief Executives to remind them of this legislative requirement. The next full review of electoral arrangements to be undertaken by the Commission will be enhanced if all authorities have addressed local anomalies before the commencement of this work. As a result of discussions with Local Government Policy Division, an offer was made to assist principal councils with this work using the Commission's expertise.

Community Ward Boundary Project

- 3.5 The Commission continued their project to capture digitally the boundaries of Community Wards in Wales during 2005-06. Following stage one, the scanning of Community Order maps, which was completed in 2004-05, the scanned map underwent checking which was completed in June 2005. The second stage of the project, which was to convert the scanned community boundaries into mapping data, was commenced 'in house' during 2005-06.

4. THE WORK OF THE COMMISSION DURING 2006-07

Community Reviews

- 4.1 The Commission completed their review of the boundary between the Communities of Blaenhonddan and Dyffryn Clydach in the County Borough of Neath Port Talbot, publishing their Report and Proposals in April 2006.
- 4.2 The Commission were directed by the National Assembly for Wales to conduct a review of communities in the County Borough of Wrexham in June 2006. The Commission commenced this review in July 2006 and Draft Proposals were published in March 2007.
- 4.3 The Commission were directed by the National Assembly for Wales to conduct a review of communities in the County of Isle of Anglesey in September 2006. The Commission commenced this review in November 2006.
- 4.4 The Commission were directed by the National Assembly for Wales to conduct a review of communities in the County Borough of Rhondda Cynon Taff in September 2006. The Commission commenced this review in January 2007.
- 4.5 In December 2006 the Commission submitted their Report and Proposals to the National Assembly in respect of their review of the recommendations made by Neath Port Talbot County Borough Council following the Council's review of Communities in their area.
- 4.6 The Commission also commenced a review of the recommendations made by Powys County Council following the Council's review of Communities in their area.

Community Ward Boundary Project

- 4.7 The Commission continued to convert the scanned community boundaries into mapping data 'in house' during 2006-07 and it is expected that this work will be completed during 2007-08.

5. CORPORATE MANAGEMENT: POLICIES AND PRACTICE

Management Statement, Financial Memorandum and Codes

- 5.1 A Management Statement and associated Financial Memorandum describe the relationship between the Commission and the National Assembly for Wales and require the submission of Annual Operational Plans and Annual Reports to the Welsh Assembly Government for the purposes of planning, budgeting and assessing performance. Quarterly liaison meetings and an annual review meeting are held with the sponsor division of the Welsh Assembly Government. The Commission were invited to present their Annual Report and Accounts to the Local Government and Public Services Committee of the National Assembly for Wales on 8 November 2006.
- 5.2 A Code of Best Practice for Commissioners has been adopted and a Register of the direct or indirect pecuniary interests of Commissioners is open for public inspection. Access can be arranged by contacting the Secretary at the Commission's offices. There is a similar code in relation to staff.
- 5.3 The Commission meets as an Audit Committee, chaired by the Deputy Chair of the Commission. During the year the Audit Committee met three times.
- 5.4 Working practices have been adopted which accord with the principles of openness, consultation and helpfulness. For example, the Commission give widespread publicity to their intention to hold each review and write to and visit the local authority concerned to discuss the review and invite their initial comments. For each review the Commission issue press releases on their draft and final proposals and sufficient copies of reports are supplied to enable their free distribution to all members of principal and community councils affected by the proposals and local libraries. A number of copies are also available for local residents on request. The Commission's web site: www.lgbc-wales.gov.uk gives information about the Commission, the progress of reviews and access to previous reports.
- 5.5 In October 2006 the Commission held their ninth Annual Open Meeting, on this occasion in the Council Chamber of Powys County Council's offices in Welshpool. The guest speakers at the meeting were Simon White (Chief Executive, One Voice Wales), Andrew Rix and Faye Joshua (CRG Research Ltd.) and Mark Kerr (Chief Executive, Powys County Council).

Budget and Audit

- 5.6 The net operating cost for the year amounted to £339,852 with Grant-in-aid received from the Welsh Assembly Government amounting to £334,626 which was within the grant-in-aid allocation for the year of £366,000. The Commission is committed to achieving value for money when purchasing goods and services.
- 5.7 To ensure efficiency and value for money a comprehensive set of desk instructions relating to systems and procedures is in place. The Commission's internal auditors were the Internal Audit Service of the Welsh Assembly Government. The Auditor General for Wales has undertaken the external audit of the Commission's finances.

Welsh Language Scheme

- 5.8 The Commission wish to make it clear that the public can deal with them in Welsh. In July 1998, the Commission adopted their Welsh Language Scheme in accordance with the provisions of the Welsh Language Act 1993 and the Welsh Language Schemes (Public Bodies) Order 1996. The Commission have now issued their eighth annual report to the Welsh Language Board on the operation of the scheme. In summary, the report confirms that the Commission are complying with the measures, timetable and targets set out in their scheme. Evidence of the commitment to **the principle that in the conduct of public business in Wales, the Commission will treat the Welsh and English languages on a basis of equality** is contained in the bilingual publication of all the reports and attendant publicity referred to in this Annual Report. However the scheme also contains many other detailed measures in support of the principle and a copy of the full report will be supplied on request or may be accessed on the Commission's web site.

Training and Information Technology

- 5.9 The Commission is part of the National Assembly's MERLIN partnership which has continued to provide the majority of the Commission's IT requirements both hardware and software. This has increased the Commission's IT efficiency and reduced the Commission's own exposure to the risk of system failure.
- 5.10 Staff development training courses have been attended during the year.

Complaints Procedure

- 5.11 The Commission has a Complaints Procedure whereby complaints may be made (by letter, e-mail or telephone) by contacting the Commission. Information on how complaints are handled can be found within the Commission's Complaints Procedure document which can be viewed on the Commission's web site (www.lgbc-wales.gov.uk) or can be obtained from the Commission at the address below:

**The Secretary
Local Government Boundary Commission for Wales
Caradog House
1 - 6 St Andrews Place
CARDIFF
CF10 3BE**

**Phone: 029 20395031
Fax: 029 20395250
E Mail: lgbc.wales@wales.gsi.gov.uk
Web Site: www.lgbc-wales.gov.uk**

6. SUMMARY FINANCIAL STATEMENT

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

SUMMARY FINANCIAL STATEMENT

This Financial Statement provides a summary of the accounts of the Local Government Boundary Commission for Wales (the Commission) for the financial year ending 31 March 2007. It does not contain sufficient information to allow for a full understanding of the results and state of affairs of the Commission. For further information the full annual accounts and auditor's report on those accounts should be consulted. A copy of the audited accounts, which contain the detailed information required by law and under best practice guidelines, can be obtained, free of charge, from the Finance Manager, Caradog House, 1-6 St. Andrews Place, Cardiff, CF10 3BE.

Statutory Background

The Local Government Boundary Commission for Wales (the Commission) was established under Section 53 of the Local Government Act 1972 for the purposes of keeping under review the areas and electoral arrangements of local government in Wales.

From 1 April 1995 the Commission became an advisory Non-Departmental Public Body funded by Grant-in-aid from the former Welsh Office and after 1 July 1999, an Assembly Sponsored Public Body (ASPB). When the Government of Wales Act 2006 came into effect on 25 May 2007 the Commission became an Assembly Government Sponsored Body (AGSB).

Review of the Year and Future Developments

Community reviews were the major part of the Commission's work during the year. As detailed in the Annual Report, the Commission completed their review of the boundary between the Communities of Blaenhonddan and Dyffryn Clydach in the County Borough of Neath Port Talbot, publishing their Report and Proposals in April 2006. The Commission were directed by the former National Assembly for Wales (as constituted by the Government of Wales Act 1998) to conduct a review of communities in the County Borough of Wrexham in June 2006. The Commission commenced this review in July 2006 and Draft Proposals were published in March 2007. The Commission were directed by the former National Assembly for Wales to conduct a review of communities in the County of Isle of Anglesey in September 2006. The Commission commenced this review in November 2006. The Commission were directed by the former National Assembly for Wales to conduct a review of communities in the County Borough of Rhondda Cynon Taff in September 2006. The Commission commenced this review in January 2007.

Principal councils are responsible for undertaking reviews of community areas and community electoral arrangements. In December 2006 the Commission submitted their Report and Proposals to the former National Assembly for Wales in respect of their review of the recommendations made by Neath Port Talbot County Borough Council following the Council's review of communities in their area. The Commission also commenced a review of the recommendations made by Powys County Council following the Council's review of communities in their area.

Further reviews of electoral arrangements will be dependent upon any directions, which may be issued by the Welsh Assembly Government or requests from principal councils. It is expected that the Commission will commence their next all-Wales review of electoral arrangements for principal councils by 2008. The increase in the Commission's workload resulting from this review will necessitate an increase in Secretariat staff.

The Commission also have an ongoing obligation to keep under review the areas of principal councils and to give consideration to any recommendations made by principal councils in respect of community area reviews undertaken by them. During 2007-08 the Commission will complete those community reviews which commenced in 2006-07 and it is also expected that the Commission will undertake further work in respect of community reviews for other principal councils.

Commission Membership

The Commission Members throughout 2006-07 were:

April to December 2006

Mrs S G Smith LLB	(Chair)
Mr J E Davies ICSA IPFA	(Deputy Chair)
Mr D H Roberts BSc DMS MBCS MCMi	(Member)

January to March 2007

Mrs S G Smith LLB	(Chair)
Mr D H Roberts BSc DMS MBCS MCMi	(Deputy Chair)
Rev Hywel Meredydd Davies BD	(Member)

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

STATEMENT OF THE AUDITOR GENERAL FOR WALES TO THE NATIONAL ASSEMBLY FOR WALES

I have examined the summary financial statement on pages 12 to 16, which has been prepared in the form and on the basis set out in note 1 on page 15.

Respective responsibilities of the Commission, the Secretary and Auditor General for Wales

The summary financial statement is the responsibility of the Commission and the Secretary. My responsibility is to report to you my opinion on its preparation and consistency with the full financial statements. I also read the other information in the Annual Report and consider the implications for my report if I become aware of any apparent misstatement or material inconsistencies with the summary financial statements.

Basis of Audit Opinion

I conducted my audit in accordance with Bulletin 1999/6 – ‘The auditors’ statement on the summary financial statement’ issued by the Auditing Practices Board for use in the United Kingdom.

Audit Opinion

In my opinion, the summary financial statement is consistent with the full financial statements and Annual Report of the Local Government Boundary Commission for Wales for the year ended 31 March 2007 and has been properly prepared on the basis set out in note 1 to the summary financial statement.

Jeremy Colman
Auditor General for Wales
Wales Audit Office
2-4 Park Grove
Cardiff CF10 3PA

19 June 2007

OPERATING COST STATEMENT
for the year ended 31 March 2007

	2007	2006
	£	£
EXPENDITURE		
Staff costs	173,813	152,453
Depreciation	11,139	11,835
Notional cost of capital charge	378	648
Other operating charges	154,934	174,471
Gross Operating Costs	<u>340,264</u>	<u>339,407</u>
Interest received	(151)	(300)
Loss on disposal of fixed assets	-	734
Reversal of notional cost of capital charge	(378)	(648)
Amount surrendered to the Welsh Assembly Government	117	336
Net Operating Costs transferred to the General Reserve	<u><u>339,852</u></u>	<u><u>339,529</u></u>

All activities are classed as continuing

Note: 2005-06 figures have been restated due to a change in the accounting policy for Grant-in-aid (see Note 4)

STATEMENT OF RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2007

	2007	2006
	£	£
Revaluation of Fixed Assets	-	-
Total recognised losses for the year	<u><u>-</u></u>	<u><u>-</u></u>

Note: The Commission has no gains or losses other than the net operating cost. 2005-06 figures have been restated due to a change in the accounting policy for Grant-in-aid (see Note 4)

BALANCE SHEET
as at 31 March 2007

	2007		2006	
	£	£	£	£
FIXED ASSETS				
Tangible Fixed Assets		14,576		21,454
CURRENT ASSETS				
Debtors and prepayments	1,612		1,223	
Cash at bank and in hand	14,397		9,818	
	<u>16,009</u>		<u>11,041</u>	
CREDITORS				
Amounts falling due within one year	<u>(22,413)</u>		<u>(19,097)</u>	
NET CURRENT LIABILITIES		(6,404)		(8,056)
TOTAL NET ASSETS		<u><u>8,172</u></u>		<u><u>13,398</u></u>
FINANCED BY:				
General Reserve		8,172		13,398
Government Grant Reserve		-		-
GOVERNMENT FUNDS		<u><u>8,172</u></u>		<u><u>13,398</u></u>

Note: 2005-06 figures have been restated due to a change in the accounting policy for Grant-in-aid (see Note 4)

CASH FLOW STATEMENT
for the year ended 31 March 2007

	2007 £	2006 £
Net cash outflow from operating activities	(325,820)	(339,126)
Returns on investment	151	300
Surrender of bank interest to Welsh Assembly Government	(117)	(336)
Capital expenditure	(4,261)	(18,444)
Financing		
Welsh Assembly Government funding Grant-in-Aid	334,626	331,982
INCREASE / (DECREASE) IN CASH	<u>4,579</u>	<u>(25,624)</u>
Reconciliation of net cash flow to movement in net funds		
Increase/(decrease) in cash for the period	4,579	(25,624)
Net funds at 1 April	9,818	35,442
Net funds at 31 March	<u>14,397</u>	<u>9,818</u>

Note: 2005-06 figures have been restated due to a change in the accounting policy for Grant-in-aid (see Note 4)

NOTES TO THE SUMMARY FINANCIAL STATEMENT

1. Accounting Conventions

These financial statements have been prepared in accordance with the 2006-07 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. The accounts are prepared under the historical cost convention.

2. Financial Results

The net operating cost for the year amounted to £339,852 (2005-06; £339,529) and this has been transferred to the general reserve. Grant-in-aid received from the Welsh Assembly Government amounted to £334,626 (2005-06; £331,982) and this has been credited direct to the general reserve.

3. Staff and Members' Costs

	2007	2006
	£	£
Commission Members' Remuneration	15,587	11,802
Salaries		
Directly employed	94,055	45,727
Inward secondment	27,926	64,533
Employers National Insurance		
Directly employed (including Commission Members)	10,634	5,564
Inward secondment	1,302	4,378
Other Pension costs		
Directly employed	19,524	9,350
Inward secondment	4,785	11,099
Total	<u>173,813</u>	<u>152,453</u>
	Number	Number
Average number of staff employed during the financial year		
Directly employed	3	1
Inward secondment	3	4

The emolument of the Chair of the Commission was £4,840 (2005-06: £3,765). The emolument of Commission Member Mr D Roberts was £5,694 (2005-06: £4,055). The other two Members received less than £5,000 each. Further details of remuneration and pension costs for senior staff and Commission Members can be found in the Remuneration Report to the full annual accounts.

4. Change in Accounting Policy – Grant-in-aid

The Government Financial Reporting Manual for 2006/07 has introduced a change to the way in which grant-in-aid should be accounted for. Under these changes such payments from a controlling

party are required to be regarded as funding and credited to the General Reserve rather than as operating income for the year, or as a movement on to the Government Grants Reserve. This change will also impact on the presentation of this funding in the Cash Flow Statement. For these purposes the Welsh Assembly Government is regarded as a controlling party.

Prior year adjustments have therefore been made to the 2005-06 comparative figures as follows:-

- crediting Grant in Aid of £331,982 to the General Reserve rather than the Operating Cost Statement (previously Income and Expenditure account). Corresponding changes are also made to the cashflow statement.
- transferring £15,579 from the opening balance on the Government Grants Reserve to the General Reserve

These changes do not affect the overall level of taxpayers' equity as presented by capital and reserves.

In addition, in order to better reflect the reclassification of this funding as financing, the Statement of Total Recognised Gains and Losses has been replaced with a Statement of Recognised Gains and Losses (which does not include operating results for the year) and the Income and Expenditure account has been re-designated as an Operating Cost Statement.

5. Post Balance Sheet Events

At the date of signing these accounts there were no post balance sheet events to report.



Edward Lewis
Secretary and Accounting Officer
14 June 2007