

Low Pay Commission

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Ref: LPC/FOI/2014.03

By Email only

Dear Anna,

I am responding to your request dated 15 April 2015 under the Freedom of Information Act (FOI), in which you requested information concerning;

What is the length of the term of office an LPC-Commissioner is elected for?

Each Commissioner is usually appointed for a three year term, which can be renewed by the BIS Minister, up to a maximum of ten years in total.

Why are some members of the Low Pay Commission appointed for three years and other for four years?

Appointments and re-appointments are made by The Department for Business Innovation and Skills (BIS). Sometimes a Commissioner's period of appointment is extended to conform with the completion of an LPC Report annual cycle and some Commissioners are appointed for four years rather than three to ensure continuity of knowledge and experience between Commissioners. This avoids many new Commissioners starting at the same time. However, as BIS is responsible for the terms and appointment of Commissioners, they may be able to provide further information on this.

Is the Secretary of State for BIS the only minister that is involved in the appointment procedure of the members of the Low Pay Commission?

Commissioners are appointed by the BIS Minister, but as the appointment process of LPC Commissioners is a matter for BIS, for any further information on how BIS Ministers carry out their role in the appointment process I suggest you contact BIS. In addition, you may find it helpful to know that the Commissioner for Public Appointments oversees the process of public appointments, including the appointment of LPC Commissioners. Further information on this can be found at:

<http://publicappointmentscommissioner.independent.gov.uk/the-code-of-practice/> .

a) If no, who else is involved and what decision power do they possess?

Is independence a formal requirement for the appointment? The Commission has statutory independence from Government, and carrying out its role in an independent manner has been crucial for its credibility. Commissioners are drawn from three areas (those with knowledge or experience of, or interest in, trade unions or matters relating to workers generally; those with knowledge or experience of, or interest in, employers' organisations or matters relating to employers generally; and those with other relevant knowledge or experience (these have been drawn academia). Although they have these backgrounds Commissioners are

appointed as individuals; they serve in a personal capacity and not as a representative of any particular interest group.

Which are the formal obligations of the Low Pay Commission vis-à-vis the parliament? The statutory basis for the Commission and its work is laid down in the [National Minimum Wage Act](#), passed by Parliament in 1998. The Low Pay Commission undertakes its work on the basis of a remit by the UK Government, issued by the BIS Secretary of State, as provided for in [the Act](#). Last year's remit is available in our [report](#) (page vii) as an example. It is usually given to the LPC in the summer with a view to reporting to the Government (specifically the PM, Deputy PM and Secretary of State) the following February. The Government considers the report and recommendations and when it responds usually publishes the report at the same time as laying a statement in Parliament. Any changes to the NMW Regulations following an LPC Report and acceptance of recommendations (e.g. to the rates) are usually laid in Parliament in the summer with a view to their introduction in the October.

Who controls the budget of the Low Pay Commission? The LPC receives its budget via BIS, and the Accounting Officer for the Commission (i.e. the person formally responsible for how the monies are spent) is the Commission Secretary (a senior civil servant). Information about our budget and expenditure is given on our website. Further information about non-departmental public bodies funding and expenditure is available <http://www.civilservice.gov.uk/about/resources/ndpb>

Does the Secretary of State for BIS fulfil all the requirements needed to be an Independent

The LPC is not responsible for the appointment of its Commissioners, and we are not in a position to answer this question. As explained earlier this is a matter which is handled within the general arrangements for public appointments. Again, please contact BIS, or the Commissioner for Public Appointments, for an answer to this particular query.

Is BIS an Independent Public Appointments Assessor? This is for BIS to comment on.

a) If not, why is that no problem even though he appoints the members of the Low Pay

If you have any queries about this reply, please contact me quoting the reference number above.

Appeals procedure

If you are unhappy with the result of your request for information, you may request an internal review within two calendar months of the date of this letter. If you wish to request an internal review please contact me.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Yours sincerely

Rosalind Hands
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