



Fit for Purpose

**Report of the Remuneration Board
of the National Assembly for Wales**

March 2011

The Remuneration Board

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Executive Summary

1. The Remuneration Board of the National Assembly for Wales is the independent body responsible for setting the salaries and allowances of Assembly Members. This is the Board's first report and it outlines our decisions on pay and allowances for Members of the Fourth Assembly, to be elected in May 2011.
2. We have issued a separate document, the *Determination on Assembly Members' Pay and Allowances 2011-12*, which sets out the rules of financial support within which the Assembly and its Members must operate. This system of financial support is transparent and represents value for money. It is appropriate for the Welsh context and takes into account wider financial circumstances. It will support the strategic purpose of the Assembly and provide resources to Assembly Members to enable them to undertake their core functions: scrutinising Welsh Government policy and finance; making laws; and representing their constituents.

Assembly Members' Salaries and Pensions

Assembly Members' Salaries and Pensions

3. Assembly Members' base salary will be fixed at the March 2011 level of £53,852 per annum for four years from the beginning of the Fourth Assembly.
4. Consideration of Assembly Members' pensions has been deferred until later in 2011, when the Members' Pension Scheme actuarial assessment and the report of the Independent Public Service Pensions Commission Report will be available.

Office Holder Salaries¹

5. Office holder salaries for Welsh Ministers, the Counsel General, Deputy Welsh Ministers and Presiding Officers will be fixed for four years from the beginning of the Fourth Assembly at the rates payable in March 2011.
6. An additional salary of £8,280 will be paid on an interim basis to the chairs of the most strategically significant committees. Since the responsibilities and roles of these offices may change as part of a revised committee structure in the Fourth Assembly, we will review our decision as soon as possible thereafter.
7. Additional salaries payable to Assembly Commissioners will maintain parity with salaries paid to committee chairs, and therefore the level of salary may change as a result of the review outlined in paragraph 6.

¹ Additional salaries payable to the holders of specific offices within the National Assembly and Welsh Government, including the Welsh Ministers, the Presiding Officers, leaders of opposition parties, Commissioners, some whips and chairs of certain committees.

8. We agree that additional salaries should be paid to opposition party leaders and to whips. We have not yet, however, received sufficient evidence on the responsibilities of those offices or on their division between Assembly and party purposes. We are also conscious that the roles of these officeholders may change after the Assembly elections in May 2011. We shall review our decision as soon as possible thereafter.
9. Before reaching a final Determination on additional salaries for committee chairs, Commissioners, party leaders and whips, we shall consult fully and transparently. Final awards will be backdated to the date of appointment.

Financial Support for Assembly Members

Residential Accommodation

10. The number of Assembly Members who are eligible for financial support for residential accommodation within Cardiff has been reduced from 51 to 25.
11. Members who are eligible for financial support for residential accommodation will only be able to claim for rental costs, which will be capped at £700 per month. Members will not be able to claim for mortgage interest on the costs of a property — although some transitional arrangements will apply.
12. Members eligible to rent accommodation will be reimbursed only for utility bills, council tax up to the amount payable for a band F property, broadband, insurance and a television licence.
13. Members who are not eligible to rent accommodation will be able to claim for up to 20 overnight stays in Cardiff, subject to a limit of £95 per night.

Office Costs Allowance

14. Members will be able to claim from an office costs allowance of £16,242 for 2011-12 to reimburse all reasonable expenses incurred in running an office in their constituency or region, including surgery advertising and the cost of business calls. Members will no longer be permitted to vire (transfer) money from the office costs allowance to the staff expenditure allowance or vice versa.
15. Newly-elected Members will be additionally provided with equipment, furniture and office supplies subject to a limit of £5,000.
16. All items or contractual liabilities costing more than £750 to the Assembly over the lifetime of the contract must first be approved by the Assembly Commission. All items of equipment costing over £100 must be recorded on an inventory, for return to the Commission or purchase at an agreed price when a Member ceases to hold elected office as an Assembly Member.
17. Members will be able to spend up to £1,000 of their office costs allowance to make reasonable adjustments to ensure greater accessibility to their offices. Costs exceeding £1,000 will be payable by the Assembly Commission, subject to prior approval of the overall expenditure.

Travel

18. Members will be eligible for reimbursement of travel costs where journeys undertaken are necessary in connection with their duties as a Member. Arrangements must be based on value for money, sustainability, and the principle of travel by the most cost effective means.

Assembly Members Leaving Office

19. From the Fourth Assembly onwards, only Members defeated at elections will be entitled to a resettlement grant. For Members newly-elected at the 2011 elections, the grant will be based only on length of service. Members standing down, retiring or not seeking re-election will not be eligible, although transitional arrangements will apply to Members with continuous service from the Third Assembly.
20. From the Fourth Assembly onwards, the winding up allowance for which Members will be eligible will be reduced to a maximum of one quarter of the annual office costs allowance.

Assembly Members' Support Staff

21. From the Fourth Assembly onwards, Members will be able to employ up to three full-time equivalent staff on any affordable combination of pay bands, within the overall staff costs allowance, provided that at least one full-time equivalent of staff time is dedicated to supporting them with research capacity and in the formal committee and Plenary business of the Assembly.
22. The maximum amount Members will be allowed to spend on the combined basic salaries of up to three full-time equivalent staff will be £89,000, part of which, subject to certain limits, may be used to fund staff travel and overtime, or to employ external expertise for clearly-defined, time-limited pieces of work. This will increase the flexibility available to Members when structuring their offices. Members may also pool staff or transfer part of their staff allowances to group offices.
23. The restriction that groups must employ certain numbers of staff in certain pay bands has been removed.
24. From the beginning of the Fourth Assembly, all staffing vacancies must be advertised externally on the Assembly's website. Newly recruited staff will be appointed at the minimum of the relevant pay scale unless, in exceptional circumstances, there are compelling reasons to justify a higher starting salary.
25. Members' family may continue to be employed but the employing Member's role in the recruitment process for new appointments will be reduced. Final interviews and assessments will be conducted by the Assembly's Human Resources team. The family member, if appointed, must demonstrably be the best candidate for the job in terms of skills, capability and experience.

26. From the beginning of the Fourth Assembly, a standard contract with common terms and conditions has been introduced for all new staff appointments. Members of support staff with continuing service may choose to move to the new standard contract only by mutual agreement with their employing Member.

Assembly Members' Support Staff Salaries and Pensions

27. From the beginning of the Fourth Assembly, payment of bonuses to support staff will cease. The money previously used to fund bonus payments has been consolidated into support staff salaries.
28. Support staff pay scales will be frozen at May 2011 levels until at least April 2013.
29. Support staff pensions will be considered further as part of a review of the full remuneration package for the Fifth Assembly.

Estimated Cost of Determination 2011-12

30. The estimated cost of the decisions we have taken will be around £12.7 million in 2011-12, a reduction of 7.1 per cent (in real terms²) compared with the budget for 2010-11. This leaves residual contingencies within the agreed budget for 2011-12 of 2.3 per cent and of 1.2 per cent against the indicative budget for 2012-13.

Future Work

31. In addition to the specific reviews outlined above on office holder salaries, the Members' Pension Scheme and support staff salaries, we shall monitor the impact of our decisions to ensure that they complement and support the strategic purpose of the Fourth Assembly.
32. Following the introduction of the Fixed-Term Parliaments Bill at Westminster, we are aware that (to avoid UK and devolved elections falling on the same day) the Fourth Assembly may be extended by up to a year. We wish to make clear that our Determination is for the years 2011-15. Should the Assembly continue beyond four years, we may well regard this as an exceptional circumstance and, in consequence, review the impact of our Determination on the extended period.

² Uses H M Treasury assumptions 2011-12 2.5 per cent, 2012-13 2.2 per cent, and 2013-14 2.7 per cent as at 29 November 2010 (accessed 9 March 2011).

Introduction

The mandate of the independent Remuneration Board is to decide the salaries and allowances of Members and their staff from the beginning of the Fourth Assembly. We are required to ensure that such remuneration is fair, represents value for money, and takes into account Welsh comparators.

The Board has worked to three broad principles since our first meeting on 1 October 2010:

– **a fit for purpose review**

We have followed capability methodology in examining whether current remuneration fits the purpose of the Assembly and its Members;

– **a Determination for Wales**

We have carried out an analysis of earnings in Wales, reviewed levels of responsibility, and have made our Determination in that context; and

– **an iterative process**

We have consulted monthly with Assembly Members and their parties, and have published our emerging conclusions to encourage feedback.

The limited time available to us to prepare our first Determination has meant that we have not received sufficient evidence to reach a final view on supplementary payments to some office holders. We have therefore made interim decisions in this area and shall, as soon as possible after the May 2011 election, make a final Determination once we have consulted further and examined the degrees of responsibility involved in the Fourth Assembly. We have also deferred consideration of pensions until the report of the Independent Public Services Pensions Commission is available, and will therefore return to this issue in the autumn of 2011.

My Board colleagues and I are grateful to everyone who has assisted us in the course of our work, in particular Members of the Third Assembly and their staff, the Assembly Commission, and the Members' Pension Scheme Trustees. We look forward to an ongoing dialogue with all interested parties as we continue our work during the Fourth Assembly.



The Rt Hon George Reid
Chair of the Remuneration Board

March 2011

The Remuneration Board

This chapter sets out our functions and objectives and considers the wider financial context within which we have made our first Determination.

33. In 2008, the National Assembly for Wales Commission established an Independent Review Panel to look at all aspects of financial support available to Assembly Members.
34. The Panel's report, *Getting it Right for Wales*³, was presented to the Assembly Commission in July 2009. Key recommendations were that the automatic link between the pay of Assembly Members and that of Members of Parliament should be broken and that a statutory independent body should be established to set future salary levels and to monitor and review other financial support available for Assembly Members, including allowances for travel, pensions, office costs and staff support. The report also recommended that the Assembly Commission should prepare and bring forward an Assembly Measure as soon as practicable to establish such a statutory body.
35. The National Assembly for Wales (Remuneration) Measure 2010 ("the Measure")⁴ received Royal Approval from Her Majesty in Council on 22 July 2010. The Chair and members of the Board were appointed by the Assembly Commission on 22 September 2010 (see Appendix A for membership of the Board), and met for the first time on 1 October 2010.

Functions and Objectives

36. The Board's functions are set out in section 3 of the Measure, and relate to the making of a Determination on the salaries of all Assembly Members and supplementary payments for those who hold additional responsibilities. In addition, the Board is required to decide the system of Assembly Members' allowances and pensions.
37. The Measure also sets out three objectives that the Board must seek to achieve when making our Determination. These are:
 - to provide Assembly Members with a level of remuneration that reflects fairly the complexity and importance of the functions which they are expected to discharge and which

³ *Getting it Right for Wales, July 2009*, <http://www.assemblywales.org/irp-reportjuly09-e.pdf>

⁴ *The National Assembly for Wales (Remuneration) Measure 2010*, http://www.opsi.gov.uk/legislation/wales/mwa2010/mwa_20100004_en_1

does not deter, on financial grounds, persons with the necessary commitment and ability from seeking election as Assembly Members;

- to provide Assembly Members with adequate resources to enable them to exercise their functions as Assembly Members; and
- to ensure that public money is spent with probity, accountability, value for money and transparency.

38. Section 15 of the Measure places a duty on the Board, on the first occasion that a Determination is made, to have due regard to the recommendations of the Independent Review Panel.⁵
39. Section 13 of the Measure provides that the Board may make no more than one Determination relating to the salaries of Assembly Members and one relating to the salaries of the Welsh Ministers and the Counsel General for each Assembly four year term. However, the Board may make another Determination before the end of an Assembly term if we are satisfied that there are exceptional circumstances making it just and reasonable to do so.
40. Section 14 of the Measure provides that when the Board makes a Determination providing for the employment of staff by Assembly Members, or groups of Assembly Members, we may not subsequently amend that Determination during the financial year in which it first takes effect. This section may be disregarded if we are of the opinion that there are exceptional circumstances which make it just and reasonable to do so.

Timeline

41. Following the acceptance of all 108 of the recommendations in the Independent Review Panel's report in July 2009, the Assembly Commission moved quickly to start implementation. The first phase included recommendation 12:

“The Assembly Commission should prepare and bring forward an Assembly Measure as soon as practicable, to establish a statutory Independent Review Body to make decisions in respect of the matters listed below. The role of this body is to: i) make decisions on all aspects of financial support for Assembly Members; ii) take account of changing responsibilities; iii) review the effectiveness and impact of the uprating process; iv) deal with any ‘ad hoc’ issues.”
42. The proposed Measure was introduced by the Presiding Officer on 9 November 2009. Following a process of consultation and scrutiny, the Measure was passed by the Assembly on 26 May 2010. It received Royal Approval on 21 July 2010, thereby establishing the Board twelve months after the Independent Review Panel reported.

⁵ <http://www.assemblywales.org/irp-reportjuly09-e.pdf>

43. In order that the Board could produce our first Determination before the beginning of the Fourth Assembly, the Commission undertook a robust and transparent public appointment procedure in the summer of 2010. The selection panel consisted of the former chair of the Senior Salaries Review Body, Sir John Baker; a member of the Independent Review Panel, Jackie Nickson; an independent adviser to the Commission, Richard Calvert; and the Chief Executive and Clerk of the Assembly, Claire Clancy.
44. The Board's appointment was formally approved by the Assembly Commission on 21 September 2010.⁶ We held our first meeting shortly afterwards, on 1 October 2010.
45. Despite the speed with which the Commission acted following the publication of the Independent Review Panel's report, the legislative and appointment processes to establish the Board inevitably took time. As a result we had less than six months in which to undertake our review and to make our first Determination.
46. Because of these time constraints, we have deferred for further consideration some areas of financial support, including a final Determination on additional salaries payable to holders of some offices, until after the start of the Fourth Assembly. We have also deferred detailed consideration of the Members' Pension Scheme until autumn 2011. We shall conduct a further review of Members' support staff salaries before 2013. Concentrating our work programme in this way has enabled us to undertake a more detailed consideration of the key areas of financial support to Members, and to target our Determination to support the strategic purpose of the Assembly and its Members.

Financial Context

47. Our first Determination has been made against a background of exceptional financial circumstances. Budgets across the public sector face significant constraints, and the next four years are anticipated to be the toughest the Assembly has faced in financial terms since its inception — not least because of the continuing economic uncertainty, particularly in respect of inflation.

Assembly Commission Budget 2011-12 and 2012-13

48. On 8 December 2010, the Assembly agreed the Commission's budget for 2011-12.⁷ The Commission's budget strategy for the Fourth Assembly aims to match the percentage changes in the Welsh block⁸ over the same period. Consequently, over the next four years, the budget

⁶ Appointment of Members of the National Assembly for Wales Remuneration Board, <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-agendas.htm?act=dis&id=197317&ds=9/2010> and Minutes of the Commission meeting on 21 September 2010, <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-agendas.htm?act=dis&id=197306&ds=9/2010>

⁷ National Assembly for Wales Assembly Commission Budget 2011-12, <http://www.assemblywales.org/bus-home/bus-guide-docs-pub/bus-business-documents/bus-business-documents-doc-laid/gen-ld8316-e.pdf?langoption=3&ttl=GEN-LD8316%20-%20National%20Assembly%20for%20Wales%20Assembly%20Commission%20Budget%20Proposals%202011-12>

⁸ The Welsh block is the proportion of the total budget over which the Welsh Ministers have complete discretion regarding its allocation across departments and services in Wales. The block grant for Wales is determined by a baseline level of spending, plus the Barnett consequential arising from UK Government spending increase on comparable programmes in England

available to cover the running costs of the Assembly (excluding Members’ pay and financial support) was, at the time the budget was approved, forecast to reduce by 12 per cent.⁹

49. As a result of the establishment of the Board, the Assembly Commission separated its overall budget for 2011-12 into two separate, authorised amounts (“ambits”). The first ambit relates to expenditure on Assembly services and is under the control of the Assembly Commission. The second ambit relates to the salaries, allowances and associated costs of Assembly Members (“Members’ budget”), and is determined by the Board.
50. The Members’ budget for 2011-12 is 5 per cent lower in real terms¹⁰ than the equivalent budget in 2010-11. If the Members’ budget mirrors the change in the Welsh block overall in the year after that, it would remain at around £13 million – a further 2.1 per cent lower than the year before. The one-off election costs for 2011 are not within our remit, but are included within the overall Members’ budget for accounting purposes.

Figure 1: Assembly Members’ Indicative Budget (£000)¹¹

	2010-11	2011-12	2012-13
Members’ budget	13,380	13,034	13,041
Percentage cut in real terms (updated) ¹²		5.0%	2.1%
One-off election costs		3,460	-

51. We were not necessarily bound by the agreed budget for 2011-12 and could, if we had decided it was appropriate to do so, have made a Determination requiring amounts which exceed the agreed budget. The Assembly could then have made the necessary adjustments by way of supplementary budget. If we decide that a different level of funding is needed for 2012-13, this will be factored into the budget in advance of its consideration by the Assembly in late 2011.

Strategic Financial Objectives

52. In considering our approach to the financial implications of our first Determination, we decided that its financial costs should not exceed the agreed Members’ budget for 2011-12 and should, so far as possible given the estimates that can be made, also be achievable within the indicative Members’ budget for 2012-13. We are satisfied that meeting this objective has not compromised our core functions as set out in the Measure.
53. We anticipate that in future years our work will feed into the Assembly Commission’s budget setting process though this has not been possible, for time reasons, for this first Determination.

⁹ National Assembly for Wales Assembly Commission Budget 2011-12

¹⁰ Uses H M Treasury assumptions 2011-12 2.5 per cent, 2012-13 2.2 per cent, and 2013-14 2.7 per cent as at 29 November 2010 (accessed 9 March 2011).

¹¹ National Assembly for Wales Assembly Commission Budget 2011-12

¹² Uses H M Treasury assumptions 2011-12 2.5 per cent, 2012-13 2.2 per cent, and 2013-14 2.7 per cent as at 29 November 2010 (accessed 9 March 2011).

Conclusions

54. **We have made our first Determination against a backdrop of exceptional economic circumstances in Wales and in the UK, and have set out a system of financial support which is evidence-based and cost effective.**
55. **It is appropriate that our decisions take account of that wider economic context and we therefore decided that the financial implications of our decisions should be met within a reduced budget. Our Determination, and a prudent level of residual contingency, should be achieved within budgets incorporating 5 per cent real terms savings budgeted for 2011-12 against the budget for 2010-11, and of 2.1 per cent real terms savings in 2012-13.**
56. **We are satisfied that the system of financial support we have introduced is sustainable and cost effective and that, whilst levels of expenditure will be reduced under our Determination, we have fulfilled our functions, as set out in section 3 of the Measure. We have aimed to ensure that the remuneration available to Members reflects the nature of their roles; should not deter any suitable candidates from standing for financial reasons; provides Members with adequate resources; and ensures that public money is appropriately spent with regard to probity, accountability, value for money and transparency.**

Principles and Methodology

We decided at an early stage that our work should be based in a Welsh context, should be evidence-driven and should be both participative and transparent.

57. If the people of Wales are to have full confidence in the Assembly's system of remuneration, it must be demonstrably fit for purpose and transparent. As the independent body charged with designing such a system, we have sought to abide by high standards of probity and transparency in our own work and to embed those principles into the financial remuneration and support framework of the Assembly.
58. We agree with the Independent Review Panel that our work must support the Assembly in developing solutions within a predominantly Welsh context. We are committed to resourcing the specific needs of Members and responding to the requirements of the Assembly as it evolves.
59. We are clear that the system of remuneration and allowances must be targeted to supporting the strategic purpose of the Assembly as a legislature, and the role of Members in that process. We have therefore focused on targeting resources to support Members to fulfil their core functions: scrutinising policy and finance; holding the Welsh Government to account; legislating; and representing their constituents.

A Fit for Purpose Review

60. For our review to be effective, and to ensure that resources are deployed appropriately, a number of questions had to be addressed, including:
 - what is the purpose of the Assembly?
 - how do Members fulfil that purpose?
 - how should resources be targeted to support that purpose?
 - how can the effect of targeting resources be evaluated?
61. From the outset, it was clear to us that, in order for our Determination to be fit for purpose, we needed to have a clear view of the fundamental purpose of the Assembly, particularly in light of its evolution from a unitary corporate body to a legislature with responsibilities divided between Government and Assembly. In particular, we wished to assess the extent to which the

system of allowances developed over the first three Assemblies would be appropriate in future. We cover the evolution of the Assembly in greater detail in Chapter 3.

62. We have discussed the strategic purpose of the Assembly – as delivered in Plenary, in committees and in the constituencies and regions of Wales – on a sustained basis with Members. We understand their heavy workload as representatives of their constituencies and regions, as party members, and as backbenchers in a small legislature charged with scrutinising legislation, financial proposals, and holding the Welsh Government to account. Members of the Welsh Government clearly also have executive roles. Although we received enough evidence on these roles to give us a basic understanding of what they involve, we were not in the time available able to obtain as full an understanding as we would have liked. Our goal has been to identify solutions to meet the specific needs and priorities of the Assembly and its Members, to put in place a system of financial support which assists the Assembly to fulfil its core strategic functions, to adapt to constitutional change where needed, and to prepare for the challenges of the Fourth Assembly and beyond. We discuss the strategic purpose of the Assembly in Chapter 4.
63. In Chapters 5 to 9 we outline the decisions that we have taken on the system of financial support for Assembly Members and the ways in which we have sought to target resources to support the strategic capacity of the Assembly.
64. A key stage in our future work programme will be evaluation and appraisal of the impact and effect of our Determination. We have indicated in the relevant parts of the report areas which we intend to keep under review.

Principles

65. Our decisions on financial support have been underpinned by clearly defined principles:
- **strategic purpose**
our Determination should support the strategic purpose of the Assembly and facilitate the work of its Members;
 - **right for Wales**
decisions must be appropriate within the context of Welsh earnings and the wider financial circumstances which affect Wales; and
 - **value for money**
the system of financial support should represent value for money for the tax payer.
66. In addition, the system of financial support for Members must be **robust, clear and transparent**.

Methodology

A Participative Review

67. We have always been clear that those affected by our Determination must be included in the review process. We met formally with representatives of all parties in the Assembly, with Members' staff and their trade union representatives, and with the Chair of the Members' Pension Scheme Trustees. Members of the Board also held discussions with holders of some additional offices within the Assembly, including members of the Welsh Government, the Government and Opposition Chief Whips, some committee chairs, the Deputy Presiding Officer and an Assembly Commissioner, to gather evidence on the additional responsibilities associated with those roles. The Chair attended meetings of party groups in the Assembly, met informally with Members' support staff, and with the Presiding Officers. He also met with each party leader, or their representative, on a monthly basis. In addition, drop-in sessions were held at the Senedd during which Members could raise any issues they felt we should take into account.
68. All Assembly Members were invited to complete a survey, the purpose of which was to gather their insights into remuneration issues. We are pleased that 22 Members responded, but note that this still leaves gaps in the evidence available to us. We are committed to engaging with Members of the Fourth Assembly as part of an ongoing participatory process.
69. In December 2010 we held a colloquium which was attended by academics, a wide range of representatives of civic society, Assembly Members from all parties in the Assembly, their staff and Assembly Commission officials. A cross-party panel of Members took part in the session, and the discussions were very valuable in informing our deliberations.
70. Board members with professional experience in remuneration issues led research into earnings in Wales, in particular using data from the *Annual Survey of Hours and Earnings (ASHE)*.¹³ They also reviewed salaries and allowances paid to elected representatives in other UK legislatures.

A Transparent Review

71. To ensure our work was transparent and the people of Wales were able to follow our progress, we published the agenda and a minute of each meeting on the internet shortly after each meeting¹⁴; provided contact details on our website, inviting people to submit comments or raise issues; and issued news releases to the media to inform the people of Wales of progress and of decisions as they were made.
72. We consulted with a number of external organisations and individuals in the course of our work, including senior officials at the Scottish Parliament and the Northern Ireland Assembly, the Independent Parliamentary Standards Authority and the Senior Salaries Review Body.
73. We are grateful to all those who gave up their time to provide evidence to us in the course of our work. A full list of those consulted may be found at Appendix C.

¹³ *Annual Survey of Hours and Earnings 2010*, <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=1951>

¹⁴ http://www.assemblywales.org/memhome/mem-allow-pay-pensions/remuneration_board/meetings-board.htm

An Iterative Process

74. We identified key issues for consideration, and prioritised them, evaluating and ranking the options open to us. Emerging conclusions were tested and refined following each Board meeting as part of our ongoing dialogue with Assembly Members and their staff.

Recommendations of the Independent Review Panel

75. We were required under Section 15 of the Measure, on the first occasion a Determination is made, to have regard to the recommendations of the Independent Review Panel. The Measure also required us to state in writing our reasons for departing from any recommendation.
76. We thoroughly reviewed all 108 of the Independent Review Panel's recommendations and recognise the good progress made by the Commission in their implementation. Following our review, we have agreed to implement 72 recommendations in full, and 11 more in part. We did not agree 12 recommendations and 13 were outside our remit. A list of the recommendations, and our response to them, can be found at Appendix F.

Equality Impact Screening

77. The Measure places a duty on us to ensure that no candidate with the necessary commitment and ability is deterred from standing for election. We therefore undertook an assessment of our Determination on equality grounds, to ensure that no sections of society were likely to be disproportionately deterred from standing for election to the Assembly on financial grounds. An initial screening equality impact assessment, which is attached at Appendix E, indicates that our Determination should not constitute a disproportionate deterrent.

Future Work Programme

Office Holder Salaries

78. It was not possible, within the time available to us, to obtain sufficiently robust evidence to come to a decision on additional salaries for a number of office holders. We are also conscious that the responsibilities involved may change in the Fourth Assembly. We have therefore made an interim Determination and, in consultation with Members, will revisit this matter as soon as possible after the May 2011 election.

Review, Audit and Evaluation

79. In accordance with the Measure, we will keep the impact of our Determination under review during the Fourth Assembly. We will take into account the way that it is operating, any changes in the functions of Assembly Members, and any other new circumstances that we consider to be relevant. We will conduct audits where needed to ensure that any new procedures are working effectively — in relation, for example, to the arrangements for recruitment of support staff. We shall continue to consult with Assembly Members and their staff.

Assembly Members' Pensions

80. We undertook some initial work in this area, but agreed that a full review of Assembly Member and support staff pensions should be deferred until the final report of the Independent Public Service Pensions Commission¹⁵, chaired by Lord Hutton, and the 2011 Members' Pension Scheme actuarial assessment are available.

81. As part of the preparatory work, a Memorandum of Understanding to set out the relationship between ourselves, the Commission and the Members' Pension Scheme Trustees is being developed. The Memorandum will set out the framework for future work on pensions, and we look forward to working closely with the Commission and Trustees throughout this process.

Engagement with the Commission

82. The timescale available to us to produce our first Determination meant that it was not possible for us to engage with the Commission in advance of the agreement of the Assembly Commission budget 2011-12. In the development of our future work programme we shall take account of the Commission's budget cycle, and ensure that our work is scheduled in such a way as to enable us to feed in to the budget setting process.

¹⁵ http://www.hm-treasury.gov.uk/indreview_johnhutton_pensions.htm

The Evolution of the Assembly

In this chapter we examine the evolution of the Assembly and its strategic purpose from its establishment in 1999 and the impact of the March 2011 referendum.

83. In order for us to understand fully the strategic purpose of the Assembly, and the ways in which resources can be targeted to support that purpose, we have considered the particular historical, constitutional and political context within which the Assembly has developed since 1999. We have examined the evolution of the system of financial support and culture and analysed how this fits within the wider framework of asymmetrical devolution in the UK. This work has informed our understanding of the strategic purpose of the Assembly and its Members, and thereby our consideration of an appropriate system of financial support for Members in the Fourth Assembly.

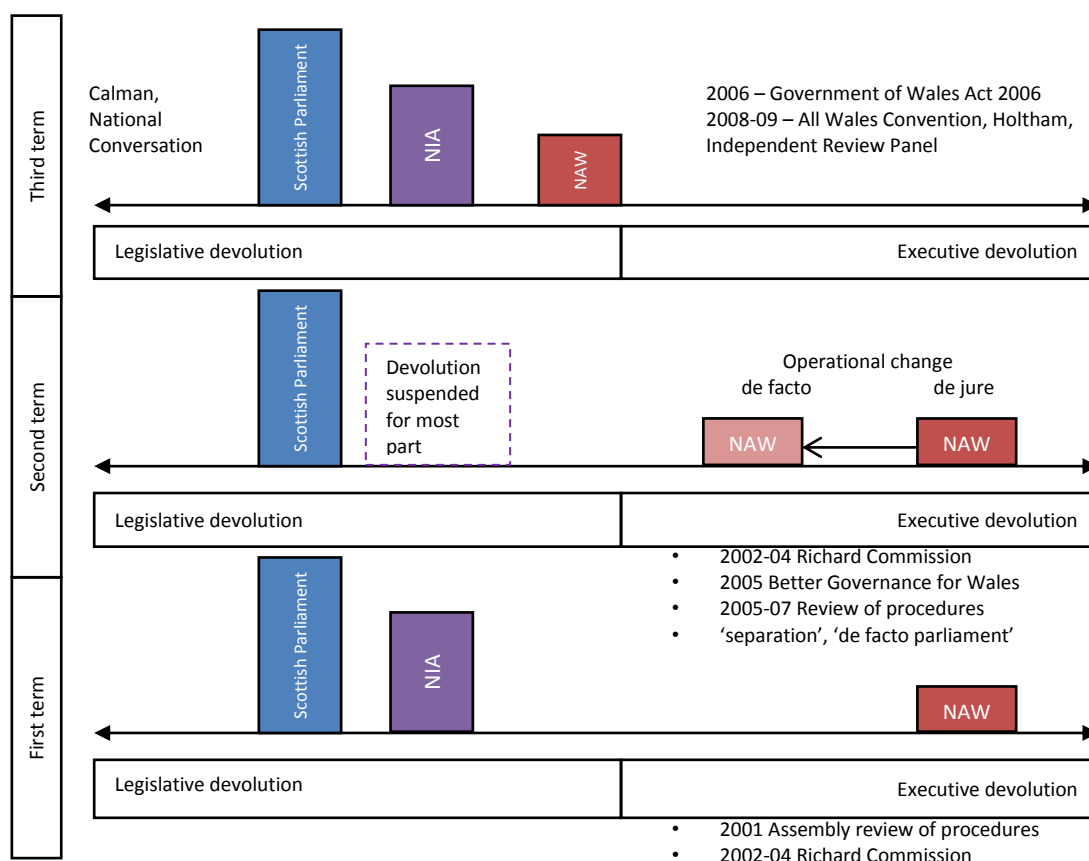
Evolution of Devolution

84. It is widely accepted that there were differing levels of enthusiasm for, and engagement with, the idea of devolution in Wales in 1997 compared with Scotland or Northern Ireland. The result was that while devolution in other parts of the UK had been the subject of much public engagement, the Welsh debate had been limited. The proposals for devolution in Wales were therefore not as fully developed as those other parts of the UK. The consequence was a much more limited form of devolution than adopted in Scotland and Northern Ireland.¹⁶
85. Devolution in Wales in 1999 was based on a model of executive devolution, which has subsequently been described as “flawed” by leading academics.¹⁷ Figure 2, presented by Professor Laura McAllister and Dr Diana Stirbu to our colloquium in December 2010, illustrates both the asymmetrical nature of devolution within the UK and the constraining effect on the Assembly in Cardiff caused by its inability to function as a legislature compared with law-making bodies in Belfast and Edinburgh.

¹⁶ P117, *Wales and the Westminster Model*, Trench, A, *Parliamentary Affairs*, Vol. 63 No. 1

¹⁷ Professor Laura McAllister, *Remuneration Board colloquium*, December 2010

Figure 2: A Continuum of Devolution in the UK¹⁸



86. The devolved legislatures remain part of the UK constitutional system. Their internal constitutional arrangements are set out in legislation made at the UK level and, ultimately, the UK Parliament remains sovereign. What Figure 2 illustrates, however, is that the Assembly for most of its life has been rooted, constitutionally and culturally, in executive devolution. The constraints of the different devolution settlements have been most clearly apparent in Wales, where the UK Parliament has, until recently, had an ongoing role in relation to the piecemeal transfer of powers via Legislative Competence Orders.

A History of the Assembly

87. In May 1997 a Labour government was elected in the UK with a manifesto commitment to create devolved Assemblies in Wales and Scotland. Following a referendum, the National Assembly was formally established by the Government of Wales Act 1998¹⁹, which set out the key powers that the new body would be able to exercise.

¹⁸ Presentation given by Professor Laura McAllister, Remuneration Board’s colloquium, December 2010
 Calman Commission (<http://www.commissiononscottishdevolution.org.uk/>), A National Conversation (<http://www.scotland.gov.uk/About/FOI/19260/Class16>), All Wales Convention (<http://allwalesconvention.org/?lang=en>), Holtham Commission (<http://wales.gov.uk/icffw/home/?lang=en>), Independent Review Panel (<http://www.assemblywales.org/memhome/mem-allow-pay-pensions/independentreviewpanel.htm>), Richard Commission (<http://www.richardcommission.gov.uk/>), Better Governance for Wales (<http://www.official-documents.gov.uk/document/cm65/6582/6582.asp>)

¹⁹ <http://www.legislation.gov.uk/ukpga/1998/38/contents>

88. Whilst the Scottish Parliament had primary law-making powers and a separate legislature and executive from the start, this was not the case in Wales. The Assembly was established as a single corporate body, with legislative powers limited to the making of secondary legislation only when authorised by the UK Parliament. Such powers were broadly equivalent to those previously held by the Secretary of State for Wales.²⁰
89. The single corporate body structure of the Assembly and the formalised role of its committee system meant that it had many similarities to the traditional model of local, rather than national, government in the UK. In the Westminster model of parliamentary government, the executive and legislature are separate entities; one responsible for setting and implementing policy, and the other for holding the executive to account. The Assembly in 1999 was a hybrid of these two traditions: a single corporate entity with executive authority vested in the 60 Member Assembly; a portfolio-based committee system focused on cross-party policy development; and an executive committee of Assembly Secretaries (a cabinet) with portfolio responsibility for key areas, but able to act only with the delegated authority of the Assembly as a whole.
90. While there were many positives about the newly formed Assembly in terms of public access and a more inclusive and consensual style of politics, the single corporate body structure proved to be problematic. The difficulties experienced by the minority Labour administration in securing consistent agreement from other parties in the Assembly, and the replacement of the First Secretary in February 2000, highlighted the need for constitutional change and stability.²¹
91. One such reform addressed the question of resourcing ‘backbench’ Members. Initially, all advice and support for Members carrying out their committee and Plenary roles came from the civil servants whose primary focus was to serve the Assembly Secretaries. This caused confusion and difficulties in terms of confidentiality, transparency and the adequacy and prioritisation of the needs of Assembly Members who were not part of the ‘Executive’. Such issues were further complicated by the requirement for Secretaries (later Ministers) to sit on the subject and standing committees scrutinising their portfolios.
92. Following the internal Review of Procedure in 2001-02, the drive to differentiate between the executive and legislative functions continued with the Valentine’s Day resolution of the Assembly in 2002: “that there should be the clearest possible separation between the Government and the Assembly which is achievable under current legislation”.²² As a result, the First Secretary began to use the title, First Minister; the clerk to the Assembly led a body of staff known as the Office of the Presiding Officer, with greater independence to provide advice, research and support to individual Members and committees of the Assembly; and the term Welsh Assembly Government entered common usage.

²⁰ P119, *Wales and the Westminster Model*, Trench, A, *Parliamentary Affairs*, Vol. 63 No. 1

²¹ P123-4, *ibid*

²² <http://www.assemblywales.org/bus-home/bus-chamber/bus-chamber-first-assembly/bus-chamber-first-assembly-rop/3c6cfa3a000d18cc0000162b00000000.pdf?langoption=3&ttl=The%20Record>

93. The Richard Commission, established by the Welsh Assembly Government in 2002 to examine the powers and electoral arrangements of the Assembly, recommended, inter alia, enhanced legislative powers for the Assembly and the legal separation of the Executive and legislature. The UK Government responded with a White Paper in 2005, *Better Governance for Wales*²³, and introduced the Government of Wales Bill 2005²⁴ that gave effect to many of the Commission's recommendations.
94. The Government of Wales Act 2006 ("the 2006 Act")²⁵ redefined and reshaped the Assembly, creating for the first time a fully-fledged devolved legislature for Wales, and separating the legal entities of the legislature and Executive. All existing executive powers were transferred to the now statutory Welsh Assembly Government. The redefined National Assembly for Wales was given legislative power to make laws for Wales in defined areas and a means to gain further powers in devolved areas. The Assembly Commission was created to provide property, staff and services to support the Assembly.

The Third Assembly (2007-11)

95. The Third Assembly, the first to operate under the 2006 Act, has been markedly different from the preceding two.
96. Since 2007, the National Assembly has been able to make laws for Wales in twenty areas, known as policy fields. Each of the 'fields' can be broken down into more detailed areas, known as 'matters'. Until March 2011, before the Assembly could make a law in any one of the twenty 'fields', the UK Parliament had to have agreed that the Assembly could make law on the relevant 'matter'. There were two ways in which Parliament transferred authority to the Assembly to make laws:
- by passing Acts of Parliament that transferred particular powers to the Assembly; or
 - by approving Assembly Legislative Competence Orders (LCOs) which were requests for transfer of power made by the Assembly.
97. The Assembly's legal competence has, therefore, seen incremental growth since 2007 with the involvement of the Assembly itself, the Welsh Government, Westminster and Whitehall. The referendum on law-making powers for the Assembly, which took place on 3 March 2011, resulted in a Yes vote, with the effect that the power to legislate in all twenty fields in the 2006 Act will be transferred to the Assembly from the beginning of the Fourth Assembly.
98. The changes brought about by the 2006 Act, and by the Yes vote in the referendum, were not merely organisational, they were also cultural. The role for Members in the first two Assemblies was primarily to represent the interests of constituents; a role which reflected the culture of the local authority and voluntary sector backgrounds many Members came from.

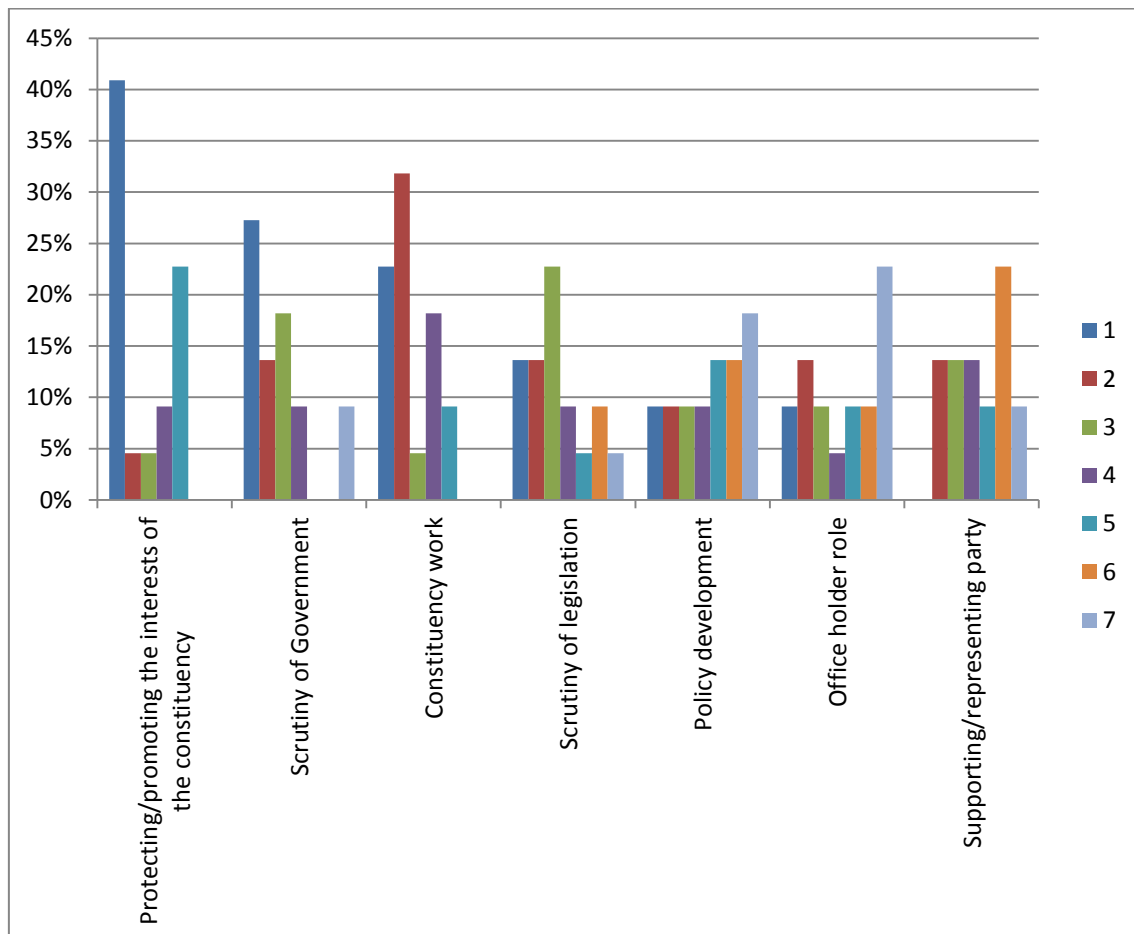
²³ <http://www.official-documents.gov.uk/document/cm65/6582/6582.asp>

²⁴ <http://www.publications.parliament.uk/pa/cm200506/cmbills/100/2006100.htm>

²⁵ <http://www.legislation.gov.uk/ukpga/2006/32/contents>

This culture is reflected in Members’ responses to our survey. Figure 3 shows that over 40 per cent of the 22 Members who responded to our survey consider the protection and promotion of their constituency or region’s interests to be their number one priority, with 23 per cent ranking constituency and regional work highest on their list. This compares to 27 per cent of Members who view holding the Welsh Government to account as most important, and only 14 per cent of Members giving the highest priority to the scrutiny of legislation.

Figure 3: Responding Members' Prioritisation of their Functions



99. With the advent of the Third Assembly, and the introduction of primary law-making powers, came the responsibility and freedom to legislate on devolved matters. This step-change in powers required an equivalent change in strategic capacity and a cultural change which our survey suggests has not yet been entirely realised. Our work as a Board should serve to support and encourage such change to gather pace.

100. The Assembly’s three key purposes – to hold the Welsh Government to account, to make legislation and to represent the people of Wales – are manifested in the formal business of the Assembly through its work in Plenary and committee. However, the committee structure of the Third Assembly stretched its logistical capacity and that of its Members, with some serving on up to five different committees. Though the Richard Commission recommended that the

Assembly should be increased to 80 Members²⁶, the UK Government did not make any changes to the size of the Assembly in the 2006 Act. In an Assembly of 60 Members, when the Executive and Presiding Officer are discounted, only around 45 Assembly Members are available to perform the essential scrutiny role.

The Fourth Assembly (2011-15)

101. Following the Yes vote in the referendum on the law-making powers of the Assembly, the “Assembly Act provisions” in Part IV of the Government of Wales Act 2006 will come into force at the beginning of the Fourth Assembly, with the result that the UK Parliament will not now have to agree to the transfer of specific powers to make Measures in devolved fields. Instead, the Assembly will be able to make Acts covering any of the matters within the twenty devolved fields. In his evidence to the All Wales Convention, chaired by Sir Emyr Jones Parry, which was set up to increase understanding of the Assembly and gauge public opinion on the Assembly’s law-making powers, the Chief Legal Adviser to the Assembly stated that:

“Measures and Acts are in substance the same. The only thing that is different is the issue of legislative competence, in other words whether you have the power to make that piece of legislation at all. In terms of what they do within their scope, and this is particularly relevant to your consideration, what you have to do in order to handle them and consider them in the Assembly, they are absolutely identical.”²⁷

102. In written evidence to the Convention in 2009, the Chief Legal Adviser and the Director of Assembly Business estimated the volume of Bills which the Assembly might have to consider each year, based on the trends in legislative volumes during the Third Assembly and comparisons with the legislation produced by the Scottish Parliament and Northern Ireland Assembly. They concluded that while it was likely there would be continued growth in the volume of primary legislation under consideration, the Legislative Competence Order process would cease, thus releasing capacity for consideration of Assembly Bills.²⁸

103. In consequence, while in the Fourth Assembly the focus of Members’ scrutiny and legislative functions will shift to the consideration of Assembly Bills and the passing of Assembly Acts, the evidence that we have received is that Members’ roles and responsibilities will not change significantly.

Conclusions

104. **As it has evolved, the Assembly has developed good practice in a number of areas, in particular through policies specifically designed for Wales. It has also made imaginative and innovative efforts to engage with the people it represents and in the development of citizen-**

²⁶ <http://www.richardcommission.gov.uk/>

²⁷ Keith Bush, Chief Legal Adviser to the Assembly, Oral Evidence to the All Wales Convention, 5 February 2009, <http://wales.gov.uk/docs/awc/publications/090310cardiff5feboralen.pdf>

²⁸ Memorandum to the All Wales Convention by the Executive Board of the Staff of the National Assembly for Wales, February 2009, <http://wales.gov.uk/docs/awc/publications/090217bushcromptonen.doc>

focused scrutiny and engagement. This sets the Assembly firmly within a Welsh context, with a more consensual working style than the UK Parliament.

- 105. The Assembly’s evolution within the wider context of asymmetrical devolution in the UK has been rapid in recent years. While its culture is still shaped in part by its early experience of executive devolution, the Assembly has now taken steps towards the model of legislative devolution present in Scotland and Northern Ireland.**
- 106. In the next chapter we examine the strategic purpose of the Assembly as a legislature, since the system of remuneration and allowances must complement that strategic purpose if it is to ensure that Members are provided with sufficient resources to fulfil their core functions effectively. Our Determination has been designed to meet these objectives as devolution evolves further in the Fourth Assembly.**

The Purpose of the Assembly

In this chapter, we set out our view of the Assembly's strategic purpose, Members' core functions, and the support available to them, and consider some of the challenges they may face in the Fourth Assembly.

107. In making our Determination, we have had due regard for the historical development of the Assembly as an institution, as examined in Chapter 3. Our decisions are premised on the need for a system of remuneration and financial support for Members that is fit for purpose and which complements the Assembly's strategic purpose.

The Role of the Assembly

108. The Assembly Commission describes the National Assembly as “the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account”.²⁹

109. This description encapsulates a widely established view of the role of a parliamentary body and its Members. For example, the Senior Salaries Review Body has described the work of a Member of Parliament under three broad headings:

“The first is his or her participation in activities designed to assist in the passage of legislation and hold the Executive to account. This is traditionally seen as the 'core' role of the parliamentarian. The second area is work in and for the constituency. This is in part representational; in part promoting or defending the interests of the constituency as a whole; and in part it is designed to help individual constituents in difficulty. The third part of the job is work in support of the party to which the Member belongs, and for which he/she was elected.”³⁰

110. Assembly Members will have different individual priorities, but the evidence we received convinced us that the Assembly and its Members recognise three core strategic functions:

- scrutinising Welsh Government policy and finance;
- scrutinising and making laws; and
- representing constituents.

²⁹ <http://www.assemblywales.org/abthome.htm>

³⁰ P32, SSRB Report No 48: Review of parliamentary pay and allowances Volume II, 2001

111. Though distinct and different, all of these functions are interconnected. For example, scrutiny of policy alternatives informs consideration of proposed legislation; legislative proposals reflect the priorities that Members see in the communities they represent; and the claims and actions of the Welsh Government are constantly tested by Members against the evidence they observe in their constituencies and regions. Members' responsibility to scrutinise the Welsh Government, public finance and legislation provides them, therefore, with unique opportunities to represent and work for their constituents.

112. Throughout our work, we heard from Members about this interconnectivity between the different elements of their roles. One Member said in response to our survey that:

“Holding the Government to account and scrutinising legislation is protecting and promoting the interests of my constituency. Constituency casework can be a valuable reality check as to whether Government policy and legislation is actually working.”

113. The prioritisation of each element of the role will clearly be different for members of the Welsh Government, who formulate and implement Government policies, take a lead in the decision making process, and drive forward Government legislation.

Scrutinising Welsh Government Policy and Finance

114. The Assembly scrutinises Government policy and finance through its committee system and in Plenary.

115. In the Third Assembly, there were 19 committees. The main purpose of 12 of them was to scrutinise Welsh Government policy and finance. There were four principal scrutiny committees, which covered every area of responsibility of the Welsh Government and associated public bodies, with a remit to examine expenditure, administration and policy. These were the Communities and Culture Committee, the Enterprise and Learning Committee, the Health, Wellbeing and Local Government Committee, and the Sustainability Committee.

116. A Public Accounts Committee was responsible for examining the implementation of Welsh Government policy and the activities of public bodies. The Committee examined reports prepared by the Auditor General for Wales on the accounts of the Welsh Government and other public bodies, and on the economy, efficiency and effectiveness with which resources were employed in the discharge of public functions.

117. A Finance Committee was responsible for scrutinising the budget and expenditure of the Welsh Government, the Assembly Commission and other bodies. Other committees could also scrutinise financial matters within their remit.

118. The Assembly established a number of additional committees to scrutinise Welsh Government policy, including the Equality of Opportunity Committee, the Children and Young People Committee, the European and External Affairs Committee, the Petitions Committee, the Rural Development Sub-Committee, and the Committee for the Scrutiny of the First Minister.

119. Assembly Members usually met in Plenary every Tuesday and Wednesday afternoon during sitting weeks. On average, during the Third Assembly, 66 Plenary meetings took place in an Assembly year. The First Minister answered questions in Plenary every Tuesday, and Welsh Ministers, the Counsel General and the Assembly Commission each answered questions at least once every four weeks. The remainder of Plenary time was taken by considering legislation, debates and statements.

Scrutinising and Making Laws

120. Scrutiny of proposed legislation was undertaken in committees and Plenary. Legislation (LCOs and Measures) could be brought forward by Welsh Ministers, Assembly Members or Assembly Committees. In addition, the Assembly Commission could bring forward Measures on areas within its remit. Members were able to introduce their own proposals for legislation via a ballot system. Members who were successful in the ballot were responsible for steering the legislation through the various stages of the scrutiny process.

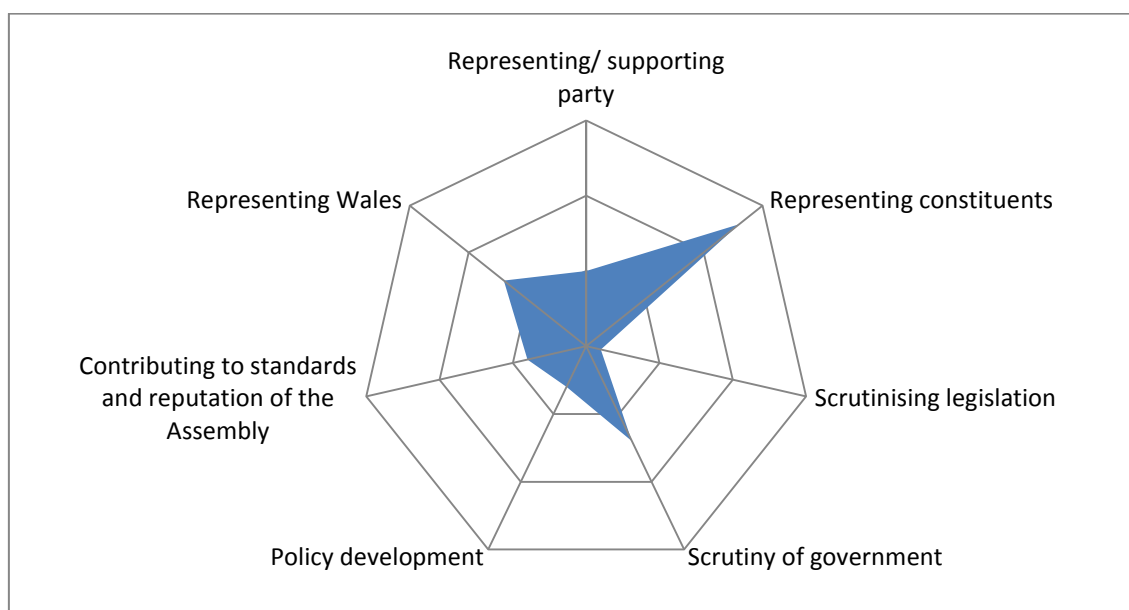
121. By the end of the Third Assembly, of the 19 committees, six were legislation committees, including five devoted to the consideration of Legislative Competence Orders (LCOs) and Measures and a Constitutional Affairs Committee, with responsibility for considering the technical aspects of all statutory instruments or draft statutory instruments made by Welsh Ministers. The Constitutional Affairs Committee could also undertake limited policy scrutiny of Assembly Measures and more wide-ranging inquiries into matters of constitutional significance. In addition, the Finance Committee also considered the financial information presented in support of Measures.

122. In Plenary, Assembly Members had a number of opportunities to scrutinise legislation, including questioning Ministers on statements on legislation; participating in debates on the general principles of Measures; and undertaking detailed consideration of amendments to Measures.

Representing Constituents

123. Our survey asked Members to rank each of their functions according to priority. The results showed that a majority of the 22 Members who responded viewed the representation of constituents as their most important function (Figure 4).

Figure 4: Responding Members' Prioritisation of their Functions³¹



124. In their responses to the survey, and in their oral evidence to us, many Members told us that they spent a large amount of their time in their constituency or regional offices in order to meet their constituents and local organisations. This included undertaking substantial casework on behalf of constituents, and taking an active role in their local areas and communities.

125. However, this did vary, with one respondent to the survey saying:

“I try to spend as little time as possible on casework, having a full-time caseworker and administrator [...] I get involved either on very complex matters or matters which have political repercussions.”

126. In the Third Assembly, the Assembly introduced a mechanism for constituents to engage directly with the Assembly in the form of a public petitions system. Petitions, once they were submitted, were considered by the Petitions Committee, with the opportunity for the petitioners to attend Committee to discuss their proposals

Setting the Agenda – Steering the Assembly

127. A number of key individuals and bodies within the Assembly have leadership roles in driving the legislative and scrutiny programmes and ensuring that Members are able to fulfil their functions. These leaders are essential to the effective and efficient functioning of the institution as a legislature, and to moving forward cultural change and institutional development. We look forward to working with them throughout the course of the Fourth Assembly.

³¹ Shaded area reflects the proportion of Members placing each function as the most important in response to Remuneration Board survey of Members, 2011

The Assembly Commission

128. The Assembly Commission was established by the Government of Wales Act 2006 with a remit to ensure that the Assembly is provided with the property, staff and services required for it to carry out its role effectively and efficiently. The Commission is the Assembly’s corporate body; sets its strategic aims, objectives and values; considers performance against their delivery; oversees change; and encourages innovation for the National Assembly. The Commissioners are jointly responsible for the duties conferred on the Commission by the 2006 Act, and for ensuring that the Assembly is able to function effectively.

Business Committee

129. The Business Committee plays a central role in the management of the Assembly’s business and in advising on general practice and procedure in the Assembly. Chaired by the Presiding Officer, the Committee has responsibility for organising Government, non-government and Assembly business in Plenary.

Political Leadership

130. Political leaders within the Assembly, including party leaders and whips, play a key role in organising and managing Government and Assembly business, and in ensuring that there is effective scrutiny by opposition parties.

Committee Chairs

131. Much of the Assembly’s core business – the scrutiny of Welsh Government policy and legislation and law-making for Wales – is conducted via its committees. Committee chairs therefore have an important role in taking forward the work of the Assembly by managing the work of their committees, steering and shaping committee inquiries and representing their committees in Plenary, in the media and in Welsh public life.

Welsh Government

132. While the Assembly and the Welsh Government are separate bodies, they are closely linked; each can only function effectively with the cooperation and assistance of the other.

Support Available to Assembly Members

133. Assembly Members are provided with a range of assistance in undertaking their duties, including support from their own staff, from those employed by their political group, and from Assembly Commission services.

Assembly Members’ Support Staff

134. The most significant direct support for an Assembly Member comes from the staff whom each Member employs, located at the Assembly in Cardiff Bay or in the Member’s constituency or regional office. Members’ staff undertake a variety of roles to support them in their work. Members were clear in their evidence to us how much they value their staff, and their

importance in providing a necessary element of political support which cannot be accessed from Commission services. One Member told us:

“It is vital that Members continue to have 3 FTE staff in order to provide the support, advice, local knowledge and expertise which they are uniquely able to offer. Members must not feel constrained when wanting to be controversial and forthright. Support [available to Members] therefore must be political as well as impartial.”

Group Support Staff

135. In addition, in the Third Assembly, party groups of three or more Members were also able to employ staff centrally. These staff were additional to the staff whom each Member could individually employ. The number of staff was based on the number of Members in the party group and whether or not any Member of the party group was represented in the Welsh Government.

136. The group staffing support plays a central role in coordinating strategic support and direction of party groups in the Assembly. Such arrangements are particularly important for the opposition parties, whose staff are effectively responsible for supporting party spokespersons across the full range of Ministerial portfolios.

Support provided by the Assembly Commission

137. The Assembly Commission provides staff assistance to Members in a number of areas. Members meeting in Plenary or in committee receive extensive support from Commission staff including policy and financial briefings, legislative drafting and procedural advice as well as general logistical and administrative support. Committees in particular are each supported by integrated teams, comprising clerks, researchers and lawyers, so that they have a range of disciplines at their disposal. Committees are also free to appoint external expert advisers to assist in relation to specific inquiries and/or research projects.

138. Clerks, researchers and lawyers also provide extensive support to backbench Members or committees in the development of their own legislative proposals.

139. The Members’ Research Service supports Members in all aspects of their role through a confidential, individual enquiry service that assists with any constituency-related issues as well as those driven by formal Assembly business. During the course of our work we heard concerns about restrictions on Members’ Research Service staff’s access to information held by the Welsh Government. This issue is covered in more detail in Chapter 10.

The Fourth Assembly: a Transitional Assembly

Challenges of the Fourth Assembly

140. The Assembly faces a number of challenges as it moves forward into the Fourth Assembly, not least its size. With only 60 elected representatives, of whom a number will be members of the

Welsh Government, there is a limited number of Members available to serve on legislation and scrutiny committees. As one respondent to our survey said:

“The full range of functions and responsibilities found in a modern and developing legislature [...] is shared between a far smaller membership than elsewhere.”

141. We heard evidence from Members throughout our work that one of the main challenges they faced was increasing time pressures as the powers of the Assembly developed. With only 45 backbenchers to serve on 19 committees, as well as meeting their responsibilities in relation to Plenary business and representation of constituents, Members of the Third Assembly constantly emphasised that they were pressed for time.

142. As Figure 5 shows, the Assembly is small in relation to the other UK legislatures and, as a result, the number of Members available to undertake scrutiny and legislative functions is proportionally lower.

Figure 5: Members of UK legislatures Available to Undertake Scrutiny and Legislative Functions³²

	Total number of seats	Members available	Percentage
UK Parliament	650	552	85%
Scottish Parliament	129	113	88%
Northern Ireland Assembly	108	92	85%
National Assembly for Wales	60	45	75%

143. However, over the years the level of skills and knowledge of Members has also increased. As one Member told us:

“I personally do not take quite as long to write speeches and prepare questions for Plenary because experience makes it easier for me than it was 12 years ago. That would be different for a new Member coming in.”

144. A significant number of Members have announced that they will not be standing for re-election in May 2011, which means that there will be a large intake of new Members for the Fourth Assembly. This presents a further challenge to reduce the skills and experience gap swiftly and effectively. We welcome the Commission’s plans, outlined in Chapter 10, to support Members in this process.

145. At our colloquium in December 2010, we heard from the Director of Assembly Business that the review of Standing Orders in preparation for the Fourth Assembly had taken into account pressures on Members’ time in the Third Assembly. The Standing Orders relating to the structure of committees has therefore been developed with a view to enabling the Business Committee of the Fourth Assembly to streamline the committee system should it choose to do

³² These figures were calculated by the Members’ Research Service using information provided on the websites of the Governments and Legislatures in question.

so. We welcome this step, and hope that the committee structure is rationalised and focused to support the key strategic objectives of the institution.

146. Evidence we received both at our colloquium and through the Member survey suggested that an increase in casework is another challenge facing Members, as constituents' expectations rise:

“As awareness of the Assembly has grown, alongside the increase in the Assembly's powers, the amount of casework has also increased substantially.”

“It is not surprising that the more effective and visible you become as an Assembly Member the more work this generates.”

147. The Hansard Society, in its study of new Members of Parliament elected in 2005, found that when first elected over 80 per cent of new Members of Parliament prioritised their constituency functions as the most important aspect of their role, ahead of scrutiny and legislating. This figure rose to 90 per cent after a year in office.³³

148. The increased availability of new technologies, and the implications of a reduction in the number of Welsh Members of the UK Parliament³⁴, may also have an impact on the level of constituency or regional casework with which Members are faced.

149. We accept that all Members have their individual priorities, and that the three main elements of a Member's role are interconnected. However, we would be concerned if the representation of constituents – particularly in the form of casework – were to be prioritised to the extent that the resources and time available for scrutiny and legislation in the Fourth Assembly were disproportionately affected.

150. Members have to find ways to balance the three main elements of their roles, together with any additional duties they may have, in order to fully meet their responsibilities to the Assembly, to their electorate and to democracy in Wales. Our Determination aims to support Members in finding this balance.

Conclusions

151. To meet our key objectives, our Determination must support the Assembly in the development of solutions tailored specifically to the Welsh context and Welsh devolution.

152. The establishment of the Remuneration Board provides an opportunity to find flexible, predominantly Welsh-rooted solutions that reflect the specific needs of Assembly Members and the specific circumstances of the Assembly. However, we cannot work in isolation. Our decisions will only be effective if they complement the work of the Assembly Commission in its provision of support to the Assembly, of the Business Committee in its organisation of

³³ P75, Hansard Society: *A Year in the Life: From Member of Public to Member of Parliament, 2006*

³⁴ *Reduction in Members of Parliament as a result of the UK Parliamentary Voting System and Constituencies Act 2011*, <http://www.legislation.gov.uk/ukpga/2011/1/contents/enacted/data.htm>

business, of the political leaders and committee chairs in driving the effective functioning of the Assembly, and of the Welsh Government in supporting the Assembly to develop robust and effective measures of scrutiny.

- 153. In the Fourth Assembly, Members will face a number of new challenges and, for this reason, our Determination aims to focus resources on the support they require. As set out in Chapters 8 and 10, we have aimed to facilitate the use of external expertise; to provide appropriate levels and focus of staffing assistance; and to recommend a reorientation of Commission-provided support to Members.**

Assembly Members' Salaries and Pensions

In this chapter we outline how we have decided the base salary level for Assembly Members and our initial consideration of Members' pensions.

154. In our deliberations on financial support for Members, we had first to decide the appropriate base salary level for Assembly Members. Section 13 of the Measure requires us to make a single Determination (including an uprating mechanism, if appropriate) in relation to Members' base salary for the whole of each Assembly term. If we consider that, during the course of an Assembly there are exceptional circumstances which cause it to be just and reasonable to reconsider the level of Members' base salaries, we may decide to review our Determination.

Overview

155. The Senior Salaries Review Body (SSRB) made recommendations on a structure for pay, allowances and pensions for Assembly Members in April 1998.³⁵ The SSRB evaluated the roles and responsibilities of Assembly Members in relation to those of Members of Parliament and comparators in the public and private sectors. The salaries of Members of each of the devolved Assemblies were then set as a percentage of the salaries of Members of the UK Parliament, in accordance with the perceived job weight. Assembly Members' salaries were set at 74.3 per cent of that of Members of Parliament.

156. The SSRB subsequently reviewed Members' pay in 2001³⁶ and 2004³⁷. Its 2004 report concluded that the responsibilities of Assembly Members and Members of Parliament had become more aligned and that, consequently, the pay differential between the two jobs should narrow, so that Members would be paid 76.5 per cent of the salary of a Member of Parliament.

157. When the Government of Wales Act 2006 came into force, the responsibility for setting Members' pay and allowances transferred to the Assembly Commission. In July 2007, the Commission followed the recommendation of the SSRB, and decided that the differential between Assembly Members and Members of Parliament should be maintained at 76.5 per cent.³⁸ In autumn 2007, the Assembly Commission established its first independent panel to

³⁵ SSRB Report no. 42: *Initial Pay, Allowances, Pensions and Severance, Arrangements for: Members of the Scottish Parliament, National Assembly for Wales, Northern Ireland Assembly, 1999*

³⁶ SSRB Report no. 49: *National Assembly for Wales: Review of Pay and Allowances, 2001*

³⁷ SSRB Report no. 58: *National Assembly for Wales: Review of Pay and Allowances, 2004*

³⁸ *Members' Salaries and Allowances*, <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-agendas.htm?act=dis&id=62539&ds=7/2007>, *Minutes of Commission meeting on 4 July 2007*, <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-agendas.htm?act=dis&id=62618&ds=7/2007>

consider Members' pay and allowances, particularly in the light of perceived changes to Members' responsibilities arising from the Government of Wales Act 2006.³⁹

158. The Panel reported in March 2008 and recommended that the basic salary of an Assembly Member should increase from 76.5 per cent to 82 per cent of that of a Member of Parliament — to be backdated to May 2007, the date of the previous Assembly election.⁴⁰ This, combined with an increase awarded to Members of Parliament as a result of a 2008 SSRB report⁴¹, resulted in a pay rise of 8.3 per cent for Assembly Members in 2008. A number of Assembly Members chose not to accept the increase in full.

159. The Independent Review Panel recommended that Members' base salaries should be linked to the 75th percentile of Welsh earnings, resulting in uprating the April 2009 salary of £53,108 to £53,852 in April 2010. This compares with £57,521 for a Member of the Scottish Parliament, £43,101 for a Member of the Northern Ireland Assembly and £65,738 for a Member of the UK Parliament.

Principles

160. Section 3 of the Measure places a duty on us to ensure that Assembly Members are remunerated at a level which:

“fairly reflects the complexity and importance of the functions which they are expected to discharge; and does not, on financial grounds, deter persons with the necessary commitment and ability from seeking election to the Assembly.”

161. In its 2004 report on Parliamentary Pay and Allowances, the SSRB outlined the general principles by which it decided appropriate pay levels. We agree with the principle that that:

“pay should reflect levels of responsibility, rather than workload.”⁴²

162. Section 3 of the Measure also requires us to keep under review the appropriateness of our Determination in terms of any changes in the functions of Assembly Members. As described in Chapter 3, we are currently satisfied that the alteration to the Assembly's law-making powers as a result of the referendum in March 2011 will not result in a significant change in the functions of Assembly Members. For this reason, we have taken the view that Assembly Members' responsibilities at the start of the Fourth Assembly will be similar to those in the Third and have, therefore, used Assembly Members' salaries at March 2011 as our starting point.

163. Recommendation 11 of the Independent Review Panel's report stated that “the base level of this salary should be set by reference to the percentage change in the index of average earnings for Wales”. The implication of this recommendation is that the salary level for Members should be rooted within the Welsh context, a principle which we have applied to all our work.

³⁹ *Report of the Independent Panel on Financial Support for Assembly Members, 2008*

⁴⁰ *ibid*

⁴¹ *SSRB Determination of MPs' Salary Increases for 2009*

⁴² *P4, SSRB Report No 48: Review of Parliamentary Pay and Allowances, Volume 1, 2001*

164. Recommendation 8 broke the automatic link between the pay of Assembly Members and Members of Parliament, and was implemented after the publication of the Panel's report in 2009. We welcome the implementation of this recommendation, as linkage to the UK Parliament was at variance with the specifically Welsh context within which the Assembly works.
165. As with all of our work, we were mindful of the wider financial context in which we were making our Determination, particularly the public sector pay freeze and the continuing uncertain conditions in the private and public sectors. Whilst the freeze is not directly applicable to the remuneration of Members or their staff, we were grateful to the Members of the Third Assembly for giving cross-party support to a voluntary pay freeze at March 2011 levels for the following four years. Although this did not directly inform our consideration of the quantitative evidence, we did take it into account.
166. It is important to note that the evidence that follows is limited to Members' base salary only. Additional salaries for those Members who hold additional office are considered separately in Chapter 6.

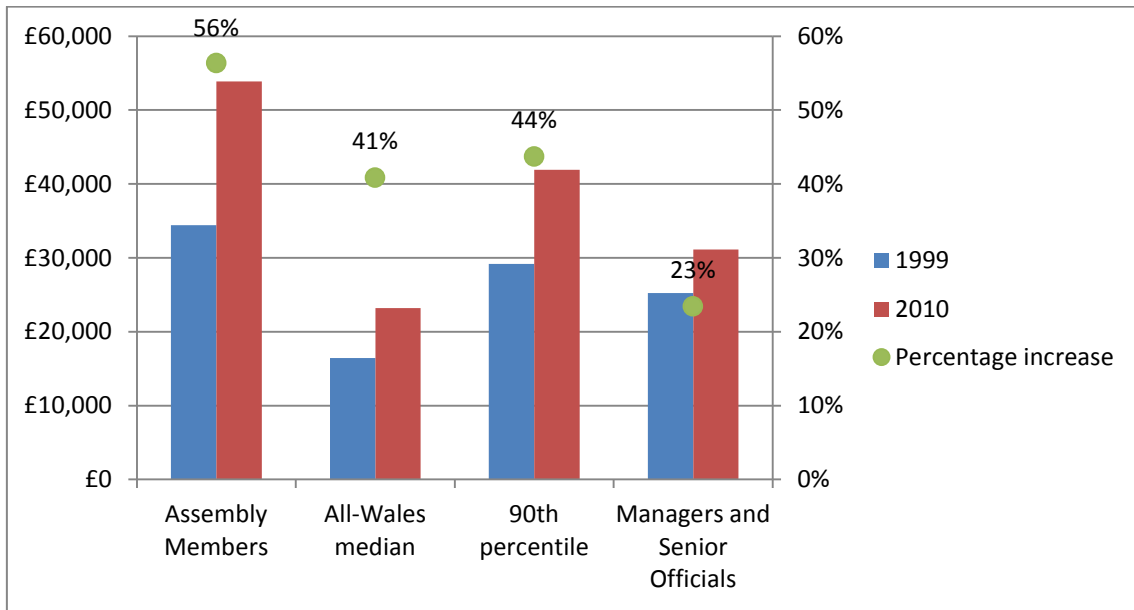
Methodology

167. We undertook an evaluation of the current level of base salary to identify whether it was appropriately positioned within the Welsh context. We took account of the historical growth of Welsh earnings, the current Welsh earnings distribution, the basic salaries of selected professional groups, and whether the opportunity cost of becoming an Assembly Member might reasonably be expected to deter candidates with the necessary commitment and ability from standing.
168. We considered the changes to Members' salary levels since the Assembly was established in 1999, and, using data from the *National Earnings Survey* (NES) in 1999⁴³ and the *Annual Survey of Hours and Earnings* (ASHE) in 2010⁴⁴, compared Members' salaries with those of the median Welsh worker, the Welsh worker at the 90th percentile of the Welsh earnings distribution and a category of high Welsh earners entitled 'Managers and Senior Officials'. The result, summarised in Figure 6, shows that Members' salaries had increased more rapidly between 1999 and 2010 than the earnings of the other groups.

⁴³ <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=13102>

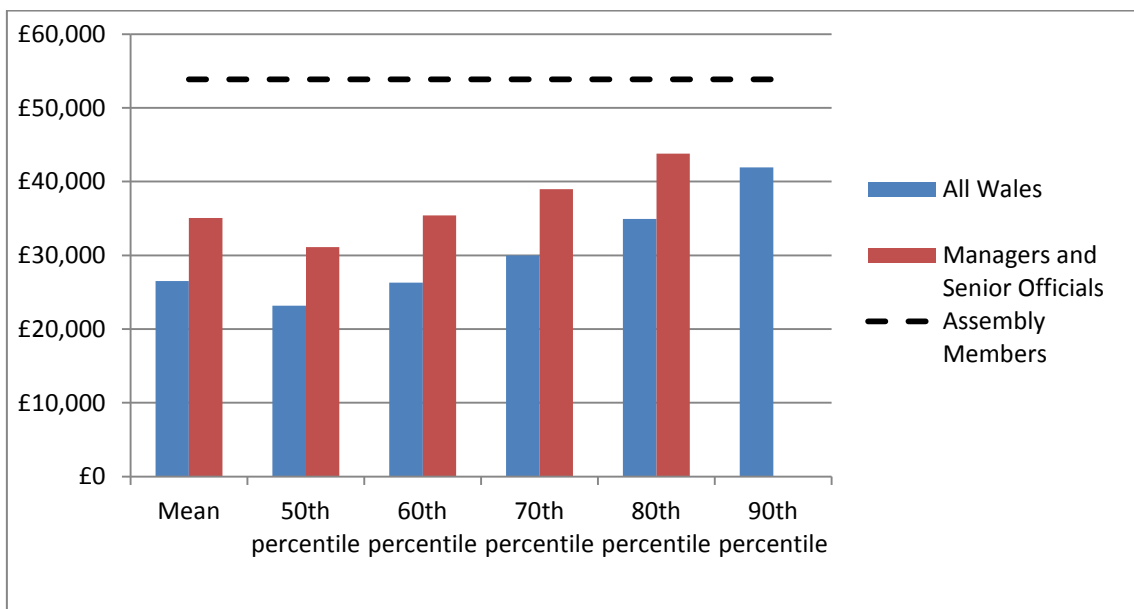
⁴⁴ <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=1951>

Figure 6: Historical Changes to Earnings Levels in Wales (1999-2010)



169. As well as historic benchmarking, we also used ASHE data to benchmark the level of Members' salary in 2009 against remuneration in Wales, making comparisons to the mean, the median, and the 50th, 60th, 70th, 80th and 90th percentiles of earnings for all Welsh earners and for the 'Managers and Senior Officials' group as illustrated in Figure 7.⁴⁵

Figure 7: Distribution of Annual Earnings for Selected Welsh Groups (2009)⁴⁶



170. Our findings, based on the assumption that earnings are likely in general to follow a normal bell curve distribution, are that Members' basic salary is in the top 1.7 per cent of the all-Wales

⁴⁵ ASHE 2009 data

⁴⁶ Calculations are based on 2009 ASHE data. 90th percentile not shown for Managers and Senior Officials as data is not available

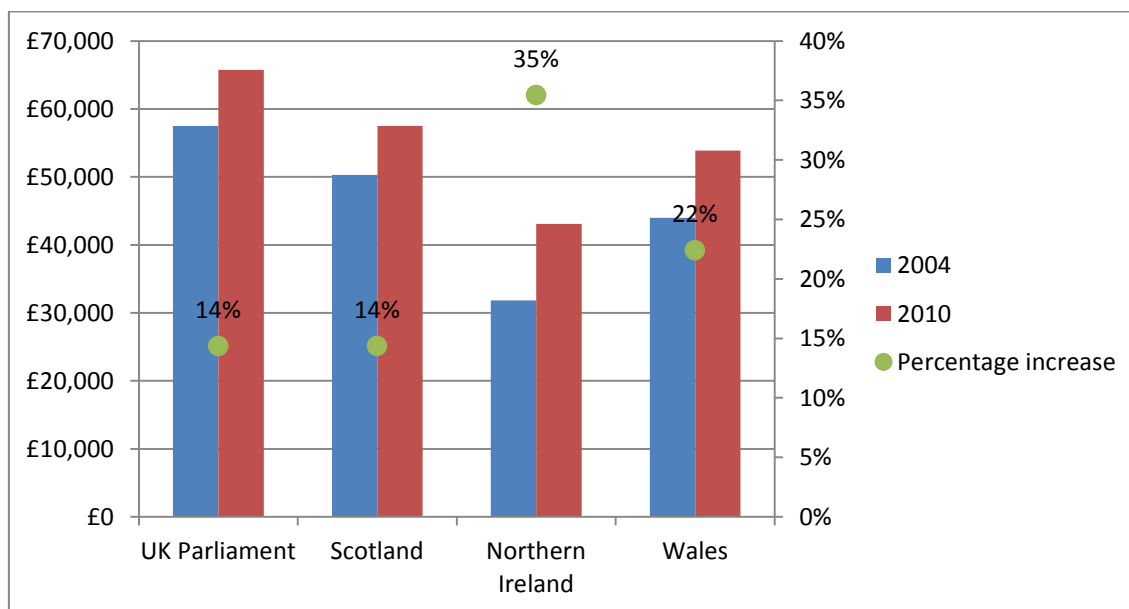
earnings distribution, and in the top 4.8 per cent of the distribution of earnings of 'Managers and Senior Officials' in Wales, according to 2009 data from ASHE.⁴⁷

171. We then tested our findings on salary levels in Wales against publicly available data for specific roles with comparable levels of responsibility, including public sector head-teachers, further education lecturers, hospital doctors and nurses, GPs and solicitors. We have taken into account the four year pay freeze for Assembly Members and note that, with inflation, this amounts to a pay cut. We therefore judged that the position of Members' salaries within the Welsh earnings distribution was fair and appropriate.⁴⁸

172. Additionally, we considered the opportunity cost of earnings foregone by those standing to be Members, had they continued in the profession they were engaged in prior to taking office. The comparison was based on publicly available information about the previous employment and demography of the Members of the Third Assembly, and was therefore treated as indicative rather than absolute. The data suggested that the majority of those currently holding office as Members were not likely to have been adversely affected financially when taking office, based on a comparison between the current level of Members' base salary and the current average earnings within Wales of their previous professions.

173. While our Determination was made within a Welsh context, we also undertook benchmarking of salary levels against those for the Members of the other UK legislatures as shown in Figure 8.

Figure 8: Basic salary of Members of UK Legislatures 2004-10



⁴⁷ <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=15313>

⁴⁸ School Teachers Pay and Conditions 2009, Association of Teachers and Lecturers (<http://www.atl.org.uk/pay-and-pensions/pay-scales/payscales-further-education-wales.asp>), British Medical journal (<http://careers.bmj.com/careers/static/advice-salary-scales.html>), Royal College of Nursing 2009, 2010 (http://www.rcn.org.uk/support/pay_and_conditions/pay_rates_2010-2011), Royal College of General Practitioners (http://www.rcgp.org.uk/gp_training/student_forum/life_as_a_gp/gp_earnings.aspx), The Law Society (<http://www.lawsociety.org.uk/aboutlawsociety/whatwedo/researchandtrends/researchpubs/view=researchpubsarticle.law?publicationid=421271>)

180. The most recent valuation was carried out as at 1 April 2008.⁵² At this time the Scheme was 99.7 per cent funded with a deficit of £0.04 million. The Scheme Actuary's recommendation was to increase the contribution rate for future service to 23.7 per cent with 0.1 per cent added to remove the deficit over 15 years. In line with this advice, the Assembly has paid a contribution rate of 23.8 per cent since 1 April 2009. The member contribution rates were 6 per cent for 50th accrual and 10 per cent for 40th accrual.
181. As indicated in Chapter 2, we decided that a full review of Assembly Members' pension provision should be deferred until the final report of the Independent Public Service Pensions Commission, chaired by Lord Hutton, and the Members' Pension Scheme actuarial valuation as at 1 April 2011 are available. We understand that the Pension Trustees intend to hold initial discussions with the Scheme Actuary with indications of the likely outcome of the triennial valuation being made available to us in autumn 2011.
182. Recommendation 16 of the Independent Review Panel was that the standard Commission-funded contribution rate should be no higher than its current level of 23.8 per cent. We decided to apply this as an interim Determination pending our full review of the Members' Pension Scheme.
183. The Pension Trustees have recently made a number of proposals for changes to the scheme rules, which we considered in line with our guiding principle that we should not make significant substantive changes in advance of the full review early in the next Assembly. As a result of legal advice which indicated that approval of some of them should not be deferred until our full review of the Members' Pension Scheme, we approved some of the requested changes. The Members' Pension Scheme, incorporating those changes to the rules that we agreed, will shortly be available on the Assembly's website.

Conclusions

184. **The evidence indicates that, historically, the base salary of Assembly Members has increased at a rate higher than that of the population of Wales more generally, and that, currently, Members' base salary is near the top of the earnings distribution. We recognise that, taking inflation into account, the agreement of Members to freeze salaries at March 2011 levels for four years amounts, in effect, to a pay cut.**
185. **An aggregate level review of the opportunity cost of earnings foregone by Members of the Third Assembly appears to show that relatively few Members, mainly those with medical or legal backgrounds, would have experienced an opportunity cost likely to be high enough to act as a potential deterrent to others on financial grounds alone.**
186. **After consideration of the available evidence in relation to Members' base salary level, we decided that there was no firm reason to suppose that the level of £53,852 would act as a**

⁵² *The National Assembly for Wales Members' Pension Scheme Report by the Government Actuary on the Actuarial Valuation as at 1 April 2008*, <http://www.assemblywales.org/bus-home/bus-guide-docs-pub/bus-business-documents/bus-business-documents-doc-laid.htm?act=dis&id=129259&ds=5/2009>

serious deterrent to standing for election as an Assembly Member, even if Welsh earnings were to rise over the life of the Fourth Assembly. This view is supported by considerations of the total package of remuneration available to Members including the potential to hold additional remunerated offices and the Members' Pension Scheme.

187. **Taking the evidence into account, we reached the conclusion that fixing the current base salary of Members at a level of £53,852 for the four years from the beginning of the Fourth Assembly is appropriate. As a result of this decision, the introduction of an uprating mechanism is currently not necessary. We remain ready to review the matter if exceptional circumstances arise, such as an extension of the term of the Fourth Assembly.**
188. **Recommendation 16 of the Independent Review Panel was that the standard Commission-funded contribution rate for pensions should be no higher than its current level of 23.8 per cent. We decided to apply this as an interim Determination pending our full review of the Members' Pension Scheme.**

Future Considerations

189. In reaching our conclusions – and in line with our key objective of developing the strategic capacity of the Assembly – we identified a number of issues to which we will return in order to inform, in a timely fashion, our Determination of the total remuneration package for the Fifth Assembly. This will include monitoring the impact of our current Determination and possible consideration of the demographics of the Assembly elected in May 2011, with a view to seeing whether financial considerations deter under-represented groups from seeking election. We are also likely to conduct an analysis of the responsibilities and job weight of a Member to assess whether the base salary level for elected representatives continues to be appropriate and also to consider the value of the remuneration package as a whole, taking into account all of the various elements, including base salary, office holder salaries, and pensions.

Office Holder Salaries

In this chapter we set out the principles underlying our approach to the salaries payable to Assembly Members holding additional offices, and our Determination on the appropriate levels of such supplementary payments.

190. Section 13 of the Measure obliges us to make a single Determination in relation to Members' salary levels for each Assembly including consideration of any additional salaries payable to office holders.

Officer Holder Salaries in the Assembly

191. In its 2001 report on the pay and allowances of Assembly Members⁵³, the Senior Salaries Review Body (SSRB) took into account the small size of the Assembly, the committee commitments of Members and the demands of party coordination. The SSRB benchmarked roles at the Assembly against those at the UK Parliament, and made recommendations on the salary levels for those roles attracting additional office holder salaries. These roles were further evaluated by the SSRB in 2004⁵⁴, when it took account of work undertaken by PricewaterhouseCoopers to assess the skills and competencies required to carry out office holder roles and to identify and benchmark the responsibilities against appropriate comparators.

192. The Assembly Commission gave further consideration to the additional salaries payable to office holders in 2008, following the recommendations of the first Review Panel⁵⁵ on Members' pay and allowances and subsequent additional oral recommendations from the Commissioner who had been the non-voting member of the first Review Panel. The Commission then decided to expand the number of offices eligible for additional salaries. However, we have been unable to establish why this decision was taken, the evidence on which it was based, or the method by which the Commission arrived at the salary levels.

193. In its comprehensive review of Members' pay and allowances in July 2009, the second Independent Review Panel stated that it had not received much evidence on office holder salaries. It noted, however, that the high proportion of Members holding such offices was probably a product of the small size of the Assembly, and stated that it would be inconsistent to maintain a link between the salaries of office holders in the Assembly and at the UK Parliament, when it was recommending a decoupling of the base salary linkage. It therefore recommended salary levels for office holders, and said that these levels should be adjusted proportionately to the base salary level.

⁵³ SSRB Report no. 49: *National Assembly for Wales: Review of Pay and Allowances, 2001*

⁵⁴ SSRB Report no. 58: *National Assembly for Wales: Review of Pay and Allowances, 2004*

⁵⁵ *Report of the Independent Panel on Financial Support for Assembly Members, 2008*, <http://www.assemblywales.org/firstreport-salaries.pdf>

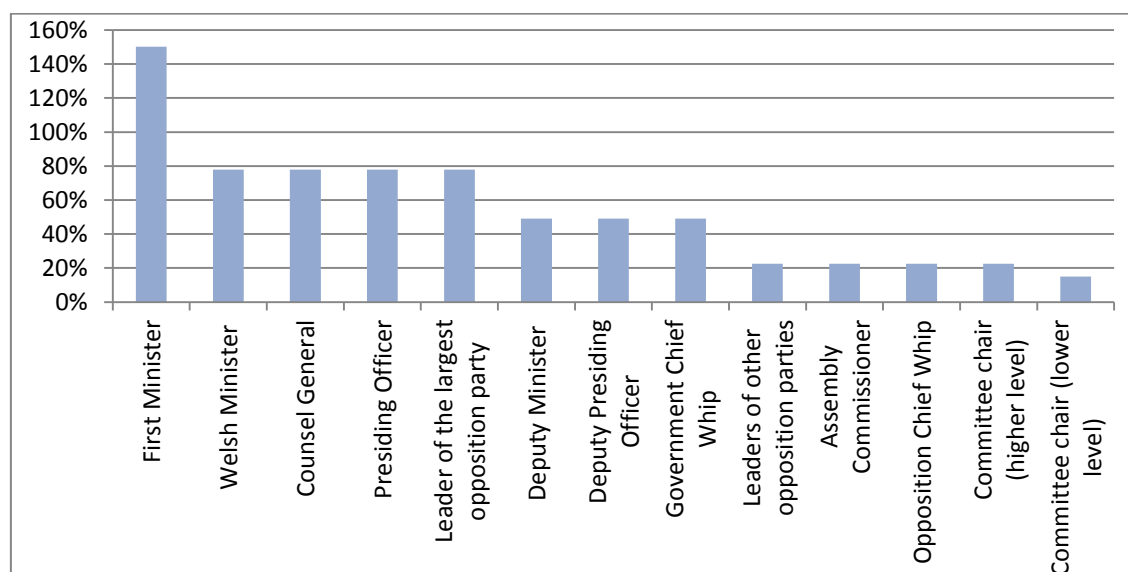
194. By the end of the Third Assembly, 41 offices were eligible to receive additional office holder salaries. Members who hold more than one additional office may only draw the higher of the additional salaries. Figure 9 shows the developments in the payments of additional salaries for office holders in the Assembly since 2001.

Figure 9: Office Holder Salaries in the National Assembly for Wales

Office	April 2001	April 2004	April 2007	April 2008	April 2010	Total salary (including base) April 2010
Base salary	35,437	42,283	46,804	50,692	53,852	53,852
First Minister	66,173	72,863	77,546	78,355	80,870	134,722
Welsh Minister	34,437	37,797	40,225	40,645	41,949	95,801
Counsel General	-	-	40,225	40,645	41,949	95,801
Presiding Officer	34,237	37,797	40,225	40,645	41,949	95,801
Leader of largest opposition party	34,237	37,797	40,225	40,645	41,949	95,801
Deputy Minister	-	-	25,301	25,566	26,386	80,688
Deputy Presiding Officer	17,807	23,675	25,301	25,566	26,385	80,688
Government Chief Whip	-	-	-	25,566	26,385	80,688
Leaders of opposition parties (other than the largest)	-	-	-	11,331	12,168	66,020
Assembly Commissioner	-	-	-	11,331	12,168	66,020
Opposition Chief Whip	-	-	-	11,331	12,168	66,020
Committee chairs (higher level)	-	5,507	5,934	11,331	12,168	66,020
Committee chair (lower level)	-	-	-	5,934	8,112	61,964

195. Figure 10 shows the level of additional salaries, expressed as a percentage of Members' base salary.

Figure 10: Office Holder Salaries as a Percentage of Members' Base Salary as at March 2011



Position in Other Legislatures

196. While all legislatures in the UK pay additional salaries to a number of office holders, there is considerable variance in who is eligible and the amounts paid. As a result of the various SSRB and other reports prepared for each legislature at various times over the past ten years in particular, there has been a degree of iteration and cross reliance on the findings of one legislature by the other legislatures, with a heavy focus on the position in the UK Parliament.

Figure 11: Office Holder Salaries in UK Legislatures 2010-11⁵⁶

	Wales	Scotland	Northern Ireland	UK Parliament
Basic Salary	53,852	57,521	43,101	65,738
First Minister	80,870	83,326	71,434	132,923
Cabinet Ministers	41,949	43,227	37,801	79,754
Deputy Ministers	26,385	27,077	19,609	41,370
Presiding Officer/Speaker	41,949	43,227	37,801	79,754
Deputy Presiding Officer/Deputy Speaker	26,385	27,077	8,500	36,360
Government Chief Whip	26,385	-	-	79,754
Opposition Chief Whip	12,168	-	-	41,370
Leader of largest party not in Cabinet	41,950	⁵⁷	-	73,617
Leader of Opposition parties other than the largest	12,168	⁵⁸	-	-
Committee chairs	12,168 or 8,112	-	11,331	14,582
Commissioners	12,168	-	11,331	-

197. The UK Parliament is around eleven times larger than the Assembly in terms of numbers of Members and carries a significantly higher/broader legislative and government burden. We agree with the Independent Review Panel that for these and other reasons the continued linkage of office holder salaries with “equivalents” in the UK Parliament is not appropriate, although there may still be some merit in comparing roles and responsibilities when developing roles and responsibility requirements of offices within Wales.

Principles

198. As set out in Chapter 5, our decisions on pay are based on the principle of the SSRB that:

“pay should reflect levels of responsibility, rather than workload.”⁵⁹

⁵⁶ <http://www.parliament.uk/documents/commons/lib/research/briefings/snpc-05436.pdf>,
<http://www.scottish.parliament.uk/business/research/briefings-10/SB10-56.pdf>

⁵⁷ Party leaders are provided with an allowance against which they may claim expenses incurred specifically as a part of their duties as party leader. The maximum amount of the allowance which may be claimed in a financial year is: £13,591 in respect of a registered political party with fifteen but not more than twenty nine members; and £25,907 in respect of a registered political party with thirty or more members.

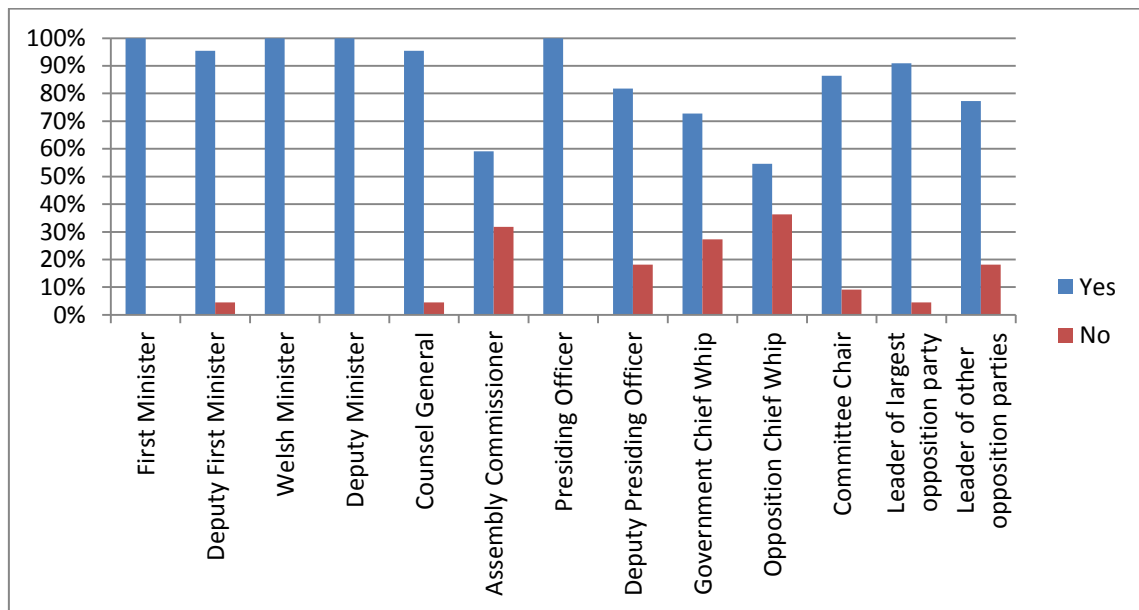
⁵⁸ See footnote 57 above.

199. We agree that this principle is particularly appropriate in considering additional salaries for office holders.
200. We examined the extent to which holders of offices had responsibility for the strategic drive and capacity of the Assembly. We considered the extent to which additional salaries contribute towards maximising the Assembly's strategic capacity. We then reviewed how such salaries could be focused on those offices which act as leaders and drivers for its strategic functioning.
201. We reviewed additional salary levels in the light of our Determination on Members' base salary levels, as discussed in Chapter 5. Our decisions were therefore taken within the context of a freeze in the level of Members' salaries for four years from the beginning of the Fourth Assembly.

Methodology

202. In order to gather evidence on the roles of office holders, we met with holders of each of the types of office and drew on the results of our survey, which asked Members about the additional responsibilities associated with their office and whether additional salary had been a factor in their decision to take office.
203. Fifteen of the 17 office holders who responded to the survey said that the additional salary had had little or nothing to do with their motivation to take office, saying instead that they had been motivated by:
- “the desire to serve and make a difference.”
- “the enhanced chance to make a difference in a policy area about which I feel passionately and [...] a drive to hold the government to account.”
- “interest in the field and in scrutiny and policy development.”
- “it is a huge privilege to be a member of the Welsh Assembly Government.”
204. This suggested to us that the current level of additional salaries is not the primary reason for Members taking office. The majority of the office holders who provided us with evidence commented, however, that the salary level was about right. Members were also asked in our survey what, if they were not currently office holders, would motivate them to stand for office. The responses we received spoke about participation in decision making and increased influence, with no references to remuneration as a motivation. We asked Members to give their views on whether they considered that additional salaries should be paid to the holders of various offices, the result of which is shown in Figure 12.

⁵⁹ P4, SSRB Report No 48: Review of Parliamentary Pay and Allowances, Volume 1, 2001

Figure 12: Responding Members' Views on Additional Office Holder Salaries

205. We then divided the offices into four broad categories, and considered each in turn:

- those of importance to the functioning of the Executive;
- those offices of importance in terms of political leadership;
- those responsible for the functioning of the body corporate; and
- those who drive the functioning of the Assembly as a legislative and scrutinising body.

206. Although some historic and current evidence on the responsibilities and roles of offices in receipt of additional salaries was available, this was limited and sometimes unclear. It neither sets such salary levels in a Welsh pay context nor takes account of potential changes in some of these roles within the Fourth Assembly. In consequence, we have had to reach decisions on some of these salaries on a provisional basis, while making clear that we shall reconsider our decisions as soon as is practical following the start of the Fourth Assembly. In other cases, we have been able to make a final Determination, but recognise that there will need to be a full evidence-based review in time for the Fifth Assembly.

Welsh Government

207. In its reviews of the pay and allowances at the Assembly, the SSRB took into account the responsibility of all Ministers for diverse spending programmes, policy development and implementation, and the promotion of Welsh interests.⁶⁰ The roles historically had been benchmarked against roles at Westminster in order to decide the level of additional salary. Prior to the Government of Wales Act 2006, the office of Counsel General did not exist and Deputy Ministers could only be appointed on a limited, non-statutory basis, and so no

⁶⁰ SSRB Report no. 49: National Assembly for Wales: Review of Pay and Allowances, 2001

additional salaries were paid in respect of those offices. However, once the Act came into force in 2007, provision was needed for the new role of Counsel General and the breadth and responsibility of the roles of Deputy Ministers became clearer, and the Commission decided that additional salaries for those offices would be appropriate.⁶¹

208. As Figure 12 shows, Members responding to our survey were unanimous in their views that the First Minister, Welsh Ministers and Deputy Ministers should receive additional salaries to reflect the additional responsibilities they bear. We agree with Members in relation to these posts, and with the majority of Members in relation to the post of Deputy First Minister and Counsel General.

209. Whilst we have some historic evidence and limited current evidence, we do not yet have a full understanding of the range of specific responsibilities and skills required for these Ministerial roles, of how they may change in the Fourth Assembly, and how they 'fit' in a Welsh context. We have therefore decided that it would be appropriate to maintain the level of Ministerial salaries as at March 2011 for four years from the beginning of the Fourth Assembly. However, we will work with these office holders to develop an adequate framework for pay as from the beginning of the Fifth Assembly, having regard to additional evidence on responsibilities and skills required.

Political Leaders

210. Our second category of additional offices is that of political leaders within the Assembly. We looked first to the work of the SSRB in this area across the UK legislatures. In its consideration of pay and allowances at the Scottish Parliament, the SSRB found the role of the leader of the largest party without an executive role to be "politically important and managerially demanding", and suggested that it should be remunerated.⁶² The Scottish Parliament took the view that, in a legislature elected proportionally, leaders of opposition parties should receive a leaders' allowance, in place of an additional salary, weighted by the numbers of Members in their party.

211. In 2004, the SSRB made no recommendation to alter the level of the salary payable to the Leader of the Opposition, which was at the same rate for Welsh Ministers. The 2004 report also discussed the salaries paid to other party leaders, suggesting that the Assembly might give consideration to this with a view to avoiding the polarisation of government and opposition which is found in the UK Parliament and supporting the ethos of proportionality embedded in the Assembly's electoral system.⁶³

212. This view was endorsed by the first Review Panel in 2008, which was of the opinion that party leaders acted as the representative of the party and the group within the Assembly; were

⁶¹ *Members' Salaries and Allowances*, <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-agendas.htm?act=dis&id=62539&ds=7/2007>, *Minutes of Commission meeting on 4 July 2007*, <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-agendas.htm?act=dis&id=62618&ds=7/2007>

⁶² P7, SSRB report no. 50: *Scottish Parliament: review of pay and allowances 2001*

⁶³ P12, SSRB report no. 58: *National Assembly for Wales: Review of pay and allowances 2004*

responsible for employing group staff; that the Assembly was not based on a two party model; and that the established protocol within the Assembly was for equal treatment of all political groups.⁶⁴

213. We recognise the absolute importance of opposition parties in holding the Welsh Government to account. However, because the representation of the political parties in the Fourth Assembly will not be known until after the election, and because we did not receive sufficient evidence on their roles and responsibilities, we have not yet reached a decision on the level of additional salary to be paid to opposition party leaders. We therefore intend to revisit this issue shortly after the May 2011 election, and will set the appropriate levels of salaries payable to opposition leaders at that point, to be backdated to the date of appointment.
214. The other political leadership offices are those of the party whips and business managers. In relation to these roles we once again first looked to a range of other sources of evidence including the position in other UK legislatures. The SSRB, in its consideration of pay and allowances in the Northern Ireland Assembly in 2008, said that the role included a combination of party political and Assembly business, and recommended that it was therefore a matter for that Assembly to decide whether whips should receive additional salaries, but that if they were to be eligible, the salary should be “a sum equivalent to that received by Committee Chairs”.⁶⁵
215. In 2008 the Assembly’s first Independent Panel noted “that to recommend an additional salary for any of the party whips would be out of line with the other UK devolved institutions, but there is no reason that the Assembly should not follow its own path if this is suggested by the evidence”. It also noted that it had heard that in the UK Parliament, government and opposition chief whips were salaried in recognition of the additional responsibilities they held in relation to the business of the House.⁶⁶ However, the Panel concluded that it did not feel that it had enough evidence to recommend an appropriate salary level for party whips — noting that they had not received an additional salary prior to 1 April 2008. The Commission took into account oral recommendations from the Commissioner who had been on the Panel as a non-voting member, and decided that the opposition chief whip should receive a salary equivalent to that of a committee chair, where the chief whip was also the business manager; and that the government chief whip should receive a salary equivalent to that of a Deputy Minister.⁶⁷
216. The rationale for, and evidence supporting, the Commission’s decisions in respect of party whips in April 2008 is opaque. The evidence we have received – based largely on discussions with Members and our survey – did not give us any clear understanding of the overall responsibilities of the whip role within the Third Assembly, or the likely responsibilities within the Fourth Assembly, particularly bearing in mind that there are only 60 Members in total. In addition, there was a lack of clarity about which aspects of the whip role are for the business purposes of the Assembly and which are party political.

⁶⁴ *Report of the Independent Panel on Financial Support for Assembly Members, 2008*

⁶⁵ P16, SSRB report no. 67: *Northern Ireland Assembly: Review of Pay, Pensions and Allowances 2008*

⁶⁶ *Report of the Independent Panel on Financial Support for Assembly Members, 2008*

⁶⁷ *Minutes of Commission meeting on 6 March 2008, <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-agendas.htm?act=dis&id=84095&ds=3/2008>*

217. We consider that we need more evidence than was possible for us to gather in the time available on the responsibilities of the Government and opposition whip roles before a final Determination can be made. However, we recognise that the role of the whips is such that some additional remuneration is appropriate based on the information received. As for party leaders therefore, we were unable to reach a decision on the appropriate level of salary payable to the Government and opposition chief whips. We will review the salary level, to be backdated to the date of appointment, at the earliest opportunity after the beginning of the Fourth Assembly, in the light of party representation in the Assembly after the elections and further evidence we receive on the roles and responsibilities of the whips.

Commissioners and Presiding Officers

218. Our third category of office holders was those responsible for the effective functioning of the Assembly as a legislature and of the Assembly Commission as a body corporate. Since the separation of the Assembly from the Welsh Government in 2007, the Assembly Commission, chaired by the Presiding Officer, has had responsibility for providing the Assembly with the property, staff and services required to carry out its work.

219. Assembly Commissioners are responsible for setting the strategic direction for the services which support the Assembly and enable it to function. They are corporately responsible for the governance of the organisation, for the proper and appropriate management and use of public money to support the Assembly, and for the exercise of the functions conferred on the Commission by the Government of Wales Act 2006.

220. We were persuaded by the evidence provided to us on the roles of the Commission that Commissioners should receive additional remuneration. The evidence received from the Members in the survey suggested that not all Assembly Members share our view. However, the narrative comments received from Members, and the discussions at our colloquium in December 2010, suggested to us that Members were unclear about the role performed by Commissioners and the significance of the responsibilities that they carry. Our review of the development of Commissioner salaries did not, however, persuade us that the current salary level was based on robust evidence. We have therefore decided that, in the interim, Commissioners' salaries should continue to maintain parity with that payable to chairs of the main committees. The level of salary may change as a result of our review of other office holder salaries, including those paid to committee chairs.

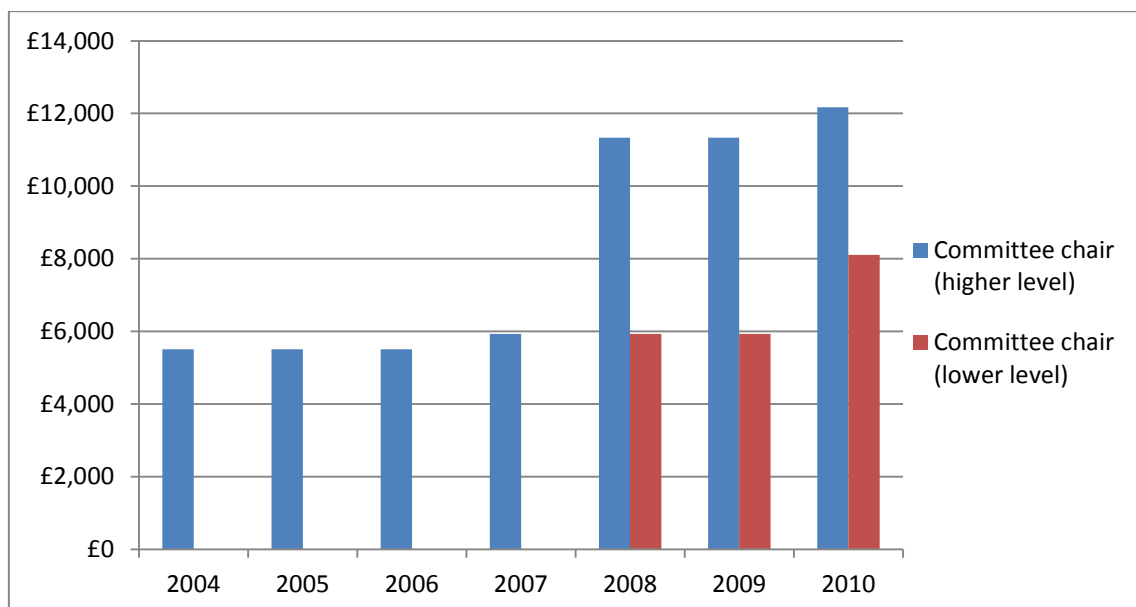
221. The Presiding Officer, in addition to his role as Chair of the Assembly Commission, has further responsibilities as set out in the Government of Wales Act 2006 and in the Standing Orders of the Assembly. These responsibilities, which may, for the most part, be taken on by the Deputy Presiding Officer in his absence or at his request, include chairing Plenary meetings of the Assembly, determining questions as to the interpretation or application of Standing Orders and representing the Assembly as an institution. It was clear to us that these responsibilities are significant, and we therefore decided that the Presiding Officers should be eligible for additional salaries.

222. For similar reasons as those noted in paragraph 209, we consider it appropriate to maintain the status quo for Presiding Officer and Deputy Presiding Officer. We therefore decided that the additional salary levels as at March 2011 should apply for four years from the beginning of the Fourth Assembly, i.e. £41,949 and £26,385 respectively. As with Welsh Government offices however, we will work to establish further evidence on the responsibilities and skill requirements of these roles to inform our Determination on office holder salaries to apply from the beginning of the Fifth Assembly.

Committee Chairs

223. The final category of office holders that we considered was that of those who chair Assembly committees. These committees and, in particular their chairs, are central to fulfilling the Assembly's strategic responsibilities in holding the Welsh Government to account and scrutinising legislation and finance. As illustrated in Figure 13, salaries paid to committee chairs have increased significantly since first being paid in 2004, as has the number of committees whose chairs receive additional salaries.

Figure 13: Growth in Salaries Paid to Committee Chairs as at the Start of Each Financial Year



224. The question of whether committee chairs should be remunerated and, if so, the level of allowance payable, has a long history, but the evidence available suggested to us that the current system has evolved without any firm guiding principles in place. Committee chairs were not remunerated in the first years of the Assembly, but following a review by the SSRB in which it stated that “their job is clearly ‘bigger’ than that of an Assembly Member [and] a case could be made, therefore, for paying the chairs of subject committees an additional allowance”⁶⁸, chairs of some subject and scrutiny committees received additional salaries.

⁶⁸ SSRB No.49 National Assembly for Wales: Review of Pay and Allowances May 2001

225. When the SSRB considered the issue of remuneration for committee chairs again, it recommended that the chair of the Audit Committee should also receive additional salaries at the level at which subject and scrutiny chairs were paid.⁶⁹ From the beginning of the Third Assembly, the chair of the Finance Committee was added to the list of chairs eligible for additional salaries.⁷⁰
226. The first Independent Panel on Members' pay and allowances reported in June 2008, and recommended that additional salaries for committee chairs should not be extended.⁷¹ However, despite this recommendation, on the basis of separate oral evidence to the Commission, the salaries of chairs of the main scrutiny committees was increased on 1 April 2008 from £5,934 to £11,331, and the salaries of certain other committee chairs, not previously salaried, was set at £5,934. These increases in level and eligibility were large, and we were not provided with any evidence to explain the basis on which such far reaching decisions were made.
227. Committee chair salaries were also considered by the Independent Review Panel in July 2009. The Panel recommended that chairs of key committees should receive a salary of £12,000 per year and chairs of certain other committees should receive a salary of £8,000 per year. Again, the evidence on which the Panel based their view is not apparent from their report, and no external benchmarking or job evaluation work appears to have been undertaken.
228. In our deliberations, we looked at the practices followed in the other UK legislatures, and the bases on which those other bodies had made salary decisions. There is a reasonably significant degree of cross-referencing and cross-reliance between the salaries of committee chairs at the UK legislatures, as the work of the SSRB has been instrumental in shaping the remuneration systems in all of the institutions. In the three devolved legislatures, the initial position was almost entirely benchmarked against the position in the UK Parliament, with adjustments being made on a job evaluation/job weight basis.
229. The current position is that chairs of around 11 committees, and a number of deputy chairs, in the Northern Ireland Assembly receive additional salaries. Chairs of certain committees at the UK Parliament receive salaries, in addition to a quasi-pool of around 30 individuals who act as chairs and are remunerated on a sliding scale based on the length of time the individual has served as a chair. Convenors (chairs) of committees in the Scottish Parliament do not receive additional salaries.
230. The scale and level of additional salaries in other legislatures is clearly helpful in informing our deliberations, but one of our key principles is the importance of setting the system of financial support for Assembly Members primarily within a Welsh context, as evidenced by the end of

⁶⁹ SSRB *National Assembly for Wales: Review of Pay and Allowances 2004*

⁷⁰ *Members' Salaries and Allowances*, <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-agendas.htm?act=dis&id=62539&ds=7/2007>, *Minutes of Commission meeting on 4 July 2007*, <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-agendas.htm?act=dis&id=62618&ds=7/2007>

⁷¹ *Report of the Independent Panel on Financial Support for Assembly Members, 2008*, <http://www.assemblywales.org/firstreport-salaries.pdf>

the automatic linkage between the salaries of Assembly Members and Members of Parliament. A full analysis of roles and responsibilities is therefore required to establish the appropriate salary level for committee chairs. It has not been possible to undertake this analysis before making our first Determination, but it will form part of our future work programme.

231. In the interim, we have decided the level of, and eligibility for, additional salaries based on the evidence available to us. While the nature of the role and responsibilities of committee chairs has certainly not been clearly defined, we have made use of the evidence gathered by the SSRB on the additional responsibilities of committee chairs, from a generic job description drawn up for select committee chairs at Westminster, from evidence gathered from Members via our colloquium in December 2010, from our survey, and from meetings with office holders. However, while common themes emerged, none of these sources could be said to provide determinative evidence on the roles and responsibilities of office holders, and we suggest that the range of responsibilities for committee chairs, and other office holders in the Fourth Assembly, should be set out in order to provide evidence against which to assess appropriate salary levels.
232. The evidence we received showed that while there was some external evidence, provided by the early SSRB reviews, for the salary levels of certain committee chairs, there was considerable confusion over the rationale for the differential between salary levels.
233. Another common theme which emerged from the evidence was the demands of the committee structure of the Third Assembly on an Assembly of only 60 Members. As described in Chapter 4, we welcome the revisions to Standing Orders which provide the next Assembly with flexibility to put in place a streamlined committee system that will reduce the committee workload of many Members and allow them to focus on the most significant strategic priorities for Wales. Though a matter for the next Assembly to decide for itself, our working assumption, therefore, is that the Assembly will put in place a committee system that aims to do less, better.
234. We have based our Determination on committee chair additional salaries on the structure existing in the Third Assembly, since we do not yet know how the committee system will operate in the Fourth Assembly. For this purpose, we recognise that the Third Assembly made a distinction between types of committees, and this was reflected in the salaries paid to chairs. In the course of our deliberations we have maintained a similar distinction. We consider that the chairs of the committees which are fundamental to the key strategic purposes of the Assembly should receive additional salaries to reflect their additional responsibilities.
235. The uncertainties described above, and the expected changes to the committee system for the Fourth Assembly led us to decide that, at least on an interim basis, the chairs of the committees most significant in terms of the strategic purpose of the Assembly of scrutinising Welsh Government policy and finance, and making laws, should be salaried from the start of the Fourth Assembly. As an illustration, the committees of the Third Assembly included in this definition would have been the main scrutiny committees, the legislation committees, the Public Accounts Committee, the Finance Committee and the Constitutional Affairs Committee;

although we recognise that these committees may not be directly replicated in the Fourth Assembly.

236. We are not persuaded that the chairs of committees which do not satisfy that criterion should receive additional salaries. When the Assembly has agreed its committee structure – and we are able to make a judgment on the degrees of responsibility involved – we will return to consider objective means of evaluating whether specific committees satisfy the test of being sufficiently significant in terms of the strategic purpose of the Assembly. On that basis it will then be possible to confirm which of the Fourth Assembly’s committees should have chairs who receive additional salaries.

237. In order to decide the appropriate level at which committee chairs should be salaried, pending the full review outlined above, we carried out a limited review of comparable roles. To place the additional salaries payable to committee chairs in a Welsh context, we took account of salary levels for members and chairs of local health boards, NHS bodies in Wales, Welsh Government sponsored bodies, Welsh charities, audit and remuneration committees of Welsh registered publicly listed bodies, and a number of other public bodies. We also took into account the work of the Independent Remuneration Panel for Wales, which has responsibility for the pay and allowances of local government councillors, and currently sets the maximum special responsibility allowance payable for chairing local government committees, such as planning and licensing committees, which we understand are onerous in terms of time and responsibility, at £9,708.

Figure 14: Remuneration of Roles Likely to be Broadly Comparable to Assembly Committee Chairs

Organisation	Chair	Non-exec board members	Numbers of meetings ⁷²
Seven Welsh local health boards ⁷³	£353 per day	-	15 days per month
Welsh Ambulance Service	£45,000 per year ⁷⁴	£5,000 to £10,000 per annum for 6 non-exec directors £0-£5,000 for 2 non-exec directors ⁷⁵	Not specified
Velindre NHS Trust	£42,000 per year	£5,000-£10,000 for 5 non-exec directors £0-£5,000 for 3 non-exec directors	Not specified
Brecon Beacons National Park	£5,207 per year	-	6
Pembrokeshire Coast National Park	£7,820 per year	-	10
Snowdonia National Park	£8,131 per year	-	8

⁷² Days of actual meetings (not including preparation time and related work) save where noted

⁷³ Local health boards pay a daily rate between £249 and £388 – the figure shown is the average of the actual daily rates paid

⁷⁴ We understand this is for 3 days per week minimum and, in practice, more than this

⁷⁵ We understand this is for 4 days per month

Organisation	Chair	Non-exec board members	Numbers of meetings ⁷²
National Library of Wales	£0	-	6
National Museum of Wales	£0	-	6
Arts Council of Wales	£421 per day	-	6
Sports Council for Wales	£337 per day	-	-
Welsh Language Board	£337 per day	-	-
Countryside Commission for Wales	£347 per day	-	130 days per year
Local Government Boundary Commission for Wales	£11,294 per year	-	11 business meetings, 2 workshops and 25 presentations
Welsh Industrial Development Advisory Board	-	£189 per day	24
National Assembly for Wales Remuneration Board	£243 per day	£185 per day	6 in 2010-11
A sample of ten Welsh charities	£0	-	Various, between 1 and 6

238. An assessment was made of the time commitment involved in each of the roles. While this is only one aspect of reviewing remuneration, and is outweighed by the responsibilities and outputs of a role, it helped to inform the limited interim review. Average duration and number of meetings were taken into account, and estimates of preparation, informal meetings, visits, and rapporteur work were also included. We calculated average daily rates, based on the data in Figure 14, excluding outliers and those annual rates where it was not possible to decide from the available data a robust daily rate, which resulted in an average of around £360.

239. Our work showed that on average, the relevant Assembly committees met 22 times per year for an average of two hours per meeting. Based on a mean daily rate of £360 and between five and seven hours of preparation for each meeting and other chair responsibilities, annual salaries for committee chairs should be between £8,280 and £10,440. Taking into account the base salary and pension provision of Assembly Members, we therefore decided that those committee chairs receiving office holder salaries should receive salaries of £8,280.

240. Some of the evidence we received from Members indicated that different committees have different workloads. However, we decided that there should not be a sliding scale for committee chairs, as we were persuaded by the merits of a simple flat structure for the relevant committees.

Conclusions

241. **The high proportion of office holders in the Assembly, compared to other legislatures, is in part a consequence of its small size in relation to the structures it has established. An additional factor results from the local government style structures adopted at the start of**

the Assembly. As described in Chapter 4, we support the flexibility of the revised Standing Orders which will enable the Business Committee in the Fourth Assembly, if it chooses, to streamline the institutional structure to concentrate on strategic priorities and the resources which these require.

Welsh Government

242. We agree that the roles undertaken by members of the Welsh Government carry significant additional responsibilities, and that these roles should therefore attract additional salaries. Our Determination on salaries of these offices for the Fourth Assembly is set out in Figure 15.

Figure 15: Office Holder Salaries — Executive Roles

Office	Office holder salary	Total salary (including Member base salary)
First Minister	£80,870	£134,722
Deputy First Minister	£41,949	£95,801
Welsh Minister	£41,949	£95,801
Deputy Minister	£26,385	£80,237
Counsel General	£41,949	£95,801

Political Leaders

243. We were persuaded by the evidence that offices providing political leadership, which have roles in the management of business and the scrutiny of legislation, policy and finance, are important to the proper functioning of the Assembly. We agree that additional salaries should be paid to opposition party leaders and to whips. We have not yet, however, received sufficient evidence on the responsibilities of those offices or on the division of such responsibilities between Assembly and party purposes. We are also conscious that the roles of these office holders may change after the Assembly elections in May 2011. We shall review our decision as soon as possible thereafter, and, once we have decided the level of salaries payable to party leaders and whips, these will be backdated to the date of appointment.

Commissioners and Presiding Officers

244. Corporate governance of the Assembly is central to the efficient functioning and credibility of the Assembly. Figure 16 sets out our Determination on the salaries for these offices from the beginning of the Fourth Assembly.

Figure 16: Office Holder Additional Salaries — Organisational and Institutional Roles

Office	Office holder salary	Total salary (including Member base salary)
Presiding Officer	£41,949	£95,801
Deputy Presiding Officer	£26,385	£80,237
Assembly Commissioner	£8,280 ⁷⁶	£62,132

Committee Chairs

245. We decided that committee chairs should receive salaries as set out in Figure 17, subject to our review at an early date of their responsibilities, having regard to any revised committee structure in the Fourth Assembly.

Figure 17: Office Holder Additional Salaries — Legislative and Scrutiny Roles

Office	Office holder salary	Total salary (including Member base salary)
Chairs of main committees ⁷⁷	£8,280 ⁷⁸	£62,132
Chairs of other committees	-	£53,852

Further Considerations

246. The limited time available to us to make our first Determination was not sufficient to enable us to undertake a full review of the salaries for office holders. This limitation will not, of course, apply to future Determinations. Our interim Determination will therefore take effect from the beginning of the Fourth Assembly, pending a review of some of the offices and roles shortly after the beginning of the Fourth Assembly – that is, in the light of the result of the election and further evidence on roles and responsibilities. Some of the amounts shown will therefore stand for the four years from the beginning of the Fourth Assembly whereas the others (as noted) may be adjusted to take account of the interim review shortly after the beginning of the Fourth Assembly. Where salary levels are adjusted as a result of this review, payments will be backdated.

247. In addition, we propose to undertake, in advance of the Fifth Assembly, a more extensive review which will examine not only the remuneration of the full range of office holder roles, but also overall remuneration in its widest sense, including base pay, office holder and similar allowances, pensions and other benefits.

⁷⁶ Subject to further evidence on Commissioner roles and responsibilities -level may be adjusted as a result of those discussions and review but will not be lower than the amount shown

⁷⁷ For illustrative purposes, see paragraph 235 for examples of those committees of the Third Assembly which would have been included as main committees.

⁷⁸ Subject to further evidence on committee chair roles and responsibilities within the structure of the Fourth Assembly -level may be adjusted as a result of those discussions and review but will not be lower than the amount shown

Financial Support for Assembly Members

In this chapter we cover the allowances provided to Assembly Members to undertake their responsibilities. We also outline the decisions we have taken on financial support for Assembly Members who are leaving office.

248. Assembly Members are eligible to receive financial support in relation to their duties as Assembly Members. The allowances cover:

- **staff costs**⁷⁹;
- **residential accommodation**;
- **office costs**; and
- **travel**.

249. The purpose of the financial assistance provided to Assembly Members is to support them in undertaking their duties as Assembly Members. The residential accommodation allowance provides overnight accommodation where it is needed to enable Members to carry out their roles as Assembly Members. The office costs allowance enables Members to run an office in their constituency or region. The travel allowance covers costs incurred by Members in travelling to and from the Assembly, and across their constituency or region to engage with individuals, organisations and businesses.

250. In considering the financial support available to Members, we have borne in mind our objective to provide adequate resources for Assembly Members to undertake their duties effectively. We agreed with the evidence provided by one Member that “the multi-tasking role and responsibilities of Assembly Members requires appropriate resources” and are satisfied that the purposes for which financial assistance is provided, as outlined above, are appropriate. We also bore in mind our duty to ensure that our decisions should not deter, on financial grounds, individuals with the necessary commitment and ability from seeking election to the Assembly.

251. We reviewed the existing provisions for financial support, and commend the Assembly for the good practice it already had in place, including the requirement that all claims should be supported by documentary evidence and, since June 2009, the monthly publication of all Assembly Members’ claims on the Assembly website.

⁷⁹ Staffing support is provided separately, and is covered in Chapter 8.

252. In July 2009 the Independent Review Panel made a number of recommendations in relation to the allowances Members were entitled to claim. We have given due regard to these in the course of our work. A summary of our response to each recommendation is at Appendix F.

Principles of Financial Support

253. The Code of Conduct for Assembly Members sets out the principles of personal conduct to which Members must adhere.⁸⁰ These principles are based on the Nolan principles of public life selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

254. We agree that the Assembly's system of financial support should represent value for money; be robust, clear, and transparent; and should be underpinned by a set of principles which must be adhered to by any Assembly Member wishing to make a claim. The principles, which are set out below, are intended to complement the Code of Conduct for Assembly Members.

Expenditure

255. Assembly Members may only claim for expenditure that is necessary to ensure that they can properly perform their duties as Members.

Usage

256. Claims must be accurate and properly reflect actual usage of the resources being claimed.

Political Parties

257. Allowances will only be reimbursed where the expense relates to a Member carrying out their duties as an Assembly Member. Claims relating to party political activity must not be made.

Personal Benefit

258. Members must ensure that claims do not give rise to, or give the appearance of giving rise to, an improper direct or indirect personal financial benefit to themselves or anyone else, including political organisations.

Openness

259. Members must be committed to the principles of openness and transparency. Claims will be published on the Allowance Publication System to inform the public (subject to data protection or security considerations) about what expenditure has been incurred and for what purpose.

Personal Responsibility

260. Individual Assembly Members must take personal responsibility for all expenses incurred, and for making claims and keeping records, even if the administration of claims is delegated by them to others.

⁸⁰ <http://www.assemblywales.org/memhome/mem-commissioner-standards/cod-ymdygiad.htm>

Value for Money and Reasonableness

261. Assembly Members must ensure that any expenditure incurred constitutes the most cost effective option. Members must seek to ensure that such expenditure provides value for money for the tax payer and does not damage the reputation of the Assembly or its Members. We accept, subject to justification being provided, the cheapest option will not necessarily be the most cost-effective option.

Documentation

262. Claims must be supported by relevant and appropriate documentary evidence.

Residential Accommodation

263. Assembly Members are entitled to be reimbursed for costs necessarily incurred in staying overnight away from their main homes in connection with their duties as Members. We recognise that, for the Assembly to operate effectively, Members will need to have a main home in their constituency or region and will have to participate in the business of the Assembly in Cardiff.

264. Under previous arrangements, Members were able to claim an “Additional Costs Allowance”, which allowed those with a main home located in an eligible area (known as the Outer Area) to claim an amount not exceeding £13,430 per annum for residential accommodation. This sum could be used either to pay rental costs or the mortgage interest on a property. Eligible Members were also entitled to claim for the reimbursement of certain associated costs, for example, utility bills and council tax.

265. Those Assembly Members whose main home was located in areas closer to Cardiff (within the Inner Area) were able to claim a lower amount of allowance, not exceeding £4,234 per annum, for costs of any overnight stays away from home. Members in the Inner Area were not permitted to use the allowance for mortgage interest or property rental.

266. The Independent Review Panel recommended that the “Additional Costs Allowance” should be abolished and that Members should no longer be able to claim mortgage interest on second homes; that the number of Members eligible for any new residential allowance should be reduced; and that Members should not be able to claim for furniture and fittings for their second homes.

267. We considered the Independent Review Panel’s recommendations on this issue and endorse them as sensible and appropriate steps which address public concern in this area, whilst ensuring best value for public money without impairing the effectiveness of the Assembly. The Assembly already has rules in place covering the use of public money for such purposes and we trust that our Determination will give the people of Wales confidence that the Assembly’s arrangements are robust, appropriate and transparent.

Residential Accommodation Allowance – Key Issues

268. We agree with the principle that Assembly Members should no longer be able to claim mortgage interest. The new system provides for Members who live within an eligible area to be reimbursed for the costs of renting a furnished property from an approved agent. Such properties will be located within five miles of the Assembly. Members choosing to purchase a second home or to rent from a non-approved agent will not be eligible to claim the accommodation allowance, although they will be reimbursed for the associated costs outlined in paragraph 272.
269. We endorse the Independent Review Panel's recommendation to restrict the size of the eligible area, thereby reducing the number of Members who are eligible to claim for renting a property. Under the new arrangements, only Members who live within the North Wales and Mid and West Wales Assembly regions are eligible to be reimbursed for the costs of renting a property. In practice, this means that the number of Members eligible to claim for renting a property has been reduced from 51 to 25.
270. Assembly Members who are not eligible to claim for rental costs, will be eligible to claim for up to 20 overnight stays in Cardiff per year, subject to a limit of £95 on the amount claimable per night, including parking, and £20 per night for an evening meal. Members will not be reimbursed for any alcohol.

Rental Costs

271. We considered this issue in detail and agreed that the monthly maximum rental cost should be capped at £700. Our decision was based on research undertaken by Commission officials on typical rental costs for suitable properties in the area. Research was carried out between April and June 2010 to establish the market rate for a two bedroomed furnished property within the five mile area.

Associated Costs

272. We agreed that Assembly Members should be reimbursed for the costs of utility bills, council tax, broadband, insurance and a television licence. No payments for repairs, furniture, fixtures and fittings or any other aspect of the upkeep or furnishing of the accommodation may be reimbursed. Costs of ground rent and maintenance costs for rental properties are included within the £700 monthly cap.
273. We agreed that any claims made by Members for council tax should be capped at the amount payable for a band F property. Any amount above the cap must be paid by the Member.

Transitional Arrangements

274. We are committed to ending the payment of mortgage interest to Members. However, we received evidence that nine Assembly Members, who would be eligible to claim the costs of renting a property – subject to their being returned at the 2011 Assembly election – currently claim mortgage interest costs amounting to less than the rental cap of £700. Given that

permitting these arrangements to continue could, on the evidence we received, lead to possible savings of as much of £46,000 per annum, we are content to allow those Members – if re-elected – to opt to continue to claim for mortgage interest.

275. As few Assembly Members are eligible for these transitional arrangements, the Board is satisfied that the arrangements will naturally 'wither' until the arrangements are obsolete.

Office Costs Allowance

276. Assembly Members are entitled to claim an office costs allowance to reimburse all reasonable costs relating to the running of an office in their constituency or region. The allowance can be used for a number of purposes in relation to an Assembly Member's duties, including:

- office rental costs;
- rental/purchasing of office equipment; and
- costs incurred in running an office.

Purpose and Amount

277. The purpose of the office cost allowance is to enable Assembly Members to run an office in their constituency or region. Members and their staff, in their evidence to us, were clear that this facility is crucial to proper engagement with their constituents. The presence in their constituencies or regions enables Members to keep in contact with those they represent and to ensure that the public have ready access to their elected representatives. Some staff are usually based in these offices to assist Members in any dealings they may have with the public, including casework.

278. We agreed that the level of office cost allowance, uprated by the annual growth in the UK Retail Price Index to £16,242, is appropriate. We also agreed that the sum should continue to be uprated annually at the beginning of the financial year, in April, in accordance with the annual growth in the UK Retail Price Index over the twelve month period ending in the previous December, subject to any review that we may wish to conduct in the interim.

279. We intend to keep this sum under review, to ensure that value for money is being obtained and that Members have access to sufficient financial resources to be accessible to their constituents. In particular, the variance in office rental costs and business rates across constituencies and regions in Wales has been drawn to our attention. While we propose no immediate changes in this area, we shall continue to monitor the issue.

280. During the Third Assembly, Members were able to transfer unspent sums from the office cost allowance to the staff salaries allowance and vice versa. We decided that this practice should cease, as we were not persuaded that underspends on allowances provided for fundamentally different types of support should be transferred in this way. Our decisions regarding the staff salaries allowance are outlined in Chapter 8.

Office Rental Costs

281. We recognise that Assembly Members will, in nearly every case, need to rent an office in their constituency or region. This process must be subject to safeguards to ensure that value for money is being obtained. Our Determination introduces certain restrictions in relation to the use of this allowance for office rental, in particular regarding renting offices from or to party political organisations and trade unions, and from an Assembly Member's partner, family members, business associates, or any organisation, including a trust, in which the Member, a partner, family member or business associate has a pecuniary interest; with exceptions to cover very small holdings in listed companies and beneficiaries of major pension funds.
282. In circumstances where Assembly Members wish to rent an office from, or sub-let part of their office accommodation to a party political organisation, trade union or any other organisation or business, they must obtain an independent valuation by an assessor, chosen by the Assembly, and the arrangements must be transparent.
283. Members may, with prior approval, choose to share their offices with Members of Parliament or Members of the European Parliament. If a Member chooses to do so, a formal agreement must be established setting out the proposed arrangements and separation of costs.
284. Where an Assembly Member decides not to rent a local office, but chooses to undertake constituency or regional duties from the National Assembly office complex in Cardiff Bay, then the office cost provision should be abated by 75 per cent. We will keep this decision under review, to ensure that such Assembly Members are not affected disproportionately.

Health and Safety, Security and Disability Access

285. We recognise that one of the main problems Assembly Members experience in relation to office rental is maintaining a balance between the location and cost of the property. In response to our survey, one Member commented that:
- “For many Members there is a serious problem in obtaining an office without appearing to break the law (Disability Discrimination Act for example). I do fear that [...] Members will either be forced to close their offices and their constituents would lose that service, which cannot be provided by anyone else, or they will have to take on unsuitable and possibly unlawful premises.”
286. Members will often try to ensure that their office is located in a prominent position such as in a town's main street, so that it is easy for their constituents to access. However, given the costs involved, Members may have to rent an office which is not accessible for all of their constituents.
287. We have agreed provisions for Members to be able to incur expenditure in relation to health and safety, security and disability access in relation to their offices. Members may use up to £1,000 of their office costs budget in any one financial year for such costs. Any costs exceeding £1,000 for such purposes may be met by the Assembly Commission, subject to prior

approval by the Members' Business Support team. We intend to keep these issues under review.

Rental/Purchasing of Office Equipment

288. We agreed that Members should be provided with equipment, furniture and office supplies centrally where feasible. The Assembly Commission should also provide Members with names of approved suppliers of office equipment who are prepared to offer value for money and appropriate levels of service in different parts of Wales, regardless of where they are based.
289. Any individual item costing more than £750 must be referred to the Members' Business Support team for approval, before the cost is incurred. This provision also applies to the lifetime value of any contractual liabilities entered into by Members.
290. All individual items of office equipment costing £100 or more should be recorded on an inventory. All items on the inventory should be returned to the Assembly Commission when the Member leaves office – unless an agreement is made whereby the Member offers to buy the items at an agreed price – or to transfer them to the incoming Member, who should sign the inventory when taking them over.
291. The Independent Panel recommended that Members elected for the first time should be able to access a grant of £5,000 to equip an office in the first twelve months following an election. We have decided that this neither represents value for money nor a commitment to sustainable purchasing. We have therefore decided that such Members will be entitled to make a one-off requisition of office furniture from a central list in order to equip an office. The cost of the approved items will be met from central stocks or funds, subject to a maximum allowance of £5,000.

Additional Office Costs

292. It is appropriate that Assembly Members should be entitled to claim for a number of costs incurred in running an office, including surgery advertising and the cost of business calls. We invite the Commission to prepare clear guidance to assist Members in assessing whether particular costs can be reimbursed.

Travel

293. Members may only claim reimbursement for expenditure on travel where they have undertaken journeys that are necessary in connection with their duties as an Assembly Member, and the arrangements must be underpinned by principles of cost effectiveness and sustainability.
294. We have sought to encourage sustainable travel by including in our Determination provisions relating to public transport and car sharing. However, we recognise that Members are often required to travel long distances around their constituencies or regions in undertaking their

duties. We accept, in such circumstances, that the most cost effective option, bearing in mind the demands on a Member's time, may well be to travel by car.

Arrangements for Assembly Members Leaving Office

295. Assembly Members who are leaving office are entitled to financial support. We take the view that this should be balanced with our objective to ensure that such support provided by the Assembly is fair in the Welsh context and provides value for money.

Resettlement Grant

296. When Members cease to be Assembly Members, they are entitled to a resettlement grant. This grant serves a similar purpose to a redundancy payment and, under the previous arrangements, was calculated according to a formula based on the Member's age and length of service. From the Fourth Assembly onwards, Members will only be eligible to claim a resettlement grant where they have been defeated at an election. Members who stand down, retire, or decide not to seek re-election will not be eligible to claim such a grant.

297. We agreed, in line with the Independent Review Panel's recommendations, to introduce a method of calculating the resettlement grant based only on length of service. Accordingly, links with the age of the relevant Assembly Member have been removed. The resettlement grant for Members elected in the 2011 Assembly elections will be based only on the length of their service and will be calculated on the basis of one month for each complete year of service, with a cap of six months' salary.

298. These arrangements will apply only to those Members who were elected for the first time in the elections for the Fourth Assembly, with the previous rules remaining applicable for Members with continuous service from the Third Assembly. However, any previously elected Member may, if they so wish, decide to be covered by the new rules.

Ill Health Retirement Grant

299. The purpose of this grant is to provide financial support for Members who, for health reasons, are unable to continue as a Member of the Assembly. We believe that it is clearly appropriate for Members to be able to access such a grant. We agreed that the calculation of the ill health retirement grant will be based on length of service, and should be calculated by the same method as the resettlement grant.

Winding Up Allowance

300. The purpose of the winding up allowance is to enable Assembly Members to conclude their affairs when they cease to be an Assembly Member, including contractual liabilities and arrangements relating to their constituency or regional offices.

301. We considered whether the level of the winding up allowance was appropriate and noted that the Independent Review Panel had recommended that it should be reduced. We agreed with the Panel and have therefore decided that the maximum payable in future will be one quarter

of the office costs allowance. Redundancy payments for support staff will be provided for in a separate budget, held by the Commission.

Conclusions

302. **In our view, financial assistance for Members to undertake their core duties is necessary since, without it, the significant costs involved would act as a deterrent to people seeking election to the Assembly.**
303. **In line with the principles underpinning our work, and to ensure that the Assembly's financial systems provide value for money and are robust, we have introduced a number of changes to the rules around financial support. We trust that these changes will strengthen the system of financial support and that the people of Wales can be confident that the Assembly has in place a clear and fair system that enables Assembly Members to represent them effectively.**

Assembly Members' Support Staff

In this chapter we cover our Determination on the recruitment and remuneration of Assembly Members' support staff.

304. In addition to their other roles, all Assembly Members are individual employers. The 60 Members may employ up to 180 full-time equivalent staff in total, while party groups employ around 20 staff. Staff undertake a number of different roles and may be based in a constituency or regional office, or at the Assembly. The types of posts include caseworkers, researchers, office managers and press officers. Party groups are provided with staffing support, based on the number of Members in the group.

305. Members' staff play a major role in driving forward and strengthening the strategic work of the Assembly by providing research support to Members in Plenary and committee, dealing with casework, and promoting engagement with the people of Wales. Indeed, for many constituents, their first dealings with the Assembly will come through contact with a support staff member.

306. As described in Chapter 4, Assembly Members have three main strategic functions: scrutinising Welsh Government policy and finance; scrutinising and making laws; and representing constituents. We have received considerable evidence that Assembly Members need to balance, and resource, these roles according to their own priorities and those of their constituents. We have therefore sought to introduce more flexibility for Members' staffing arrangements, to enable them to structure their offices to provide support in a way that is appropriate for them individually.

Staff Support in the National Assembly for Wales

307. At the beginning of the Third Assembly, Members were permitted to employ up to 2.5 full-time equivalent (FTE) members of staff. In July 2007, the Assembly Commission decided that this should be increased to 3 FTEs, one on each of the three different pay bands, citing the additional responsibilities and workload resulting from the Government of Wales Act 2006.

308. As at October 2010, employment of three members of staff at the highest point on each pay band would equate to a maximum of £80,244. In addition, Assembly Members were entitled to claim an additional allowance of up to £5,882 to cover the cost of staff overtime, training, travel and bonuses.

309. In comparison, Members of Parliament were entitled to claim up to £109,548 for the basic salaries of their staff, while Members of the Scottish Parliament could claim up to £59,500. In the Northern Ireland Assembly, staffing costs of Members of the Legislative Assembly were paid from a combined office costs and staffing budget which amounted in total to £72,660.
310. Figure 18 shows the amount spent per thousand of population on providing assistance to Assembly Members in the form of support staff, in comparison with the Scottish and UK Parliaments. The Northern Ireland Assembly has not been included as it is not possible to identify the proportion of their combined budget spent on staffing.

Figure 18: Spend on Members' Support Staff per Thousand of Population (2010-11)⁸¹

	No. of Members	Population (thousands)	Amount allocated to staffing support per Member	Amount allocated to staffing support per thousand of population (£)
Wales	60	2,980	80,244	1,615
Scotland	129	5,144	59,500	1,492
UK Parliament	650	60,769	109,548	1,172

311. It is clear from these figures that, while the Assembly is small in terms of numbers of elected representatives, Members are comparatively well resourced in terms of staffing, as the amount spent on such support on a relevant population basis in the Assembly exceeds that spent in both the Scottish and UK Parliaments.
312. The arrangements in place in the Third Assembly placed a number of restrictions upon Assembly Members on how they structure their offices. Members were limited to employing no more than three full-time equivalent support staff, with no more than one FTE from each of three pay bands.
313. A number of Assembly Members and their staff expressed concerns to us about a lack of flexibility in relation to the employment of support staff. While no issues were raised about the limit on the number of full-time equivalent staff, other than concerns that it should not be reduced, they questioned whether the restriction in relation to employing only the equivalent of one full-time member of staff in each pay band was appropriate.

Supporting Strategic Purpose

Amount

314. We examined the level of support staffing available to Assembly Members and were satisfied that higher expenditure in this area than in, for example, the Scottish Parliament, was appropriate. The small size of the Assembly means that all Members must constantly multi-task and, in consequence, require a wide spread of support from their staff.

⁸¹ The table does not include National Insurance or pension contributions for staff

315. We agreed that the amount allocated to Assembly Members for staffing should be increased from a maximum of £80,244 in 2010-11 to a maximum of £89,000 for 2011-12. This figure takes into account the increase in support staff salaries set out in Chapter 9. In addition, we agreed that Assembly Members should be able to use the balance of this total for a number of staffing related costs. We are satisfied that this level of support is appropriate.

Flexibility

316. We believe that it is appropriate that Members should have increased flexibility in deciding how to structure their offices. We have therefore removed the constraint on employment of only one FTE of staff from each pay band. Within a fixed maximum, we feel that this increase in flexibility will mean that Members will be able to decide on staffing structures for their offices that suit their needs and priorities.

317. Under the new arrangements, Members will still be limited to employing no more than three full-time equivalent members of staff, but will be permitted to employ staff from any combination of pay bands which are appropriate to the roles, so long as the total potential cost of their staff, calculated as if all staff were paid at the top of their pay band, does not exceed the total staff cost allowance of £89,000.

318. Assembly Members will also be permitted to use the remaining balance of the staffing expenditure allowance for a number of purposes such as staff travel and overtime (subject to a maximum of £2,000), the 'engagement fund' (see paragraph 324), staff costs incurred in restructuring or redundancy, and to transfer funds to their Party Groups, subject to agreement by the Members' Business Support team.

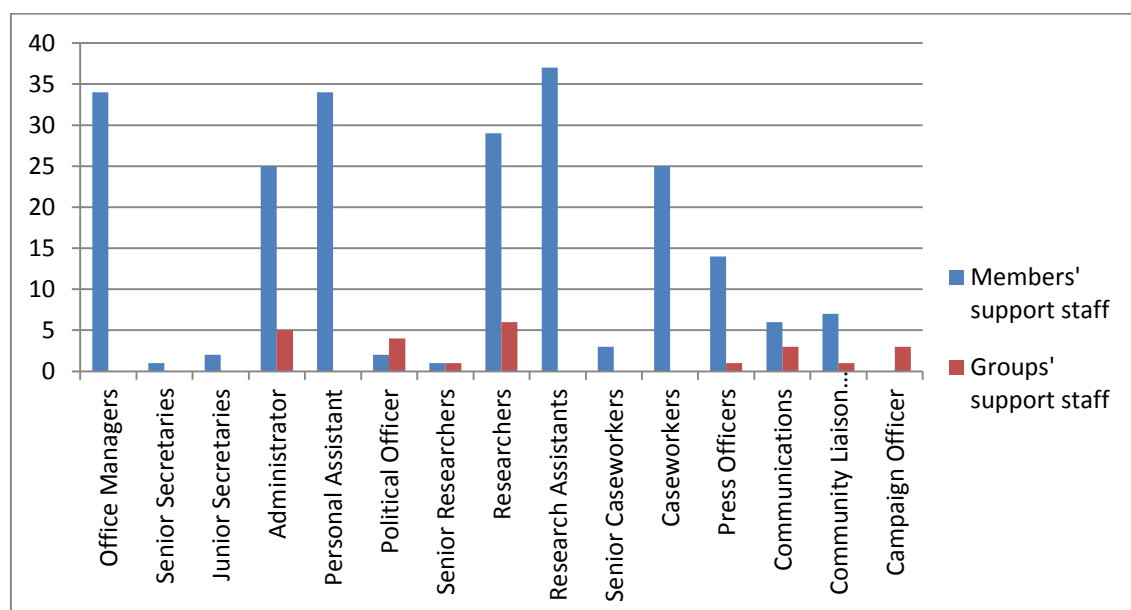
Pooling with Other Members or Group Support

319. We also agreed that, to increase the flexibility available to Members, two or more Members should be permitted to 'pool' parts, or indeed all, of their three FTE staffing budget to strengthen support. In addition, Members may choose to 'transfer' part of their staffing allowance to their group in order to boost the support delivered centrally.

Research Capacity

320. In July 2007, the Assembly Commission agreed to strengthen Assembly Members' direct support by the equivalent of half a full-time post (from 2.5 FTE to 3 FTE staff per Member). The rationale for the change was to provide support specifically for the additional legislative and scrutiny duties Members would need to undertake as a result of the Government of Wales Act 2006. A survey of the contracts of current Assembly Members' support staff suggests that this requirement may not have been reflected in the roles of all of the staff subsequently employed. Figure 19 shows the numbers of support staff employed in various roles.

Figure 19: Roles of Members' Support Staff as at January 2011



321. We accept that support staff job titles do not necessarily reflect their full roles and that support staff within an office will normally undertake a number of different roles and will assist their colleagues to complete tasks beyond their job description. However, we are clear that, in order to support the strategic purpose of the Assembly – particularly in relation to the core functions of scrutinising policy, finance and legislation – specific measures need to be put in place to increase the capacity of research and support for formal Assembly business.

322. We have therefore decided that all new Assembly Members should employ at least one full-time equivalent of staff primarily to support them in the formal committee and Plenary business of the Assembly and with a significant research element. We recognise that such a role could also be used, in a secondary capacity, to provide research support for constituency/regional casework.

323. Assembly Members who are returned in the Fourth Assembly will be required to demonstrate that such capacity exists within their staff complement before making any new appointments or work towards ensuring that a comparable level of dedicated research capacity exists among current staff. Training and development will also be made available to those members of staff wishing to retrain to undertake such a role (see Chapter 10).

Engagement Fund

324. As described in Chapter 4, an Assembly Member's role is wide and varied. Members may be required to scrutinise certain policy areas or pieces of legislation on which they or their staff do not have experience or expertise. In such situations, Members should be able to bring in external expertise to assist them. We agreed therefore that, in the Fourth Assembly, Members will be permitted to use up to a maximum of £2,000 per annum from their staffing expenditure allowance to bring in such external expertise, for a fixed period, on a specific task or piece of work.

Support for Groups

325. Under the previous arrangements, groups of three or more Assembly Members were entitled to employ additional members of staff to assist them in their role as a group in the Assembly. The number of staff that a group was able to employ was decided by a formula based on the number of Members in the group and whether or not any Members in the group were members of the Welsh Government. Groups could also claim an additional allowance to cover the cost of staff overtime, training, travel and bonuses.
326. We received no evidence that support for groups was not at an appropriate level, and are therefore satisfied with the current arrangements. The arrangements for support for groups of three or more Members as at March 2011 are set out in Figure 20.

Figure 20: Party Group Support Allowances 2011-12

Number of Members in party group	Additional allowance
Three or more (if party was represented in the Welsh Government)	£127,390
Three to ten Members (if party was not represented in the Welsh Government)	£199,048
More than ten Members (if party was not represented in the Welsh Government)	£199,048 plus additional £30,866 for each five additional Members

327. We recognise that the number of staff allocated to groups who are in the Welsh Government is less than that allocated to opposition groups, but that policy development is conducted, at least in part, for Welsh Government parties by the civil service. This is a matter we may choose to review in future.
328. We recognise that the structure of group offices should be a matter for the groups themselves, as different groups will have different priorities. We have therefore increased the flexibility for groups, by removing the restriction that groups must employ certain numbers of staff in certain pay bands.
329. In addition, the new arrangement, which allows Members to vire (transfer) money from their staffing allowance to their groups, will provide groups with further flexibility.

Recruitment

330. We firmly believe that the recruitment of support staff should be based on the principles of fairness, openness, equality of opportunity and transparency, and the policies governing recruitment should support Assembly Members as employers to demonstrate and promote good practice.

Open Recruitment

331. We decided that the principles of fair and open external competition based on merit should apply to all posts, including lateral moves and posts within the office of each Member or group.

As from the Fourth Assembly, all such posts must be advertised on the Assembly's website as an absolute minimum. The exception would be strictly temporary posts of less than six months duration, for example, following an election. We recommend that the Assembly's Members' Business Support team hold a waiting list of suitably qualified applicants.

Employment of Family Members

332. At the end of the Third Assembly, 17 Members employed a total of 18 family members. We reviewed this issue, and agreed that existing employment arrangements for family members of Assembly Members could continue. As from the Fourth Assembly, however, such appointments should be permitted only after open competition based on the skills and experience of applicants. In such cases, the appointment process will in future be led by the Assembly Commission's Human Resources team. The family member, if appointed, must demonstrably be the best candidate for the job in terms of skills, capability and experience.

Contract of Employment

333. We considered the issue of a standardised contract for Members' support staff and the need to find an appropriate balance between flexibility for Members as employers and equity of conditions for Members' staff across the Assembly.

334. We received evidence that there was considerable variation in the number of hours that staff were contracted to work. In some contracts, a full working week was defined as 36 hours, whereas in others a working week was 42 hours. We recognise that the issue here is one of fairness, as staff are paid according to bands and receive an annual salary.

335. We also received evidence that there was variation in the amount of annual leave entitlement of support staff. Some staff were eligible for 20 days leave per annum, while others were able to take 35 days per annum. In addition, rates paid to staff for overtime ranged from single time to different multipliers of plain time (time and a half or double time), in some cases with specified hourly rates of reimbursement.

336. We decided that Assembly Members' support staff should all be employed subject to standard terms and conditions in order to ensure equity and fairness for all staff. We agreed that a standard contract based on a 37 hour FTE working week, 27 days of annual leave per year and overtime paid at 1.5 times standard time, or 2 times for bank holiday working, should be drawn up prior to elections for the Fourth Assembly.

337. From the start of the Fourth Assembly, all new appointments will be subject to the new standard contract. Members of support staff with continuous service with one Member or group from the Third Assembly will be able to move to the new standard contract, without interruption of continuous service, only by mutual consent between the member of support staff and the employing Assembly Member.

338. Newly recruited staff will be appointed at the minimum of the relevant pay scale unless, in exceptional circumstances, there are compelling reasons to justify a higher starting salary.

Staff Turnover

339. A number of Assembly Members and support staff raised the issue of employee turnover with us, and we received evidence that the turnover rate was 18.9 per cent in 2009-10. We hope that the changes we have introduced will mitigate this in future but we shall keep this issue under review. We suggest that the Commission's Human Resources team undertake exit interviews with members of support staff who leave. We intend to monitor this information in future.

Conclusions

340. **We agreed that the levels of staffing support for both individual Assembly Members and for party groups are appropriate. We are satisfied that higher expenditure in this area than in, for example, the Scottish Parliament, is justified. The small size of the Assembly means that all Members must constantly multi-task and, in consequence, require considerable support.**
341. **We have sought to increase the flexibility that is available to Assembly Members so that they have more freedom to structure their offices as they feel appropriate.**
342. **We have also sought to introduce specific measures to strengthen the strategic support available for Members, including flexibility for Members to transfer staffing budgets to party groups and the introduction of a mechanism to enable Members to bring in external expertise. We have introduced a requirement that at least one full-time equivalent member of staff employed by each Assembly Member will be dedicated to the provision of research and support for formal Assembly business.**
343. **We have introduced new arrangements for recruitment of support staff, which we hope will lead to a more open and transparent process, and standard terms and conditions for support staff, with a view to increasing fairness and equality.**

Assembly Members’ Support Staff Salaries and Pensions

In this chapter we set out our methodology for evaluating the level of remuneration available to Members’ support staff for 2011-13.

344. Section 14 of the Measure requires us to make a Determination on the reimbursement to Members, or groups of Members, of the costs incurred in employing staff. We took into account all aspects of support staff remuneration, including bonuses and contractual arrangements. We decided, however, to defer consideration of support staff pension arrangements. This was partly because of the complexity and longer term financial implications of pensions, which warrant more detailed analysis, but also because the Independent Public Service Pensions Commission, chaired by Lord Hutton, is carrying out a wider review of public sector pensions and is due to report later this year.

345. We took account of our decisions on standardised terms and conditions in our consideration of salary levels, as we consider that support staff within a particular band – and on the same point within that band – should, assuming a robust recruitment process, have broadly similar experience and skills, and should be doing jobs of comparable weight and responsibility.

Principles

346. Section 3 of the Measure places a duty on us to ensure that Members are provided “with resources which are adequate to enable them to exercise their functions as Assembly Members, and ensure probity, accountability, value for money and transparency with respect to the expenditure of public funds”. We recognise, in this respect, the importance of the quality and enthusiasm of support staff employed by Members. In their evidence to us, Members were clear on the merit of employing their own staff, and on how much they valued their dedication and commitment.

347. Prior to 2005, when three responsibility-determined pay bands were introduced, the remuneration of support staff was neither systematic nor consistent (a fourth band, available to group staff only, was introduced later). The Independent Review Panel endorsed the pay band structure as a way of ensuring the efficient use of public funds whilst protecting the interests of staff. To further ensure value for public money, the Panel recommended that “starting salaries should reflect the roles, responsibilities and experience of staff”. We took this as the basis to

regularise support staff pay and provide them with a degree of uniformity, particularly when considered in tandem with non-salary elements of a total remuneration package, which we have addressed through the introduction of a standardised contract (see paragraph 336).

348. Recommendation 56 of the Independent Review Panel states that “staff salaries should continue to be enhanced appropriately each year in line with the current rules regarding increments and ‘cost of living’ awards”. This recommendation is reflected in the *Determination on Members’ Pay and Allowances*⁸² approved by the Assembly Commission in September 2010, which linked the pay of support staff to the UK Average Weekly Earnings Index. We therefore took this as our starting point.

Methodology

Base Salary

349. Having accepted that support staff pay should continue to be structured in four pay bands, the top band of which should be reserved for staff employed by party groups, we then undertook an assessment of the appropriate levels for each band.

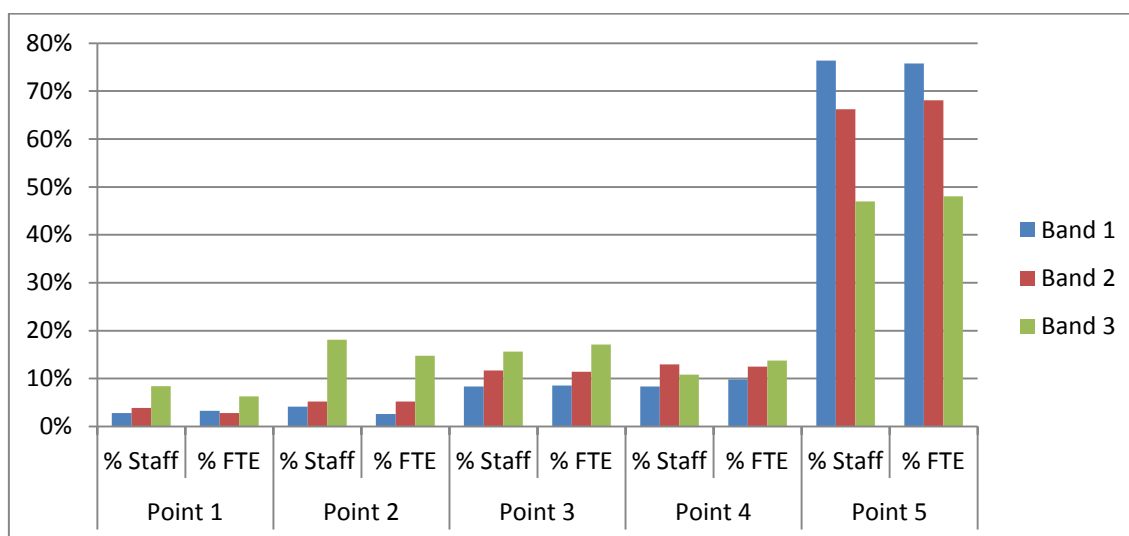
350. Initially, we considered the historical changes in the level of support staff pay from the introduction of the pay bands in 2005 up until 2010-11. The minimum and maximum points on each pay band rose by 17.4 per cent between 2005-06 and 2010-11. We compared this increase to the increases in the Retail Price Index and the Consumer Price Index over the same period, which were 16.3 per cent and 14.5 per cent respectively.

351. The *Annual Survey of Hours and Earnings* (ASHE) 2009, shows that median Welsh earnings rose by 10.5 per cent between 2005-06 and 2009-10 and mean Welsh earnings rose by 11.2 per cent over the same period.⁸³ Assembly Members’ support staff spine points were updated by 15.8 per cent over the same period, representing a mildly improved position for them both in real terms and relative to Welsh workers in general.

352. Figure 21 shows the distribution of support staff across the five points of the three main pay bands. Band 4 is only available to a limited number of group staff, and therefore had less influence on our deliberations. The data show that a high percentage of staff, 63 per cent of the headcount, and 65 per cent of the FTEs, are on the top point of their pay band. The position does differ across the three pay bands, with 76 per cent of band 1 staff at the top point, and only 47 per cent of band 3 staff at the top of the pay scale. This may reflect the fact that band 3 posts require less experienced workers who probably start on point 2, or at least below point 5. This may also reflect the higher level of turnover of support staff in band 3, which in 2009 was at 42.9 per cent, compared with 26.5 per cent in band 2 and 24.5 per cent in band 1.

⁸² http://www.assemblywales.org/nafw_consolidated_determinations_on_members_pay_and_allowances_22_sept_2010.pdf

⁸³ <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=15313>

Figure 21: Distribution of Support Staff Across Spine Points as at January 2011

353. The data in relation to distribution of staff across the pay bands raised a number of queries, including whether the salary scales and number of spine points are appropriate for the recruitment of support staff at a level which also gives the potential for progression; whether the issue of 'topping out' at the top of pay bands gives cause for concern; and whether support staff are currently recruited at an appropriate spine point within the pay bands.

354. In order to address these questions, we undertook a comparison of support staff roles against reasonable Welsh comparators using ASHE 2010 data.⁸⁴ It should be noted that such comparisons involve some uncertainty about the specific roles of support staff, and the results are therefore indicative rather than determinative. Figure 22 sets out the comparator groups which we pooled to create three categories to which support staff pay could be compared.

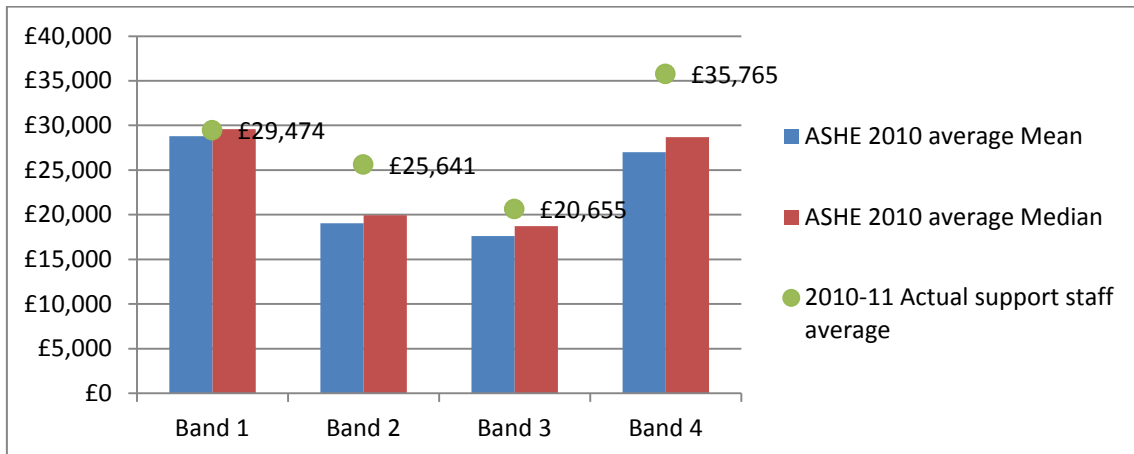
Figure 22: ASHE Benchmark Categories

Support staff band	Description
1	Office managers
2	Civil service executive officers, civil service administrative officers and assistants, local government clerical officers and assistants, medical secretaries, legal secretaries, school secretaries, personal assistants and other secretaries
3	Filing and other records assistants/clerks, administrative occupations (general), general office assistances/clerks, receptionists
4	Research professionals

355. Figure 23 shows how average support staff pay in each band relates to that of the ASHE comparators, demonstrating that support staff pay is, broadly, in tandem with the market — although it does suggest that the majority of bands 1 and 3 are, relative to counterparts, not doing as well as support staff in bands 2 and 4.

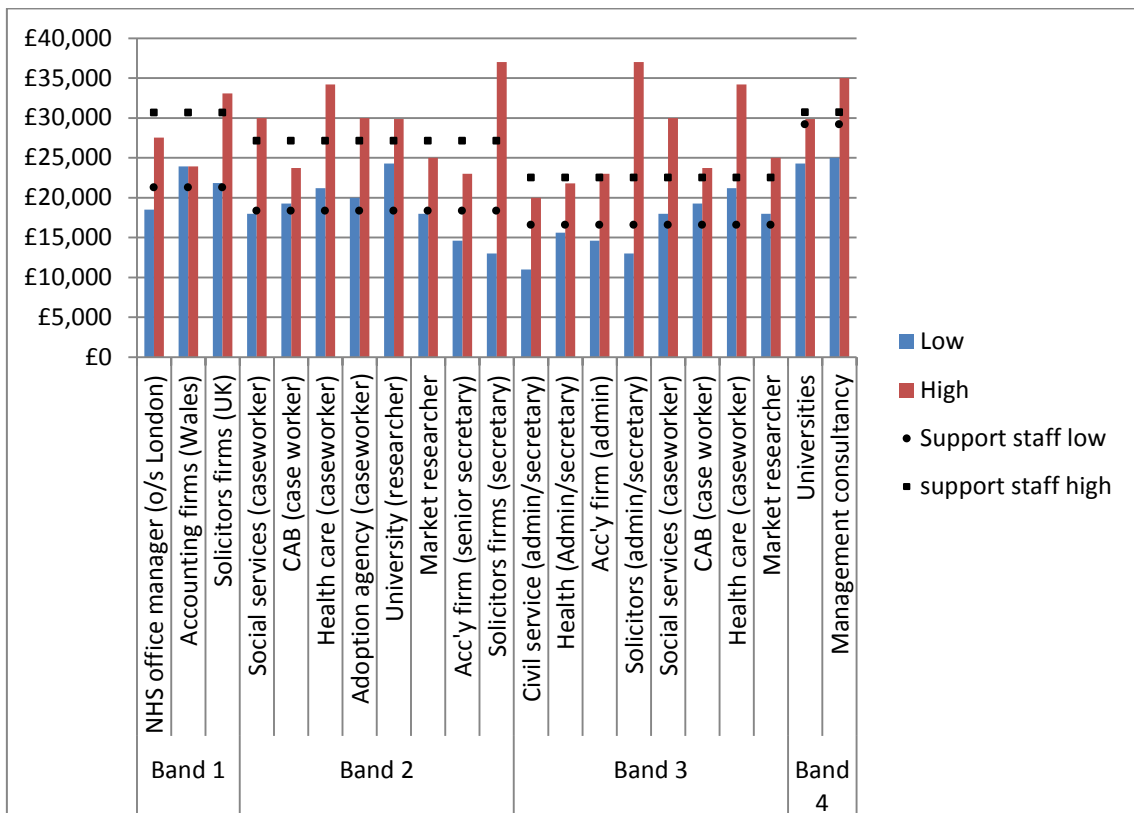
⁸⁴ <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=1951>

Figure 23: Support Staff Averages Compared to ASHE Comparators⁸⁵



356. In addition to our benchmarking against ASHE data, we also undertook a limited comparison of selected occupations in the public and private sector which appear, very broadly, to equate to the job descriptions of the support staff within each band. The result is shown in Figure 24. Some judgements were required in considering the equivalence of particular jobs, but the data appear to suggest that the maxima and minima of support staff pay bands are not manifestly out of line with comparators in the public and private sectors.

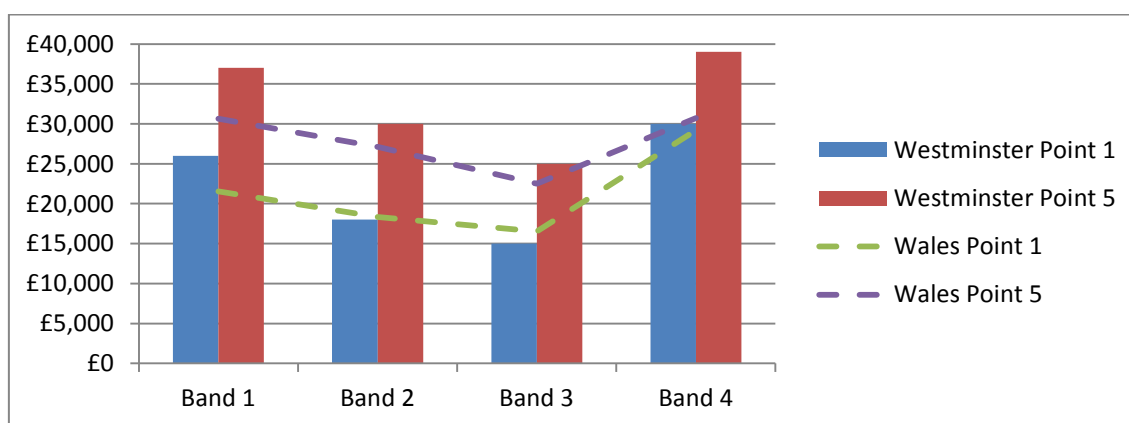
Figure 24: Comparable Public and Private Sector Pay Maxima and Minima



⁸⁵ Note – Band 1 mean is from 2009 data, as 2010 data was not available

357. We also compared support staff salaries against the salaries of support staff of Members of Parliament, excluding those staff based in London. While these comparators are not directly relevant to the pay of Assembly Members' support staff, as they are not focused on a Welsh context, they do provide a useful comparator in terms of job role. Data was not available for the Scottish Parliament or the Northern Ireland Assembly, as there are no specific salary scales for support staff at either institution. Figure 25 shows the maxima and minima of broadly equivalent roles for the staff of Members of Parliament compared to the maximum and minimum points on each pay band at the Assembly.

Figure 25: Support Staff Salaries at the UK Parliament and the Assembly

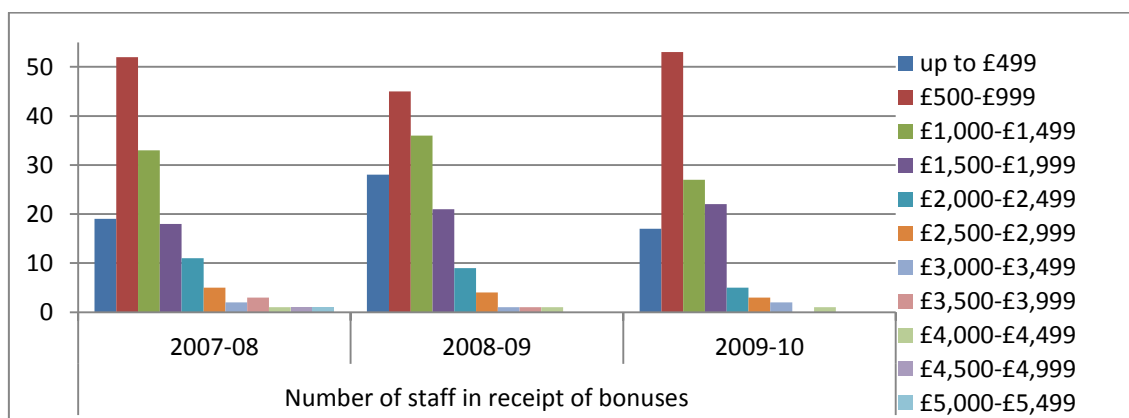


358. The salary benchmarking and comparisons that we undertook indicated that the pay bands and salary points for support staff are not significantly out of line for individuals likely to be doing similar jobs in Wales.

Bonus Payments

359. We then turned our attention to the issue of bonuses. In 2009-10, 130 members of staff received bonuses, representing around half of all support staff. The levels of bonus paid to staff were extremely variable, ranging from £0 to over £4,000, with a mean of £1,051 and a median of £865. The payment of bonuses to support staff over the past three complete financial years is shown in Figure 26.

Figure 26: Support Staff Bonus Payments



360. We were unable to find any obvious logic to the allocation of bonuses from the figures available to us, and received no information about the rationale for the selection of recipients or the individual bonus amounts. We accept that individual Members may have their own reasons for the selection of bonus recipients and the setting of bonus levels, but the approaches taken across the Assembly have been significantly divergent, with a lack of clarity over what the bonus payments are designed to reward. We took the view therefore that the payment of bonuses via the present system undermined the principles of equity for support staff performing similar roles and robust transparency in the use of public money.

361. We looked for Welsh comparators in relation to bonus payments for staff undertaking similar roles to those of support staff, and found that the information available was limited and the payments of bonuses variable — no bonuses payable at all; bonuses payable on a selective basis linked to the achievement of targets or performance; and bonuses payable to a broad population of staff. We therefore found no compelling market-driven rationale for or against bonus payments for support staff.

362. We then looked to the practice at the other UK legislatures. The Independent Parliamentary Standards Authority (IPSA) has stated that Members of Parliament may not fund bonuses to their staff from their budgets, irrespective of whether such bonuses could be afforded within the budget.⁸⁶ The same situation applies in the Scottish Parliament. In Northern Ireland, Members of the Legislative Assembly may pay bonuses to their staff within tightly defined constraints.

363. We also gave due regard to recommendation 55 of the Independent Review Panel, which found that bonus payments to staff had been “divisive and counter-productive; and [...] used by some as a means to ensure that the staff salaries allowances was fully spent”. We therefore decided that the payment of bonuses should not be permitted in future, but that the money previously used to fund bonus payments should be consolidated into support staff salaries.

Redundancy Payments

364. We also examined redundancy payments for Members' support staff. Recommendation 69 of the Independent Review Panel stated that such payments “should be calculated according to the statutory redundancy payment scheme plus a 50 per cent enhancement”. Following a comparison of this recommendation with the redundancy payments made by other bodies in Wales, we decided that it was reasonably generous, but not inappropriate given the uncertainty of the support staff posts within a cyclical Assembly.

Assembly Members' Support Staff Pensions

365. We agreed that Members should continue to be entitled to claim an allowance in respect of the cost of contributions made to the personal pension plans of their staff. The maximum amount payable will be limited to 10 per cent of the actual salary paid to the relevant member of staff.

⁸⁶IPSA Guidance Note to MPs: Staffing Expenditure and Employment of Staff <http://www.ipsa-home.org.uk/docs/Guidance%20note%20to%20MPs.pdf>

This allowance does not count against either the staffing expenditure allowance or the office costs allowance, and is paid from a separate central fund.

Conclusions

366. Our benchmarking work indicated that the level of support staff pay was broadly in line with other, similar roles in the public and private sectors. We considered salary levels against a background of a public sector pay freeze for those earning more than £21,000, but recognised that the majority of band 3 and some band 2 support staff earn less than this figure. We also considered the fact that support staff had been given a commitment, as outlined in the previous Determination⁸⁷, that salaries would be uprated by 2.3 per cent in April 2011 in accordance with the UK Average Weekly Earnings Index as at December 2010. This took effect before our first Determination had been made and we did not believe that it was appropriate to reverse that decision.
367. We considered that the previous pattern of bonus payments lacked any clear rationale, was not transparent, and was arguably inequitable and arbitrary. We therefore decided that no bonus payments will be permitted to be paid from the commencement of the Fourth Assembly.
368. To maintain equity for support staff, and to bring all pay levels into line with pay levels for comparable roles, we decided that the money currently used to fund bonus payments should be consolidated into support staff salaries from the beginning of the Fourth Assembly. Based on funding for the last available full year, 2009-10, and on an equal spread across all pay points, this results in an uplift of £550 to all spine points.
369. Taking into account the Commission's uprating, to take effect in April 2011, and the consolidation of bonus payments across all salaries, we have decided to freeze pay scales at the levels shown in Figure 27 for support staff until at least April 2013.

Figure 27: Support Staff Pay Scales from the Beginning of the Fourth Assembly

	Point 1	Point 2	Point 3	Point 4	Point 5
Additional group support	£30,404	£31,961	£33,600	£35,323	£37,138
Band 1	£22,594	£24,620	£26,833	£29,249	£31,890
Band 2	£19,296	£21,225	£23,353	£25,698	£28,287
Band 3	£17,472	£18,826	£20,285	£21,861	£23,563

370. In recognition of the nature of support staff employment, in particular the inherent risks associated with employment by an elected representative, and in accordance with the recommendation of the Independent Review Panel, we decided that the redundancy

⁸⁷ http://www.assemblywales.org/nafw_salaries__allowances_determination_2009.pdf

payments made to support staff should be statutory redundancy pay plus a 50 per cent enhancement.

371. We decided that the pension contribution for support staff, which is paid from a separate central fund, should be limited to 10 per cent of salary.

Future Considerations

372. In the course of our work we have given due consideration to the remuneration of support staff in relation to the level of the base salary bands for the beginning of the Fourth Assembly. These scales will not be uprated in 2012 and we will review the position prior to April 2013. That will include a more comprehensive evaluation of job descriptions and responsibilities than was possible in the time available for this review, effectiveness (through monitoring of other recommendations we have made on increasing the strategic capacity of the Assembly), pension provision and turnover rates as well as the appropriateness of the pay bands and spine points.

373. We will also give further consideration to the issue of support staff pensions in advance of the Fifth Assembly, as part of a full review of the remuneration package available to support staff, and in the light of the recommendations of the Independent Public Service Pensions Commission, chaired by Lord Hutton.

Strategic Support provided by the Assembly Commission

In this chapter we cover the support provided to Assembly Members by the Commission. We also address the provision of training and development for Assembly Members and their support staff.

374. In undertaking their functions within the Assembly, Members receive assistance from a range of professional specialists employed by the Commission. These include clerks supporting the formal business of the Assembly in Plenary and committee, lawyers, communications professionals and others. Of particular relevance to the issue of strategic purpose is the role undertaken by the highly qualified staff in the Members' Research Service, which provides impartial, expert research, briefing and analysis. With finite resources, the Service currently has to strike a balance between supporting the scrutiny and legislative functions of the Assembly and supporting Assembly Members dealing with specific issues raised by individual constituents.

Repositioning the Research Service

375. Over the course of the Third Assembly, there has been a growth in the number of enquiries submitted to the Research Service that are relatively straightforward to answer — for example, seeking advice about sources of funding, the availability of grants, or requests for information that is readily available in the public domain.

376. Analysis of a random sample of enquiries about constituency matters that were submitted to the Research Service by Members and their staff in the last year shows that around 20 per cent of all enquiries, and approximately 45 per cent of constituency-related enquiries, could have been dealt with by Members' support staff with little or no input from Research Service staff. A high proportion of these enquiries are already being progressed quickly by signposting Members and their staff to appropriate information sources. The Service has made substantial information available on the Assembly's intranet pages and will shortly be publishing a 'constituency toolkit' on the National Assembly webpages to assist support staff to deal with enquiries in the first instance.

377. The direction and focus of the Research Service in the next Assembly is a matter for the Assembly Commission and the Service's managers. However, in the light of our examination of

the full range of resource available to Members, we urge the Commission to ensure that the Service is able to prioritise its work and to turn down requests where the information can be readily found in the public domain or where the value in collecting and analysing information is outweighed by the time and effort involved. Our decision to require a significant element of the support staff resource employed directly by Members to be focused on research is designed to complement such an approach. We believe that support for the Assembly's strategic purpose will be better delivered if straightforward research work, particularly in relation to constituency casework, is undertaken as part of the role of those employed by Members as research assistants rather than being directed to the Research Service. A greater proportion of the effort of the subject specialists employed in the Research Service would then be available to support Members in their strategic scrutiny and legislative roles.

Access to Information

378. As outlined in Chapter 4, in order to perform its core scrutiny functions effectively, the Assembly is dependent on cooperation from the Welsh Government. The Independent Review Panel recognised that the Assembly cannot function without a proper flow of information and recommended that individual Members need better access to Welsh Government officials and the information they hold, via the Members' Research Service.
379. Arrangements in place in the Third Assembly, instituted by the Welsh Government in 2007, mean that all requests for information from the Research Service have currently to be routed, in writing, via Ministerial Private Offices. The Members' Research Service are prohibited from direct contact with Welsh Government policy officials.
380. Evidence provided to us on the provision of information by the Welsh Government to the Members' Research Service demonstrated that:
- around 75 per cent of enquiries sent to the Ministerial Private Offices did not receive a response within five working days;
 - the average response time was 17 working days. Twenty per cent of responses took longer than the 20 working day period as prescribed by the Freedom of Information Act 2000. The longest response time to date has been 290 working days; and
 - under these arrangements, Research Service staff were prohibited from communicating directly with Welsh Government policy officials and so had more restricted access than other Assembly Commission staff or colleagues in the equivalent research services in the Houses of Parliament and the other devolved administrations.
381. Supporting the strategic purpose of the Assembly is central to our work, and, in our view, scrutiny of Welsh Government policy and finance is one of the core strategic functions of the Assembly. If Members are to fulfil that function effectively, they must have ready access to factual information held by the Welsh Government. The Fourth Assembly presents an opportunity to redefine this relationship and ensure that staff of the Welsh Government and

the Research Service work more effectively together whilst being fully aware and respectful of the different contexts in which they operate. We therefore strongly endorse the recommendation of the Independent Review Panel that individual Members need better and more direct access, via the Members' Research Service, to Welsh Government officials and the information they hold.

382. To that end, we recommend that the next Assembly Commission engage with the Welsh Government to put in place arrangements equivalent to those in the other parliamentary institutions of the UK, namely a service based on the principles that individual Members and committees must have a prioritised right of access to factual information held by the Welsh Government and that Research Service staff should be able to communicate directly with the relevant Welsh Government policy officials.

Continuing Professional Development

383. During our work, we were informed that the Assembly Commission has recently undertaken a strategic restructuring of the services it provides to Members in preparation for the Fourth Assembly.

384. A key driver of that restructuring was to increase the focus on the specific needs of Members and their staff, with a new, senior post being established to facilitate their continuous professional development.

385. We welcome the Commission's recognition of the importance of Member and support staff professional development to the effective functioning of the Assembly as a strategic parliamentary institution.

386. We were also informed that Assembly Member and support staff professional development will be given far higher priority in the Fourth Assembly than in the past. The Commission will be making available a budget of £125,000 in 2011-12 to fund such development activity. We support these moves as complementary to our focus on strategic delivery.

Conclusions

387. The Members' Research Service has a key role in supporting the Assembly's strategic purpose. We endorse the Independent Review Panel's recommendation that information flows from the Welsh Government should be improved and urge the Commission to seek an agreement with the Welsh Government that allows the Research Service to operate in a similar manner to its equivalents in all other legislatures in the UK.

388. We endorse the increased emphasis by the Commission on continuous professional development for Members and, in particular, their staff, as we see this as an opportunity to optimise the capacity of the Assembly and to ensure that Members can deliver the best possible service for the people of Wales.

Estimated Costs

In this chapter we cover the estimated costs arising from our Determination on Assembly Members' pay and allowances, and staff remuneration, for 2011-12.

389. As described in Chapter 1, we have made our first Determination against a background of difficult financial circumstances. We agreed that the financial costs of our Determination should not exceed the agreed Members' budget for 2011-12 and should, so far as possible given the estimates that can be made, be achievable within the indicative Members' budget for 2012-13.

Total Cost Estimate of our Determination

390. Figure 28 sets out the estimated cost of our Determination against the agreed Members' budget for 2011-12 and indicative budget for 2012-13. The budget figure for 2010-11 has been included for illustrative purposes.

391. The estimated cost of the decisions we have taken will be around £12.7 million in 2011-12, a real terms reduction of 7.1 per cent under the agreed budget for 2010-11.⁸⁸ The result of this is a residual contingency within the agreed budget for 2011-12 of 2.3 per cent. This is a prudent approach, given that we have made a number of changes to the system of financial support and some provisional decisions in respect of office holder and related allowances, the impact of which can only be estimated at this stage.

Figure 28: Overall Costs 2011-12 and 2012-13 (£000)

Revenue expenditure	2010-11	2011-12	2012-13
Members' budget	13,380	13,034	13,041
Our Determination (estimated costs)	-	12,734	12,889
Contingency		300	152

Specific Cost Estimates

392. Figure 29 illustrates the estimated costs according to specific cost areas.

Figure 29: Estimated Costs by Specific Cost Area 2011-12 and 2012-13 (£000)

Revenue expenditure	2011-12	2012-13
Members' basic salary costs	4,079	4,073
Office holder salary costs	1,001	1,027
Support staff salary costs	6,240	6,350

⁸⁸ Uses H M Treasury assumptions 2011-12 2.5 per cent, 2012-13 2.2 per cent, and 2013-14 2.7 per cent as at 29 November 2010 (accessed 9 March 2011).

Revenue expenditure	2011-12	2012-13
Travel	259	259
Support staff travel and subsistence	40	40
Office costs allowance	821	846
Residential costs allowance	289	289
Presiding Officer and Deputy Presiding Officer travel and subsistence	4	4
Assembly Commissioner expenses	1	1
Our Determination (estimated costs)	12,734	12,889
Members' budget	13,034	13,041

Assembly Member Salary Costs

393. As a result of Assembly Members' pay being frozen at the March 2011 level of £53,852 for four years from the beginning of the next Assembly, we estimate that salary related costs of Assembly Members will amount to £4.079 million in 2011-12 and £4.073 million in 2012-13.

394. This figure takes account of the one per cent increase in the Assembly Commission's National Insurance contributions from April 2011, which results in estimates of £294,000 for 2011-12 and £300,000 for 2012-13. For 2012-13, we estimate a reduction in the Commission pension contribution to the Members' pension fund as a result of the switch from RPI to CPI for calculating annual pension increases. We therefore estimate that the pension cost for Assembly Members' salaries will be £727,000 in 2011-12 and £647,000 in 2012-13.

Office Holder Salary Costs

395. We estimate that office holder salary related costs will amount to £1.001 million in 2011-12 and £1.027 million in 2012-13. This includes estimates for National Insurance contributions of £100,000 in 2011-12 and £105,000 in 2012-13. We estimate that the pension costs for office holder salaries will be £173,000 in 2011-12 and £158,000 in 2012-13.

396. As described in Chapter 6, we intend to review the additional salaries for committee chairs, Commissioners, party leaders and whips as soon as possible after the election. This will affect the estimates in paragraph 395.

Assembly Members' Support Staff Salary Costs

397. We estimate that support staff salary costs will amount to £6.240 million in 2011-12. This assumption is based on the salary levels as outlined in Chapter 9; an estimated reduction in salary costs arising from the dissolution of the Assembly in advance of the Fourth Assembly; and, due to the significant number of new Assembly Members anticipated to be elected to the Fourth Assembly, an intake of new staff starting at the bottom of their respective pay scales. The amount also takes account of the increase in National Insurance employer contributions of one per cent from April 2011.

Office Costs

398. We estimate that the office costs allowance will amount to £821,000 for 2011-12. This is based on the decision that the maximum amount available will be £16,242 per Assembly Member in 2011-12, and an assumption that 84 per cent of the total sum will be claimed, based on historic data.

Residential Accommodation Costs

399. We estimate that residential accommodation costs will amount to £289,000 in 2011-12. This is based on our decision that only 25 Assembly Members will be able to claim the rental allowance, and that the rental allowance will be capped at £700 per calendar month. We have also assumed that, on average, the allowable utility costs will be £2,600 per annum for each eligible Assembly Member.

Travel Costs

400. We estimate that the travel allowance will amount to £259,000 in 2011-12. We have assumed that, due to the reduction in the number of Assembly Members who will be eligible for rented accommodation in Cardiff, the amount claimed by Assembly Members for mileage travelled in their personal vehicles will increase by £50,000 in 2011-12 as compared to the previous years' figures.

The Costs of our Work

401. The direct cost incurred by the Remuneration Board in producing our first Determination was £28,995. This figure includes Board members' remuneration and the expenses incurred in the course of our work, and covers six formal meetings, six days of consultation undertaken by the chair, 33.5 days of preparatory work, and 34.5 days of specialist research by Board members with professional experience of remuneration issues. A full breakdown of these costs is available on our website.⁸⁹

⁸⁹ http://www.assemblywales.org/memhome/mem-allow-pay-pensions/remuneration_board.htm

Remuneration Board

Remit and Membership

The Remuneration Board, as recommended by the Independent Review Panel on Assembly Members' Pay and Allowances in its report of July 2009, was established by the National Assembly for Wales (Remuneration) Measure 2010.

The Board is an independent statutory body which has responsibility for:

- providing Assembly Members with a level of remuneration which fairly reflects the complexity and importance of the functions which they are expected to discharge, and does not, on financial grounds, deter persons with the necessary commitment and ability from seeking election to the Assembly;
- providing Assembly Members with resources which are adequate to enable them to fulfil their functions as Members; and
- ensuring probity, accountability, value for money and transparency with respect to the expenditure of public funds.

In fulfilling its remit, the Board is required to act in an open and transparent manner, and, where the Board considers it appropriate, undertake consultation with those likely to be affected by the exercising of its functions.

The Board was appointed under a fair and open recruitment process and consists of a Chair and four Board members:



The Rt Hon George Reid
(Chair)

A Scottish politician, journalist and academic. Privy Councillor, former MP, MSP, Presiding Officer of the Scottish Parliament and Chair of its Corporate Body. Worked for 15 years in wars and disasters as a director of the International Red Cross/Red Crescent. Current appointments include: UK Electoral Commissioner, Independent Adviser on the Scottish Ministerial Code, and visiting professor at Glasgow and Stirling Universities. He recently led strategic reviews of governance in the Northern Ireland Assembly and the National Trust for Scotland.



Sandy Blair CBE

A former director of the Welsh Local Government Association, WLGA (retired 2004). A local authority chief executive for 16 years before appointment to the WLGA, and President of SOLACE in 1999/2000. Has held a number of paid public appointments and trusteeships such as non-executive director of the Health and Safety Executive, HSE, chair of the Monmouth Diocesan Board of Finance and roles within the Church in Wales. Has served as a member of the Remuneration Committees for UWIC and HSE.



Mary Carter

Retired as a Partner of KPMG in September 2008 and is currently a member of the Armed Forces Pay Review Body which makes recommendations to the Prime Minister and Secretary of State for Defence on military pay, compensatory allowances and charges, as well as a part time consultant to KPMG. A lawyer by background, she has specialised for over 20 years in advising UK and non UK companies on remuneration and incentives for directors/senior management and related governance and taxation issues.



Stuart Castledine

A chartered accountant who occupied a number of financial and general management roles within Allied Dunbar, Chartered Trust and Bristol & West Building Society before becoming Tesco's first Financial Services Director. More recently, has undertaken a variety of assignments in the public and private sectors, helping establish joint ventures and alliances as well as being a turnaround director of a number of financial services organisations. He is currently Finance Director of Bluestone Resorts Ltd and a non-executive director of the Welsh Ambulance Service.



Professor Monojit Chatterji

An academic with public policy experience, he has published research in such areas as the determinants of public sector pay. Currently Chair of the National Joint Council of UK Fire and Emergency Services (the pay negotiating body). Previously a member of the School Teachers' Review Body which makes recommendations to the Prime Minister and Secretary of State for Education and Skills on pay and conditions, and also governance arrangements for school teachers and head teachers in England and Wales. Formerly member of the Economists Group, Office of Manpower Economics, considering cross-cutting issues on pay in the public sector.

Meetings of the Board

Date	Meeting
1 October 2010	Formal Board meeting: introduction; evidence from former IRP member; role and purpose of Assembly and Members; progress on IRP recommendation implementation; agreement of draft work programme
13 October 2010	Introductory meetings between Chair and party leaders/representatives; Chair's drop in session for Members
14 October 2010	Formal Board meeting: evidence from Assembly Members from all parties; former IRP member; Members' Pension Scheme Trustees Chair; Members' support staff; and Members' support staff trade union representatives
10 November 2010	Informal update meetings between Chair and party leaders/representatives; Chair's drop in session for Members
11 November 2010	Formal Board meeting Members' base salary; IRP recommendations needing further consideration; strategic purpose and capacity of the Assembly
8 December 2010	Informal update meetings between Chair and party leaders/representatives, Members' support staff and Members' support staff trade union representatives; Chair's drop in session for Members; Chair attended Conservative group meeting
9 December 2010	Meetings with office holders; colloquium
10 December 2010	Formal Board meeting: strategic purpose of Assembly; Members' support staff salaries; employment of support staff; Members' Pensions
11 January 2011	Chair attended Plaid Cymru, Labour and Liberal Democrat group meetings; informal update meetings between Chair and party leaders/representatives; Chair's drop in session for Members
12 January 2011	Informal update meetings between Chair and Members' support staff
13 January 2011	Formal Board meeting: budget update; strategic capacity in the Assembly; office holder salaries; Members' support staff; Members' Pensions
25 February 2011	Formal Board meeting: budget update; office holder salaries; equalities; strategic capacity; Determination; Members' Pensions

Agenda and minutes of each of the Board's formal meetings are available on the Board's website at: <http://www.assemblywales.org/memhome/mem-allow-pay-pensions/members-remunerationboard/meetings-board.htm>

Consultation

Throughout its work, and in accordance with Section 2 of the National Assembly for Wales (Remuneration) Measure 2010, the Board undertook consultation with a range of stakeholders. The Board is particularly grateful to the following for taking the time to provide evidence to support it in its work, whether by attending meetings with the Board, participating in its colloquium, responding to its survey or supplying written evidence.

Assembly Members:

Leighton Andrews AM
 Mohammed Asghar AM
 Lorraine Barrett AM
 Peter Black AM
 Nick Bourne AM
 Eleanor Burnham AM
 Angela Burns AM
 Rosemary Butler AM
 Christine Chapman AM
 Jeff Cuthbert AM
 Alun Davies AM
 Andrew RT Davies AM
 Paul Davies AM
 The Rt Hon the Lord Elis-Thomas PC AM
 Nerys Evans AM
 Chris Franks AM
 Veronica German AM
 Brian Gibbons AM
 William Graham AM
 Janice Gregory AM
 John Griffiths AM
 Lesley Griffiths AM
 Mark Isherwood AM
 Bethan Jenkins AM
 Alun Ffred Jones AM
 The Rt Hon Carwyn Jones AM
 Elin Jones AM
 Gareth Jones AM
 Helen Mary Jones AM

Dai Lloyd AM
 Val Lloyd AM
 David Melding AM
 Jonathan Morgan AM
 The Rt Hon Rhodri Morgan AM
 Nick Ramsay AM
 Jenny Randerson AM
 Gwenda Thomas AM
 Rhodri Glyn Thomas AM
 Kirsty Williams AM
 Leanne Wood AM

Members' Support Staff:

Chris Binding, *Welsh Labour and GMB representative*
 Anthony Cooper, *Welsh Labour*
 David Costa, *Welsh Labour and Unite representative*
 Kelly Davies, *Plaid Cymru and PCS representative*
 Joanne Foster, *Welsh Liberal Democrats*
 Mark Major, *Welsh Conservatives*
 Jackie Radford, *Welsh Liberal Democrats*
 Karen Roberts, *Welsh Liberal Democrats*
 Carole Willis, *Plaid Cymru*

External Consultees:

Professor Laura McAllister, *University of Liverpool*
 Gerard Elias QC, *National Assembly for Wales Commissioner for Standards*
 Gwion Evans, *Office of the Children's Commissioner for Wales*
 Ruth Fox, *Hansard Society*
 Richard Wyn Jones, *Wales Governance Centre*
 Andy Klom, *European Commission*
 Keith Masson, *Senior Salaries Review Body Secretariat*
 Jackie Nickson, *member of Independent Review Panel*
 Dr Diana Stirbu
 Martyn Taylor, *Independent Parliamentary Standards Authority Secretariat*
 Peter Tyndall, *Public Services Ombudsman for Wales*
 The Rt Hon the Lord Wigley PC, *member of Independent Review Panel*

Background Documents

Relevant Assembly Commission documents

National Assembly for Wales: *Assembly Commission Budget 2011-12*

National Assembly for Wales: *Determination of Members' Pay and Allowances 2010*

Remuneration at the National Assembly for Wales

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SSRB Report no. 49: *National Assembly for Wales: Review of Pay and Allowances, 2001*

SSRB Report no. 58: *National Assembly for Wales: Review of Pay and Allowances, 2004*

National Assembly for Wales: *Report of the Independent Panel on Financial Support for Assembly Members, 2008*

National Assembly for Wales: *Getting it Right for Wales: Report of the Independent Review Panel on Members' Pay and Allowances, 2009*

Remuneration at Other UK Legislatures

IPSA Guidance Note to MPs: *Staffing Expenditure and Employment of Staff, 2010*

Scottish Parliament, SPCB: *Report to the Scottish Parliamentary Corporate Body on the Reimbursement of Expenses for Members of the Scottish Parliament, Sir Alan Langlands, 2008*

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Equality Impact Screening

1. The National Assembly for Wales (Remuneration) Measure 2010 requires that the Remuneration Board must exercise its functions with a view to achieving a number of objectives. The relevant objectives are:
 - to provide Members with resources that are adequate to enable them to exercise their functions as Assembly Members; and
 - to provide Members with level of remuneration that does not, on financial grounds, deter persons with the necessary commitment and ability from seeking election to the Assembly.
2. The Determination should also enable Members to be able to discharge their duties as employers and service providers in relation to the Equality Act 2010 provisions.
3. The Remuneration Board wishes to ensure its Determination for 2011-12 is fair, and does not inadvertently disadvantage or unlawfully discriminate against persons with protected characteristics as defined by the Equality Act 2010. The protected characteristics include age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; sexual orientation; and sex.
4. There is also an opportunity to promote equality and demonstrate to existing and prospective Assembly Members and their staff that the Determination is fair and equality considerations have been taken into account during its formulation. Any barriers to Members being able to perform their roles effectively in terms of the protected characteristics will be identified and addressed.

Equality Impact Assessment (February 2011)

5. An equality impact assessment (EIA) is a tool that helps public authorities make sure that their policies, and the way they carry out their functions, do not have adverse impacts on any particular groups of people.
6. Carrying out an EIA involves systematically assessing the likely or actual effects of policies on people with protected characteristics. This includes looking for opportunities to promote equality that may have been previously missed or could be better used, as well as negative or adverse impacts that can be removed or mitigated, where possible. If any negative or adverse impacts amount to unlawful discrimination, they must be removed.

Information and Evidence Available on Diversity in Representation

7. There is little evidence available on how a parliamentary expenses scheme could affect diversity in representation. There are other factors which work alongside a fair expenses scheme to produce an inclusive environment and these include: a positive organisational/institutional culture and fair, supporting policies and working practices.

Independent Review Panel Report (July 2009)⁹⁰

8. In its Executive Summary, the Panel stated:

“The Panel firmly believes that its recommendations will help to strengthen the democratic process in Wales by attracting a wide cross-section of the population to stand for election, and by equipping those elected to carry out their roles effectively.”

House of Commons Speaker’s Conference Report on Parliamentary Representation (January 2010)⁹¹

9. The Conference was established during the last Parliament to examine the reasons why people who hold protected characteristics are under-represented in Parliament. The Conference concluded that there were many potential reasons for this, including perceived fiscal barriers, Parliamentary culture, sitting hours, culture in political parties, lack of childcare provision, and parties’ selection processes.

Independent Parliamentary Standards Authority (IPSA) (May 2010)⁹²

10. IPSA has undertaken an initial screening equality impact assessment on the rules governing expenses for Members of Parliament, which focused on the issues raised by the Speaker’s Conference Report on Parliamentary Representation. IPSA has decided not to conduct a full EIA at this stage.

Evidence from Members of the Third Assembly

11. Members of the Third Assembly provided feedback on the potential equality impacts of the Determination, and raised the following issues:
 - Members were concerned that a possible disadvantage could arise from the £700 per month rental cap for some Members and their families if they needed a particular size or style of premises to accommodate the needs of their families.
 - Members welcomed the arrangements for support with regard to improving geographical and ergonomic accessibility of constituency and regional offices. Members noted that central and physically accessible office accommodation was not always available or affordable.

⁹⁰ <http://www.assemblywales.org/irp-reportjuly09-e.pdf>

⁹¹ <http://www.publications.parliament.uk/pa/spconf/239/23902.htm>

⁹² <http://www.ipsa-home.org.uk/EqualityandImpact.html>

- Members felt that they should not be disadvantaged by higher office costs should they engage frequently with constituents who require communications support, and so provision for information for constituents in alternative formats (including British Sign Language) was also welcomed.
- Members welcomed the updating of the equality-related language used in the Determination (e.g. co-parent).
- The Plaid Cymru Group said that it would be requesting further discussions with the Equality Team on caring/childcare provision.

Consideration of Potential Negative or Adverse Impacts on Groups of People with Protected Characteristics

12. Consideration has been given in this assessment to the protected characteristics on which there could potentially be negative or adverse impacts.

Disability

13. It is the Assembly Commission’s responsibility to make reasonable adjustments, in line with the Equality Act 2010, to provide support for disabled Members to enable them to do their job. Such costs might include:
- adaptations/modifications to Assembly Members’ premises in the Assembly estate and/or in their constituency offices;
 - communications support for Assembly proceedings and surgeries;
 - purchase and maintenance of equipment; and
 - costs of a personal assistant (which could include personal care) and associated travel costs.
14. The Determination refers to a Disability Allowance for Assembly Members. This could be enhanced by inclusion of a statement of available support. It could also be useful to provide a definition of disability (including long-term illness) as per the Equality Act 2010, to ensure that Members and prospective Members are clear about their eligibility. The Board may wish to consider renaming the Disability Allowance, as the ‘Access Allowance’ to promote inclusivity.

Assembly Members’ Disabled Support Staff

15. Assembly Members also need to comply as employers with the requirements of the Equality Act 2010. This could mean making reasonable adjustments or providing ongoing support for their disabled staff. The imperative is not to create any barriers to Assembly Members employing disabled staff or disabled staff being able to carry out their roles effectively.

Providing a Service to Disabled Constituents

16. Assembly Members (and their staff) need to comply with the requirements of the Equality Act 2010 in their capacity as service providers to their constituents. This could include:
 - adapting their office premises to improve accessibility for constituents and/or paying for alternative meeting premises/providing parking spaces;
 - providing communications support during surgeries; and
 - providing alternative formats of accessible information to constituents where appropriate.
17. Some Assembly Members might have regular contact with a higher proportion of disabled constituents in a densely populated area and therefore might incur costs associated with providing additional support that are disproportionate to other Assembly Members' costs.
18. Under the Equality Act 2010, there is a duty on Members to be proactive about reasonable adjustments and not wait until a complaint has been made about reasonable adjustments.
19. The Board may wish to consider whether there should be a central Access Fund for Members to have the necessary support i.e. adjustments etc that don't come out of office costs. Such a fund could be accessed by all Members if they need to engage with diverse constituents or might require language/communications support. This fund could sit potentially with the Members' Business Support Team.
20. The Board's Determination requires that Members pay the first £1,000 towards any physical adjustments to their offices from their office costs allowance. The Board may wish to keep this under review to ensure that it avoids deterring Members from engaging with diverse groups with specific requirements because it is perceived as costly.

Pregnancy, Maternity, Co-parental⁹³ and Caring Leave

21. In the last Parliament, the Speaker's Conference on Parliamentary Representation made a recommendation that the Senior Salaries Review Body and where appropriate, the Independent Parliamentary Standards Authority, consider the introduction of formal maternity, paternity/co-parental and caring leave arrangements for Members of Parliament. The Conference also recommended that, at the least, political parties should publish a formal statement of policy on their arrangements for pregnancy, maternity, co-parental and caring leave.
22. Even though Assembly Members are office holders and regarded as 'self-employed' it would be helpful to prospective Assembly Members and the wider public to know what arrangements are in place for pregnancy, maternity, co-parental and caring leave i.e. that Members negotiate timescales with their parties.

⁹³ Co-parental: includes same-sex parents

Housing Flexibility

23. Feedback from Assembly Members indicated that some Members were concerned that some Members and their families could be potentially disadvantaged by the £700 per month rental cap for residential accommodation. Members pointed out that some Members might have larger families and/or need living space with disability adaptations and their needs might not be accommodated within accommodation in the £700 per month bracket. This could result in inadequate living arrangements for the Member and their family members. The Board may wish to consider in its future Determinations what flexibility could be given to the residential accommodation expenditure.

Childcare Provision/Vouchers

24. The Speaker's Conference recommended that a scheme be considered to allow Members of Parliament to take a proportion of their salary in the form of childcare vouchers. Assembly Members are already entitled to this benefit, but it would be helpful if this were stipulated in the Determination as a perceived absence of support could deter people from standing for office.

Age

25. This issue should be considered separately as part of the Board's review of the Members' Pension Scheme.

Race — People with Language Support Requirements

26. Some Assembly Members might also have a high proportion of constituents in their areas whose first language is neither English nor Welsh. This could mean that on occasion, information/literature might need to be translated into and distributed in community languages. An interpreter could also be required.
27. This might mean that some Members could face disproportionate office costs compared to other Members. The Board may wish to consider a central 'Access Fund'.

Sexual Orientation

28. In terms of sexual orientation, it is assumed that same-sex partners of Assembly Members would not be disadvantaged by any provisions in the Determination e.g. pension beneficiaries.

Areas where Negative or Adverse Impacts have not been Identified

29. In terms of the protected characteristics of gender identity and religion/belief, no negative/adverse impacts have been identified.

Monitoring and Review

30. It is suggested that the equality issues concerning the Determination are reviewed when the Determination itself is next reviewed. It is advisable that another equality impact assessment is carried out at this stage to ensure that any emerging equality legislation is taken into account.

Decision-Making

31. The Remuneration Board will make the decisions about the actions it wishes to take to address potential equality impacts identified.

Action Plan

32. The Remuneration Board was satisfied that there were no significant concerns that its Determination would disproportionately affect any groups, and requested that the Members' Business Support team works with the Equality team on the relevant chapters of the Determination, to ensure that relevant equality aspects are taken into account.

Recommendations of the Independent Review Panel

Section 15 of the National Assembly for Wales (Remuneration) Measure 2010 places a number of duties on the Board, including:

(1) The Board must, on the first occasion on which it proposes to make a Determination in relation to any matter, have regard to the recommendations of the National Assembly for Wales Independent Review Panel on arrangements for the financial support of Assembly members published on the 6th July 2009, so far as those recommendations are relevant to that matter.

(2) If, when it makes a Determination to which subsection (1) applies, the Board includes in that Determination provision which, in any respect, departs from those recommendations, the Board must state in writing its reasons for doing so and communicate that statement to the Assembly Commission at the same time as the Determination to which it relates.

In the course of its deliberations, the Board considered each of the 108 recommendations, a full list of which is available in the Independent Review Panel's 2009 report.⁹⁴

The following recommendations were fully endorsed by the Board, and have been reflected in the Determination where appropriate:

2, 3, 8, 9, 10, 12, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 34, 36, 37, 38, 39, 40, 43, 44, 45, 46, 47, 48, 49, 53, 54, 55, 58, 60, 61, 63, 64, 66, 67, 68, 69, 70, 71, 79, 83, 84, 86, 87, 88, 89, 90, 91, 92, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108

⁹⁴ <http://www.assemblywales.org/irp-reportjuly09-e.pdf>

Recommendations Outside the Remit of the Board

The Board decided that the following recommendations by the Independent Review Panel were outside its remit:

Recommendation	Comment	Reference
1. Financial support for Assembly Members should be underpinned by a set of principles to be drawn up by the Assembly Commission. These principles should be consistent with the 'seven principles of public life': selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Assembly Members should sign the Code of Conduct when they take the Oath.	The Board endorsed the first element of the recommendation, and based its Determination on such principles. Requiring Members to sign the Code of Conduct when they take the oath was a matter for the Committee on Standards of Conduct.	Paragraphs 65, 66 and 253 to 262
4. The Commission should, through discussions with Welsh Ministers, seek to facilitate a smoother flow of information and briefing, particularly in support of the work of committees.	In its analysis of the strategic purpose of the Assembly, the Board endorsed the recommendation and recommended that the Assembly and the Welsh Government should take steps to improve the flow of information.	Paragraphs 378 to 382
5. The Business Committee should increase sitting time up to a maximum of 36 weeks per year, in order to ensure that there is sufficient time to scrutinise the legislative programme.	The Board noted that the Business Committee would take this recommendation into account when organising business.	n/a
6. That party groups should record Assembly Members' holidays.	The Board noted that this was a matter for party groups.	n/a
15. In addition to recording information on other employment on the Register of Interests, Assembly Members should also be required to detail the time involved in additional employment.	The Board noted that the Standing Orders for the Fourth Assembly included this provision.	n/a
72. Party groups should be encouraged to draw up job profiles for their Assembly Members and use these constructively to identify skills gaps and development needs.	The Board decided that it was a matter for Assembly Members to decide how best to fulfil their roles. The Board noted that party groups may wish to consider this recommendation, but that it was not a matter for the Board.	Paragraphs 149 and 150
73. Once a year, each party group should produce a short report summarising its Members' training achievements, to be published on the Assembly's website.	The Board decided not to pursue this recommendation, believing that participation in training or continuing professional development was a matter for party groups.	Chapter 10
74. Each party group should appoint a 'training champion' to offer support and encourage ongoing learning and development among Members and their employees.	The Board endorsed the principle of the importance of training and development for Members and their staff, and welcomed the Commission's proposed approach for the Fourth Assembly. However, it agreed that the management of training and	Chapter 10

Recommendation	Comment	Reference
	development within groups was a matter for each party group to decide for itself.	
75. Within the first month following election to office, all new Assembly Members should attend a one-week induction training course.	The Board did not agree that a full week induction course was practical, but welcomed the Commission's plans for a targeted and focused induction programme to support Members.	Chapter 10
76. Party groups should agree to set aside one afternoon per month for training (for example, on a Monday or a Thursday afternoon) and ensure that each Assembly Member attends sessions on areas deemed crucial, as well as those that have been identified by training needs analysis or by the 'training champion' and from the self-assessment exercise.	The Board decided that the management of training and development within groups was a matter for each party group to decide for itself.	Chapter 10
78. Assembly Members' employees, in addition to any training provided by the party group or specialist training identified as necessary, should be able to access any appropriate training currently available to National Assembly employees.	The Board noted that training for Members and their support staff was to be managed by a new Member Liaison and Professional Development Manager.	Paragraphs 383 to 386
80. The training budget for Assembly Members and their employees should be significantly increased and identified for each four year period.	The Board noted that the training budget for Members and their staff was included in the Commission services budget ambit, and was therefore outside its remit.	Paragraph 386
81. The training budget should contain more in the first year as that will be the time when new Assembly Members and their employees will need concentrated training. We recommend a total of £350,000 in year one, and £200,000 in each of the following three years.	The Board noted that the training budget for Members and their staff was included in the Commission services budget ambit, and was therefore outside its remit	Paragraph 386
82. A system should be set up and run by the Members' Business Support team whereby party groups bid for allocations from this training budget, to provide specific training for Assembly Members and their staff.	The Board endorsed the alternative approach taken by the Commission to providing training for Members and their staff.	Paragraphs 383 to 386

Variation from the Panel's Recommendations

The Board decided to depart from the following recommendations, wholly or in part, having given them due regard:

Recommendation	Comment	Reference
7. The Assembly Commission should give immediate attention as to how best to increase the strategic capacity of the Assembly by drawing in additional expertise from the menu of options set out in paragraph 4.46 [of the Panel's report].	The Board undertook detailed work on support for the strategic capacity of the Assembly. While endorsing the principle of the recommendation, the Board agreed an alternative approach.	Chapter 8 and Chapter 10
11. Assembly Members' salaries should be fixed for the 4-year term of the Assembly. An Independent Review Body should meet at least six months prior to the next Assembly to decide these matters (see recommendation 12). The base level of this salary should be set by reference to the percentage change in the index of average earnings for Wales. Account should be taken of inflation and a notional increase applied to the base level salary. This salary should remain fixed for the duration of the Assembly unless there are exceptional circumstances; for example a significant change in the powers of the National Assembly.	The Measure placed a duty on the Board to set Members' salaries for the whole term of the Fourth Assembly. The Board gave due consideration to the mechanism for uplift and linkage to inflation suggested by the Panel, but, following detailed work in this area, it agreed that a four year fixed salary at April 2010 levels was appropriate. The Board adopted the principle of rooting remuneration and financial support within a Welsh context as a key principle for all of its work.	Chapter 5
13. Committee chairs should receive an office holder supplement of either £12,000 per year or £8,000 per year. The Assembly Commission should determine which supplement applies to each committee chair, to apply for the remainder of the Assembly term. Additional office holders currently entitled to the same supplement as committee chairs should maintain parity.	The Board noted that this recommendation was implemented during the Third Assembly, but following detailed work on the remuneration of additional office holders, based on the principle that those posts with the greatest responsibility for driving the strategic purpose and direction of the Assembly should receive remuneration at an appropriate level.	Chapter 6
14. Following the next Assembly election, additional office holders should receive supplements in the same proportion to the basic salary as will apply following the adjustments described in recommendation 13. These proportions will be subject to review by the Independent Review Body from time to time.	The Board undertook detailed work on the remuneration of additional office holders, based on the principle that those posts with the greatest responsibility for driving the strategic purpose and direction of the Assembly should receive remuneration at an appropriate level.	Chapter 6
16. The Assembly Commission and the Fund Trustees should take legal and actuarial advice with a view to containing the standard Commission-funded contribution rate to be no higher than its current level of 23.8 per cent, and that this	The Board undertook some preparatory work on pensions, but decided to defer a full review until summer 2011 when the final report of the Independent Public Service Pensions Commission, chaired by Lord Hutton, and the 2011 Members'	Paragraphs 80, 81, 176 to 183 and 188

Recommendation	Comment	Reference
should be reviewed periodically to take account of what happens in pension schemes elsewhere.	Pension Scheme actuarial assessment would be available. In the interim, the Commission-funded contribution would be no higher than its current level of 23.8 per cent.	
17. Following the next Assembly election, the Winding up Allowance should be reduced to a maximum of one quarter of the Other Staff Costs Allowance and the Office Costs Allowance and should not include redundancy payments for support staff, which will be provided for in a separate budget.	The Board agreed that the level of the winding up allowance should be reduced to one quarter of the office costs allowance. The additional staff costs allowance was amalgamated into the staff expenditure allowance, and will not be used to calculate the winding up allowance.	Paragraphs 300 and 301
31. The office cost allowance should continue at the present level for local office costs and surgery advertising.	The Board decided that the office costs allowance should be increased annually in line with the Retail Price Index.	Paragraph 278
33. A grant of £5,000 should be available towards one-off items needed to equip a constituency or regional office in the first twelve months of a new Assembly Member's term of office. This figure should reduce to £2,000 if the office is provided by way of a publicly-owned building.	The Board considered the recommendation, and the underlying principle that Members should be able to set up constituency or regional offices. The Board decided that, instead, newly-elected Members would be provided with office equipment centrally.	Paragraph 291
35. With the approval of the Members' Business Support team, Assembly Members should be able to claim an additional office costs allowance provision in respect of the amount in excess of £2,000 in any financial year, spent in their local offices on safety, security and disability access; and this excess should be reimbursed over and above the basic office costs allowance.	The Board endorsed the principle of this recommendation, but, on the evidence received from Members, decided that the excess to be funded from Members' costs should be reduced to £1,000.	Paragraphs 285 to 287
41. Assembly Members' costs for surgery advertising should be reimbursed up to a maximum limit of £1,500 in any year, to be met from the office costs provision.	The Board decided that it would be inconsistent to introduce limits on the amount which could be spent on one specific type of communication, and therefore agreed not to apply a cap on surgery advertising. The Board noted that spend of this type should be assessed against the principle underpinning its Determination; Members would be responsible for ensuring that their claims were reasonable; and guidance would be provided by the Members' Business Support team.	Paragraph 292

Recommendation	Comment	Reference
<p>42. Forthwith, all individual items of office equipment costing £50 or more should be recorded on an inventory. All items on the inventory should be returned to the Assembly Commission when the Assembly Member relinquishes the seat; unless an agreement is made whereby the Member offers to buy the items at an agreed price or to transfer them to the custodianship of the incoming Member, who should sign for taking them over.</p>	<p>The Board endorsed the principle of this recommendation, but decided that only items costing £100 or more should be included on the inventory.</p>	<p>Paragraph 290</p>
<p>50. The National Assembly should establish a pool of apprentices to bolster the central support units of each party group.</p>	<p>The Board considered this recommendation during the course of its deliberations on optimising the strategic capacity of the Assembly, but decided that enabling increased flexibility for Members and groups in employing staff, together with the permitting of employment of expert assistance on short term, clearly defined pieces of work would be more effective.</p>	<p>Paragraphs 314 to 329</p>
<p>51. In order to better resource the strategic capacity of the Assembly, the Assembly Commission should engage with party leaders to reach agreement on an acceptable level of support. The Commission should engage with party leaders to reach agreement on an acceptable level of support. The Commission should also review the party group provision to allow for a central support unit of one group manager, one head of policy and research, four researchers, two press officers and two clerical staff for party groups of between three and ten Members; and for party groups with eleven or more Members, there should be accorded on extra press officer.</p>	<p>The Board noted that the Commission had had initial discussions with party leaders, but that the suggested structure did not take into account the differing priorities and arrangements within party groups. The Board included in its Determination alternative arrangements to provide party groups and Members with increased flexibility in the employment of support staff according to their specific requirements.</p>	<p>Paragraphs 325 to 329</p>
<p>52. The Assembly Commission should consider the introduction of a staff post of committee support worker available to Assembly Members from within their staff salaries allowance.</p>	<p>The Board discussed the principle of this recommendation, but decided on a more flexible approach, allowing Members, subject to a minimum proportion of staff time allocated to research, to structure their offices according to their particular priorities and needs.</p>	<p>Paragraphs 320 to 323 and 342</p>
<p>56. Staff salaries should continue to be enhanced appropriately each year in line</p>	<p>The Board considered support staff salary levels in detail, and decided, as a</p>	<p>Chapter 9</p>

Recommendation	Comment	Reference
with current rules regarding increments and 'cost of living' awards, but with the provision that if significant changes take place, a review may be undertaken by the Independent Review Body, or at the request of the Assembly Commission.	commitment had already been made by the Commission to support staff on how their pay scales would be uplifted as from April 2011, not to revisit this previously agreed position. The money currently used to fund bonus payments, which will not be permitted in the Fourth Assembly, will be consolidated into support staff salaries from the beginning of the Fourth Assembly. Pay scales will be frozen at these levels until at least April 2013.	
57. When the support staff pay bands are next reviewed in April 2010, the Commission should consider either adding an extra spine point on the top of each band, or increasing the current maximum spine point on each band.	The Board considered support staff salary levels in detail, and decided that the number of spine points on each band was correct, but that all spine points should be uplifted as set out in Chapter 9 of this report.	Chapter 9
59. Employer pension contributions should continue to be subject to a maximum of 10 per cent of actual annual pay.	The Board decided to defer consideration of pension arrangements for support staff until a full review in advance of the Fifth Assembly. Current arrangements will continue in the meantime.	Paragraphs 80, 81, 344, 365 and 371
62. An Assembly Member should be able to claim an additional amount not exceeding £2,000 to cover the cost of travel and staff overtime payments, including the additional employer's national insurance contributions relating to any such payments. In cases where there have been high levels of expenditure on travel necessarily incurred by support staff in undertaking Assembly duties, an Assembly Member may make a case for an increase in this allowance by making an application to the Members' Business Support team.	The Board considered the financing of support staff employment in tandem with its objective to optimise the strategic capacity of Assembly Members, and decided that this recommendation should not be implemented. Instead, an amount not exceeding £5,000 will be made available to Members, who will be able to choose whether to use it for travel, staff overtime, redundancy payments or increasing the flexibility in employing staff within the pay bands.	Paragraphs 314 to 315, 318 and 324
65. Assembly Members who employ family members, as defined under the draft Standing Order at appendix 13, should be allowed to continue to do so. However we believe that Members should not henceforward make any new appointment of family members.	The Board gave detailed consideration to this recommendation, and decided that recruitment of all support staff must be on the basis of fair and open competition, underpinned by a clear recruitment policy and guidance from the Commission's HR team, and that Members should have limited involvement in the recruitment and appointment of family members.	Paragraphs 330 and 332
77. The Commission should publish information and data on its website	The Board decided that implementing this recommendation would discourage	Chapter 10

Recommendation	Comment	Reference
relating to the training and development activities that have been undertaken by individual Members, or by committees.	participation in training and development.	
85. Assembly Members should be eligible to claim reimbursement for the cost of business calls made on their mobile phones. They should have the option of either submitting an itemised bill or of contributing at a flat rate of 50 per cent to the total bill. Members will be expected to choose one of these options at the start of each Assembly.	The Board agreed that Members should be able to reclaim the costs of calls made in relation to their role as Assembly Member, but decided that the mechanisms suggested by the Panel would be problematic to operate. The Board agreed that Members must follow the principles of reasonableness when making claims for mobile telephone calls. The Members' Business Support team will produce guidance to assist Members in this area.	Paragraphs 255 and 292
93. Assembly Members should seek the cheapest available travel ticket and take account of any discounts available; including those available to Members holding a 'senior railcard' or other concessionary fares.	The Board supported the use of any available discounts and concessionary fares, but decided that Members' travel should be by the most cost effective means rather than necessarily by the cheapest.	Paragraph 294