



Cynulliad National
Cenedlaethol Assembly for
Cymru Wales

The Independent Panel on Financial Support for Assembly Members

Proposed Remit, Methodology and Programme

Purpose

1. This paper advises the Panel of membership, draft remit, and supporting resources and to explain the working methods and programme proposed by the Panel secretariat. It gives the Panel an opportunity to suggest changes to these proposed arrangements.

Membership

2. The Panel is made up of the following members:-
 - Sir Michael Wheeler-Booth (Chair), a member of the Richard Commission and former Clerk to the Parliaments, he currently lectures in politics at Magdalen College, Oxford;
 - Mair Barnes, recently appointed as a non executive adviser to the Commission, a long track record in leadership of major companies;
 - Eileen Heasman, Director of Human Resources at the Office for National Statistics;
 - Professor Steven Martin of Cardiff Business School, an expert in the public sector who was the academic adviser to the Beecham Review of Local Service Delivery in Wales;
 - William Graham AM, Commissioner with responsibility for Assembly Resources, will sit on the Panel as the Commission's representative. Mr Graham is a Welsh Conservatives Member elected from the South Wales East regional list. He is principal of a family firm of surveyors in Newport and a fellow of the Royal Institution of Chartered Surveyors. As an Assembly Member, Mr Graham has an interest in the Panel's recommendations.

Terms of Reference

3. The draft terms of reference of the Panel are as follows. The Panel may wish to consider whether they feel that any part of the terms of reference would limit a proper consideration of the issues. There will be further opportunities to consider the scope as the Panel becomes more familiar with the issues:-

To carry out a review of the Salaries, Pensions and Allowances available to Assembly Members.

The Review Panel will consider the following as part of this review:

- *What are the tasks expected of Assembly Members?*
- *How is the role of an Assembly Member likely to change as a result of the implementation of the Government of Wales Act 2006?*
- *How does the role of an Assembly Member compare with that of a Member of Parliament, a Member of the Scottish Parliament or Northern Ireland Assembly or other relevant public sector roles?*
- *What are the appropriate levels of office-holders' salaries that should be paid to:*
 - *The First Minister;*
 - *Welsh Ministers;*
 - *The Counsel General*
 - *Deputy Ministers*
 - *Presiding Officer*
 - *Deputy Presiding Officer*
 - *Leaders of Opposition Parties/Groups*
 - *Committee Chairs (and which Chairs should receive an additional salary)*
 - *Members of the Assembly Commission*
 - *Chief Whips/Business Managers of Parties/Groups*
 - *Any other office-holders identified by the panel*
- *What are the tasks expected of party leaders and should there be a numerical qualification in terms of numbers of Members to qualify for payment, and if so, what should this be?*
- *What resources are required to enable Assembly Members' tasks to be undertaken effectively and efficiently on behalf of constituents and the Assembly?*
- *What resources could be best provided centrally, or through other financial support mechanisms and what resources could be provided through Allowances?*
- *How should the remuneration of Assembly Member Support Staff be organised?*
- *What support should be provided to former Members on leaving?*

The Review Panel shall invite evidence submissions from AMs and such persons, parties and other organisations as it deems appropriate, and shall otherwise conduct the review as it sees fit.

The Review Panel may consider comparators with other support mechanisms both within the United Kingdom and beyond.

The Review Panel shall prepare a report setting out its findings and recommendations with respect to salaries, with reasons, for submission to the Assembly Commission by around the end of January 2008. It is anticipated that the review of allowances will be completed by the end of April 2007.

Is the Panel content with its draft terms of reference?

Support

4. The Panel will be supported by staff of the National Assembly for Wales, in particular the following:-
 - Dianne Bevan, Chief Operating Officer of the Assembly: now has responsibility for finance, human resources, ICT, external communications and facilities management. Formerly a solicitor and director in local government;
 - Wayne Cowley, Head of Members' Business Services in the Assembly: responsible for management and administration of the current system of Members' financial support in the Assembly and has assisted in previous reviews; staff from his team will also assist;
 - Advice will be given by Ian Summers, former Director in the Wales Audit Office with particular responsibility for Assembly matters, currently working with the Assembly Parliamentary Service on corporate governance and specialist financial advice;
 - The Panel will have access to the resources of the Assembly's research service, legal team and other specialist staff as the need arises.

Is the Panel content with the level and range of support proposed?

Evidence

5. The Panel's proposals will need to be based on evidence, complemented by the independence and experience of its members.
6. There is a clear expectation that the Panel will seek written submissions from Assembly Members relating to their salaries and allowances. Whilst not wishing to pre-empt the Panel, but in an attempt to streamline the process, we have written to the party leaders and the independent Assembly Member in the terms contained in **Annex A**. The Panel may also wish to seek written evidence from Assembly Members' Support Staff (AMSS).

7. It is suggested that the taking of oral evidence can be limited – perhaps to one contribution per political party and a small number of other interested parties. This has been the usual practice during previous SSRB Reviews but the independent panel conducting the review into allowances of the Members of the Scottish parliament decided not to follow this course as they were unconvinced of the value which may attach. However, taking oral evidence does give the Review Panel the opportunity to challenge and test assertions presented to it in written evidence.
8. The Panel may also wish to consider issuing an open call for written evidence from members of the public and other interested bodies. This approach was used during the current independent review of allowances for Members of the Scottish Parliament. The responses have been published on the Scottish Parliament's website. The range of the contributions from members of the public in Scotland has been limited, but seeking views does provide a defence against any later media criticism that the views of the electorate were ignored.
9. Other areas, including specialist evidence dealing in particular with the changes in Member responsibilities resulting from the Government of Wales Act 2006 and the financial support attached to comparable roles is likely to be essential.

The Panel is asked to consider the extent to which it would like to call for written evidence, whether to take oral evidence and the areas of evidence it believes to be essential. Are there areas other than those outlined in the letter to party leaders at Annex A which the Panel would like us to explore?

Working Methods

10. **Information and research** – documents which will provide useful background include past Senior Salaries Review Body (SSRB) reports in respect of the Assembly and other legislatures. Comparable information from other legislatures has been drawn together. Panel members may wish to consider whether they would like to spend some time shadowing Assembly Members to better understand the sort of financial support they might need to fulfil their duties.
11. **Background reading** – the Panel has been provided with background papers prior to this meeting, and more will be prepared to inform deliberations as we proceed. The support team would be very happy to arrange individual discussions or tailored information to assist the Panel as required.
12. **Meetings** – it is suggested that the Panel will need to meet as a body once in December (arranged for 6 December), twice in January, once in February and twice in March. There may be a need to meet once more in April to settle the final report on allowances, unless this can be done electronically. It will be possible, subject to the Panel's views, for

oral evidence sessions to take place before a smaller number of Panel members and a record produced for reference of those who did not attend. We will establish a programme of meetings when the Panel has agreed the approach to its work.

Is the Panel content with the proposed approach to the work? Are there any other areas the Panel would like us to explore?

Programme

13. The work of the Panel splits into two areas, proposals on salaries and on allowances. The work on salaries should take priority over that of allowances as a decision on any uplift of Members' salaries needs to be made by the Assembly Commission by mid March 2008, to allow any backdating to the elections in May 2007 to take place in-year. The salaries to be reviewed as a priority include those of Assembly Members (both with and without Ministerial or other responsibilities) and the salaries of their directly employed support staff. Support staff salaries are paid from allowances, but this element of the work is easy to separate out from other allowances work.
14. On this basis, a challenging but achievable outline programme is suggested as follows:-
 - December – Panel meets to agree working methods, work programme and receives a briefing on the issues. Call for written evidence on the matter of salaries for Members and their support staff.
 - January – written evidence received and any oral evidence is taken. Report on salaries prepared and agreed with the Panel, submitted to the Commission for consideration. Call for evidence on allowances.
 - February – information and evidence gathering on allowances. Some Panel members may consider shadowing of Assembly Members to have direct experience of the service funded by allowances. Assembly Commission considers the Panel's recommendations on salaries.
 - March – written evidence received and any oral evidence taken.
 - April – Panel agrees draft report on allowances and submits to the Commission for decision.

Is the Panel content with the programme as outlined?

Governance

15. In line with good governance, **Annex B** sets out the seven principles of public life, to which members of the Panel will wish to have close regard while carrying out their work. It is expected that the Panel will at all times:-

- observe the highest standards of impartiality, integrity and objectivity in the independent advice they provide and the operation of this Panel;
 - ensure that recommendations take into account the evidence received from all parties and the Panel's remit;
 - to allow full and frank discussion, keep confidential the work of the Panel until such time as its recommendations are agreed and published (subject to the terms of Freedom of Information or Data Protection legislation, following advice from the Panel secretariat)
16. One Panel member, William Graham AM, has a clear interest in the outcome of the Commission's decision on the Panel's recommendations and this has been clearly declared. He is also a member of the decision-making body.

Would the Panel confirm its agreement to these principles?

Publicity

17. It is a feature of discussions about financial support to elected Members that they attract public and media attention. From the start, it is important for the Panel to agree how this will be handled, although it will be essential to keep this approach under review. One way of guarding against this criticism would be by the establishment a dedicated website (or section on the national Assembly for Wales website) where information can be readily accessed by the public as the inquiry progresses.
18. This could include the publication of written evidence received, which is recommended. However, if this route were to be followed it would be important that anyone who was intending to submit evidence would need to be aware of the fact and arrangements will be made accordingly. Publication of the minutes of the Panel's meetings might also be considered, at a suitable point after its recommendations have been made to the Commission.
19. No information has yet been released about the make-up of the Panel. We recommend that names of the Members and brief pen-pictures are released along the lines of the information provided in this paper under membership.

Recommendations and Decisions

20. Matters for decision have been highlighted in the text, but in summary it is recommended that the Panel:-
1. Agrees the terms of reference as drafted
 2. Considers whether it requires further support to fulfil its role
 3. Considers the nature and extent of the evidence it needs to receive;
 4. Agrees its working methods and programme;
 5. Confirms its agreement to the governance principles set out above;

6. Agrees its overall approach to publicity.

Text of letter sent to Party leaders on 5 November 2007

REVIEW OF ASSEMBLY MEMBERS' PAY AND ALLOWANCES

As you are no doubt aware, the National Assembly for Wales Commission has decided to commission a review of the Salaries, Pensions and Allowances available to Assembly Members

The Review Panel will be expected to prepare a report setting out its findings and recommendations, with reasons, for submission to the Assembly Commission by around the end of January 2008 in relation to salaries and pensions. A further report should be prepared for submission to the Assembly Commission by around the end of April 2008 in relation to allowances. I enclose a copy of the remit of the Review Panel for your information.

Whilst it would be unwise for me to attempt to determine precisely the questions which the Review Panel might ask, it may be helpful if the members of your group could give consideration to the types of issue which may be relevant to the work of the Panel. In particular, your Members may wish to consider:

- The level of responsibility placed upon Members by increased powers to legislate and scrutinise legislation under the Government of Wales Act 2006
- The tasks required of them in relation to
 - Their Assembly duties
 - Engagement with their constituents
- Any quantification of workload (for example, volume of correspondence, number of surgeries, local meetings etc) and how this might compare with corresponding Members of Parliament (particularly where comparative information might be readily available – for example where an AM and MP share office accommodation)
- The resources necessary (including staffing and accommodation) for undertaking Assembly duties beyond the range of services directly provided by the Assembly Commission
- The resources necessary for engaging with constituents
- How accommodation costs should best be provided for Members who cannot reasonably commute daily to Cardiff to undertake Assembly duties
- What travel is required in undertaking their duties and how this might best be reimbursed

I would anticipate that the Review will be formally requesting evidence at the end of November/beginning of December but consideration of the points outlined above may help to streamline the process.

Seven Principles of Public Life

Selflessness: Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for awards and benefits, holders of public office should make choices on merit.

Accountability: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

Honesty: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership: Holders of public office should promote and support these principles by leadership and example.