



Comisiwn y Cynulliad Assembly Commission

NAFWC 2008 (Paper 4)

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Review of Financial Support for Assembly Members

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Purpose and summary of issues

1. This paper provides to the Commission with advice on the recommendations contained in the Report of the Independent Review of Financial Support for Assembly Members.

Recommendations (including priority deadline)

2. That the Commission

- Notes the First Report of the Independent Review of Financial Support for Assembly Members (attached);



- Makes the National Assembly for Wales (Assembly Members and Officers) (Salaries) Determination 2008;
- Makes the National Assembly for Wales (Assembly Members and Officers) (Salaries) Determination 2008
- Approves a change to Rule C2 (3) of the National Assembly for Wales Members Pension Scheme Rules to make the new office-holder's salary recommended by the Panel pensionable.

Discussion

3. The National Assembly for Wales Commission decided in the Autumn of 2007 to seek recommendations on the Salaries, Pensions and Allowances available to Assembly Members (AMs) from a Panel of four independent people and one Assembly Commissioner.

4. The Panel commenced its work in December 2007 and has met on a number of occasions taking both written and oral evidence from Assembly Members and others together with consideration of briefing papers produced by Assembly officials.

5. In brief, the Panel's recommendations may be summarised as follows:

- The salary of an AM should be set at a level of 82 per cent of that of an MP;
- That the evidence so far does not support an increase to the salaries of office-holders with the exception of the leader of opposition parties other than the largest who should receive an office-holder's salary equal to that paid to the Chair of a Scrutiny Committee;
- That there should be a fundamental review of AM salaries and allowances to consider whether it would be possible to develop an approach to the remuneration of AMs which is clear and transparent, and reflects the context of the National Assembly for Wales rather than the Westminster model
- That normal uprating mechanism to the levels of salaries and allowances available to AMs should be applied pending the outcome of such a review

6. Evidence was submitted to the Panel questioning the adequacy of both the Office Costs Allowance and the Staff Salaries Allowance. The Panel will consider these issues at its next meeting on 18 March.



Determination

7. A revised determination, the National Assembly for Wales (Assembly Members and Officers) (Salaries) Determination 2008, will give effect to the salary recommendations of the Review Panel. In line with the recommendations of the paper considered by the Commission in July 2007, the previous Determination which covered all aspects of salaries and allowances has been split into smaller discrete Determinations which will allow changes to one element to be made more easily in future and reduce the potential for a change to allowances being portrayed as an increase in salaries.

8. Accordingly, a National Assembly for Wales (Assembly Members and Officers) (Allowances) Determination 2008, which updates the levels of allowances previously agreed, also needs to be made by the Commission. This will be amended slightly to reflect decisions on any further recommendations from the Panel.

9. In order to make pensionable the new salary for the leader of opposition parties other than the largest, as is the case with all other office-holders' salaries. It is necessary to make a minor change to Rule C2(3) of the Rules of the National Assembly for Wales Members Pension Scheme Rules. A draft wording of the revised Rule is at Annex A.

10. In June 2007, the Assembly Commission increased the level of staffing support available to AMs to 3.0 full time equivalents to match the level of support afforded to MPs. The SSRB recommended that the level of staffing available to MPs should be increased further to 3.5 full time equivalent staff.

11. This increase if matched in the Assembly would result in a cost of up to £600,000 if AMs took up such an increased entitlement in full. The Labour AMSS have submitted evidence suggesting an increase to 4.0 full-time equivalent staff which would have a correspondingly greater cost. It is suggested that no change should be made to the level of staffing available to AMs pending the more wide-ranging review suggested by the Review Panel.



Governance Matters

Financial implications

12. Provision for the payment of salaries has been included in the Commission's budget previously approved by the Assembly. The additional cost of the Review Panel's recommendations on salaries is just under £240,000 (5.1 per cent of the Assembly Member paybill including employer's National Insurance and pension contributions). Adequate provision for an increase of this size was included in the budget approved by the Assembly.

13. The costs of the potential change to arrangements for employing AMSS have not been included in the approved budget for 2008-2009 but should be able to be accommodated should AMs follow a similar spending pattern in the forthcoming financial year as they have in 2007-2008 where a number of allowances have been underspent

Risk Assessment

14. The main risks would appear to be:

- the risk of adverse media comment at an increase in the remuneration of AMs at a time when the pay and allowances of politicians at Westminster and the European Parliament are being criticised. This can be mitigated by the fact that an independent Panel has been asked to make recommendations, giving an external and evidence-based view. Also, the nature of Assembly Members' responsibilities has changed significantly and this is a clear reason for the proposals of the Panel.
- an increase in AMSS salaries or increased AMSS numbers has not been provided for in the Commission's budget at this stage, which might lead to financial pressure.

Compliance

15. Section 20(6) of GOWA 2006 allows for the Assembly Commission to be given the responsibility for setting the levels of salaries and allowances for Assembly Members. Standing Order 1.7 confers this responsibility on the Commission.



16. There is no direct impact on the Assembly's statutory duties in relation to race equality or sustainable development.

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