

Remuneration Board

Meeting Venue: Conference Room 4B, Ty Hywel

Meeting date: Thursday, 19 June 2014

Meeting time: 09. - 17.00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Concise Minutes: WRB(26)

Assembly Members:

Sandy Blair CBE DL (Chair)
Mary Carter
Stuart Castledine

Witnesses:

Mark Packham, PwC
Buddug Saer, Programme Manager

Committee Staff:

1 Chair's Introduction

- 1.1 The Chair welcomed the Board to the meeting.
- 1.2 Apologies had been received from Monojit Chatterji. The Board wished him a speedy recovery.
- 1.3 The Chair declared an interest as he had accepted hospitality from the Counsel General in a personal capacity.
- 1.4 Stuart Castledine informed the Board that he was no longer non-executive of the Welsh Ambulance Service.
- 1.5 Minutes of the previous meeting on 20/21 March 2014 were reviewed. The Board agreed that a more detailed and substantial minute of the meeting should be drafted and re-circulated to Board members. The Board also

agreed that the minutes of future meetings should be more detailed and clearly outline decisions made.

- 1.6 The Board discussed the meetings with office holders.**
- 1.7 The Board noted the update on progress, which had been provided by the Clerk.**
- 1.8 The Board noted that the tender for the AM job evaluation exercise had been awarded to HayGroup. Board members emphasised that the exercise should seek the views of a broad range of people. The Board also requested that the exercise consider the differing responsibilities of Government party back-benchers and opposition back-benchers.**
- 1.9 The Board noted the correspondence from the Labour Group regarding the AM survey and agreed to respond to the letter.**
- 1.10 The Board noted the summary of responses to the AM survey.**
- 1.11 The Board noted the correspondence from the Presiding Officer regarding the Assembly Commission's strategy and agreed to respond to her setting out decisions and discussions of particular relevance to the Commission and how the Board intends to proceed.**

2 AMSS - Staffing Expenditure Allowance

AMSS – Staffing Expenditure Allowance

Discussion:

- 2.1 The Board considered papers on AMSS – Staffing Expenditure Allowance AMSS redundancy pay, pension provision and Death in Service, AMSS Continuous Service, and AMSS standard contract of employment, which had been provided by the Assembly Commission.**
- 2.2 The Board agreed that Assembly Members should be given the right resources to enable them to do their job effectively and efficiently.**

Decision:

- 2.3 The Board agreed to consult Assembly Members and Assembly Member Support Staff on the following proposals:**
 - To introduce the role of Senior Adviser;**
 - The introduction of an apprenticeship scheme;**
 - Review the use of the policy and research fund, and the support for groups;**
 - Support for political groups;**
 - The introduction of a death in service benefit for AMSS**

- 2.4 The Board agreed to maintain their policy to prevent any difference between actual spending and maximum permitted staffing allowance to be used, in year, to fund additional staffing support.
- 2.5 The Board agreed to maintain the 111 hours cap on permanently employed staff.
- 2.6 On the Policy Research Fund, the Board agreed to consult on proposals to increase the size of the fund and for Members to indicate what size they feel would be most helpful. The Board also proposed to broaden the Policy Research Fund to cover the cost of materials and activities that would support Members' capacity to engage with the public – Members would need to demonstrate accountability with the Fund and it would need to be carefully monitored to ensure that it is not being used for campaigning or explicitly for party political purposes.
- 2.7 The Board agreed to invite the Standards Commissioner to share his views on the proposals for the Policy Research Fund.
- 2.8 The Board agreed that, before reaching any conclusions on funding support to political groups in the Fifth Assembly, it would seek Members' views on the current approach. The Board agreed to give consideration to the potential impact of different party dynamics at the next Assembly when reviewing the final Determination.
- 2.9 The Board agreed that the policy on the overlapping of pay bands for AMSS should remain.
- 2.10 The Board stated that the consultation should make reference to the additional support required of an AMSS who supports an office holding AM.

AMSS redundancy pay, pension provision and Death in Service

Discussion:

- 2.11 The Board considered a paper on AMSS redundancy pay, pension provision and Death in Service, which had been provided by the Assembly Commission.
- 2.12 The Board agreed that the main core of the pension arrangements for AMSS should not change. However, it felt that Assembly Members and AMSS should be consulted on proposals to change the Death in Service provision in the scheme.
- 2.13 After comparing the Assembly's redundancy arrangements with those of other Legislatures, the Board concluded that the existing arrangements were sufficient and more generous than Scotland and Northern Ireland.

Decision:

- 2.14 The Board agreed to consult Assembly Members and Assembly Member Support Staff on proposals to introduce a Death in Service benefit at 2x salary, in line with other Public Service Pension Schemes.
- 2.15 The Board also agreed to consult Members and AMSS on its decision not to change AMSS pension contributions.

AMSS Continuous Service

Discussion:

- 2.16 The Board considered a paper on AMSS Continuous Service, which had been provided by the Assembly Commission.
- 2.17 The Board noted that when a Member stands down, their staff are made redundant and are eligible for a redundancy payment, set at a statutory redundancy rate plus a fifty per cent enhancement.
- 2.18 The Board considered an option to automatically transfer AMSS from a retiring Member to a new Member, where both Members are from the same party. The Board noted Section 218 (2) of the Employment Rights Act, which highlights a situation where a change of employer is deemed not to break continuity of employment. The Board noted that, should this approach be subject to a successful legal challenge, it would effect the contractual position of staff in Westminster, Holyrood and Belfast.

Decision:

- 2.19 The Board agreed to write to Remuneration bodies in other Legislatures requesting their experience of this clause and how they have explored the issue.
- 2.20 The Board agreed to inform the AM Representative Group of this section of the of the Employment Rights Act at its next meeting.

AMSS standard contract of employment

Discussion:

- 2.21 The Board considered a paper on AMSS standard contract of employment, which had been provided by the Assembly Commission.
- 2.22 The Board noted that there is currently provision for one week's notice required in the first 12 months of service and four weeks after 12 months for Assembly Member Support Staff.

Decision:

- 2.23 The Board agreed to consult Assembly Members on proposals to require one week of notice in the first 3 months of service and a 4 week notice period thereafter.
- 2.24 The Board agreed that the current annual leave entitlement for staff of 31 days plus public holidays was sufficient.
- 2.25 The Board also agreed to invite questions on the adequacy of the staff code of conduct, job descriptions and the staff handbook.

3 Issues for decision and conclusion: Pensions

Discussion:

- 3.1 The Chair welcomed Mark Packham, Director, HRS Pensions, PwC to the meeting.
- 3.2 The Board considered a paper outlining work to date and a summary of the responses to the consultation conducted by the Board in April 2014.
- 3.3 The Board agreed to respond to the questions posed by the Board of Trustees of Assembly Members pensions.
- 3.4 The Board considered the draft consultation document on AM pension arrangements.

Decision:

- 3.5 Action: Assembly Commission staff to request that GAD produce an early estimate of the past service deficit and past service contributions for the 2014 valuation based on latest membership data and assumptions.
- 3.6 Action: Assembly Commission staff to arrange a meeting between the Chair and the Chair of the Trustees of the Assembly pension scheme to discuss valuations

and to request from GAD that the results on valuations are on two bases: CPI+3 and CPI +2.5.

- 3.7 The Board requested that the assumptions should be as flexible as possible, as a large deficit could make the new scheme look unaffordable.
- 3.8 It was important that there be clear triggers in the new scheme enabling change to benefits in the future.
- 3.9 Any communications on the new scheme should be expressed in terms of total cash contributions, split between past service contributions and future contributions.
- 3.10 The Board agreed that Death in Service should be x2 salary and survivor benefits to be 50% of annual pension.
- 3.11 The Board agreed that the qualification date for transitional protection should be 2012.
- 3.12 The Board agreed not to offer 10 years protection due to the numbers of AMs that work beyond NRA.
- 3.13 Action: The Board requested that Commission staff seek a quote from an insurance provider for insuring Death in Service in the AM pension scheme.
- 3.14 Owing to the cost of transitional protection and in order to provide benefits which are reasonably equitable between older and younger scheme members, the Remuneration Board agreed not to propose additional tapering of the transitional provisions.
- 3.15 The Board agreed that the consultation should include the rationale for decisions made by the Board, specifically on total cost, compliance and a better balance between member and employer costs.

- 3.16 The Board agreed that it should be explained that responses to the previous consultation have informed this phase of the public consultation.
- 3.17 Action: The Board requested that Commission staff prepare calculations to illustrate how the proposed pension scheme may operate in practice.
- 3.18 The Board requested that there be clear dialogue with HM Treasury on a potential cost cap and how it could have an impact on a small, highly sensitive scheme, such as the AM pension scheme.
- 3.19 The Board noted that the consultation would be issued as soon as possible and that responses would be received in time to inform discussion at the Board meeting on 29 August.
- 3.20 Action: The secretariat would amend the consultation document to include comments raised by the Board and circulate it outside Board meetings for approval.

4 Framework for Annual Report

Discussion:

4.1 The Clerk updated the Board on progress in creating the framework for the annual report.

Decision:

4.2 The Board agreed that there needed to be greater parameters and flexibility in the Annual report 2013-14.

4.3 The annual report should acknowledge that costs incurred in the process of reviewing the strands of the remuneration package have been weighty. However, there has been a short-term investment to ensure that there is a long-term benefit and Value for Money.

4.4 The annual report should also acknowledge that advice on pensions, such as legal advice and actuarial advice, is an expensive but necessary expenditure. The quality of this advice has given the Board confidence to proceed with its decisions.

5 Briefing from Assembly Commission staff on Freedom of Information

Discussion:

5.1 The Board received a briefing from Assembly Commission staff on the Freedom of Information process.

5.2 The Board noted that there had been five FOI requests since 2011.

Decision:

5.3 The Board agreed that the Secretariat should request permission from Wragge & Co to publish its report to the Board on AM pension scheme.

5.4 To enhance transparency, the Board agreed that it should be made clear in public consultations that all responses will be open to publication, unless specifically requested not to by the responder.

5.5 The Board agreed that the note of their decisions following each meeting can be published onto the web site.

6 Papers to note

6.1 The Board noted the papers from the Northern Ireland Assembly on their Determination for the final year of the current scheme and their consultation on constituency office rents.