

# Remuneration Board

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**Meeting Venue:** Conference Room 4B - Tŷ Hywel

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**Meeting date:** Friday, 29 August 2014

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**Meeting time:** 09.00 - 17.00

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



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## Concise Minutes: WRB(27)

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### Assembly Members:

Sandy Blair CBE DL (Chair)  
Mary Carter  
Stuart Castledine  
Monojit Chatterji  
Professor Laura McAllister

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### Witnesses:

Claire Clancy, Chief Executive, National Assembly for Wales  
Richard Bettley  
John Chick, National Assembly for Wales  
Anna Daniel, Clerk of the Business Committee  
Matthew Richards  
Jon Gay, HayGroup  
Paul Carberry, Wragge & Co  
Kevin Milton, Wragge & Co

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### Committee Staff:

Gareth Price (Clerk)  
Daniel Collier (Deputy Clerk)

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## 1 Chair's introduction

1.1 The Chair welcomed Board members to the meeting.

1.2 The Chair welcomed Professor Laura McAllister to her first meeting. She joins the Board for a year as it concludes its review of the remuneration package for Assembly Members in the Fifth Assembly.

1.3 The Board agreed the minutes of meetings in March and June 2015, subject to minor amendments.

**1.4 The Board agreed that a less formal discussion on the strategic approach to its remaining work should be arranged during the next meeting.**

**1.5 Board members indicated that they would like to speak to former AMs who are currently MPs as part of its consideration of pension arrangements.**

**1.6 Although the Board were grateful for the additional information on the series of responsibilities of the Counsel General, they questioned why the remit letter was considered confidential information. They noted that other public bodies in Wales routinely made remit letters available to the public.**

**1.7 The Board discussed the forthcoming meeting with the Assembly Commission.**

**Action points:**

- Assembly Commission staff to pursue phonecalls with AMs who used to be MPS, and those MPs who used to be AMs.**
- Assembly Commission staff to contact the Welsh Government requesting further explanation as to why the remit letter was not a public document.**
- Assembly Commission staff to re-circulate the notes of recent office holder meetings.**
- Assembly Commission staff to draft a response to the letter from the Presiding Officer (Paper 13) stating that the Chair was looking forward to the discussion on the work of the Board at the Assembly Commission meeting in November.**
- Assembly Commission staff to provide briefing for Members on areas for discussion with the Commission and inform Members of when the Assembly Commission meeting will take place.**

## **2 Assembly Member Pension arrangements**

**2.1 The Chair welcomed Paul Carberry and Kevin Milton from Wragge & Co to the meeting.**

**2.2 The Board considered each response to the consultation, which was issued in July 2014.**

**2.3 The Board noted the response from Welsh Liberal Democrats, which indicated that the Group were content with the Board's proposals.**

**2.4 The Board considered comments from other respondents and agreed to respond to them individually.**

**2.5 Wragge & Co stated that they were ready to start preparing the draft scheme rules and that they could do so without further information from GAD on the level of employer cost cap.**

2.6 The Board requested that Wragge & Co discuss the initial draft of the AM pension scheme with Mary and Stuart to inform the meeting on 28 November 2014.

2.7 The Board felt it was critical that there be a professional independent Chair of the board, in addition to the employer and employee reps. The Board agreed they would take responsibility for appointing the independent Chair – Wragge & Co advised that this could be built into the scheme rules.

2.8 There needs to be a clear definition of the roles and responsibilities of a pension board member.

2.9 It was noted that the Remuneration Board was the “responsible authority” for the purposes of PSPA.

2.10 The Board agreed to discuss employer representation with the Commission at the meeting in November. The Board agreed that it would be critical for the pension board members/Trustees of the scheme to have appropriate training for the role.

2.11 The Board agreed that the pension board should comprise of five members [2+2+1]

2.12 It was noted that the new pension board would replace the existing Board of Trustees. There would need to be a robust transfer of assets during the transition.

2.13 The Board agreed that the governance arrangements of the scheme would need to be transparent, fair and equitable to the public and Assembly Members.

#### **Action points:**

- Staff to prepare responses to letters from the Labour Group and the AM pension Trustees addressing the points they raise. The letter should provide clarity on:
  - Provisions for Death in Service;
  - The Scheme Operation;
  - Details comparing the Board’s proposals for Accrual Rate with the scheme implemented by IPSA in Westminster (this must also be included in any communications strategy);
  - The Board’s stance on Additional Voluntary Contributions (AVCs); and
  - The contribution split.
- Staff to contact HMT to discuss their view of how a light touch approach to the PSPA requirements could be implemented in practice and whether any changes have occurred following the Reform of Funded Public Body Pension Schemes. Depending on the outcome of the discussions, it might be necessary to arrange a meeting which would include the external Legal Advisers.
- Staff to invite Stuart Castledine to attend the next AM representative group meeting.

- In order to get a sense of how the contribution split in the proposed pension scheme would work in reality, the Board requested further information on the financial consequences of a 23.8 per cent contribution rate by the Assembly Commission over a one year period.
- Staff to double check the code rules for compulsory accruals.
- Wragge and co to draft two or three options (including a note on the pros and cons of each) for a dispute resolution mechanism regarding the cost cap for the Board to consider – ideally at their October meeting.
- Draw up a conflict of interest policy for the pension scheme.
- Wragge & Co agreed to include robust substitution arrangements for the pension board when designing the scheme rules.
- Staff to prepare a paper for the next Board meeting in October outlining a number of options for achieving best governance in the pension scheme, including the configuration of the pension board. The paper should also include details on the procedure for appointing an independent member to the pension board.
- Staff to arrange a meetings/teleconference between Mary, Stuart and Wragge & Co to discuss the first draft of the pension scheme.
- Staff to arrange a meeting between Stuart/Mary and HMT to approve the final scheme design. Wragge & Co should also be in attendance.

### **3 AM allowances**

3.1 The Board discussed issues around AM allowances and agreed in principle some proposals to be included in the forthcoming consultation.

3.2 The Board indicated that AM allowances might not require a radical change, however, it would need to carefully consider the recommendations of the Bangor University report to make a fully informed decision.

3.3 The Board agreed to re-visit this issue at its meeting on 16/17 October 2014.

### **4 Assembly Member salaries**

**Draft report on research into barriers for entry into the Assembly – Bangor University report**

4.1 The Board noted the apologies of Prof.Cathrin Robinson from Bangor University who was not able to attend due to ill health and wished her a speedy recovery.

4.2 The Board discussed the findings of the Bangor University report on research into barriers for entry into the Assembly.

**Action points:**

- Assembly Commission officials to conduct further research comparing the challenges of Assembly Members with those in other public sector organisations which may face challenging work life balance issues – what they are offered as support or compensation to address work–life balance (eg NHS hospital staff, military, emergency services).
- Assembly Commission officials to review the specification of the work requested and ask Bangor University to address any aspects in the terms of reference which were not adequately addressed, including a broader yet succinct literature review on work–life balance trade–off research and the quantification of public service value.
- Commission officials to prepare briefing for meeting with Commission to cover issues raised in this report.

**Draft report on the job evaluation of the role of an Assembly Member and office holders – HayGroup**

4.3 The Board welcomed Jon Gay from HayGroup and invited him to present the findings of his report on the job evaluation of the role of an Assembly Member and office holders.

4.4 The Board discussed the findings of the draft report.

**Action points:**

- HayGroup agreed to check whether there had been any changes in the relativities of job roles compared to the original assessment undertaken in 2001. And whether their work with IPSA had said anything about the value of allowances.
- General market table – include public and not for profit in the table and add in other potentially comparable roles in the Scottish Parliament.
- Staff to clarify the value of PM’s salary entitlement.

**Determination of AM basic salary for the Fifth Assembly**

4.5 The Board discussed the results of both independent reports and agreed that it would review the base salary of an AM first and then work to remunerate each role above that in order (using the HayGroup report as a guide).

**Action points:**

- Staff to provide more comparators with private sector jobs in Wales, also where there are regional differentiations for comparable jobs in the public sector.

- Share / publish the HayGroup and Bangor University reports with AMs when consulting on AM salaries after the October meeting.

## **5 Papers to Note**

5.1 The Board noted the letter from the Chief Executive of the National Assembly for Wales on the Policy and Research Fund.

5.2 The Board noted the response from the Standards Commissioner on the policy and research fund for local communication and engagement after the next election.

5.3 The Board noted the letter from the Presiding Officer on the Strategic priorities of the Assembly Commission and agreed to respond highlighting issues which would be useful to discuss at its meeting in November.

5.4 The Board noted the letter from the Counsel General's Private Office regarding his responsibilities and agreed to approach the Welsh Government to ask for further details on his remit.