

Concise Minutes – Remuneration Board

Meeting Venue:

Meeting date: Thursday, 24 March 2016

Meeting time: 09:30 – 16:00

Attendance

Category	Names
Assembly Members:	Rt Hon Dame Dawn Primarolo (Chair) Trevor Reaney Michael Redhouse Dame Jane Roberts Roger Williams
Board Staff:	Daniel Collier (Deputy Clerk) John Chick Adrian Crompton Anna Daniel Gwion Evans (Clerk) Matthew Richards Non Gwilym Rebecca Hardwicke Martin Jennings

1 Chair's introduction

1.1 The Chair welcomed Board members to the meeting.



Cynulliad
Cenedlaethol
Cymru

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Assembly for
Wales

1.2 The Board agreed the minutes of the meeting on 28 January 2016.

2 Update and consideration of the Board's work programme

2.1 The Board considered a paper outlining the work scheduled to be undertaken and forthcoming key decision required. The Board considered the work plan for the spring/summer term 2016.

Enterprise Bill

2.2 The Board discussed the outcome of discussions on the Enterprise Bill.

2.3 The Board noted that the Legislative Consent Motion was agreed by the Assembly, alongside assurances by the Minister for Public Services that the Government would not seek to exercise this power.

2.4 The Board outlined concerns with the principle that the Bill did not reflect the Remuneration Board's role and remit in Wales.

Action point:

- The Board agreed to monitor discussions on how the arrangements under the Bill will work in practice and seek an update from the Presiding Officer as to any commitments made by the Treasury.

Pensions

2.5 The Board noted that HM Treasury were considering the final pension scheme and that it was anticipated that formal approval of the scheme would be obtained in the coming weeks.

2.6 Following discussions between Michael Redhouse and the Government Actuary Department (GAD), the Board agreed to advise GAD that the contribution rate in

the new pension scheme should be 10.5% for Members and 15.6% for the Assembly Commission. This would be reflected in the final scheme to HMT for approval.

- 2.7 The Board noted that the recruitment process for the appointment of an independent Chair of the new Pension Board for the National Assembly for Wales Member Pension Scheme was underway. Although Michael Redhouse was the Board's representative on the recruitment panel, the Board noted that it was required to formally appoint the successful candidate following the recruitment exercise.

AMSS Job descriptions

- 2.8 The Board noted responses to the Members' Business Support (MBS) consultation on AMSS job descriptions which would help them enhance the recruitment process and reflect the range of AMSS positions across Members' offices and Groups.
- 2.9 The Board agreed that the existing standard template for job descriptions for AMSS was fit for purpose.

Update on Board finances and forecasting for the 2016/17 financial year

- 2.10 The Board noted the financial update for its work and the overall budget for Assembly Members.
- 2.11 The Board agreed that it should receive bi-annual reviews of its budget and the overall budget for Assembly Members.

Action point:

- The Board requested further information on the under-spend in the overall Members' budget.

Proposals for a strategic away day in September

- 2.12 The Board agreed that it would hold its strategic away day in the Assembly's Colwyn Bay Office to engage with AMSS based in constituency offices in North Wales.
- 2.13 The Board agreed that the away day should consist of inviting AMSS to attend a drop in session and individual visits to constituency offices to experience first-hand the challenges faced by AMSS.
- 2.14 The Board agreed to consider a draft programme for the away day at its next meeting. This should include areas which the Board will wish to consider to help inform its decisions leading up to the Sixth Assembly.

Action point:

- The Board requested further information on good practice and principles adopted by other EU countries in supporting Members and their staff to do their jobs to the best of their abilities.

Meeting dates

- 2.15 The Board confirmed the away day in September would now take place on 15 and 16 September.

Communications

- 2.16 The Head of Communications at the Assembly Commission facilitated a discussion on media relations and the profile of the Board, in particular leading up to the Assembly election.

Remuneration of Committee Chairs

2.17 The Board noted that it would need to consider remuneration for Committee Chairs at its meeting on 6 July.

2.18 The Board considered arrangements for payment of Committee chairs prior to the decision being taken on the remuneration of Committees later in the year. The Board agreed that no payments should be made in the interim period and that the remuneration should be backdated once the Board makes its determination.

Action points:

- The Board requested further information on the previous Board's decision on the remuneration of Committee Chairs in the Fourth Assembly.
- The Board requested further information on the additional responsibilities that new Committee Chairs would have in comparison to Chairs in the Fourth Assembly.

3 Item for decision: Annual review of Determination: Consideration of consultation responses 2016–17

3.1 The Board considered the following amendments to the draft Determination 2016–17 and responses to the consultation. The Board agreed to:

- Increase AMSS salaries for 2016–17 by 1.1% in line with the provisional 2015 figures for ASHE median earnings in Wales (to be implemented on 1 April);
- maintain the maximum entitlement to residential accommodation allowance for outer area Members which is currently £735 per month for rent payments, set the carers allowance at £1,440 per annum and continue the rate of the RAE subsidiary allowance relating to essential repairs on mortgaged properties which is currently set at 10% of the annual outer area allowance;
- increase the office costs allowance by 1% (to be implemented on 1 April); and
- increase the total party support allowance to £909,900. For simplicity this has been expressed £910,000.

- 3.2 The Board agreed to consider provisions in the Determination for the Residential Accommodation Expenditure (RAE) once new Assembly Members have been elected if any issues arose.
- 3.3 The Board agreed to respond to the consultation responses on proposals for AMSS salaries 2016–17 from the Welsh Conservatives and the Welsh Labour Group. The Board agreed to take into account the matters raised on AMSS salaries as part of its strategic planning in September.
- 3.4 In relation to the office costs allowance, the Board noted that CPI is currently 0.3% and the next figures will be released on 22 March. The figures for April 2016 inflation will be out mid-May.
- 3.5 The Board noted that the latest Bank of England (Feb 2016) forecast of CPI for inflation in quarter 1 of 2016 is estimated at 0.4% rising to 1.2% by quarter 1 of 2017.
- 3.6 The Board agreed that Determination should be amended to include the proposed increase in office costs allowance by 1%.
- 3.7 The Board noted that the current Determination refers to 'Opposition Party leader' with no reference to the fact that they require three Members in a party to be a group and therefore receive the salary. The Board agreed that amending the wording to reflect this and the corresponding Standing Order requirement would add clarity to the provision in the Determination.

4 Item for decision: AMSS pension scheme: Provision for an Independent Financial Adviser

- 4.1 The Board considered a paper outlining The Assembly Member Support Staff Pension Scheme presented by Donna Davies, Head of Pensions, Assembly Commission.

- 4.2 The Board noted that an Independent Financial Adviser (IFA) is aligned to the Scheme who is currently paid by commission for the services provided and the anticipated future costs for the service, given that it would no longer be operating on this basis.
- 4.3 The Board considered feedback from AMSS on this service and suggestions for improvement in the support they receive on understanding their pension scheme.
- 4.4 The Board noted that the Assembly Commission would shortly conduct a review of the AMSS pension scheme.
- 4.5 The Board agreed that the contract for the current IFA should be terminated. Instead the Board agreed that the Pensions Team in the Assembly Commission should become the main point of contact for AMSS with queries about their pension.
- 4.6 The Board agreed that the Pensions team should write to members and their staff explaining the change and confirming the new arrangements.

Action point:

- Head of Pensions to keep Board informed of progress in implementing the new provision for pensions advice to AMSS.

5 Item for decision: AM pensions: Consideration of roles and responsibilities relating to the Pension Scheme

- 5.1 The Board considered a paper clarifying the roles and responsibilities in relation to the new Pension Scheme as a basis for a new Memorandum of Understanding (MoU) between the Pensions Board and the Remuneration Board.

- 5.2 The Board noted the roles and responsibilities and the Memorandum of Understanding and confirmed that it was satisfied with how the role of the Remuneration Board will be exercised in practice.
- 5.3 The Board agreed that the Government Actuary Department and the new Pension Board should be invited to comment on the MoU and roles and responsibilities.
- 5.4 The Board also noted that a paper on the cost cap valuations would be brought to the Board for consideration at its meeting in July.

6 Item for decision: Proposals for Governance Principles and guidance on the conduct for business for the Remuneration Board

- 6.1 The Board discussed amendments to the draft Governance Principles and Guidance on the Conduct of Business.
- 6.2 The Board agreed that it would consider the content of this document at its away day.
- 6.3 The Board agreed that the descriptors of the Board's role and principles in the draft document should be amended to be more easily understood.
- 6.4 The Board agreed that it should adopt the Assembly Commission's bilingual languages scheme as it was an example of good practice. This should be reflected in the draft document.

7 Overview of resources provided to Assembly Members through the Determination and by the Assembly Commission

- 7.1 The Board considered a draft resource which would enable it to gain an improved understanding of how various allowances interacted and supported AMs.

- 7.2 The Board noted that, where possible, the resource would clearly set out the budget for each allowance or service provided, both from the Members Allowance and also from Assembly Commission central funds, to better reflect the overall package of support for AMs.
- 7.3 The Board agreed that it would consider the resource further at a future meeting.

8 Engaging Members in the Fifth Assembly

- 8.1 The Board agreed to hold a ‘drop-in’ session in the Senedd on Tuesday 5 July.
- 8.2 The Board considered key messages reinforcing its approach to its role and remit. This was to ensure consistent messages are conveyed.
- 8.3 The Board agreed that this approach enables the Board to respond to key issues identified in the previous Board’s Legacy Report and which is also being considered in the context of the proposed Governance Principles and Supporting Guidance document.
- 8.4 The Board agreed that it would speak to Assembly Members early in the Fifth Assembly to seek their views and experiences on the validity and effectiveness of the winding up allowance.
- 8.5 The Board requested that the audit report on Members’ allowances should be brought to a meeting in the future.
- 8.6 The Board directed the secretariat to liaise with the party groups to organise slots within the party meetings as soon as it practicably possible. The Chair indicated that it was both desirable and necessary for other Board Members to be available to either support the Chair at those group meetings or represent the Board themselves.

8.7 The Board requested a briefing note from the secretariat to guide the discussions at the party meetings.