



Office Holder Remuneration

**Report of the Remuneration Board
of the National Assembly for Wales**

July 2011

The Remuneration Board

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Contents

Executive Summary	4
Introduction	8
Chapter 1: Principles and Methodology	10
Overview, Collection of Evidence; Future Considerations	
Chapter 2: Committee Chairs	18
Overview; Principles; Methodology;Responsibilities; Decisions	
Chapter 3: Party Leaders	26
Overview; Principles; Methodology;Responsibilities; Decisions	
Chapter 4: Party Business Managers and Whips	34
Overview; Principles; Methodology;Responsibilities; Decisions	
Chapter 5: Assembly Commissioners	42
Overview; Principles; Methodology;Responsibilities; Decisions	
Chapter 6: Estimated Costs	46
Costs of Revised Determination; Costs of our Work	
Appendix A: Remuneration Board Remit and Membership	50
Appendix B: Meetings of the Board	52
Appendix C: Consultation	54
Appendix D: Office Holder Responsibilities	56
Appendix E: Background Documents	60

Executive Summary

1. The independent Remuneration Board of the National Assembly for Wales, established by the National Assembly for Wales (Remuneration) Measure 2010, has a mandate to determine the salaries and allowances of Assembly Members and their staff from the beginning of the Fourth Assembly.
2. This report represents the findings of the second phase of our work to determine additional salaries for committee chairs, opposition party leaders, party business managers and whips, and Assembly Commissioners.
3. In completing our work, we have sought to:
 - develop a system of remuneration that is fit for purpose, transparent and sustainable;
 - base remuneration on responsibility, not workload;
 - develop a methodology that reflects the relative responsibilities of each office under consideration;
 - develop solutions within a predominantly Welsh context; and
 - target the system of remuneration and allowances to support the strategic purpose of the Assembly as a legislature; specifically to hold the Welsh Government to account, legislate and represent the people of Wales.
4. Our work has been informed by the evidence gathered during the first phase of our work, and by written and oral consultation with Members who held offices in the Third Assembly or who have taken up office in the Fourth Assembly.
5. We have explored the way it is anticipated that each office will function within the context of the Fourth Assembly, and asked those who provided us with evidence to compare the relative responsibilities of the additional offices at the Assembly in order to enable us to develop a coherent and sustainable framework for additional salaries which takes account of the internal relativities.
6. All of the additional salary levels set out in this report will be backdated to the date of appointment of the office holder in the Fourth Assembly, and are subject to a pay freeze for four years, as set out in our first report, *Fit for Purpose*, of March 2011.¹

¹ Chapter 5, *Fit for Purpose*

Chairs of Assembly Committees

7. To reflect the relative responsibilities and contributions of committee chairs to the strategic purpose of the Assembly, there will be a two-tier structure of additional salaries for committee chairs.
8. In recognition of the significant additional responsibilities that will be borne by the chairs of eight of the Assembly's committees within the newly streamlined structure, the chairs of those committees will receive additional salaries of £12,420, which is 50 per cent greater than the £8,280 interim salary level we set in March 2011 on the basis of our understanding of the responsibilities borne by chairs of Third Assembly committees. The responsibilities of the chairs of the Petitions and Standards Committees will be broadly similar to those of Third Assembly committee chairs, and they will each receive an additional salary of £8,280.
9. The additional salaries that will be paid to the chairs of committees in the Fourth Assembly are set out in Figure 1.

Figure 1: Additional Salaries Payable to Committee Chairs in the Fourth Assembly

Committees	Additional salary
Children and Young People; Environment and Sustainability; Health and Social Care; Communities, Equality and Local Government; Enterprise and Business; Public Accounts; Finance; Constitutional and Legislative Affairs	£12,420
Petitions; Standards	£8,280

10. Our decisions are based on the committee structure agreed by the Assembly in June 2011. If there are material changes to the committee structure during the course of the Fourth Assembly, we will review the impact on the decisions we have taken.

Opposition Party Leaders

11. To reflect their responsibility in driving forward the overall purposes of the Assembly, leaders of opposition parties will receive a base level of additional salary equal to that paid to the chairs of the most strategically significant Fourth Assembly committees. The additional responsibilities and complexities involved in leading larger parties, in comparison to smaller opposition parties, will be recognised by a per-Member incremental element. Leaders of opposition parties in the Fourth Assembly will receive additional salaries, backdated to the date of appointment, comprising a base level of £12,420 and a proportional element of £1,000 per seat held. The total additional salary will be subject to a cap of £41,949 (the level of additional salary payable to Welsh Ministers).
12. The actual levels of additional salary payable to the leaders of the opposition parties in the Fourth Assembly, based on the political balance following the election in May 2011, are shown in Figure 2.

Figure 2: Additional Salaries Payable to Opposition Party Leaders in the Fourth Assembly

Opposition Party	Number of Members	Additional salary
Conservative	14	£26,420
Plaid Cymru	11	£23,420
Liberal Democrats	5	£17,420

Party Business Managers and Whips

13. The roles undertaken by party whips are for party political purposes, and we do not believe that it is appropriate to pay additional salaries to them from public funds. Therefore, from the Fourth Assembly onwards, opposition and Government chief whips will no longer receive additional salaries.
14. To reflect the responsibilities of business managers to the effective functioning of Assembly business, each party's business manager will receive an additional salary of a base level of £6,210, which is 50 per cent of the additional salary payable to chairs of the more strategically significant committees, plus a proportional element of £250 per Member in the party group. The total additional salary will be subject to a cap of £12,420. Based on the current political balance, the additional salaries payable to business managers from each party in the Fourth Assembly is shown in Figure 3.

Figure 3: Additional Salaries Payable to Party Business Managers in the Fourth Assembly

Party	Number of Members	Additional salary
Labour	30	£12,420
Conservative	14	£9,710
Plaid Cymru	11	£8,960
Liberal Democrats	5	£7,460

Assembly Commissioners

15. Assembly Commissioners have responsibility for overseeing and deciding the strategic governance of the Assembly. Such responsibilities are broadly equivalent to those of chairs of the more strategically significant committees, and, to reflect this, Assembly Commissioners will receive additional salaries of £12,420.

Costs of Revised Determination

16. The total additional salary payable to all office holders at the beginning of the Fourth Assembly is £889,033 compared with £960,203 at the end of the Third Assembly. This is a reduction on office holders' salaries of £71,170 or 7.4 per cent. The revised estimated cost of our Determination for 2012-13 is £12.9 million.

Future Considerations

17. The next phase of our work will be to undertake a review of pension benefits to Members, office holders and staff. We intend to start work in this area, which we anticipate will be ongoing for the duration of the Fourth Assembly, during autumn 2011.

Introduction

The Remuneration Board of the National Assembly for Wales, established by the National Assembly for Wales (Remuneration) Measure 2010, has a mandate to determine the salaries and allowances of Assembly Members and their staff from the beginning of the Fourth Assembly.

Following our appointment by the Assembly Commission on 22 September 2010, we met on a number of occasions between October 2010 and March 2011 to undertake the first phase of our work.

Our *Determination on Assembly Members' Pay and Allowances 2011-12* was published in March 2011. The rules of financial support set out in the Determination came into effect from the beginning of the Fourth Assembly. The Determination was accompanied by a report, *Fit for Purpose*, which outlined the principles upon which our work was based, the context within which our decisions were made, and the evidence upon which we reached our conclusions.

The limited time available to us to prepare our first Determination meant that we did not receive sufficient evidence to reach a final view on the additional salaries for some office holders, namely committee chairs, Assembly Commissioners, leaders of opposition parties, and party whips. We were also of the view that these roles might change as a result of the outcome of the 2011 election. We resolved to make a final Determination as soon as possible on these issues after further consultation on the degree of responsibility attached to these roles in the Fourth Assembly.

This report represents the findings of the second phase of our work, which has included further written and oral consultation with Members who held offices in the Third Assembly, and consultation with those who have taken up office in the Fourth Assembly. We have taken account of the new committee structure, in which dual function committees undertake both scrutiny and legislative work, and have also given due consideration to the impact of a broadly proportional electoral system on the political composition of the Assembly, and consequently on the roles of various office holders.

We believe that our decisions are fair, clear and sustainable; that they represent value for money; and that they reflect the extra responsibilities of additional office holders.

We are grateful to all those who assisted us during this second phase of our work.



The Rt Hon George Reid
Chair of the Remuneration Board
July 2011

Principles and Methodology

This chapter summarises our objectives and the way in which we have undertaken this phase of work.

Principles

18. In undertaking our review of additional salaries for office holders, we have adhered to the same principles which we applied to the first phase of our work. These are to:
- develop a system of remuneration that is fit for purpose, transparent and sustainable;
 - base remuneration on responsibility, not workload;
 - develop a methodology that reflects the relative responsibilities of each office under consideration;
 - develop solutions within a predominantly Welsh context; and
 - target the system of remuneration and allowances to support the strategic purpose of the Assembly as a legislature; specifically to hold the Welsh Government to account, legislate and represent the people of Wales.
19. Throughout the first phase of our work all of our decisions in relation to salaries were based on the general principle, which has also been adopted by the Senior Salaries Review Body (SSRB), that:
- “pay should reflect levels of responsibility, rather than workload.”²*
20. This principle has continued to guide our consideration, during the second phase of our work, of the appropriate levels of additional salaries payable to office holders.
21. We have also examined the extent to which office holders have responsibility for, and contribute to, the fulfilment of the strategic capacity of the Assembly. In doing this we have taken account of the comparative responsibilities and contributions of holders of the various offices at the Assembly.³

² P4, SSRB Report No 48: Review of Parliamentary Pay and Allowances, Volume 1, 2001

³ First Minister, Welsh Ministers, Counsel General, Presiding Officers, Commissioners, business managers and whip, party leaders and committee chairs.

22. A further guiding principle for the work is that the additional responsibilities borne by office holders should be considered in the context of the Fourth Assembly — a transitional Assembly that will work differently in light of the enhanced legislative powers it has as a result of the Yes vote in the referendum held in March 2011.⁴ In particular, the restructuring of the committee system to include dual function legislative and scrutiny committees, and the political balance in the Assembly following the May 2011 election, have informed our understanding of the roles of committee chairs, opposition party leaders, party whips and Assembly Commissioners.

Methodology

Collection of Evidence in Phase One

23. To inform the first phase of our work (October 2010-March 2011), we gathered evidence from office holders in several ways. All Members of the Third Assembly were invited to respond to a survey which asked them to comment specifically on the responsibilities of office holders; both their own responsibilities, if relevant, and those of others. In total 22 Members responded, of whom 17 were office holders. Members of the Board held interviews with holders of each of the types of office to provide additional information on the responsibilities inherent in each role and the Chair of the Board led a discussion on the responsibilities and roles of office holders at our colloquium in December 2010.
24. The evidence we gathered indicated that Members were broadly content with the levels of additional salaries payable to office holders at the end of the Third Assembly, although some respondents questioned the rationale for paying additional salaries to party whips, and others felt that the salary paid to the leader of the largest party in opposition was too high.
25. Our survey also indicated that Members were more likely to be motivated to take additional offices because it was an opportunity to serve and make a difference rather than for financial reasons. However, the majority of respondents felt that it was appropriate that the additional responsibilities of office holders should be recognised by the payment of additional salaries.
26. We drew on evidence from the SSRB, the reviews of pay and allowances at other UK legislatures, the reports of the two independent panels on Assembly Members' pay and allowances, and the Assembly Commission's records in order to understand the development of the system of additional salaries that was in place at the end of the Third Assembly. We also commissioned research on average earnings for broadly comparable roles within Wales.⁵
27. We did not consider that this information was sufficient for us to make final decisions on additional salaries for:
 - committee chairs;
 - leaders of the parties in opposition;

⁴ For further reading on the transitional Assembly, refer to pages 35-37 of *Fit for Purpose*

⁵ Chapter 6, *Fit for Purpose*

- party business managers and whips; and
 - Assembly Commissioners.
28. We did however have sufficient evidence to allow us to make an interim Determination on a rate of additional salary for the chairs of those committees that were most significant to the strategic purposes of the Assembly.

Phase One Decisions

29. Figure 4 provides a summary of the decisions we made in March 2011 with regard to additional salaries for office holders for the four years from the beginning of the Fourth Assembly. This includes the interim decisions made in relation to party leaders, party whips, committee chairs and Commissioners. For illustrative purposes, the additional salaries payable to office holders at the end of the Third Assembly are also included.

Figure 4: Fit for Purpose Decisions on Additional salaries for Office Holders⁶

Office	April 2010 (£)	2010 Total (including base salary) (£)	April 2011 (£)	2011 Total (including base salary) (£)
First Minister	80,870	134,722	80,870	134,722
Welsh Minister	41,949	95,801	41,949	95,801
Counsel General	41,949	95,801	41,949	95,801
Presiding Officer	41,949	95,801	41,949	95,801
Leader of largest opposition party	41,949	95,801	-	-
Deputy Minister	26,385	80,237	26,385	80,237
Deputy Presiding Officer	26,385	80,237	26,385	80,237
Government Chief Whip	26,385	80,237	-	-
Leaders of opposition parties (other than the largest)	12,168	66,020	-	-
Assembly Commissioner	12,168	66,020	8,280	62,132
Opposition Chief Whip	12,168	66,020	-	-
Committee chairs (higher level)	12,168	66,020	8,280	62,132
Committee chair (lower level)	8,112	61,964	-	-

Collection of Further Evidence in Phase Two

30. In total, during the second phase of our work (May-July 2011), 25 past or present office holders provided us with evidence on the offices under consideration. The evidence gathering process has enabled us to discuss the roles and the key skills required of office holders in more detail with individuals with experience of undertaking those roles.

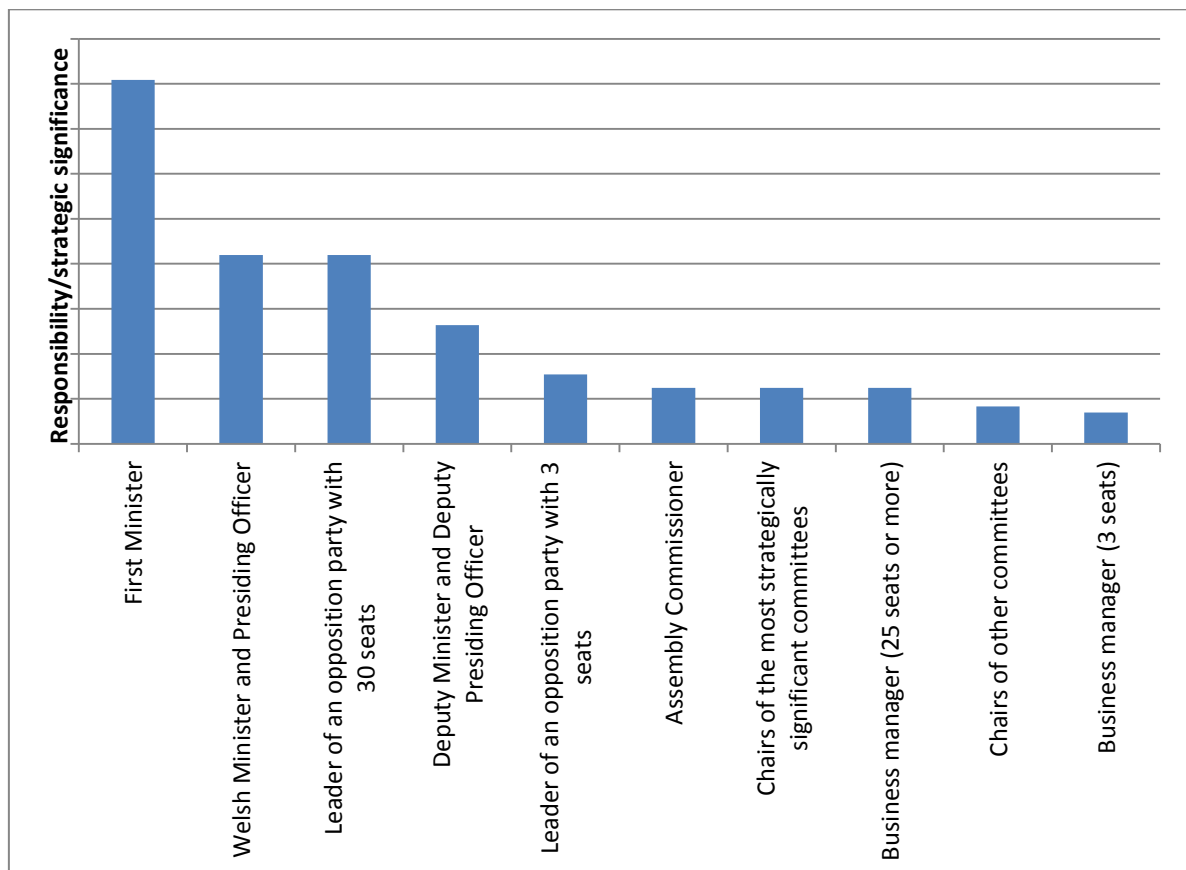
⁶ As sufficient evidence to determine appropriate salary levels for committee chairs, opposition party leaders, party whips and Commissioners had not been received during the first phase of our work, decisions on the level of additional salaries were deferred. An interim salary level for committee chairs and Commissioners was set.

31. To gather this evidence, we wrote to a cross-section of Third Assembly office holders (29 in total) from all political parties and key individuals in the Fourth Assembly, all of whom were invited to complete a detailed questionnaire which probed the particular responsibilities associated with each office, the roles' relevance to the Assembly's strategic purpose, how success in the roles could be measured, the key skills and attributes required, and whether the office holders felt that there were valid comparisons to be drawn with other positions within the Welsh economy. In total, 17 written responses were received.
32. Following receipt of the written evidence, the Chair and Board members with particular professional experience in remuneration issues met with 13 Members and former Members, who between them had held all four offices under consideration and who came from all four political parties represented in the Assembly. These interviews aimed to increase further our understanding of the roles and responsibilities of office holders and their contribution to fulfilling the strategic purpose of the Fourth Assembly. The Board also received detailed briefings from Assembly officials on the likely impact in this area of a revised committee structure.
33. We explored the way each of the different offices are expected to function within the context of the Fourth Assembly, taking particular account of its political composition and its enhanced legislative powers. We also asked those who provided us with evidence to compare the comparative responsibilities of the additional offices at the Assembly and for their views on the relative significance of each of the roles to the strategic purpose of the Assembly. The combination of the evidence obtained during both phases of our work has enabled us to make a judgement on the responsibility and strategic purpose ranking of these offices against each other and their position on a qualitative scale ranging from Assembly Member to First Minister.
34. The discussions we had with Members not only gave us insight into the contributions of the various offices to the strategic purpose of the Assembly, but also indicated that there was considerable agreement amongst Members as to the relative additional responsibilities inherent in each office. In particular, there was general agreement that:
 - there is considerable commonality in the responsibilities of leaders of all opposition parties but there was also a differential in the nature of those responsibilities broadly corresponding to the number of Members in the party group. It was generally agreed that if a hypothetical opposition group were to have 30 Members, the leader of that group would have responsibilities broadly comparable to those of a Welsh Minister. The responsibilities of the leader of the minimum group size, three Assembly Members, would be significantly less than this, but would still be greater than those borne by chairs of the more strategically important committees;
 - the responsibilities of Assembly Commissioners are roughly equivalent to those of the chairs of the most strategically important committees, and the responsibilities of both these offices merit additional salaries;

- as a result of the new committee structure agreed by the Assembly, the responsibilities of chairs of committees in the Fourth Assembly were likely to be greater than those of committees in the Third Assembly. However, not all committee chairs would have the same levels of responsibility, so the two tier additional salary structure should continue; and
- the role of party whip should not be remunerated from public funds, although that of party business manager did merit additional salary. There was consensus that the responsibility level is lower than that of the chairs of the most strategically significant committees, but should be weighted according to the Members within each group.

35. This comparative approach to office holder roles and responsibilities has enabled us to develop a sustainable, coherent framework for the payment of additional salaries to office holders with broad recognition being given to their internal relativities. Our findings are laid out in Figure 5.
36. Further detail on the particular methodology applied to determine the salary level for each office is set out in the relevant chapters.

Figure 5: Relative Responsibility and Strategic Significance of Office Holder Roles



37. One of the key principles on which we have based the system of financial support set out in our Determination is that the financial support and remuneration provided to Assembly Members must be based within a Welsh context. We therefore took account in our decisions on additional salaries for office holders of the evidence received during the first phase of our work that the base salary paid to Members (£53,852) was within the top 1.7 per cent of the Welsh

earnings distribution.⁷ While this base salary level and the additional salaries payable to office holders have been frozen for four years from the beginning of the Fourth Assembly, the high relative starting point in relation to average Welsh earnings means that we consider that the salary levels we have set should not act as a deterrent to Members considering standing for additional offices.

Phase Two Decisions

38. During our consideration of the appropriate level of additional salaries for party leaders, party whips, committee chairs and Commissioners, we evaluated and took account of the comparative responsibilities and contributions to the strategic purpose of the Assembly of these roles and of the offices for which decisions on additional salaries had already been reached. This helped to ensure that there was internal coherence within the structure of office holder payments.
39. Decisions for additional salaries for each office, and details of the particular methodologies applied, are set out in Chapters 2 to 5.

Future Considerations

Members' Pension Scheme

40. The next phase of our work will be to undertake a review of pension benefits to Members, office holders and staff. In *Fit for Purpose* we indicated that we would defer consideration of this matter until we received the 2011 actuarial valuation of the scheme and had time to consider the implications of the March 2011 report of Lord Hutton on public sector pensions and the public debate about its conclusions. We intend to start work in this area, which we anticipate will be ongoing for the duration of the Fourth Assembly, during autumn 2011.

Monitoring and Evaluation

41. We will monitor the implementation and impact of our Determination to ensure that the system of support we have put in place for the Fourth Assembly continues to be fit for purpose. In particular, we will assess the impact of our *Fit for Purpose* recommendations relating to Members' support staff and increasing the strategic capacity of the Assembly and make further changes should those be necessary.

Members' Support Staff

42. Before April 2013, we will review the remuneration arrangements for Assembly Members' support staff, having previously frozen their salary scales until that time.⁸

⁷ Chapter 5, *Fit for Purpose*

⁸ Chapter 9, *Fit for Purpose*

A Five Year Assembly

43. The system of financial support set out in our Determination is for the four years from the start of the Fourth Assembly. As we noted in *Fit for Purpose*, the Fixed-Term Parliaments Bill 2010-11 is likely to result in the Fourth Assembly term being extended to five years.

44. In 2013-14 we will therefore review the decisions we have taken on Members' salary levels in order to assess whether the system of financial support in place for the final year of the Fourth Assembly is appropriate and to determine the arrangements for the Fifth Assembly. Prior to making our Determination on the total remuneration package for the Fifth Assembly, we are likely to assess the job weight and responsibilities of Assembly Members, Ministers and other office holders in the light of the development of the Fourth Assembly.

Committee Chairs

This chapter sets out the history of supplementary payments for committee chairs; reviews the roles and responsibilities they have in the Fourth Assembly; and outlines our decisions on additional salaries.

Overview

45. As we set out in *Fit for Purpose*, the system of remuneration of committee chairs has a long history, which we believe has “evolved without any firm guiding principles in place”.⁹
46. In the first two Assemblies the Government of Wales Act 1998 required the Assembly to establish subject committees, regional committees, a subordinate legislation scrutiny committee and an audit committee. Subject committees corresponded with ministerial portfolios and were unusual in that the Ministers were themselves members of the committees. Chairs of these committees were not remunerated.
47. A review by the SSRB in 2001 stated that the responsibilities of a committee chair were greater than those of an Assembly Member, and that a case could be made for paying additional salaries to chairs of some committees.¹⁰ This resulted in the chairs of some subject and scrutiny committees receiving additional salaries. The number of such chairs increased in 2008, following the establishment of five permanent legislation committees, each with a non-voting Chair.¹¹ While chairs of ad hoc legislation committees had not previously received additional salaries, the Commission took the view that it was likely that the new permanent legislation committees would meet frequently and regularly, and that the chairing role would be specialised, requiring the development of advanced expertise in legislative procedures. To take account of the volume, high profile and specialised nature of the work required of the new legislation committee chairs, the Commission agreed that legislation committee chairs should receive additional salaries commensurate with those received by the chairs of the four main scrutiny committees, Audit Committee and Finance Committee.¹²
48. The two independent panels on financial support for Assembly Members both considered the issue of additional salaries for committee chairs. The first panel recommended that there should be no extension to the level of remuneration or the range of chairs in receipt of additional salaries¹³ but, on the basis of separate oral evidence to the Commission, the salaries payable to the chairs of some committees were increased, and an additional rate of additional

⁹ P56, *Fit for Purpose*

¹⁰ SSRB No.49 *National Assembly for Wales: Review of Pay and Allowances, May 2001*

¹¹ *National Assembly for Wales Commission, Salaries for Chairs of Permanent Legislation Committees, NAFWC 2008 Paper 4, 4 December 2008*

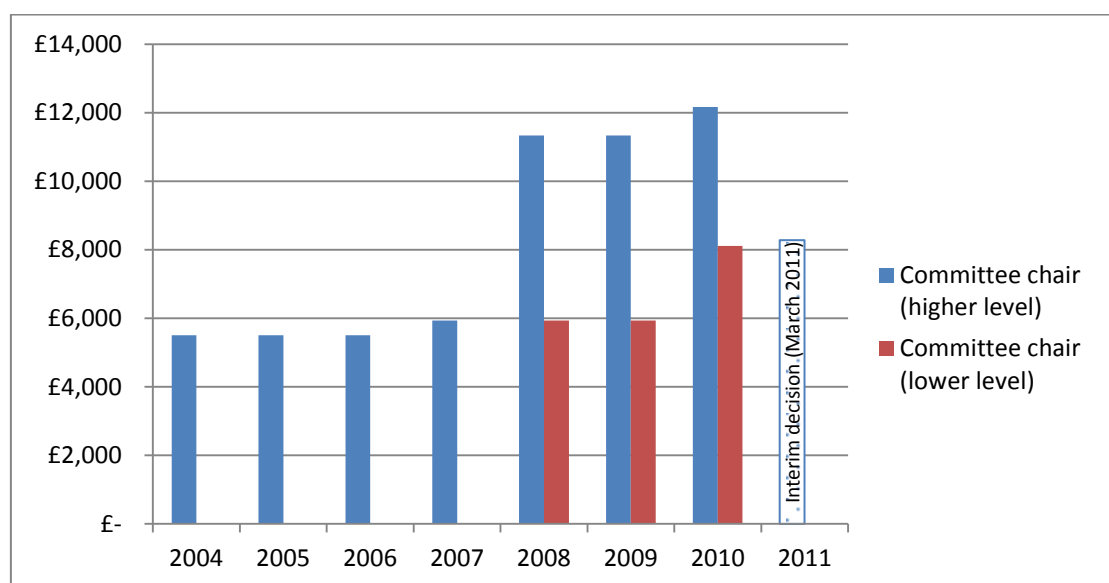
¹² *National Assembly for Wales Commission, Minutes of 6 March Meeting, 2008*

¹³ *Report of the Independent Panel on Financial Support for Assembly Members, 2008*

salary was applied to certain other committees.¹⁴ There is no recorded information on how this decision was reached. The two-tier structure was endorsed by the second independent panel which, in 2009, increased the levels of additional salaries at both the higher and lower rate, although it is not clear on what evidence these increases were based.¹⁵

49. Figure 6 shows the development of the additional salaries payable to committee chairs, including our interim decision in relation to the chairs of the more strategically significant committees.

Figure 6: Growth in Salaries Paid to Committee Chairs as at the Start of Each Financial Year



50. While we did not receive enough evidence during phase one of our work to make a final decision on the level of additional salaries for committee chairs, the Board undertook research to benchmark the roles of Assembly committee chairs against broadly comparable roles within the Welsh economy.¹⁶ This work, combined with information on the practices followed in other UK legislatures, and evidence received on the contribution of committee chairs to the strategic capability of the Assembly, allowed us to make an interim decision on the rate of additional salaries for the chairs of those committees that were most significant to the strategic purposes of the Assembly. Our interim decision was based on the responsibilities of the chairs of committee during the Third Assembly, which was the evidence available at the time. We were unable in March 2011 to define which committees might be the most strategically significant in the Fourth Assembly, as there was uncertainty as to the committee structure which would be in place.

¹⁴ National Assembly for Wales Commission, Minutes of 4 December Meeting, 2008

¹⁵ National Assembly for Wales Independent Review Panel: Getting it Right for Wales, July 2009

¹⁶ Chapter 6, Fit for Purpose

Principles

51. Our decisions on pay have been based on the principle that:
- “pay should reflect levels of responsibility, rather than workload.”¹⁷
52. As we stated in *Fit for Purpose*, “this principle is particularly appropriate in considering additional salaries for office holders”.¹⁸
53. In order therefore to assess the level of additional salary for chairs of the committees fundamental to the strategic purpose of the Assembly, we have reviewed the contribution that committee chairs make to the strategic capacity of the Assembly, and the particular responsibilities associated with the role of a chair of a committee in the Fourth Assembly.
54. We also took account of the decisions we have previously made in relation to Members’ pay, including the four-year freeze in the level of Members’ base salaries, and the levels of additional salaries for holders of additional offices, from the beginning of the Fourth Assembly.¹⁹

Methodology

Committees in the Fourth Assembly

55. The new Standing Orders agreed for the Fourth Assembly gave the Business Committee greater flexibility with regard to the structure of the Assembly’s committee system than it had previously had, thus enabling the Assembly to agree in June 2011 to the formation of a simpler committee structure than had been in place in the Third Assembly.²⁰
56. Standing Orders require the Business Committee to ensure that the committee structure scrutinises every area of responsibility of the Welsh Government and associated public bodies, all matters relating to the legislative competence of the Assembly and the functions of Welsh Ministers and the Counsel General. The Committee must also ensure broad balance between examination of the expenditure, administration and policy of the Welsh Government and associated public bodies, and the examination of legislation.²¹
57. Standing Orders also require the committee system to deliver other specific functions in relation to finance, constitutional and legislative affairs, standards of conduct and petitions.²² The Government of Wales Act 2006 requires that there must also be a Public Accounts Committee.²³

¹⁷ P4, SSRB Report No 48: Review of Parliamentary Pay and Allowances, Volume I, 2001

¹⁸ P51, *Fit for Purpose*

¹⁹ *First Minister, Welsh Ministers, Deputy Ministers, Presiding Officers.*

²⁰ *The Business Committee is distinct from the committees of the Assembly which undertake policy and legislative scrutiny. It is a functional committee with responsibility for the management and coordination of Assembly business.*

²¹ *Standing Orders of the National Assembly for Wales, May 2011*

²² *Standing Orders of the National Assembly for Wales, May 2011*

²³ *Section 30, Government of Wales Act 2006*

58. Figure 7 sets out the committee structure for the Fourth Assembly, as agreed by the Assembly in Plenary in June 2011. The size of each committee is also indicated.

Figure 7: Committees of the Fourth Assembly

Committee		Membership
Policy committees		
	Children and Young People	10
	Environment and Sustainability	10
	Health and Social Care	10
	Communities, Equality and Local Government	10
	Enterprise and Business	10
Other committees		
	Public Accounts	8
	Finance	8
	Constitutional and Legislative Affairs	5 ²⁴
	Petitions	4
	Standards	4

59. The Fourth Assembly has agreed that the five policy committees, each having a broad remit defined by areas of Welsh Government policy responsibility, will have dual legislative and scrutiny functions, and sufficiently large memberships to allow them, if appropriate, to undertake work in smaller groups and sub-committees to facilitate policy and legislative work to take place simultaneously as and when required.

Responsibilities of Chairs of Committees with Scrutiny and Legislative Functions

60. The Assembly has not defined responsibilities for committees in any great detail. To provide us with a basis upon which to make our decisions on additional salaries for committee chairs, we have, during our interviews with Members and office holders, and via our questionnaires, examined the degrees of responsibility involved. We have also taken account of reports in this area from other legislatures. Within the broad Assembly remit of scrutinising legislation, Government policy, expenditure and performance, we believe that committee chairs have the following main responsibilities:

- delivering a balanced, comprehensive and effective programme of legislative, policy and financial scrutiny;
- maintaining the independence of their committee from the Welsh Government;
- acting impartially, fairly and decisively;
- mastering their committee’s remit and gaining the confidence of stakeholders and members;

²⁴ The Constitutional and Legislative Affairs Committee comprises an Assembly Member from each political party and the Deputy Presiding Officer as chair.

- securing the commitment and engagement of committee members;
 - overseeing the support and advice available to the committee; and
 - driving innovation, engagement and the impact of their committee’s work.
61. More detail on our findings on key responsibilities is set out in Appendix D.
62. We heard evidence that the committee structure of the Fourth Assembly will require committees to self-manage a more demanding and varied programme of work than was the case in the Third Assembly and to make much greater use of formal sub-committees, informal groups and rapporteurs, as well as continued operation in full committee.
63. These greater responsibilities will be borne by the chairs of the five policy committees, and, in our view, also by the chairs of the Finance, Public Accounts, and Constitutional and Legislative Affairs Committees. These eight committees between them have the responsibility to scrutinise the whole of the Welsh Government’s policy programme, spending and actions, and their chairs will be responsible for providing leadership, driving forward the committees’ agendas and ensuring that the strategic legislative and scrutiny purposes of the Assembly are fulfilled.
64. During the first phase of our work, the Board benchmarked the roles of committee chairs at the Assembly against broad comparators within the Welsh public and private sectors, which included members and chairs of local health boards, NHS bodies in Wales, Welsh Government sponsored bodies and local government committees. This resulted in an interim decision of an additional salary of £8,280 for the chairs of the most strategically significant committees in the Fourth Assembly.²⁵
65. We revisited this amount in light of the evidence obtained in the second phase of our work in respect of the roles of committees and committee chairs in the Fourth Assembly. Ensuring scrutiny of the Welsh Government’s expenditure and policy and the examination of legislation within the much leaner committee structure put in place by the Assembly will, in our view, result in significantly greater responsibilities for the chairs of all eight committees when compared with those borne by chairs of scrutiny and legislation committees in the Third Assembly.
66. Based on the evidence we have received, we have concluded that an appropriate level of additional salaries for chairs of the committees set out in paragraph 63 is £12,420, which is 50 per cent greater than the £8,280 interim salary level we set in March 2011.

Responsibilities of Chairs of Other Fourth Assembly Committees

67. We considered separately the roles and responsibilities of the Petitions and Standards Committees.

²⁵ Chapter 6, *Fit for Purpose*

The Standards Committee

68. Evidence we received during the first phase of our work indicated that the Standards Committee met infrequently compared to most other committees of the Assembly. However, from the evidence we gathered during the second phase of our work it was clear that the Standards Committee, and the work undertaken by this Committee, was widely recognised as being central to the good governance and reputation of the Assembly.
69. We took account of the nature of the work, and the importance of the Committee’s role in working with the Assembly’s independent Commissioner for Standards to demonstrate the Assembly’s commitment to the highest level of standards of conduct in public life. We also considered the substantial responsibilities involved in the consideration of possible sanctions against Assembly Members.
70. Given the significant role played by the Standards Committee in promoting and maintaining the reputation of the Assembly and its Members, we were persuaded that the level of responsibility associated with chairing the Committee will be substantial. We note, however, that uniquely among the Assembly’s committees, the Standards Committee does not have a rolling programme of work. Instead it meets largely in response to issues referred to it and, from the experience of the first three Assemblies, does so irregularly. We therefore judge the sustained level of responsibility to be lower than that of other chairs.

The Petitions Committee

71. In *Fit for Purpose*, we set out our understanding of the Assembly’s strategic functions — to scrutinise Welsh Government policy and finance; to scrutinise and make laws; and to represent constituents.²⁶ The Petitions Committee has a role in supporting work in each of these three functions. Its role is to consider all admissible petitions which are submitted by the public, and it therefore forms one of the principal channels by which the people of Wales are able to engage directly with the Assembly. Petitioners are able to attend meetings of the Committee to discuss their proposals, which can relate to any aspect of the Assembly’s or the Welsh Government’s work.
72. The Presiding Officer has said that:
- “the new Assembly represents communities across the whole of Wales. I want the Fourth Assembly to directly interact with communities across the country. [...] No one in Wales should feel that their voice cannot be heard.”²⁷
73. We believe that the Petitions Committee has considerable potential in further developing citizen engagement with the Assembly across Wales. It has only four members, and has a different focus to the other committees of the Assembly in that it is less directly involved in the task of holding the Welsh Government to account. For these reasons, we consider the level of

²⁶ Chapter 4, *Fit for Purpose*

²⁷ Press release: <http://www.assemblywales.org/newhome/new-news-fourth-assembly.htm?act=dis&id=216913&ds=6/2011> (6 July 2011)

responsibility of its chair to be lower than that of the chairs of the committees listed in paragraph 63.

Additional Salaries for Chairs of Standards and Petitions Committees

74. We concluded that the breadth of responsibilities and contribution to the Assembly’s strategic purpose of the Standards and Petitions Committees were more limited than those of the other eight committees. We consider that the responsibilities of the chairs of these two committees are reasonably closely aligned with those of chairs of the larger committees in the Third Assembly. In view of this we decided that our interim determination of additional salary of £8,280 for committee chairs, as set out in *Fit for Purpose*²⁸, is an appropriate level of additional salary for the chairs of the Standards and Petitions Committees in the Fourth Assembly.

Conclusions

75. **Much of the Assembly’s core business is conducted through the work of its committees. Committee chairs, through leadership, shaping of their committees’ agendas, and representing their committees in Plenary, the media and in Welsh public life, have an important role in supporting and driving the strategic goals of the Assembly. Having created just ten core committees, the Assembly has identified clearly its priorities and rationalised the system required to deliver those. Our decisions in relation to additional salaries for committee chairs reflect the responsibilities inherent in this role.**
76. **Based on the evidence we received in relation to the expected functioning of the Fourth Assembly’s committee structure, we decided on a two-tier structure of additional salaries, as set out in Figure 8. These payments will be backdated to the date of appointment of committee chairs. Additional salaries for committee chairs are subject to the same four-year freeze as Members’ base salary levels, as set out in *Fit for Purpose*.²⁹**

Figure 8: Additional Salaries Payable to Committee Chairs in the Fourth Assembly

Committees	Additional salary
Children and Young People; Environment and Sustainability; Health and Social Care; Communities, Equality and Local Government; Enterprise and Business; Public Accounts; Finance; Constitutional and Legislative Affairs	£12,420
Petitions; Standards	£8,280

Future considerations

77. Our decisions on additional salaries for committee chairs are based on evidence we have received about the likely functioning of the new committee structure. However, the dual function committee structure agreed by the Business Committee represents a significant departure from the practice of separate legislation and scrutiny committees in the Third

²⁸ Chapter 6, *Fit for Purpose*

²⁹ Chapter 5, *Fit for Purpose*

Assembly. We will therefore monitor the operation of the committee system in practice to ensure that the additional salaries we have agreed remain appropriate. For example, should the Assembly create any further committees or redesign the structure it put in place in June 2011, we would consider the impact of those changes on the decisions we have taken. If we consider the changes are material, we may then decide to adjust the additional salaries of committee chairs to reflect those changes.

Party Leaders

This chapter sets out the history of supplementary payments to party leaders; the impact of a broadly proportional electoral system on opposition parties; the roles and responsibilities of their leaders; and outlines our decisions on additional salaries.

Overview

78. In its 2001 report, the SSRB made no recommendations on salaries for opposition leaders at the National Assembly.³⁰ The Assembly itself decided to set the additional salary for the leader of the largest party in opposition at the same level as that paid to Welsh Ministers.³¹
79. The SSRB did not propose a change to this situation in its 2004 report, although it did recommend that consideration should be given to remunerating the leaders of other parties, as it was of the view that this could help to support the ethos of proportionality which was embedded in the Assembly's electoral system.³²
80. The first independent panel which considered the system of financial support for Assembly Members recommended in March 2008 that the leaders of the other parties in opposition should also receive additional salaries, but at a level equivalent to those paid to committee chairs. This was based on evidence received by the panel to the effect that the leaders acted as the representative of their parties and groups within the Assembly; were responsible for the allowances received by the party group and for employing group staff; and that the Assembly is not based on a Westminster-style model. The panel commented that the established protocol within the Assembly was for equal treatment for all political groups.³³
81. While the panel noted that in Westminster only the leader of the main party in opposition received a salary, and that no additional salaries were paid to leaders of opposition parties in Scotland³⁴ or Northern Ireland, it felt that to correct anomalies in the then system, brought about by the broadly proportional electoral system and the absence of a traditional Westminster-style system, it would be appropriate for all party leaders to receive remuneration.³⁵ This was accepted by the Commission on 6 March 2008.³⁶
82. In July 2009, the second independent review panel's report stated that parity should be maintained between the pay of leaders of non-executive parties other than the largest, and

³⁰ SSRB No.49 National Assembly for Wales: Review of Pay and Allowances, 2001

³¹ The National Assembly for Wales (Assembly Members and Officers) (Salaries, Allowances etc.) (No.2) Determination 2001

³² SSRB No.58 National Assembly for Wales: Review of Pay and Allowances, 2004

³³ Report of the Independent Panel on Financial Support for Assembly Members, 2008

³⁴ An allowance scheme was put in place to support leaders of opposition parties in the Scottish Parliament.

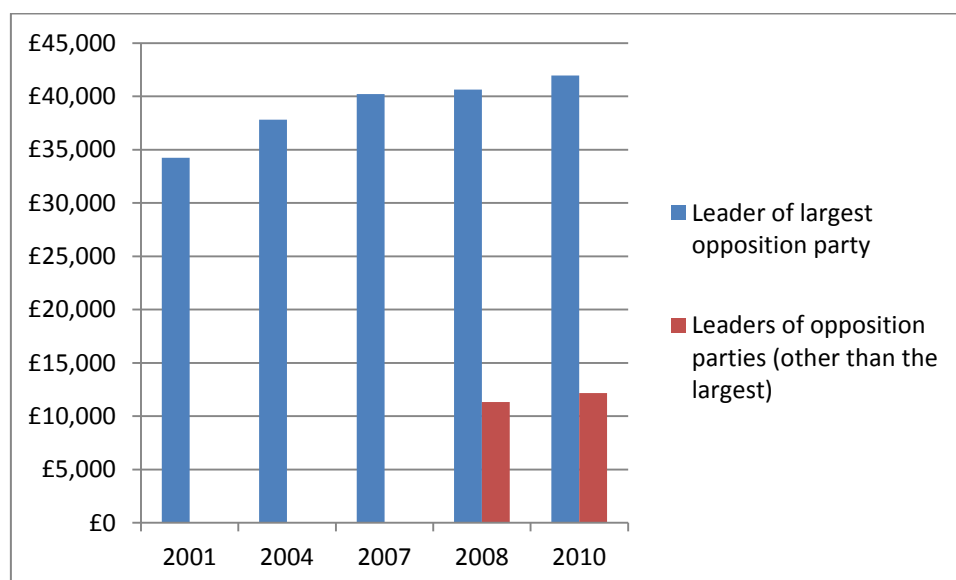
³⁵ Report of the Independent Panel on Financial Support for Assembly Members, 2008

³⁶ National Assembly for Wales Commission, Minutes of 6 March 2008 Meeting, 2008

committee chairs.³⁷ The panel did not comment on the additional salary paid to the leader of the largest party in opposition.

83. The political balance in the Third Assembly, during which Labour and Plaid Cymru formed a coalition Government, meant that there were only two parties in opposition. According to the Assembly's Standing Orders, party groups can contain no fewer than three Assembly Members.³⁸
84. The leader of the largest party in opposition, the Conservatives, received an additional salary equivalent to that of a Welsh Minister (£41,949 as at the end of the Third Assembly). The leader of the Liberal Democrats, the other party in opposition, received an additional salary equivalent to that of a chair of a more strategic committee (£12,168 as at the end of the Third Assembly). Figure 9 shows the increase in additional salaries paid to party leaders over time.

Figure 9: Growth in Salaries Paid to Party Leaders as at the Start of Each Financial Year



85. In *Fit for Purpose* we recognised the absolute importance of opposition parties in holding the Welsh Government to account, and the centrality of strong political leadership of opposition parties to ensuring this happens effectively.³⁹
86. We also recognised that, in its early days, the Assembly adopted terminology in use at Westminster. We appreciate the major responsibilities there of the Leader of the Opposition in an adversarial system based largely on two major parties competing for office. But we have significant reservations, in a broadly proportionally elected Assembly, about paying the leader of one party almost £30,000 more than the leader of the next largest, when only a few Members may separate them. In addition, this approach does not include a mechanism for

³⁷ Report of the Independent Panel on Financial Support for Assembly Members, 2008

³⁸ Standing Orders of the National Assembly for Wales May 2011

³⁹ Chapter 6, *Fit for Purpose*

determining payments if, as is possible, two opposition parties have the same number of Members.

87. The political balance of the four Assemblies to date is summarised in Figure 10.

Figure 10: Political Balance at the Start of Each Assembly

Party	First Assembly (1999)	Second Assembly (2004)	Third Assembly (2007)	Fourth Assembly (2011)
Labour	28	30	26	30
Conservatives	9	11	12	14
Plaid Cymru	17	12	15	11
Liberal Democrats	6	6	6	5
Independent	0	1	1	0

Principles

88. The Assembly has developed in response to constitutional changes during the last 12 years. In *Fit for Purpose*, we outlined our understanding of the Fourth Assembly as a transitional legislature, which will need to adapt to its enhanced legislative powers by developing new ways of working.⁴⁰
89. In considering additional salaries for party leaders, we have taken account of the role played by each opposition party leader in contributing to the strategic aims of the Assembly. We have borne in mind the particular political composition of the Fourth Assembly, but, in line with our principle that our Determination should also be sustainable and appropriate for future Assemblies as well, we have also taken into account the broadly proportional system by which Members are elected, and the implications this has for the composition of future Assemblies.
90. Overall, we have sought to develop a system for determining the level of additional salaries paid to party leaders which is sustainable, transparent and can withstand changes to the membership of political groups during Assemblies.

Methodology

91. The majority of those who responded to our first survey told us that the responsibilities of party leaders should be recognised by payment of additional salaries. This view was reinforced by the evidence received in response to our second survey, and in the interviews we held with office holders. Many Members commented on the significant responsibilities associated with leading a party in opposition, including ensuring that the party successfully holds the Executive to account. We also heard that, in the light of the enhanced legislative powers of the Assembly following the March 2011 referendum, the role of the party leaders in mounting effective challenges to Government will become increasingly important. In effect, they should have a

⁴⁰ Chapter 4, *Fit for Purpose*

grip on every aspect of party policy and management, and present to the nation an alternative vision to that of the Government.

92. A majority of those who provided us with evidence questioned the level of additional salary payable to the leader of the largest party in opposition when compared to that paid to the leaders of other opposition parties. The model, which appears to us to be based on a Westminster-style model, is of questionable relevance in a small broadly proportional legislature like the Assembly. In particular, when taking the political composition of the Fourth Assembly into account, the small difference in the number of Members in the largest and second largest parties in opposition make it difficult to justify a continuation of the relative levels of party leaders' additional salaries payable in the Third Assembly.

Responsibilities of Opposition Party Leaders

93. In line with the principle that pay should reflect responsibility, we sought evidence on the particular roles undertaken by opposition party leaders and the responsibilities they have. Each party leader will of course undertake their roles according to their own priorities and leadership styles, but the evidence we heard has enabled us to identify a number of key areas of responsibility. These include:
- setting their group's strategic direction;
 - presenting an alternative vision to that of the Government;
 - providing constructive opposition to government including working consensually;
 - holding the Government to account, and challenging it when appropriate;
 - influencing policy and legislation;
 - developing party policy;
 - representing the Assembly;
 - acting as chief spokesperson for the party and its policies; and
 - managing Members and staff within the party group.
94. More information on the responsibilities that the evidence we received suggested are inherent in the role of opposition party leaders is summarised in Appendix D.
95. In order to undertake these responsibilities effectively, we heard that leaders of opposition parties must have a range of skills and attributes, including: leadership; effective communication; ability to gain the confidence of colleagues; party management; brokering and bringing together different views within the group; and the identification and utilisation of skills, strengths and talent within the group.

96. Party leaders also have responsibility for managing the allowance provided to employ central group staff, who report to the party leader. Group offices are structured according to the particular priorities and needs of individual groups. They work to coordinate strategic support and direction for party groups within the Assembly, and to assist Members' individual staff in the provision of support for party spokespersons across the full range of Ministerial portfolios. The allowance provided to each group (summarised in Figure 11) is dependent on the number of Members in the party group, and on whether or not the party is represented in the Welsh Government.

Figure 11: Party Group Support Allowances 2011-12

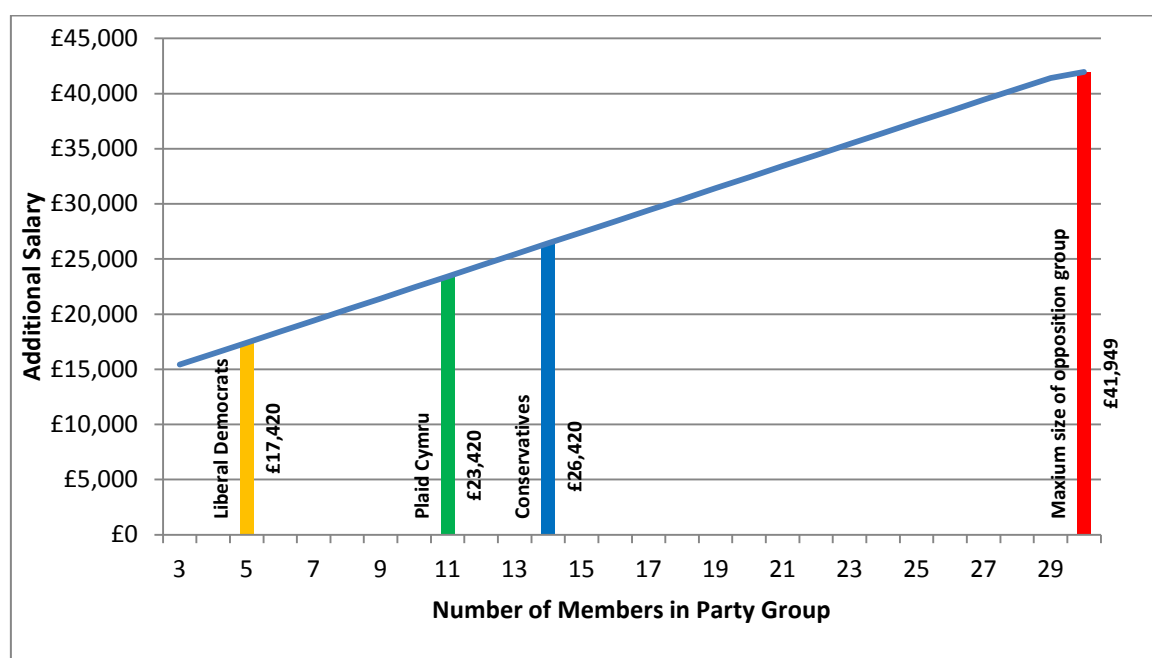
Number of Members in party group	Additional allowance
Three or more (if party is represented in the Welsh Government)	£127,390
Three to ten Members (if party is not represented in the Welsh Government)	£199,048
More than ten Members (if party is not represented in the Welsh Government)	£199,048 plus additional £30,866 for each five additional Members

97. We heard evidence that in the Scottish Parliament leaders of opposition parties receive an allowance against which they are able to claim reimbursement for non-party political expenditure incurred in the course of their duties as party leader. We considered whether a similar system might be applied at the Assembly, but concluded that a combination of additional salary and group allowance should be sufficient for these purposes.
98. As set out in Chapter 1, during the second phase of our work we have taken into account the comparative responsibilities of the various offices under consideration. The evidence we received in response to our survey and during the interviews we undertook indicated that leaders of opposition parties represented in the Assembly had greater responsibilities and contributed more significantly to the strategic purposes of the Assembly than committee chairs. We also heard that the overall weight of responsibility of a party leader was, at least in part, linked to the number of Members in each group, but that the principle of equality for all parties in the Assembly and the responsibility of all opposition parties to hold the Government to account meant that this link was not absolute.
99. One of our key principles is that the system of financial support should be sustainable. We therefore considered the hypothetical situation of the maximum possible opposition; 30 Members. We were of the view that under these circumstances the leader of the opposition, whose party would have the bulk of responsibility for ensuring robust and effective challenge to the Executive, ready to form an alternative Government, would therefore have a similar level of responsibilities as Welsh Ministers, and should therefore receive remuneration at the same level.
100. We accepted that all opposition party leaders held significant responsibilities with regards to the strategic purposes of the Assembly, and that these responsibilities were greater than those

of chairs of committees. We also recognised that the size of a party group resulted in additional complexity and responsibility for party leaders.

101. We therefore decided, as a starting point, a base level of £12,420 — the level payable to chairs of scrutiny and legislation committees — should be paid to all leaders of opposition parties. To reflect the partial link between overall level of responsibility and party size within the Assembly, the base element should then be combined with an additional payment of £1,000 per Member in the group, subject to a maximum level of additional salary of £41,949, the level payable to Welsh Ministers. This methodology recognises the evidence we received in respect of the relative responsibilities and strategic significance of opposition party leaders as compared to other offices. Figure 12 shows the outcome of our model, and highlights the additional salaries to be paid to leaders of opposition parties in the Fourth Assembly, given its current political composition.

Figure 12: Additional Salary Levels for Leaders of Parties in Opposition



102. We consider that this approach to the determination of the additional salaries of opposition leaders is sufficiently robust to apply in future Assemblies. Once the base element and per-Member increment amount have been determined at the beginning of each Assembly, the additional salaries payable to opposition leaders can be calculated on a consistent basis.

Conclusions

103. **The Assembly as a legislature is not based on an adversarial Westminster-style model. Instead, practice within the Assembly is to acknowledge the role of all opposition party leaders in holding the Government to account.**

104. In this light we decided that all party leaders should receive a base level of additional salary to reflect the contributions of their roles to the achievement of the Assembly’s strategic purpose.
105. To reflect the additional responsibilities and complexities involved in leading larger parties in comparison to smaller opposition parties, we have decided that the additional salary payable to each party leader should also contain an element of proportionality. This means that the leaders of the larger parties receive greater additional salaries in line with the responsibilities they have.
106. Leaders of opposition parties in the Fourth Assembly will receive additional salaries, backdated to the date of appointment and subject to a cap of £41,949 (the salary payable to a Welsh Minister). The additional salary payable will comprise a base element of £12,420 and a proportional element of £1,000 per Member in the party group.
107. The levels of additional salary payable to the leaders of the opposition parties in the Fourth Assembly, based on the particular political balance following the election in May 2011, are shown in Figure 13.

Figure 13: Additional Salaries Payable to Opposition Party Leaders in the Fourth Assembly

Opposition Party	Number of Members	Additional salary
Conservative	14	£26,420
Plaid Cymru	11	£23,420
Liberal Democrats	5	£17,420

108. The combination of a base element to reflect responsibilities shared equally by all opposition party leaders, with a proportional element based on the number of Members in each party group, ensures that the relative additional salaries payable to the leaders of each opposition party are transparently calculated, fully reflective of job responsibility and equitable.
109. The model is appropriate for the Assembly as a broadly proportional legislature, and ensures that there is transparency and clarity should more than one party return the same number of Members, as well as being able to withstand any changes in the numbers of Members in each group during Assemblies.
110. The formula for additional salaries for party leaders is subject to the same four-year freeze as Members’ base salary levels, as set out in *Fit for Purpose*.⁴¹ We envisage that the formula will continue to apply in future Assemblies, and as part of our review of the total remuneration package for Assembly Members, we will reassess the levels of the base element and per-Member increment.

⁴¹ Chapter 5, *Fit for Purpose*

Party Business Managers and Whips

This chapter sets out the history of supplementary payments to party business managers and whips; reviews the roles and responsibilities they have; and outlines our decisions on additional salaries.

Overview

111. In 2008, the SSRB, as part of its consideration of pay and allowances in the Northern Ireland Assembly, said that the role of a party whip included a combination of party political and Assembly business. The SSRB therefore took the view that it was a matter for that Assembly to decide whether whips should receive additional salaries, but said that if they were to be eligible for additional remuneration, the salary should be equivalent to that received by committee chairs.⁴² The Northern Ireland Assembly subsequently decided that whips should not receive additional salaries.
112. In 2008, the National Assembly for Wales' first independent panel noted that whips at the Assembly had not received an additional salary prior to 2008. It said that recommending an additional salary for any of the party whips would be out of line with practice at other devolved institutions but that there was no reason why the Assembly should not follow its own path on this issue if it so wished.⁴³ The Assembly Commission considered the payment of additional salaries to party whips, and took into account recommendations made by the Commissioner who had been a non-voting member of the Panel. It decided that where the opposition chief whip was also the opposition business manager they should receive a salary equivalent to the higher level paid to committee chairs. This only applied to the chief whip of the largest opposition party. The Commission also decided that the Government chief whip should receive a salary equivalent to that paid to a Deputy Minister.⁴⁴ The Board has been unable to establish the rationale behind these decisions.
113. We understand that the current Scottish Government includes a Cabinet Secretary for Parliament and Government Strategy, who is responsible for overseeing parliamentary affairs and the management of Government business in the Parliament, developing Government strategy, and co-ordinating policy delivery across portfolios. The Cabinet Secretary is supported by a Minister for Parliamentary Business and Chief Whip, a position which is remunerated.

⁴² P16, SSRB report no. 67: Northern Ireland Assembly: Review of Pay, Pensions and Allowances 2008

⁴³ Report of the Independent Panel on Financial Support for Assembly Members, 2008

⁴⁴ National Assembly for Wales Commission, Minutes of 6 March Meeting, 2008

114. In *Fit for Purpose* we set out our view that the rationale for, and evidence supporting, the Assembly Commission's decisions to pay additional salaries for party whips was opaque. There was also a lack of clarity about which aspects of the role of whip are for the business purposes of the Assembly and which are party political.⁴⁵

Principles

115. In considering payments to party business managers and whips we have taken into account the extent to which they are responsible for supporting the strategic purposes of the Assembly.

116. In particular, we explored the balance of whips and party business managers' roles between Assembly and party purposes, as we were clear that only responsibilities undertaken in relation to the fulfilment of the Assembly's strategic purposes should be remunerated from public funds. It would therefore be inappropriate for public funds to be used to remunerate roles which are essentially party political in nature.

117. We have also considered the enhanced legislative powers of the Fourth Assembly, its political composition, the impact of these on the business of the Assembly and the role of the party business managers in securing the effective operation of Assembly business.

Methodology

118. The evidence received during the first phase of our work did not provide us with a clear understanding of the role of party whips. The evidence we gathered as part of our second survey has given us a greater understanding not only the work of the whips, but also of the business managers of each party group. We were particularly interested in the arrangements in all three opposition parties, where the same individuals perform the roles of whip and business manager.

The Role of the Business Committee and Party Business Managers

119. In *Fit for Purpose*, we recognised the Business Committee as having a central role in the management of the Assembly's business and in advising on general practice and procedure in the Assembly.⁴⁶ The Committee is chaired by the Presiding Officer, and has responsibility for organising Government and Assembly business in Plenary. It is also responsible for proposing committee structures and remits at the outset of a new Assembly, agreeing timetables for consideration of legislation by committees and considering revisions to the Standing Orders which govern the Assembly's procedures. In line with Standing Orders, business managers from each opposition party sit on the Business Committee, together with the Minister for Finance and Leader of the House, who is responsible for managing the business of the Welsh Government. This means that, in contrast to the opposition groups, where the whip is also the business manager, the Government chief whip is not a member of the Business Committee.

⁴⁵ Chapter 6, *Fit for Purpose*

⁴⁶ The Business Committee is distinct from the ten Assembly Committees referred to in Chapter 2 and does not undertake policy or legislative scrutiny.

120. During our discussions with Assembly Members, we explored the roles undertaken by party business managers, in particular the work they do to negotiate and manage Assembly business and proceedings. The evidence we received suggested that this work was a key factor in ensuring the effective conduct of Assembly business.
121. As outlined in *Fit for Purpose*, we have aimed to focus the payment of additional salaries to those offices which “act as leaders and drivers for [the Assembly’s] strategic functioning”.⁴⁷ We therefore considered whether it would be appropriate to pay additional salaries to party business managers in recognition of the responsibilities they bear for the strategic functioning of the Assembly as a legislature.

Opposition Whips and Party Business Managers

122. There is some overlap between the work undertaken by party whips and that done by party business managers. However, there are also clear distinctions between them. We agreed with the majority of those from whom we gathered information that, in the main, the work of a party whip supports the party group’s political purposes, and the work of the party business manager supports the strategic purposes of the Assembly.
123. We heard that party business managers play a central role in managing the business of the Assembly, including ensuring that it is organised effectively and that sufficient time is secured for the mechanisms necessary for legislation and for holding the Government to account.
124. While the Business Committee is the formal mechanism, the evidence we have received has suggested that a significant amount of negotiation in relation to business happens outside official meetings. Therefore, in order successfully to undertake their responsibilities, each party business manager must have specific skills and attributes. Given the close political balance of the Fourth Assembly, this is particularly important. Many of those we spoke to explained that the size of the Assembly means that operating as party whip is not onerous, but that the composition of the Fourth Assembly has increased the need for discussion, cooperation and constructive challenge by party business managers.

Government Chief Whip

125. In the Fourth Assembly, the Leader of the House is the Minister responsible for managing Government business within the Assembly. She also holds the finance portfolio within the Cabinet. Given the extent of these responsibilities, we recognise that there may be a need for additional business management support on behalf of the Government. This, though, is a matter for the First Minister to address in the formation of his Cabinet. Section 51 of the Government of Wales Act 2006 places an upper limit of 12 on the number of Welsh Ministers. Currently, the Cabinet numbers ten. While this is clearly a matter for the First Minister alone, we are – given the extent of the Leader of the House’s responsibilities – sympathetic towards additional support being required by the Government, particularly in managing business

⁴⁷ P51, *Fit for Purpose*

matters as they impact on Members. We do not believe, however, that it is appropriate to make payment for purely party matters.

126. Evidence we received demonstrated that other elements of the role currently undertaken by the Government chief whip relate to the effective organisation of Assembly business more generally. For example, the role provides an effective channel for influence on government from backbench Members of the governing party. The particular circumstances present in an Executive party mean that such a conduit is central to the effective operation of the legislature as a whole. Similarly, it acts to facilitate constructive dialogue related to Government proposals between all parties. Furthermore, the negotiations and practical decisions underpinning the organisation of the committee system, which has considerable importance to the strategic success of the Assembly, is a matter for the party groups (including any in government) rather than for the Government itself.

Payment of Additional Salaries

127. The principle underpinning the payment of additional salaries to office holders is that remuneration should reflect those responsibilities which contribute to the fulfilment of the strategic purposes of the Assembly. The roles of opposition and Government whips are for party political purposes, and we do not agree that they should be remunerated from public funds, particularly within a small legislature of only 60 Members.

128. However, we recognise the importance to the efficient and effective functioning of the Assembly of the responsibilities undertaken by the business managers of all groups represented in the Assembly. We therefore decided that business managers of all groups should receive additional salaries.

129. At present, the Government chief whip is not a member of the Cabinet and does not sit on the Business Committee. We recognise, however, that some other aspects of this role, as it is currently configured, relate to business management in respect of the Labour group, as distinct from the Government. We decided therefore, in common with the business managers of the other parties, the post should be remunerated for the party business management element of the role. While it is clearly a matter for the First Minister to consider, we would suggest that a new title along the lines of Labour group business manager might more clearly delineate the distinction between Government and Assembly functions.

Responsibilities of Party Business Managers

130. In accordance with our principle that remuneration should reflect responsibility, we sought evidence on the responsibilities of party business managers. The evidence we have received has enabled us to identify a number of key areas of responsibility. These include:

All party business managers

- facilitating effective organisation and conduct of Assembly proceedings in Plenary and committees; and

- engaging in formal and informal communication and negotiation.

Opposition party business managers

- membership of the Business Committee and fulfilment of functions of that committee as set out in Standing Orders.

Business managers of parties in government

- provision of an effective channel for influence on Government from Members of the governing party(ies); and
- facilitating constructive dialogue related to government proposals between all parties.

131. Information on the responsibilities that we understand are borne by party business managers is also set out in Appendix D.

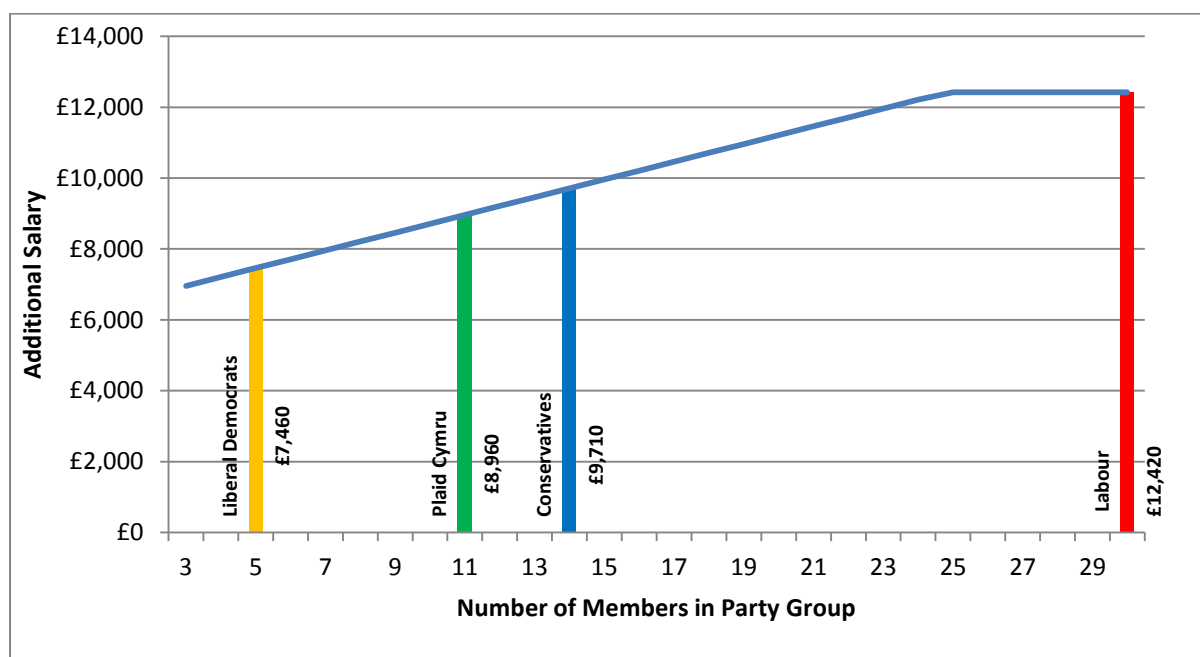
Additional Salaries for Business Managers

132. The evidence we received indicated that the level of responsibility inherent in the role of party business manager overall would not exceed the responsibilities of a chair of a strategically significant committee in the Fourth Assembly. The evidence received also led us to conclude that the weight of the party business manager role is also affected by the number of Members in each party group. Recognising these two elements, we concluded that the additional salary levels of party business managers should, very broadly, fall somewhere between the additional salary levels of the chairs of the Standards and Petitions Committees and the chairs of the eight other committees, and should also reflect the size of party groups. We decided therefore to apply a similar methodology for party business managers as that outlined in Chapter 3 in relation to opposition party leaders.

133. Taking this into account we determined that an initial base element for all party business managers should be equal to half the additional salary for the chair of the most strategically significant committees. To reflect the link of overall responsibility to party size, we decided there should be a proportional element of £250 per Member in the group. The total additional salary payable would be subject to an overall cap of £12,420 — the level of additional salary payable to chairs of the more strategically significant committees in the Fourth Assembly.

134. Figure 14 shows the outcome of our model for all parties in the Fourth Assembly, and highlights the additional salaries to be paid to party business managers given the current political composition of the legislature.

Figure 14: Additional Salary Levels for Party Business Managers



Conclusions

135. We do not believe it is appropriate for the party political activities of whips to be paid for from public funds. However, we recognise that each party group in the Assembly, including parties which are represented in the Government, must participate in the management of the Assembly’s business. We consider, therefore, that those responsibilities of each party business manager which contribute to the effective functioning and governance of the Assembly should be remunerated from public funds. Our assessment of the relative level of remuneration has therefore excluded any party political whip activity, and from the Fourth Assembly onwards, the opposition and Government chief whips will no longer receive office holder additional salaries for their whip roles.
136. The work of party business managers at the Assembly, both in formal meetings of the Business Committee and via bilateral negotiations and discussions outside of those meetings, contributes to the successful functioning of the Assembly as a broadly proportional legislature. To recognise this, we have decided that party business managers will receive additional salaries reflecting the responsibilities common across all parties and the particular responsibilities associated with managing the contribution to Assembly business in larger parties, with a weighting to reflect the number of Members in the party group.
137. In the Fourth Assembly, business managers of each party will receive an additional salary, backdated to the date of appointment and subject to a cap of £12,420. The additional salary payable will comprise a base element of £6,210 and a proportional element of £250 per Member in the party group.

138. The levels of additional salary payable to party business managers in the Fourth Assembly, based on the particular political balance following the election in May 2011, are shown in Figure 15.

Figure 15: Additional Salaries Payable to Business Managers in the Fourth Assembly

Party	Number of Members	Additional salary
Labour	30	£12,420
Conservative	14	£9,710
Plaid Cymru	11	£8,960
Liberal Democrats	5	£7,460

139. The combination of a base payment to reflect responsibilities shared by all party business managers with a proportional element based on the number of Members in each group ensures that the relative additional salaries payable are equitable. The model is appropriate for the Assembly as a broadly proportional legislature, and ensures that there is transparency and clarity should more than one party return the same number of Members, as well as being able to withstand any changes in the numbers of Members in each group during Assemblies.
140. The formula for additional salaries for party business managers is subject to the same four-year freeze as Members' base salary levels, as set out in *Fit for Purpose*.⁴⁸ We envisage that the formula will continue to apply in future Assemblies, and as part of our review of the total remuneration package for Assembly Members, we will reassess the levels of the base element and per-Member increment.

⁴⁸ Chapter 5, *Fit for Purpose*

Assembly Commissioners

This chapter sets out the history of supplementary payments to Assembly Commissioners; reviews the roles and responsibilities they have in the Fourth Assembly, and outlines our decisions on additional salaries.

Overview

141. The National Assembly for Wales Commission (the Assembly Commission) was created by the Government of Wales Act 2006. Its remit is to ensure that the Assembly is provided with the property, staff and services needed to undertake its work. The first Assembly Commissioners were elected at the start of the Third Assembly when the 2006 Act came into force. Prior to this, under the Government of Wales Act 1998, the National Assembly for Wales was a body corporate which had a shared responsibility for exercising parliamentary and governmental functions. The 2006 Act formally separated the two functions and created separate legal entities to carry them out. The National Assembly had responsibility for undertaking parliamentary functions, including legislating, holding the Welsh Government to account, and representing the people of Wales.
142. The Assembly is an unincorporated association of 60 Assembly Members which is dissolved a few weeks prior to each election. It is not, therefore able to enter into contracts or own property. The Assembly Commission was therefore created by the 2006 Act as a permanent legal entity. Assembly Commissioners are responsible for setting the strategic direction for the services which support the Assembly and enable it to function; the governance of the organisation; the proper and appropriate management and use of public money to support the Assembly; and for exercising the functions conferred on the Commission by the 2006 Act.
143. Commissioners are subject to distinct duties, which may require them to act independently of their political parties. Whilst they can take into account the views of colleagues within their political groups, they are not representatives of them. They must act collectively and take joint responsibility for the duties conferred on them as a Commission. Commissioners are required to oversee strategic decisions made by Commission staff in managing the resources put in place to support the National Assembly's work, and to hold the Assembly's management to account.
144. Following the Commission's consideration of the report of the first independent panel on financial support for Assembly Members, it agreed that Commissioners should receive additional salaries with effect from 1 April 2008. The level of additional salary payable was set

at a level equal to the higher level paid to committee chairs.⁴⁹ This parity with committee chairs was endorsed by the second Independent Panel in its July 2009 report.⁵⁰

145. We recognised during the first phase of our work that Assembly Commissioners should receive additional salaries in respect of the responsibilities that their roles carried. However, as we stated in *Fit for Purpose*, there was a lack of clarity and understanding amongst Assembly Members of the responsibilities of Commissioners.⁵¹ For this reason, we decided that in the interim, salaries for Assembly Commissioners should maintain parity with those of committee chairs, and that we would gather further evidence on which we could make a robust decision in the context of the Fourth Assembly.

Principles

146. In order to assess the extent to which Assembly Commissioners support the strategic functions of the Assembly, we considered the expectations of the role in the context of the Fourth Assembly and the subsequent responsibilities attached to the role. We recognise that the Commission has adopted a more strategic and collegial approach in the Fourth Assembly, and that Commissioners are therefore likely to exercise more responsibilities than in the past.

Methodology

147. As part of our first phase of work, we asked Members to comment on the role of Assembly Commissioners. There was a broad consensus that additional salaries should be paid to Commissioners, but many of the respondents were unsure of the responsibilities and requirements of the role.

148. To inform our second phase of work, we sought further evidence on the work of Assembly Commissioners. The evidence we received indicated that the role of Commissioner was, depending on how it was performed, potentially one of great responsibility. Some of those we spoke to compared it with the role of a non-executive director, whilst others commented that it may be similar to performing the role of a trustee of a charity.⁵² Our view also is that many aspects of the role of Commissioner, and in particular the governance responsibilities which the role carries, are broadly analogous to those of a non-executive director. Given the importance of overseeing the governance and expenditure of the institution, we were concerned by the general lack of awareness among Members of the role of Commissioners.

Responsibilities of Assembly Commissioners

149. We heard evidence from Assembly officials about the role of Commissioners, and the ways of working agreed by the Commission for the Fourth Assembly. The evidence we received suggested that key responsibilities of the role include:

⁴⁹ *National Assembly for Wales Commission, Minutes of 6 March Meeting, 2008*

⁵⁰ *National Assembly for Wales Independent Review Panel: Getting it Right for Wales, July 2009*

⁵¹ *Chapter 6, Fit for Purpose*

⁵² *Oral evidence received during interviews with Board members, June 2011*

- setting overall strategy and draft annual budget for the Assembly Commission;
- setting performance targets and holding officials to account for delivery;
- authorising substantial transactions affecting Commission property;
- overseeing transactions delegated to the Chief Executive and other Commission staff; and
- accounting to the Assembly and public in Wales for the work of the Commission.

150. More detail about the responsibilities involved is set out in Appendix D.

151. Consideration of this evidence, and the evidence collected through our surveys and interviews with Members and office holders about the relative responsibilities and contribution to the Assembly’s strategic purposes of Commissioners and other office holders, indicated that the historic link of additional salaries payable to chairs of strategically important committees and Assembly Commissioners continued to be appropriate in the Fourth Assembly. We decided therefore that in the Fourth Assembly Commissioners should receive additional salaries of £12,420, backdated to the date of appointment.

Conclusions

152. In order for the Assembly to function, the services that support it and the resources it requires must be managed effectively. The Assembly Commission has responsibility for the provision of those services and for prudent and responsible management of public funds. The Commission therefore must set a clear strategic direction for the Assembly as an institution, and make effective and considered decisions to ensure that services, property and staff are provided to the Assembly to enable it to fulfil its strategic purposes.

153. Assembly Commissioners, who oversee and make those decisions, therefore bear a considerable level of responsibility. In line with our principle that remuneration should reflect responsibility, we have decided that Assembly Commissioners should receive additional salaries at a level of £12,420, thereby maintaining parity with the higher level of salaries for committee chairs. Additional salaries for Assembly Commissioners are subject to the same four-year freeze as Members’ base salary levels, as set out in *Fit for Purpose*.⁵³

154. This level of additional salary is based on the expectations of how the Commission will operate in the Fourth Assembly. We note that the Commission intends to undertake a review of its effectiveness after twelve months, and we shall consider the findings of that review in due course.

⁵³ Chapter 5, *Fit for Purpose*

Estimated Costs

In this chapter we cover the effect of our decisions on additional salaries for office holders on the estimated costs arising from our Determination on Assembly Members' Pay and Allowances for 2011-12.

Cost Estimate of Initial Determination (March 2011)

155. As we set out in *Fit for Purpose* in March 2011, the estimated cost of the system of financial support in our Determination was £12.7 million in 2011-12. This represented a real terms reduction of 7.1 per cent under the budget for 2010-11, and resulted in a residual contingency within the agreed budget for 2011-12 of 2.3 per cent.⁵⁴ This reflected the number of changes we had made to the system of financial support, the impact of which could only be estimated, and the decisions regarding additional salaries for office holders which had yet to be taken at that stage.

156. Figure 16 shows the costs, as estimated in March 2011, of our initial Determination against the agreed Members' budget for 2011-12 and indicative budget for 2012-13.

Figure 16: Initial Overall Estimated Costs 2011-12 and 2012-13⁵⁵

Revenue expenditure	2011-12 (£000)	2012-13 (£000)
Members' budget	13,034	13,041
Our Determination (estimated costs)	12,734	12,889
Contingency	300	152

Costs of Decisions on Additional salaries (July 2011)

157. As outlined in Chapter 1, one of the principles upon which we based our deliberations of additional salaries for office holders at the Assembly was that any new arrangements we put in place should be at least cost neutral when compared to the arrangements in place at the end of the Third Assembly.

158. Figure 17 shows the total number of office holders eligible to receive additional salaries in July 2011, and the levels of those salaries, in the light of our revised Determination. The position as at the end of the Third Assembly in March 2011 is shown for illustrative purposes. The total additional salary payable to all office holders at the beginning of the Fourth Assembly is

⁵⁴ Uses HM Treasury assumptions 2011-12 2.5 per cent, 2012-13 2.2. per cent, and 2013-14 2.7 per cent as at 29 November 2010 (accessed 9 March 2011).

⁵⁵ Includes the costs of the full system of financial support set out in the Board's Determination, including salary on costs.

£889,033 compared with £960,203 at the end of the Third Assembly. This is a reduction on office holders' salaries of £71,170 or 7.4 per cent.

Figure 17: Total Additional Salaries of Office Holders⁵⁶

Office	Office holder salary (£)	Office holders (March 2011)	Total (£)	Office holder salary (£)	Office holders (July 2011)	Total (£)
First Minister	80,870	1	80,870	80,870	1	80,870
Deputy First Minister	41,949	1	41,949	41,949	0	0
Welsh Minister	41,949	7	293,643	41,949	7 ⁵⁷	293,643
Counsel General	41,949	1	41,949	41,949 plus 53,852 ⁵⁸	1	95,801
Presiding Officer	41,949	1	41,949	41,949	1	41,949
Deputy Minister	26,385	4	105,540	26,385	3	79,155
Deputy Presiding Officer	26,385	1	26,385	26,385	1	26,385
Leader of largest opposition party	41,949	1	41,949	-	-	-
Leaders of other opposition parties	12,168	1	12,168	-	-	-
Opposition leader (14 Members)	-	-	-	26,420	1	26,420
Opposition leader (11 Members)	-	-	-	23,240	1	23,240
Opposition leader (5 Members)	-	-	-	17,420	1	17,420
Assembly Commissioner	12,168	4	48,672	12,420	4	49,680
Committee Chairs (higher)	12,168	12	146,016	12,420	8	99,360
Committee Chairs (lower)	8,112	5	40,560	8,280	2	16,560
Government Chief Whip	26,385	1	26,385	0	1	0
Opposition Chief Whip	12,168	1	12,168	0	1	0
Party business manager (30 Members)	-	-	-	12,420	1	12,420
Party business manager (14 Members)	0	1	0	9,710	1	9,710
Party business manager (11 Members)	0	1	0	8,960	1	8,960
Party business manager (5 Members)	0	1	0	7,460	1	7,460
Total		41	£960,203		35	£889,033

⁵⁶ Salary figures shown in Figure 17 do not include on costs of NI and pension costs.

⁵⁷ Section 51 of the Government of Wales Act 2006 sets an upper limit of 12 on the size of the Welsh Government. As at July 2011, there are a total of 10 Welsh Ministers and Deputy Ministers.

⁵⁸ The current Counsel General is not an Assembly Member, so receives a base salary of £53,852 and the additional £41,949.

Revised Total Cost Estimate of Determination (July 2011)

159. We have updated our March 2011 Determination in the light of our July 2011 decisions on additional salaries for office holders. The revised costs of the system of financial support we have put in place are set out in Figure 18.

Figure 18: Revised Overall Estimated Costs 2011-12 and 2012-13⁵⁹

Revenue expenditure	2011-12 (£000)	2012-13 (£000)
Members' budget	13,034	13,041
Our Determination (estimated costs*)	12,803	12,994
Contingency	231	47

160. These estimated costs have been updated to reflect the number of office holders as at July 2011. The estimated costs for both 2011-12 and 2012-13 have risen above those included in *Fit for Purpose* (shown in Figure 16 above) partly as a result of our decisions on office holders' salaries. However, we are of the view that the system of remuneration we have put in place for office holders is transparent, supports the Assembly's strategic purposes and reflects the way the Fourth Assembly will operate.

The Costs of our Work

161. The direct cost incurred by the Remuneration Board in producing our revised Determination was £8,779. This figure includes Board members' remuneration and the expenses incurred in the course of our work. It covers two formal meetings, six days of consultation and interviews undertaken by the Chair and other Board members, and nineteen and a half days of preparatory work.

⁵⁹ Includes the costs of the full system of financial support set out in the Board's Determination; revised to reflect changes to office holder additional salaries and Counsel General salary only, including all on costs (pensions and NI contributions).

Remuneration Board

Remit and Membership

The Remuneration Board, as recommended by the Independent Review Panel on Assembly Members' Pay and Allowances in its report of July 2009, was established by the National Assembly for Wales (Remuneration) Measure 2010.

The Board is an independent statutory body which has responsibility for:

- providing Assembly Members with a level of remuneration which fairly reflects the complexity and importance of the functions which they are expected to discharge, and does not, on financial grounds, deter persons with the necessary commitment and ability from seeking election to the Assembly;
- providing Assembly Members with resources which are adequate to enable them to fulfil their functions as Members; and
- ensuring probity, accountability, value for money and transparency with respect to the expenditure of public funds.

In fulfilling its remit, the Board is required to act in an open and transparent manner, and, where the Board considers it appropriate, undertake consultation with those likely to be affected by the exercising of its functions.

The Board was appointed under a fair and open recruitment process and consists of a Chair and four Board members:



The Rt Hon George Reid
(Chair)

A Scottish politician, journalist and academic. Privy Councillor, former MP, MSP, Presiding Officer of the Scottish Parliament and Chair of its Corporate Body. Lord-Lieutenant of Clackmannanshire. Worked for 15 years in wars and disasters as a director of the International Red Cross/Red Crescent. Current appointments include: UK Electoral Commissioner, Independent Adviser on the Scottish Ministerial Code, and visiting professor at Glasgow and Stirling Universities. He recently led strategic reviews of governance in the Northern Ireland Assembly and the National Trust for Scotland.



Sandy Blair CBE

A former director of the Welsh Local Government Association, WLGA (retired 2004). A local authority chief executive for 16 years before appointment to the WLGA, and President of SOLACE in 1999/2000. Has held a number of paid public appointments and trusteeships such as non-executive director of the Health and Safety Executive, HSE, chair of the Monmouth Diocesan Board of Finance and roles within the Church in Wales. Has served as a member of the Remuneration Committees for UWIC and HSE.



Mary Carter

Retired as a Partner of KPMG in September 2008 and is currently a member of the Armed Forces Pay Review Body which makes recommendations to the Prime Minister and Secretary of State for Defence on military pay, compensatory allowances and charges, as well as a part time consultant to KPMG. A lawyer by background, she has specialised for over 20 years in advising UK and non UK companies on remuneration and incentives for directors/senior management and related governance and taxation issues.



Stuart Castledine

A chartered accountant who occupied a number of financial and general management roles within Allied Dunbar, Chartered Trust and Bristol & West Building Society before becoming Tesco’s first Financial Services Director. More recently, has undertaken a variety of assignments in the public and private sectors, helping establish joint ventures and alliances as well as being a turnaround director of a number of financial services organisations. He is currently Finance Director of Bluestone Resorts Ltd and a non-executive director of the Welsh Ambulance Service.



Professor Monojit Chatterji

An academic with public policy experience, he has published research in such areas as the determinants of public sector pay. Currently Bonar Professor of Applied Economics at the University of Dundee and Bye-Fellow and Director of Studies in Economics at Sydney Sussex College Cambridge, and Chair of the National Joint Council of UK Fire and Emergency Services (the pay negotiating body). Previously a member of the School Teachers’ Review Body which makes recommendations to the Prime Minister and Secretary of State for Education and Skills on pay and conditions, and also governance arrangements for school teachers and head teachers in England and Wales. Formerly member of the Economists Group, Office of Manpower Economics, considering cross-cutting issues on pay in the public sector.

Meetings of the Board

Date	Meeting
26 May 2011	Informal update meetings between Chair and party leaders/representatives; Chair's drop in session for Members.
27 May 2011	Meeting between Chair and IPSA; briefings from Assembly officials.
22/23 June 2011	Evidence taking meetings between Board members and office holders.
24 June 2011	Formal Board meeting: election results and implications for Fourth Assembly; update on implementation of Determination; additional salaries for office holders; budget update; Remuneration Board governance.
7 July 2011	Formal Board meeting: revised Determination, budget update, Members' pensions.

Agenda and minutes of each of the Board's formal meetings are available on the Board's website at: <http://www.assemblywales.org/memhome/mem-allow-pay-pensions/members-remunerationboard/meetings-board.htm>

Consultation

Throughout this phase of our work, and in accordance with Section 2 of the National Assembly for Wales (Remuneration) Measure 2010, the Board undertook consultation with a range of stakeholders. The Board is particularly grateful to the following for taking the time to provide evidence to support it in its work.

Assembly Members:

Peter Black AM
Angela Burns AM
Rosemary Butler AM
Christine Chapman AM
Jeff Cuthbert AM
Andrew RT Davies AM
Byron Davies AM
Jocelyn Davies AM
Paul Davies AM
The Rt Hon the Lord Dafydd Elis-Thomas AM
Janice Gregory AM
Mark Isherwood AM
Ann Jones AM
The Rt Hon Carwyn Jones AM
David Melding AM
Sandy Mewies AM
Darren Millar AM
Nick Ramsay AM
Rhodri Glyn Thomas AM
Kirsty Williams AM
Ieuan Wyn Jones AM

External Consultees:

Mick Bates, *former Assembly Member*
Nick Bourne, *former Assembly Member*
Sir Malcolm Jack KCB, *Clerk of the House, House of Commons*
Gareth Jones, *former Assembly Member*
Dai Lloyd, *former Assembly Member*
Baroness Randerson, *former Assembly Member*
Trevor Reaney, *Chief Executive and Clerk, Northern Ireland Assembly*
Huw Williams, *Head of Officeholder Services and Allowances Policy, Scottish Parliament*

Office Holder Responsibilities

It is not a matter for us to provide definitive job descriptions for office holders. However, in order for us to make our decisions on appropriate levels of additional salaries for offices based on responsibilities, we have gathered evidence on common elements associated with the responsibilities of each office, a summary of which is reproduced below. The Assembly Commission and Business Committee may wish to take account of our findings and, if so, we would welcome further discussions with them.

Responsibilities of Committees

- informing and strengthening the work of the Assembly as a whole by reporting to it on matters within the committee’s portfolio;
- scrutinising Bills and other Assembly, UK and EU legislative proposals, reporting to the Assembly with recommendations for their improvement, and considering and making amendments to Bills;
- examining the finance and performance of relevant parts of the Welsh Government, its sponsored bodies and others of relevance to Wales; and
- monitoring and reporting on the implementation of Welsh Government policy, legislation and other commitments, including identifying and examining areas of existing or emerging Welsh Government policy, or areas where existing policy is deficient, and making proposals for improvements, new policies, or committee Bills.

Responsibilities of Committee Chairs

- setting the strategic direction of the committee and ensuring the transparent prioritisation of its activity so as to deliver a balanced, comprehensive and effective programme of legislative, policy and financial scrutiny;
- maximising the relevance and influence of the committee whilst maintaining its clear independence from the Welsh Government;
- acting impartially at all times, decisively, fairly and in a manner that maintains the confidence of the committee;
- commanding the confidence of Members, witnesses and the public at large through mastery of the subject matter of the committee’s remit; demonstration of effective

- legislative, policy and financial scrutiny techniques; maintenance of order; and the application of all relevant legal and procedural requirements on the committee;
- securing the commitment and engagement of all committee members and building cross-party consensus wherever possible;
 - building the culture and skills mix within the committee required to maximise its effectiveness as a scrutiny body;
 - ensuring that the committee receives the expert advice, information and other support it requires to fulfil its objectives effectively;
 - driving the delivery of all aspects of the committee’s work with pace and quality;
 - representing the committee publicly, in the media and in formal Assembly business; and
 - ensuring critical analysis and evaluation of the committee’s work and driving innovation in its operation so as to increase effectiveness, public engagement and impact.

Responsibilities of Opposition Party Leaders

- setting the strategic direction for the group in holding the Government to account and influencing legislation;
- providing a constructive opposition to government and identifying when to work consensually or support the government and when to challenge;
- devising strategies for influencing policy and legislation;
- prioritising issues on which to challenge the Executive;
- representing the Assembly as a leader of a party in opposition;
- acting as the chief spokesperson for the party and its policies;
- developing party policy and offering policy alternatives; and
- managerial responsibility for Members of the party groups.

Responsibilities of Party Business Managers

All party business managers:

- facilitating effective organisation and conduct of Assembly proceedings in Plenary and committees; and
- engaging in formal and informal communication and negotiation.

Opposition party business managers:

- membership of the Business Committee and fulfilment of functions of that committee as set out in Standing Orders.

Business managers of parties in government:

- provision of an effective channel for influence on Government from Members of the governing party(ies); and
- facilitating constructive dialogue related to government proposals between all parties.

Responsibilities of Assembly Commissioners

The Assembly Commission is a corporate body with a separate legal status distinct from the Assembly and with the legal responsibility of providing the property, staff and services required for the Assembly's purposes. Commissioners are responsible for:

- setting overall strategy;
- setting clear performance targets and holding officials accountable for delivery;
- setting the Commission's draft annual budget for approval by the Assembly;
- directly authorising the most important transactions affecting Commission property;
- generally overseeing transactions delegated to the Chief Executive and other staff; and
- accounting to the Assembly and the public in Wales for the work of the Commission.

Assembly Commissioners are required to discharge those responsibilities by:

- attending Commission meetings;
- seeking to understand and reflect the views of Assembly Members, within and beyond their party groups, to assist officials in providing services that are fit for purpose;
- providing clear, regular feedback on Commission business and plans to their party groups;
- explaining and, if necessary, defending Commission decisions to Assembly Members;
- developing a sound understanding of their portfolio areas and work directly with officials on policy and delivery, and be a source of expertise for Assembly Members;
- attending committees to account for the work and plans of the Commission (examples from Third Assembly – Equal Opportunities, Public Accounts, Finance);
- formulating and supporting legislative proposals relating to the Commission (example from the Third Assembly – the National Assembly for Wales (Remuneration) Measure);
- signing off the Commission Annual Reports;

Appendix D – Office Holder Responsibilities

- formally representing the Commission and the Assembly at events or to the media;
- answering oral and written Assembly Questions;
- answering correspondence on Commission matters and meeting stakeholders;
- appointing the Chief Executive, agreeing the senior structure of the organisation and determining pay for the Chief Executive and Directors (based on advice from an independent Remuneration Committee);
- chairing Plenary sessions as Acting Deputy Presiding Officer; and
- acting in the interests of the Assembly as a whole and taking collective responsibility for ensuring that the organisation fulfils its purpose.

One Commissioner is also a member of the Assembly Commission Audit Committee.

Background Documents

National Assembly for Wales Remuneration Board Documents

National Assembly for Wales Remuneration Board: *Determination on Members' Pay and Allowances 2011-12*

National Assembly for Wales: *Fit for Purpose: Report of the Remuneration Board of the National Assembly for Wales*, 2011

Relevant Assembly Commission Documents

National Assembly for Wales: *Assembly Commission Budget 2011-12*

National Assembly for Wales: *Determination of Members' Pay and Allowances 2010*

Remuneration at the National Assembly for Wales

SSRB Report no. 42: *Initial Pay, Allowances, Pensions and Severance Arrangements for: Members of the Scottish Parliament, National Assembly for Wales, Northern Ireland Assembly*, 1999

SSRB Report no. 49: *National Assembly for Wales: Review of Pay and Allowances*, 2001

SSRB Report no. 58: *National Assembly for Wales: Review of Pay and Allowances*, 2004

National Assembly for Wales: *Report of the Independent Panel on Financial Support for Assembly Members*, 2008

National Assembly for Wales: *Getting it Right for Wales: Report of the Independent Review Panel on Members' Pay and Allowances*, 2009

Remuneration at Other UK Legislatures

Scottish Parliament, SPCB: *Report to the Scottish Parliamentary Corporate Body on the Reimbursement of Expenses for Members of the Scottish Parliament*, Sir Alan Langlands, 2008

Scottish Parliament, SPCB: *A Report on the Scheme for the Reimbursement of Members' Expenses*, Sir Neil McIntosh, Corporate Body, 2009

Scottish Parliament, SPICe: *The Edinburgh Accommodation Allowance – An International Comparison*, D Oag and S Wakefield, 2007

Scottish Parliament, SPICe: *Parliamentary Pay and Expenses*, Murray Earle, 2007

SSRB Report No 48: *Review of Parliamentary Pay and Allowances*, Volume I, 2001

SSRB Report No 48: *Review of Parliamentary Pay and Allowances*, Volume II, 2001

SSRB Report no. 50: *Scottish Parliament: Review of Pay and Allowances*, 2001

SSRB Report no 57: *Review of Parliamentary Pay and Allowances*, Volume 1, 2004

SSRB Report no 57: *Review of Parliamentary Pay and Allowances*, Volume 2, 2004

SSRB Report no. 67: *Northern Ireland Assembly: Review of Pay, Pensions and Allowances*, 2008

SSRB: *Review of Parliamentary Pay and Pensions*, Sir John Baker, 2008

SSRB: *Determination of MPs' Salary Increases for 2009*

SSRB: *Determination of MPs' Salary Increases for 2010*

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Legislation

Government of Wales Act 1998, <http://www.legislation.gov.uk/ukpga/1998/38/contents>

Government of Wales Act 2006, <http://www.legislation.gov.uk/ukpga/2006/32/contents>

The National Assembly for Wales (Remuneration) Measure 2010,
http://www.opsi.gov.uk/legislation/wales/mwa2010/mwa_20100004_en_1