

## Responses to Remuneration Board consultation on AM Allowances – December 2014 / January 2015

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| <b>Respondent</b>                              |  |
| <b>01.Proposal – Residential Accommodation</b> |  |
| <p>1.1</p> <p>1.2</p> <p>1.3</p>               | <p><b>Do you support the Board’s proposal to allow any Members in the intermediate or inner areas who have to travel a further distance or a longer time than those in adjacent areas to submit a business case for an exception to be made?</b></p> <p><b>Do you agree with the Board’s proposal to remove the provision for Members in the Inner Area?</b></p> <p><b>Do you agree with the Board’s proposal to permit the current maximum hotel rates to be exceeded with prior agreement from MBS?</b></p>  |
| <p>Welsh Labour Group</p>                      | <p>The Group would welcome increased flexibility around the current rules on Residential Accommodation in Cardiff, but we are opposed to the continued use of the current three geographic areas when determining eligibility.</p> <p>We do not believe that these artificial boundaries reflect the realities of the situation.</p> <p>The current system fails to reflect the fact that Members resident in any of the currently defined areas may be significantly more than an hour’s travel time away from Cardiff, for example.</p> <p>In place of the current three areas, we would urge the Board to introduce a simpler, fairer and more transparent system which would enable any Member to put forward a business case for consideration, should they believe that their circumstances, such as travel time or caring responsibilities, warrant residential support or overnight accommodation.</p> <p>We would want to see clear guidelines produced as to how business cases for RAC would be judge by MBS, in order to ensure consistency for all Members as well as the maximum level of transparency.</p> <p>The Group also believes that the proposals need to take into account the fact that Assembly business is increasingly being extended into the evening, with a knock on effect for evening meetings and other events which enable greater public engagement with their elected representatives.</p> <p>As a result of these developments, Members are increasingly expected to be present in the Assembly until later</p> |

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|  | <p>in the evening. This needs to be fully acknowledged in any assessment arrangements involved in the new proposals.</p> <p>In addition, the Group also feels that the proposals need to provide certainty for Members who were elected in earlier Assemblies when the rules for RAC in Cardiff were different. Members in this position should be referenced in all guidance from MBS and given clear advice as to how any proposals on allowances affect them.</p>  |
| Welsh Liberal Democrats                    | <p><b>1.1 Do you support the Board's proposal to allow any Members in the intermediate or inner areas who have to travel a further distance or a longer time than those in adjacent areas to submit a business case for an exception to be made?</b></p> <p>Yes. This is a fairer system than sticking to rigid electoral boundaries which do not take account of actual geographical and travel constraints</p> <p><b>1.2 Do you agree with the Board's proposal to remove the provision for Members in the Inner Area?</b></p> <p>We can see the reasoning behind this and have no disagreement with it given that there will be a provision for exceptional circumstances.</p> <p><b>1.3 Do you agree with the Board's proposal to permit the current maximum hotel rates to be exceeded with prior agreement from MBS?</b></p> <p>Yes providing this remains the exception.</p> |
| <b>02.Proposal – Provisions for carers</b> |   |
| <b>2.1</b>                                 | <b>Do you agree with the Board's proposal to enhance the residential accommodation allowance for Outer Area Members who have dependents residing routinely with them in Cardiff?</b>  |
| <b>2.2</b>                                 | <b>Do you agree that the other steps proposed by the Board are a reasonable way of addressing support for carers?</b>   |
| <b>2.3</b>                                 | <b>We are keen to ensure that the Assembly does all it can to attract candidates from a wide cross-section of society, and we would welcome any further specific proposals.</b>   |

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| Welsh Labour Group   | <p>While we again welcome the proposed greater flexibility for members in the ‘outer area’ who have caring responsibilities for dependants, we feel that these proposals should be amended in order to make them consistent with the proposal on RAC, to take into account the needs of those Members in the ‘intermediate’ area who face longer travel times.</p> <p>We also do not feel that these proposals address issues regarding the effects of the increasing demands of Assembly business on Support Staff with caring responsibility.</p> <p>The Group would therefore welcome further consideration by the Board of these points.</p>   |
| Welsh Liberal Democrats  | <p><b>2.1 Do you agree with the Board’s proposal to enhance the residential accommodation allowance for Outer Area Members who have dependents residing routinely with them in Cardiff?</b></p> <p>Providing the system is monitored and not open to abuse then yes.</p> <p><b>2.2 Do you agree that the other steps proposed by the Board are a reasonable way of addressing support for carers?</b></p> <p>We have no issue with the other steps currently in place and which are to be maintained. We also agree with the Board that political groups have to accept some responsibility for ensuring that their Members are able to achieve a life / work balance particularly where they have carers responsibilities.</p>  |
| <b>03.Proposal – Assembly Member and Assembly Member Support Staff travel</b>  |  |
| <b>3.1 Do you support the Board’s proposal to remove the cap on staff travel costs and overtime (subject to there being sufficient funds in the Member’s staffing budget)?</b> |  |
| Welsh Labour Group   | <p>Members feel that the proposal to retain the existing mileage rates for Members fails to take into account the travel distances involved for Regional and some constituency Members.</p> <p>Regional Members, as well as those who represent geographically large constituencies, have to travel significant distances both to the Assembly and their regional or constituency offices, in order to carry out their duties and to engage with constituents.</p> <p>Some Members, for example, have made it clear that they have to travel a total of 60 miles to get to and from their office. This means that the current 10,000 mile limit is often reached very early in the financial year.</p> <p>We believe that the Remuneration Board should examine the case for altering this limit for those who are</p> |

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|   | expected to travel long distances due to the geographic nature of the constituency or region they represent.  |
| Welsh Liberal Democrats   | <p>3.1 Do you support the Board's proposal to remove the cap on staff travel costs and overtime (subject to there being sufficient funds in the Member's staffing budget)?</p> <p>Yes, this seems to be a sensible proposal.</p>  |
| <b>04.Proposal – Office costs and virement of funds between budgets</b> |   |
| 4.1   | <b>The Board is proposing to retain most of the current arrangements in this area. Are there any areas where we are not proposing change where you think we should?</b>   |
| 4.2   | <b>Do you support the Board's proposal to give Members flexibility in deciding where to get their office furniture? And is £5,000 the right amount for office furniture?</b>  |
| 4.3   | <b>Do you think a £1,000 one-off allowance for long serving Members to replace some office furniture at the start of their third term is appropriate?</b>   |
| 4.4   | <b>Do you support the Board's proposal to reduce the threshold up to which Members have to pay for security and health &amp; safety related work?</b>   |
| 4.5   | <b>Do you support the Board's proposal to allow Members to vire a limited amount of unspent staffing allowance to their office costs budget? And if so, is the limit (25% of the office costs budget) at the right level?</b>   |
| Welsh Labour Group  | <p>The Labour Group welcomes the proposal to re-introduce the ability to vire funds between budgets. This additional flexibility would ensure that Members would be better able to deal with additional or unforeseen in-year financial pressures and staff workload demands, thereby helping them to provide the services required by their constituents.</p> <p>However, given the severe pressures already being faced by a number of Members in terms of rising rental and utility costs for their constituency offices, we would urge the Remuneration Board to bring forward the introduction of this change to the 2015-16 financial year.</p> <p>Without this additional flexibility at the earliest possible opportunity, we are very concerned that a number of</p> |

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|                                | <p>Members might not be able to meet these additional financial pressures from their current budget in the near future, particularly given the severe shortage of affordable and publicly accessible office accommodation in a number of areas of Wales.</p> <p>We would also urge the Board to consider allowing an equivalent virement between the office costs budget to the staffing budget where Members might have a surplus in the office cost budget.</p> <p>The Group, of course, fully accepts that bonus payments are no longer permitted. However, we believe that allowing virement in both directions would provide Members in this position to address periods of heavy workload, for example, by securing additional hours from existing part time staff or appointing new part-time or short term staff.</p> <p>In addition, the Group would also urge the Remuneration Board to look at allowing Members to bring forward funding from subsequent years within an Assembly term where this would lead to clear cost savings, for example in the case of multi-year rental agreements with landlords who might offer discounts in return for advance payments.</p> |
| <p>Welsh Liberal Democrats</p> | <p><b>4.1</b> The Board is proposing to retain most of the current arrangements in this area. Are there any areas where we are not proposing change where you think we should?</p> <p>Not currently.</p> <p><b>4.2</b> Do you support the Board's proposal to give Members flexibility in deciding where to get their office furniture? And is £5,000 the right amount for office furniture?</p> <p>Allowing flexibility in where AMs can purchase furniture from is a sensible move and allows for AMs to spend locally if they so choose. Evidence seems to suggest that the £5000 allowance is sufficient.</p> <p><b>4.3</b> Do you think a £1,000 one-off allowance for long serving Members to replace some office furniture at the start of their third term is appropriate?</p> <p>This seems appropriate.</p> <p><b>4.4</b> Do you support the Board's proposal to reduce the threshold up to which Members have to pay for security and health &amp; safety related work?</p>  |

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|                              | <p>Given the evidence which says that the current threshold has not been reached then it would seem fair, although there should some leeway in the case of unexpected and emergency work needing to be carried out.</p> <p><b>4.5</b> Do you support the Board's proposal to allow Members to vire a limited amount of unspent staffing allowance to their office costs budget? And if so, is the limit (25% of the office costs budget) at the right level?</p> <p>This seems fair.</p>  |
| <p>Darren Millar<br/>AM</p>  | <p>In the consultation document from the Board sent last week seeks Members views on some proposed changes to the member's allowances system. On page 16 of the report the following change is proposed:</p> <p><i>'Introduce provision for Assembly Members to vire from their unallocated staffing budget to their office costs budget, up to a maximum of 25% of the office costs budget.'</i></p> <p>Whilst I fully support this proposal I feel that it should be enhanced to allow for the additional ability of funds to be vired in the opposite direction, i.e. from the office costs allowance into the staffing budget. I would also like to suggest that this change be introduced prior to the Fifth Assembly in order that existing AM can take advantage of flexibility it offers.</p> |
| <p>Mark<br/>Drakeford AM</p> | <p>I write in response to the proposed changes to determination regarding allowances for Assembly Members in the fifth assembly. My position, generally, is represented by the observations you will receive from the Labour party.</p> <p>In this note, however, I wish to make a specific point about the fourth proposal in the remuneration board's document, i.e. the proposal to allow a virement of funds between staffing and office costs.</p> <p>The document, of course, looks forward to the fifth assembly. The issue it identifies, when speaking of the great</p>  |

variation in office rental costs faced by members, already applies acutely in the Cardiff West context.

On taking up office, in May 2011, the rules required an independent evaluation of the rent being charged at the office location which I inherited from my predecessor, Rhodri Morgan. The evaluation concluded that the rent being asked for at Transport House, Cathedral Road, was above that which could be supported by the public purse. This was a considerable disappointment as Rhodri had maintained an office at that location for a quarter of a century, with all the advantages in terms of public information and recognition that had been built up over that time.

We were fortunate, however, to secure alternative office accommodation within a two minute walk of transport hubs. This has been particularly useful because the steady stream of constituents that continue to go to the transport house office can be very quickly and, without inconvenience, redirected to our new location. We secured a three year arrangement which has served us well, being affordable within the limits laid down by the assembly scheme. That three period ended on 1<sup>st</sup> October this year.

The landlord has taken advantage of the very different economic conditions which surround the letting office accommodation in 2014 to raise both rent and service charges very substantially. The levels now being charged are beyond that which can be met from the office cost allowance. Because we have to meet only a half year charge in 2014 we will, by placing an absolute block on every piece of discretionary spending, just manage to cover the new rent and service charges. If we are unable to find alternative accommodation in 2015/16, however, our current office allowance simply will not allow us to meet these challenges. As you can appreciate, finding new accommodation in the final year of the assembly term, with all the uncertainty of an election in May 2016, will be very challenging. In any event, attempting to find office accommodation in the centre of the constituency, close to where constituents have become used to finding us, will be very difficult indeed.

The purpose of this note is to ask whether the remuneration board would be able to exercise some limited discretion to allow the very small number of members who find themselves in such a position to bring forward

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|  | <p>the volume of change to 2015/16. Without the capacity to move money from staffing budget to our office cost budgets, at the level proposed in the determination of the documents, we face a very difficult position indeed in the final year of this assembly.</p>  |
| <p><b>05.Proposal - Members leaving office</b></p>   |  |
| <p><b>5.1 The Board is not proposing major changes to this part of the Determination. Are there any aspects where you think there should be changes?</b></p> <p><b>5.2 What do you think of the Board’s proposal to explore providing an outplacement service for Members and their staff in the event of losing an election? Do you have any views on how this should be offered?</b></p> |  |
| <p>Welsh Liberal Democrats</p>   | <p>5.1 The Board is not proposing major changes to this part of the Determination. Are there any aspects where you think there should be changes?</p> <p>No, we think this matter was adequately covered in the previous determination which related to it.</p> <p>5.2 What do you think of the Board’s proposal to explore providing an outplacement service for Members and their staff in the event of losing an election? Do you have any views on how this should be offered?</p> <p>We appreciate the thinking behind this proposal – as pointed out in the consultation report this is standard practice for many large companies. However, it is difficult to see how this could be provided given the geographical spread of people involved and the specific circumstances.</p> <p>It may be argued that because of the very nature of their positions Assembly Members – and to a degree most of their staff – have already had access to a wide range of information and made numerous contacts.</p> |



**06. Equality Impact Assessment and other issues**

**6.1 Do you consider that any of the proposals set out in this document would disproportionately impact or disadvantage any particular individuals or groups of people?**

**6.2 Are there any other issues we should consider as part of our review of the Determination in relation to Members' Allowances?**

There were no specific responses to these questions.

**Other issues raised in responses:**

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| Welsh Labour Group | We also feel that greater consistency and transparency is required in the tax arrangements which are agreed with HMRC.<br>At present, the Group feels that MBS deals with tax issues raised by Members on an ad hoc, individual basis, despite the fact that agreements reached with HMRC might have an effect on other Members.<br>Members have encountered a number of instances when new tax arrangements have been made without prior notification or consultation with all AMs.<br>We therefore feel that MBS should consult with all Members before seeking to clarify or make new tax arrangements as this will allow MBS to capture the circumstances and views of all those affected. |
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**January 2015**