

## Responses from party groups, an individual Assembly Member and other stakeholders

Respondent	Question 1: Do you agree with our proposal that Assembly Members should be paid a base salary of £64,000 in 2016-17, the first year of the Fifth Assembly? Please explain your view.
Welsh Liberal Democrat Group	<p>We cannot accept that in the current financial climate it is appropriate to suggest that Assembly Members should receive such a substantial uplift in their basic allowance.</p> <p>When public sector workers are being limited to at best a 1% increase, when local services are being cut across the country, when the general public are in many instances being told they have to tighten their belts it is impossible to conceive of a situation where such a raise would be acceptable.</p> <p>From the viewpoint of the public and, we believe, most right thinking politicians, it is not appropriate to be suggesting such an increase in Assembly Members salaries at this time. Any increase should be in line with limits being imposed elsewhere in the public sector.</p> <p>We appreciate the work that has been put into trying to assess the extra responsibilities that have been and will be handed down to the Assembly. It is the case that the workload of Assembly Members and their staff has increased and that the raised levels of legislation has meant that higher levels of scrutiny are required.</p> <p>However, there are many other people outside of the political spectrum who are having to work harder and take on extra responsibility without the benefit of a hefty pay rise.</p> <p>The consultation document refers to a study by Bangor University into barriers for entry. That report states  “There was a general consensus among participants that the salary is reasonable  And fair. Participants noted that they did not have a problem with the current pay and that it was very good wage compared to the average salary in Wales. Some commented that it is ‘not far away’ from someone who is doing well in business or something similar.”</p> <p>Whilst there are individuals quoted who thought the salary should be higher then this report certainly cannot be used to argue in favour of a salary increase along the lines being suggested by the Board.</p>
The Labour Group	<p>The Labour Group would like to thank the Remuneration Board for its comprehensive examination of AM salaries and we do not underestimate the challenge faced in producing a set of proposals for consultation.</p> <p>The Group welcomes the acknowledgement that the weight of the job done by Assembly Members places them on a par with Members of the Scottish Parliament (paragraph 34).</p>

	<p>We also support the cap suggested by the Board on the office holder salaries of the First Minister, Ministers and Deputy Ministers.</p> <p>We do not, however, agree with the suggestion that all opposition group leaders should be awarded an additional salary and a further proportional payment related to the size of their Group.</p> <p>Instead, the Group believes that the additional salary arrangements for opposition parties should only recognise the leader of the largest group as the leader of the official opposition in the National Assembly.</p>
<p>Nick Ramsay AM</p>	<p>Turning to the principal questions posed by the consultation, the Panel points out that “the higher salary is unlikely to receive support from all quarters”. Constituents I have spoken to certainly don’t share the view that Assembly Members should be paid a base salary of £64,000 in 2016-17 - what effectively amounts to a pay-rise of 17.7% for re-elected members or a 10.8% increase in total remuneration when reductions in areas such as pension contributions are factored in. As I have said previously, this pay rise is very difficult to justify down the local pub when many public sector employees are experiencing uplifts in salary closer to 1%. It is clearly desirable that the remuneration package provided for the Fifth Assembly carries majority public support from the outset.</p> <p>As we know, Assembly Members’ pay has been frozen for the last 4 years. This was the right decision at the time given the economic situation that faced the UK and the need for the Assembly to demonstrate its share of public sector pay restraint. Politics is not a conventional job and does not pay as such. You accept that when you take the decision to enter it. It does, of course, have its own set of challenges. A day off is only a day off until you bump into a constituent who needs assistance. This is the nature of the role and an important aspect of our localised democracy.</p> <p>As we look ahead to the Fifth Assembly the need for pay restraint must, of course, be balanced with the right remuneration framework that does not deter new candidates. The question then is how that balance is struck.</p> <p>As the consultation document points out, the current pay situation is complicated by the fact that a majority of Assembly Members receive an additional salary as office holders. The Panel's proposals include "constraining" these salaries.</p> <p>The Scottish Parliament dispensed with many office holders' salaries, retaining remuneration for the Presiding Officer and Deputy Presiding Officer. The Remuneration Panel may wish to consider further reductions to office holders' salaries redistributing the savings on salary, pension contributions and National Insurance to bolster the basic Assembly Member salary. This would allow for a moderate salary increase, potentially self-financing amongst the pool of Assembly Members and, therefore, more acceptable to the public at a time when resources are still</p>

	tight.
	<p><b>Question2: Do you agree that it is appropriate to index Assembly Members' pay over the five years of the Fifth Assembly?</b></p> <p><b>Question2A: If so, do you agree that the ASHE figure for median gross weekly earnings of full-time employees in Wales is the appropriate index?</b></p>
Welsh Liberal Democrat Group	<p>As stated above we need to be cognisant of the financial climate under which we are currently operating. We cannot have a situation where Assembly Members receive an automatic index linked increase whilst at the same time taking decisions which mean workers in the public sector get little or no increase. It was for this reason that the Welsh Liberal Democrat group were clear in our response last year that Assembly Members' wages should be frozen at that time</p> <p>We have to be in a position where there is flexibility, where any increase only comes at a time when it can be afforded and when the general economy is buoyant enough to enable that same privilege to be offered to all.</p>
The Labour Group	<p>The Labour Group supports the Board's suggestion that, from the Fifth Assembly, AM salaries should be indexed to the Annual Survey of Hours and Earnings. We feel that this would be a sustainable, fair, understandable and transparent way of approaching the issue of AM salaries in the future.</p> <p>However, the Labour Group does not support the level of the Board's proposed increase in the base salary of Assembly Members and method of determining this, given the extremely difficult financial situation faced by many of our constituents.</p>
Nick Ramsay AM	<p>On the secondary question of any subsequent "in-term" Assembly pay increases, the Panel's proposal to index members pay to the ASHE figure for median gross weekly earnings of full-time employees seems a reasonable mechanism.</p> <p>In conclusion, in a unicameral institution of just 60 members it is clearly vital that all members play their part. It is time to strengthen scrutiny and the role of the backbench Assembly Member.</p>
	<p><b>Question 3: Do you agree with the Remuneration Board's proposals for remuneration of:</b></p> <ul style="list-style-type: none"> <li>- <b>Presiding Officer;</b></li> <li>- <b>Deputy Presiding Officer;</b></li> <li>- <b>Committee Chairs;</b></li> <li>- <b>Commissioners;</b></li> </ul>

	<ul style="list-style-type: none"> <li>- <b>Opposition Group Leaders;</b></li> <li>- <b>Business Committee Members;</b></li> <li>- <b>First Minister;</b></li> <li>- <b>Welsh Ministers;</b></li> <li>- <b>Deputy Ministers;</b></li> <li>- <b>Counsel General.</b></li> </ul> <p><b>Question 3A: if you disagree, please explain why and what you think would be an appropriate level of remuneration for that post.</b></p>
Welsh Liberal Democrat Group	<p>We agree with the current differentiation that exists between the basic AM salary and the salary awarded to the First Minister, Ministers and Deputy Ministers and would be content to see that level of extra payment remains. This, of course, without the suggested level of increase in basic salary. This is contrary to the Board's suggestion which cuts the "office holder" part of the salary.</p> <p>Regarding the suggested change which sees all Members of the Business Committee paid the same this is not a change we would have sought but accept the Board's reasoning in that the workload does not depend upon the number of Members in the political group.</p> <p>With reference to the salary of the Counsel General then if, as is currently the case, the post holder is not an AM then we would argue that the proposed new salary of £100,000 is too high.</p> <p>This amount is based on an increased basic salary for AMs because, the Board argue, they have an increased workload. However, we do not think the case has been similarly argued for the Counsel General, rather that the figure seems to have been arrived at because there is no other direct comparison for this role.</p>

### Responses from other key stakeholders

<b>Respondent</b>	<b>Question 1: Do you agree with our proposal that Assembly Members should be paid a base salary of £64,000 in 2016-17, the first year of the Fifth Assembly? Please explain your view.</b>
BMA Wales	BMA Cymru Wales affirms its support for the principle of independent pay review bodies for the determination of public sector pay.

	<p>We believe, however, that it is important for the recommendations of such independent pay review bodies to be consistently applied across the public sector.</p> <p>In this regard, we would however note that in relation to the most recent recommendations on pay put forward by the Review Body on Doctors' and Dentists' Remuneration (DDRB)<sup>1</sup>, the Welsh Government determined (as outlined in a written statement issued by the Minister for Health and Social Services on 13 March 2014<sup>2</sup>) that it would not accept the recommendations put forward regarding the pay rise proposed for consultants and non-consultant salaried doctors, noting that financial pressures <i>'are still a significant issue'</i>.</p>
Diverse Cymru	<p>We could not find any obvious equality issues regarding the approach taken by, and the findings of, the Remuneration Board in the determination of Assembly Member Salaries for the 5<sup>th</sup> Assembly. By this we mean there do not appear to be any issues regarding the impact of the proposals having a differential impact on any of the protected characteristic groups, as listed in the Equality Act 2010.</p> <p>However, to help determine if there is any differential impact, there needs to be in place a more substantial piece of research into much earlier selection processes relating to the eventual choice of the electorate. This would be coupled with equal opportunity monitoring of those who stand for election and those who are successful. We understand the latter is an issue that shall be addressed in the run up to the Fifth Assembly. Furthermore we would like to suggest that political parties, if they don't currently have a system in place, are encouraged to carry out equal opportunities monitoring of those who put themselves forward onto shortlists for standing as an Assembly Member.</p> <p>We thought the research carried out, by Bangor University, was of very limited help regarding identifying why some people may be deterred from standing for election. The sample of 20 participants too small and the focus is wrong if you wish to better understand the factors most likely to deter candidates. The fact that they had stood for election and either failed or been successful too narrow makes them a group unlikely to provide the answers you want. We felt that wider research needs to be conducted:</p>

<sup>1</sup> <https://www.gov.uk/government/publications/review-body-on-doctors-and-dentists-remuneration-42nd-report-2014>

<sup>2</sup> <http://wales.gov.uk/about/cabinet/cabinetstatements/2014/nhspayreview/?lang=en>

	<p>1) At the least with a much earlier focus on people who seek nominations with their own parties to establish whether people are deterred at the outset from applying for consideration and also the extent to which subsequent selection processes may or may not have an effect.</p> <p>2) Directly with members of protected characteristic groups and include those who have never considered standing for election and those who have dismissed the idea for reasons relating to their sexuality, gender reassignment, disability, race, gender, age or religion/belief.</p> <p>Furthermore, research should include a focus on wider public attitudes as to whether their voting intentions would be swayed if a potential candidate fell within one of the protected characteristics. We wondered if at some stages in the selection processes those making decisions on candidates may erroneously believe some protected characteristics are a negative factor in eventual voter choice. Such research would be likely to highlight issues and participants should also be asked to identify possible solutions.</p> <p>The consultation document and the Hayes Report appeared to us to both be comprehensive. We think the evidence provided to justify a rise in salary payments to be justified given their new responsibilities. Likewise the comparisons with salaries for MPs made sense to us. However, as recognised in the consultation document the extent of the raise shall act to outrage many members of the public who in many cases have not had a pay rise since 2008. We wondered whether either retaining the current salary or including a smaller rise deter existing AMs seeking re-election or new candidates standing for election.</p> <p>We had an interesting discussion regarding what motivates a person to stand for election. We wondered whether there has been a move away from those that perceive it as vocation to those who seek election for career reasons. We wondered to what extent those seeking election come from privileged backgrounds. This would include people who have studied politics in higher education. We note the recognition that it can cost an individual approx. £4k from their own money to stand for election and involve, for some, having to take unpaid leave. Undoubtedly this would for many people from protected characteristics groups be too much of a personal financial risk, particularly for unemployed people and those on a low wage.</p>
Trustees of the AM	The Trustees have considered the Board’s proposals for the Fifth Assembly and the impact on contribution income for the Members’ Pension Scheme. Two issues arose from the Trustees’ meeting earlier this month which I outline

<p>pension scheme</p>	<p>below. The first issue concerns whether the Board would review the pension element of the remuneration package if the proposed AM salaries are revised downwards in response to the consultation. The second issue concerns the impact of contribution income.</p> <p>The Trustees' main concern, as the Board has adopted a total remuneration approach, is to understand whether the Board will maintain the total remuneration package following the consultation and whether the Board would review the Members pension benefits in terms of the accrual rate or member contribution rate as a result.</p> <p>Trustees would welcome the Board's views on their approach to reviewing the total remuneration package, should there be a strong negative response to the consultation such that the proposed salary levels are revised downwards for Assembly Members.</p> <p>Trustees have also considered how contribution income would be affected if the proposed remuneration package is adopted as this could impact the Scheme's funding risk and liability profile going forward.</p> <p>Using the illustrative contribution rates set out in paragraph 49 and Table 2 of the consultation document Trustees have estimated the impact on contribution income to the Members' Pension Scheme.</p> <p>Using the employer contribution rate of 16.6% quoted in the document suggests the total remuneration package for Assembly Members is £4,477,440 (£74,624 x 60 - Salaries £3,840,000 Pension Contribution Element £637,440) for the first year.</p> <p>Taken with current office holder salaries and using the 16.6% employer contribution rate suggests that the office holder remuneration package is of the order of £1,066,912 (Salaries £915,020 - Pensions £151,892).</p> <p>Using the member contribution rate of 11% on the total of Member and office holder salaries of £4,755,020 suggests total member contributions of £523,052. This indicates contribution income to the Scheme of £1,312,384.</p> <p>Trustees are pleased to note, at the proposed salary levels and contribution rates that the reduction in annual income is around £120,000 when compared to 2014-15 and 2015-16. Trustees believe that the reduction in income, which represents around 0.4% of the Scheme's current net assets, does not significantly increase the Scheme's funding risk when compared to the different liability profile of the Scheme going forward from 2016.</p>
<p>UNISON</p>	<p>UNISON firmly supports the principle that all members of the workforce should be paid appropriately for the work that they undertake. Clearly this principle extends to those people undertaking public roles in elected positions.</p> <p>The salary paid to Assembly Members should be determined, as it has been, by an independent body with the skills and ability to enable them to make a recommendation. UNISON, therefore, cannot comment on the salary identified, other than to accept and have confidence in the process undertaken to reach this figure. 2</p> <p>However, UNISON is clear that the right to be paid appropriately for a role should not be limited to Assembly</p>

	<p>Members and other elected posts. Where an independent body that has been fairly established makes recommendations regarding pay, these should be adhered to. UNISON can point to numerous recent examples within the public sector whereby independent pay review recommendations have been ignored and this is entirely unjust.</p> <p>Furthermore, many of the arguments advanced to increase the salary of AMs are not unique to those working as elected politicians. Job insecurity is a growing problem for workers across all sectors, including within public services. It is arguably equally important to attract high calibre and committed workers into, for example, homecare, NHS services, social services, and schools, as it is to attract high calibre individuals into public politics. Responsibilities and workload continue to grow for many UNISON members working for public services as they continue to contend with increased demand and a decrease in resource.</p> <p>UNISON is not promoting a solution whereby we level pay down to the lowest possible threshold, however it is essential that there is consistency across society when we place value on the work that people undertake, whether that is in public office or not.</p> <p>Furthermore, concerns around the perception of the role and the impact this could have on the quality of future AM's can be equally applied to public sector workers. If we want to maintain good quality public services that are able to meet the demands of communities across Wales, then the workers who deliver those services must be suitably paid. If anything, if AMs are perceived to have accepted a significant rise in pay whilst other members of the Welsh workforce continue to experience the impact of austerity, then this could in turn lead to a public backlash against Assembly Members generally.</p>
	<p>I have however had the opportunity to discuss the report's findings with our leadership and they share the views of the major Political Party leaders in the National Assembly that they do not support the suggested pay rise of 18% from £54k to £64K proposed for AM's in your report. Whilst WLGA leaders respect the work undertaken by the panel they would echo the public sentiment of the First Minister, Carwyn Jones AM when he stated "I recognise of course in these difficult times how people will feel about this and I can't see how we could support the proposals as they stand".</p> <p>The context is central. You will note that ongoing austerity has seen pay freezes and salary cuts across local government over the recent period. In this setting a number of councils have determined to cut cabinet allowances for senior members by 5% and in many councils members' allowances are effectively frozen. In terms of its workforce, local government has a significant number of employees who earn well below national average earnings and a more limited number who earn close to the National Minimum Wage (NMW). Across England and Wales some 345,000 FTE staff (36% of the workforce) earn between £15-£21,000 per annum according to the 2013/14 Earnings</p>



	<p>Survey and many these staff have been subject to a pay freeze for a number of years. More recently the pay outcome for the workforce has been a 1% uplift effectively in line with the public sector pay restraint set by the Chancellor. Even in terms of top pay there has been a collective national decision not to offer a basic pay increase to senior staff for 5 years (with a further 2 year freeze for those earning more than £100k) during the downturn. WLGA fully recognise the vitally important role of AMs in the governance of Wales and the steadily increasing responsibilities that are accruing as a consequence of greater legislative powers and the deepening of devolution. We also accept that anything produced by the panel in the current challenging environment that contains suggestions of pay rises for politicians or public servants will be essentially contested. The reaction to the reports publication demonstrates that it is difficult to have a rational debate on such matters. However from reading the panel report in detail it does seem based on assumptions that are the product of a different financial era not least the use of consultancy remuneration benchmarking to justify pay increases. Indeed evidence suggests that if such comparators are now used in local government it is to “under-bid” salary rates as opposed to increase them with many middle management and senior roles in local government now appointed on lower salaries than their predecessors.</p> <p>Similarly your comparators in Table 4 of the report are based on comparing salaries of politicians with officials is a methodology which was contested in the report commissioned by HM Treasury and written by Will Hutton on “Fair Pay in the Public Sector”. A more relevant comparator would have been with local authority leaders. We note that this was not specifically highlighted although Paragraph 67 of the report suggests that you did examine this. For example if you take the rate of pay for the leaders of the 3 largest councils in Wales set by the IRP at £53k perhaps a more meaningful comparison can be reached? This rate is slightly below that of the base salary of Assembly member. But there is a legitimate view within local government that these roles can carry equal, if not more weight, than that of a “backbench” AM when it comes to direct budget responsibility, direct service provision and public accountability. In addition, it should be noted that other leaders of smaller authorities are on lower rates of remuneration as there is a sliding scale related to population size.</p> <p>Most importantly the panel could have more clearly factored into its work the growing disconnect between public sector finances and the wider economy; and the fact that the post-war link whereby public sector spending grew broadly in-line with economic growth is now broken and the public sector is increasingly distinct from the rest of the economy with declining employment and continuing pay restraint.</p>
WLGA	You have sought the views of the WLGA on the report produced entitled “Proposed changes to the determination regarding salaries for Assembly Members in the Fifth Assembly”. This was undertaken by the Remuneration Board

of the National Assembly for Wales and published in November 2014. The consultation period for this closes on 12<sup>th</sup> January 2014. Unfortunately WLGA has not had the opportunity to formally consider the report recently because of the holiday period, plus the weight of other pressing matters around the declining financial position and the ongoing debate on council mergers.

I have however had the opportunity to discuss the report's findings with our leadership and they share the views of the major Political Party leaders in the National Assembly that they do not support the suggested pay rise of 18% from £54k to £64K proposed for AM's in your report. Whilst WLGA leaders respect the work undertaken by the panel they would echo the public sentiment of the First Minister, Carwyn Jones AM when he stated "I recognise of course in these difficult times how people will feel about this and I can't see how we could support the proposals as they stand".

The context is central. You will note that ongoing austerity has seen pay freezes and salary cuts across local government over the recent period. In this setting a number of councils have determined to cut cabinet allowances for senior members by 5% and in many councils members' allowances are effectively frozen. In terms of its workforce, local government has a significant number of employees who earn well below national average earnings and a more limited number who earn close to the National Minimum Wage (NMW). Across England and Wales some 345,000 FTE staff (36% of the workforce) earn between £15-£21,000 per annum according to the 2013/14 Earnings Survey and many these staff have been subject to a pay freeze for a number of years. More recently the pay outcome for the workforce has been a 1% uplift effectively in line with the public sector pay restraint set by the Chancellor. Even in terms of top pay there has been a collective national decision not to offer a basic pay increase to senior staff for 5 years (with a further 2 year freeze for those earning more than £100k) during the downturn. WLGA fully recognise the vitally important role of AMs in the governance of Wales and the steadily increasing responsibilities that are accruing as a consequence of greater legislative powers and the deepening of devolution. We also accept that anything produced by the panel in the current challenging environment that contains suggestions of pay rises for politicians or public servants will be essentially contested. The reaction to the reports publication demonstrates that it is difficult to have a rational debate on such matters. However from reading the panel report in detail it does seem based on assumptions that are the product of a different financial era not least the use of consultancy remuneration benchmarking to justify pay increases. Indeed evidence suggests that if such comparators are now used in local government it is to "under-bid" salary rates as opposed to increase them with many middle management and senior roles in local government now appointed on lower salaries than their predecessors.

Similarly your comparators in Table 4 of the report are based on comparing salaries of politicians with officials is a methodology which was contested in the report commissioned by HM Treasury and written by Will Hutton on "Fair

	<p>Pay in the Public Sector”. A more relevant comparator would have been with local authority leaders. We note that this was not specifically highlighted although Paragraph 67 of the report suggests that you did examine this. For example if you take the rate of pay for the leaders of the 3 largest councils in Wales set by the IRP at £53k perhaps a more meaningful comparison can be reached? This rate is slightly below that of the base salary of Assembly member. But there is a legitimate view within local government that these roles can carry equal, if not more weight, than that of a “backbench” AM when it comes to direct budget responsibility, direct service provision and public accountability. In addition, it should be noted that other leaders of smaller authorities are on lower rates of remuneration as there is a sliding scale related to population size.</p> <p>Most importantly the panel could have more clearly factored into its work the growing disconnect between public sector finances and the wider economy; and the fact that the post-war link whereby public sector spending grew broadly in-line with economic growth is now broken and the public sector is increasingly distinct from the rest of the economy with declining employment and continuing pay restraint.</p>
	<p><b>Question2: Do you agree that it is appropriate to index Assembly Members’ pay over the five years of the Fifth Assembly?</b>  <b>Question2A: If so, do you agree that the ASHE figure for median gross weekly earnings of full-time employees in Wales is the appropriate index?</b></p>
UNISON	<p><b>Do you agree that it is appropriate to index Members’ pay over the five years of the Fifth Assembly?</b>  UNISON is supportive of this principle. It is right and just that elected representatives reflect the communities that they represent. However, UNISON believes that AM pay should be directly linked to take into account those who work in the public sector. This can only serve to strengthen the relationship between elected members and their constituents, particularly as elected representatives are regarded as public servants.</p> <p>It also instils the concept of fairness for all by ensuring that elected representatives are not awarded overly-generous rises that would feel unobtainable to most working people. Public sector workers have been experienced long-term pay restraint as a result of austerity, yet they have continued to work to deliver the services that our communities rely upon so heavily. It would be unreasonable if Assembly Members were to receive pay increases that outstrip the public sector workforce.</p> <p><b>Do you agree that the ASHE figure for median gross weekly earnings of full-time employees in Wales is the appropriate index?</b>  UNISON is concerned about a focus solely on full-time employees. Whilst UNISON appreciates the desire to focus on a median rate and the reasoning behind making a link, a focus on full-time workers ignores other complexities such</p>

	<p>as part-time workers and the gender pay gap. A significant proportion of the Welsh workforce, particularly women, undertake part-time work which is lower paid in comparison to full-time roles that should be considered to be of the same hourly value.</p> <p>UNISON appreciates that linking pay increases to those experienced by full-time Welsh workers provide a deeper relationship between the economic well-being of those elected and those they represent; but the salaries of the entire Welsh workforce is a more intricate matter than full-time wages alone and this needs to be taken into account.</p>
	<p><b>Question 3: Do you agree with the Remuneration Board’s proposals for remuneration of:</b></p> <ul style="list-style-type: none"> <li>– <b>Presiding Officer;</b></li> <li>– <b>Deputy Presiding Officer;</b></li> <li>– <b>Committee Chairs;</b></li> <li>– <b>Commissioners;</b></li> <li>– <b>Opposition Group Leaders;</b></li> <li>– <b>Business Committee Members;</b></li> <li>– <b>First Minister;</b></li> <li>– <b>Welsh Ministers;</b></li> <li>– <b>Deputy Ministers;</b></li> <li>– <b>Counsel General.</b></li> </ul> <p><b>Question 3A: if you disagree, please explain why and what you think would be an appropriate level of remuneration for that post.</b></p>
	<p>Many responses refer to their answer to question 1.</p>