

Bwrdd Taliadau Cynulliad
Cenedlaethol Cymru

—
Remuneration Board of the
National Assembly for Wales

13 July 2016

Dear Assembly Member,

I would like to congratulate you on being elected by the people of Wales to the fifth Assembly. Our country faces significant challenges in the years ahead and, as Chair of the Remuneration Board, I look forward to working with you as you address those on behalf of the people of Wales.

The legislation that establishes the Board states that we are responsible for putting in place financial resources that enable you to carry out your work as elected representatives. It is our responsibility to ensure that the support in place reflects the complexity and importance of the functions discharged by you as Assembly Members.

We are committed to engaging regularly with you and your staff to ensure that our Determination remains appropriate and that we are fulfilling our duties. We have appreciated meeting many of you informally and hope to attend your party group meetings over the coming months. We look forward to ongoing engagement over the next five years.

Today, we are writing to all Members to seek your views on two separate matters – additional salaries for committee chairs and Residential Accommodation Expenditure. This letter will also be published on our website as is our usual practice. We will reach a final decision on these matters in September and so responses are invited by 16 September.

Additional Salaries for Committee Chairs

Chairs in the fourth Assembly received an additional salary. The previous Remuneration Board carried out extensive research to arrive at an appropriate salary level for committee chairs, including benchmarking against comparators in other legislatures and across the Welsh public sector,

Bae Caerdydd
Caerdydd
CF99 1NA

Cardiff Bay
Cardiff
CF99 1NA

Ffôn/Tel: 0300 200 6331

E-bost/Email: Remuneration@assembly.wales

Croesewir gohebiaeth yn y Gymraeg a'r Saesneg/We welcome correspondence in both English and Welsh

and an analysis by the Hay Group on the relative job weight for the chairs of committees in the Assembly. At the end of the fourth Assembly committee Chairs received the following additional salary.

Committees	Additional salary
Policy and Legislation Committees; Public Accounts; Finance; Constitutional and Legislative Affairs	£13,000
Petitions; Standards	£8,660

Proposal

The previous Board recommended retaining these salary levels if there were no substantial changes to the committee structure for the fifth Assembly. We are satisfied that the above salary levels remain appropriate and are still in line with salaries paid to Committee chairs in other UK Legislatures and therefore propose that it remains the same. The Business Committee has indicated that the responsibilities of the new Reserve Policy and Legislation Committee, will be as significant as those of the other Policy and Legislation Committees. For this reason we propose that the chair of this committee receives the higher of the two additional salaries.

As is the case for the pay of Members and all Office Holders, additional salaries for Committee Chairs will be adjusted in April of each year by the change in the ASHE Median Earnings in Wales, between March and March of the previous year.

Taking into consideration the new Committee structure, we would also welcome your views on whether the two-tier salary arrangement remains fit for purpose.

Once a decision has been made by the Board on the remuneration of Committee Chairs, Members’ Business Support will write to Chairs to confirm their salary which will be backdated from the date they were elected to this role.

Residential Accommodation Expenditure

Residential Accommodation Expenditure may be claimed for additional expense necessarily incurred by Members when staying overnight away from their main homes in connection with the performance of their role as Assembly Members.

The Residential Accommodation Expenditure sets out three 'zones':

- Outer area – the area within the boundaries of Mid and West Wales and North Wales electoral regions;
- Intermediate area – the constituencies of Gower, Neath, Swansea East and Swansea West; and
- Inner area – with the exception of those constituencies located in the intermediate area, the area within the boundaries of the South Wales West, Central and East electoral regions.

The available reimbursement for Members whose main home is in the outer area falls into four categories, as follows. In all cases the total reimbursement is capped at £8,820 per annum:

- Option A - renting a furnished property in Cardiff;
- Option B - reimbursement of expenses relating to a property in Cardiff used by a Member (e.g. if a member owns a second home in Cardiff);
- Option C - the cost of overnight stays in Cardiff; and
- Option D - the cost of reimbursement of rent or mortgage payments as permitted under the rules which applied in 2011.¹

Members whose main home is in the 'intermediate area' may claim for overnight stays in Cardiff up to a maximum cost per annum of £3,420. Those whose main home is in the 'inner area' may claim for overnight stays in exceptional circumstances, but have no other entitlement to reimbursement of residential accommodation expenses.

The Determination also provides that in "borderline" cases, Members' Business Support may agree, where this "would be reasonable", that a Member's main home can be regarded as being in a different 'area' as designated by the Determination.

Proposal

The Determination is based on the location of a Member's main home, not their constituency/region. Currently, it does not provide for Residential Accommodation Expenditure for a Member whose main home is not in Wales. The Determination is, therefore, based on an assumption that all Members have their main home in Wales. However, there is nothing in the Government of Wales Act 2006, or indeed any other legislation, which provides that Assembly Members must reside in any particular location either when they are elected or subsequently.

¹ This Option applies only to those Members who were (a) first elected before the 2011 election and (b) have continuously remained as Members since their initial election (the 'gap' in membership during dissolution is disregarded).

As a Board we are obliged to ensure that all Members have the resources they need to undertake their role. It is our legal duty to put in place a system of financial support that enables them to carry out their work effectively.

For this reason, we propose amending the Determination so that Members whose main home is outside Wales are eligible for residential accommodation expenditure. The Board will give effect to such an amendment by extending the Outer Area to the whole of the UK.

The principles of reasonableness, accountability and value for money will be applied, as is the case with all aspects of our Determination and is required by the legislation that established the Board.

We are required to consult Members on proposed changes to the Determination and would welcome your views on this decision, by 16 September.

The Board made a number of other decisions at its meeting on 6 July 2016. We formally appointed the Pension Board for the Assembly Member Pension Scheme. The membership of the Pension Board, including the newly appointed independent Chair of the Board, will shortly be communicated to Assembly Members by the Commission's Pensions Team.

We agreed roles and responsibilities for the relevant signatories to the new Assembly Members' Pension Scheme. These are set out in a Memorandum of Understanding between the Remuneration Board, the Pension Board and the Assembly Commission. We also agreed the demographic assumptions to be used in order to set the employer cost cap for the pension scheme.

The Board also agreed its Annual report 2015-16, which will be published shortly.

If you would like to discuss this matter with me, or with one of my fellow Board members, please do not hesitate to contact me via the secretariat.

Best Wishes,



Dame Dawn Primarolo
Cadeirydd / Chair
Bwrdd Taliadau/Remuneration Board