

Dear Assembly Members

The Remuneration Board held its final meeting of 2014 on 12 December 2014. I am writing to keep you abreast of progress.

I was pleased to note that at the end of a busy year, we remain on target to deliver what we undertook – a comprehensive review of all aspects of the Determination a year ahead of the Welsh General Election in May 2016.

We discussed the following issues – with proposals and decisions underlined.

AMSS

The Board considered the salary and benefits available to support staff in 2015-16.

The Board considered the UK Government's 1% public sector increase announced in the Budget, the latest increase in median earnings in Wales (1.2% in 2014) and changes in the rate of inflation (CPI 1.3% over the 12 months to October 2014) and the 1% pay increase for AMs.

As we are proposing for Members pay, we believe there may be merit in adopting Welsh median earnings as the 'standard' way of updating AMSS salaries in future. However, that will be a matter for our successor Board to consider and our focus for now is pay for the final year of this Assembly.

We are proposing to increase AMSS salaries for 2015-16 by 1% or the March 2015 figures for ASHE median earnings in Wales – whichever is the greater.

The Board would like to present a fully-costed package when it publishes the final Determination for the Fifth Assembly in May. Therefore we considered whether to set an indicative salary for support staff in 2016-17, the first year of the Fifth Assembly and concluded that we should not do so. This will leave the successor Board a free hand to set salaries at an appropriate level in January 2016.

AMSS had requested that we look at the pension contributions which the Assembly contributes on behalf of AMs. This is currently set at 10%. While this is a lower contribution rate than many public sector comparators, it is equal to the contributions received by support staff in Westminster and the Scottish Parliament, and more generous than many private sector schemes. The Board noted that – unlike most public sector pensions – it also has a zero contribution rate from support staff.

The Board is not proposing to change the employers' pension contributions to support staff for 2015-16.

The Board also discussed the detailed wording of the death in service cover to be made available for support staff, and modifications to the wording of the Determination concerning support staff redundancy to ensure that all support staff (whether employed by individual Members or the group) who are made redundant suddenly (no more than one month's notice) receive twice the statutory provision, instead of the standard 1.5x statutory.

We would welcome consultation responses on the proposals set out above for AMSS salary in 2015-16. Responses should be submitted by 11 February 2015.

Office costs

This is an area where we have received little in-depth feedback from Members. We would welcome any comments from current Members on the size, location, quality and accessibility of office accommodation prior to our meeting in January. (We will also raise this with the representatives group).

Group support

The Board looked in greater detail at the support available to groups. The discussion focused on the principles of why the board offers support to groups.

The Board agreed there were two fundamental aspects of the support for groups:

- to enable and encourage effective scrutiny of the government;
- to ensure that all groups have sufficient administrative support to operate in a co-ordinated and efficient manner.

The Board will consider this matter further at its next meeting and requested further work from the secretariat to ensure the overall level of support available to groups contributes to the principle of increasing the capacity of the Assembly. We will consult with Members on any proposals for change following our next meeting in January.

Transition to the Fifth Assembly and new pension scheme

The Board considered how to deal with office holders who continue to hold office after the dissolution of the Fourth Assembly. This category includes Welsh Ministers, the Presiding Officer and the four Assembly Commissioners. The Board asked for further work to ensure that any arrangements were as simple as possible to administer and should not discourage Members from staying in post.

Next steps

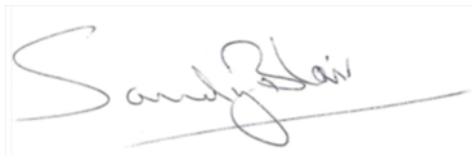
As usual, I intend to make this letter publicly available through our website once Members have had a chance to read it.

I will be holding one of my regular drop-in sessions for all Members of the New Year on 14 January, 2-4pm. I will arrange meetings with the AM and AMSS representative groups shortly after that.

We will consult on any proposed changes to the Determination for the final year of this Assembly in January/February.

We will consider the consultation responses on both Allowances and Salaries at our meeting on 16 January. We will then publish a draft package for the Fifth Assembly for final consultation in the Spring.

As always, I am happy to meet with individual AMs or party groups to discuss any aspects of the Board's work. If you would like to meet, please contact the Board's clerk Gareth Price remuneration@wales.gov.uk to make arrangements.

A handwritten signature in black ink, reading "Sandy Blair", with a long horizontal flourish extending to the right.

Sandy Blair CBE DL