

AMs update following Remuneration Board meeting 16-17 October 2014

Dear Assembly Member,

The Remuneration Board held its fifth meeting of 2014 on 16-17 October. I am writing to keep you abreast of progress and to alert you to two forthcoming consultations on proposals for remuneration of AMs and for an update of the system of allowances. I also want to update you on the outcomes of our consultation on AM Support.

AM Support

The Board considered written feedback from our consultation on AM Support, and oral reports from the meetings of the representative groups for Members and Support Staff. We are grateful to all of you who took the time to respond and to challenge our thinking on some of these issues.

Senior Advisor

This proposal is a key part of the Board's aim to increase the strategic capacity of the Assembly from May 2016.

While a significant group of AMs remain unconvinced that this additional strategic support is needed, we note that the changes we have made to the proposal (since it was first proposed in 2012) have been welcomed.

Having considered at length the additional responsibilities Members will undertake in the Fifth Assembly and the recommendations of the Silk Commission we are clear that greater capacity will be needed. We believe our proposal will go some way to address this and we intend to introduce it from May 2016.

Apprentice scheme

Our proposal for an apprentice scheme has received widespread support, but there remain some tricky questions about how it would operate in practice. We intend to discuss possible ways of proceeding with the Commission when we meet them shortly, and note the desire of political groups to be consulted as early as possible.

Policy & Research Fund

For the Fifth Assembly, we are keen to give AMs greater financial resource to support public engagement, although we noted that some respondees had significant reservations about this. To that end, we will draw up guidelines for a one year pilot scheme from 2016-2017, where the fund will be increased to £2,500 and could also be used for engagement work. We will ensure that the Standards Commissioner is satisfied with those guidelines, and that they provide a clear steer to AMs about what is and is not permissible. At the end of the year, the Board will then make a judgement about whether to continue funding engagement work in this way.

The fund will remain at £2,000 per Member per year for 2015-16.

Pensions and death in service benefit for AM Support

Support staff welcomed the Board's proposal to introduce a death in service benefit. The Board hopes that such a provision will not need to be used, nonetheless, we will seek to introduce this at the earliest possible opportunity rather than wait for the Fifth Assembly.

In their consultation responses support staff also argued that their employers' contributions to pensions were lower than those received by other public sector workers. The Board will be looking at AMSS pay as part of their annual review of the Determination in the New Year, and will consider this in more detail at that time.

Redundancy arrangements for Support Staff

Support staff argued that double statutory redundancy payments, as offered by IPSA in Westminster, should replace the current 1.5* statutory redundancy offered to Support Staff in the Assembly.

As previously noted, we believe that where AMSS have a lengthy period of notice 1.5* statutory is sufficient.

However, we acknowledge that where support staff lose a job as a result of their Member suffering an election defeat – for example – redundancy can come out of the blue. This can be a traumatic experience. Consequently we are proposing to pay 2* statutory for those AMSS who lose their jobs in this way. We will introduce this change in advance of the forthcoming election in May 2016 so support staff whose Member is defeated would receive payment at the higher level.

Support staff standard contract and notice period.

There was widespread agreement that extending the initial longer notice period for employee and employer to one month would be beneficial. We will make this change at the earliest opportunity.

While we have received no specific complaints, consultees agreed with us that a review of the handbook and code of conduct prior to the Fifth Assembly would be timely.

AM Salaries

We intend to publish a detailed public consultation on AM Salaries in the coming month. Our consultation will cover proposals for the base salary of Members, and the additional salary paid to the full range of office holders. It will also include our best estimate of the total remuneration i.e. including the pensions element that would also be paid under the arrangements the Board is proposing for Members following the election in May 2016.

AM Allowances

The Board will consult at the start of November on the range of allowances Members can claim.

We were not of the view that radical changes were needed to the allowances regime. However, in line with our wish to introduce greater flexibility we are proposing some alterations. The changes are as much about how the regime works, as what is covered.

Next steps

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

We will be consulting on these two major strands of work in the run up to Christmas, and I would encourage all Members to engage with this. We will continue our approach of meeting with the Group representatives for Members and AMSS as well as the drop-in sessions. We are also attending a meeting of the Assembly Commission in November to discuss our respective roles in supporting the strategic direction of the Assembly and areas of mutual interest. We also hope to publish the draft pension scheme, in January and I am continuing to discuss arrangements for the future scheme with the Chair of the Pensions Trustees.

In the New Year, we will publish a draft package – allowing the public and Members to see and give their views on the total picture of remuneration for the Fifth Assembly. We remain on course to publish a Determination for the Fifth Assembly in May 2015, a year ahead of the Welsh General Election.

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