
Review of the Determination for the Sixth Assembly:

Consultation on part
two of the review
and changes to the
Member's Pension
Scheme Rules

July 2019

The Remuneration Board

The Remuneration Board of the National Assembly for Wales is the independent body responsible for setting the pay, pensions and allowances of Assembly Members and their staff. The Board was established by the National Assembly for Wales (Remuneration) Measure 2010, which received Royal Approval on 22 July 2010.

Members of the Board

- Dame Dawn Primarolo DBE PC (Chair)
- Ronnie Alexander
- Trevor Reaney
- Mike Redhouse
- Dame Jane Roberts

Secretariat to the Board

- Lleu Williams, Clerk
- Ruth Hatton, Deputy Clerk

An electronic copy of this report can be found on the National Assembly's website: **www.assembly.wales**. Copies of this report can also be obtained in accessible formats including Braille, large print, audio or hard copy from:

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How to submit a response

If you would like to submit a response to the Remuneration Board's consultation you can do so by sending your responses to the following:

Post:

Clerk to the Remuneration Board,
National Assembly for Wales,
Cardiff Bay,

Cardiff

CF99 1NA

E-mail: **remuneration@assembly.wales**

The closing date for submitting responses is 11 October 2019. Any responses received after this date will not be considered.

If you need assistance in preparing your response please contact the secretariat on the details above.

Introduction

This second consultation, arising from our review of the Determination for the Sixth Assembly, focuses on our deliberations around the staffing support available to Members and Political Parties.

The Remuneration Board has already undertaken a comprehensive review of the staffing support available to both Members and Political Parties during the past two years. The purpose of that review was to explore the adequacy, flexibility and prescriptiveness of the staffing support provisions as well the suitability of the terms and conditions of support staff. The changes that have been introduced as a result of that review are beginning to take effect while other changes will take longer before their impact is felt. In that review we said that we would continue, to ensure that all the decisions taken would be reviewed periodically to ensure they are robust and ready to meet the challenges of the future.

As result of our discussions it became clear that there were some issues which did require some further amendments to ensure that the previous changes that have been introduced can be fully utilised by Members and groups. This consultation document outlines the changes we are proposing to make, many of which are replicated across both the Support for Members and Support for Political Parties chapters of the Determination. This is to ensure that support staff who are employed under either allowance are treated equally.

Other proposals contained within this document will seek to formalise previous decisions we have taken during the course of our time in office. The Board also considered where within these chapters it could increase the flexibility for Members and Political Party Leaders on the expenditure they make.

Finally, we have taken the opportunity to address some issues that have arisen recently that may not be provided for within the current Determination.

The Board would also welcome any views you may have on whether there could be an implication for people who identify with any protected characteristics as defined under the Equality Act 2010, from the proposals as outlined.

The Board is also taking this opportunity to undertake a review of the Members' Pension Scheme Rules. An outline of the proposed changes can be found in the second part of this document.

I look forward to receiving your comments on our views and as ever, if there is anything you wish to discuss further, please do get in touch through the Board's secretariat.



Dame Dawn Primarolo

Chair, Independent Remuneration Board of the National Assembly for Wales

Summary of proposals – Part 1

The Board is proposing to make the following changes to its Determination for the Sixth Assembly:

Proposal 1. The Board is proposing to amend the recruitment policy to clarify that there is no restriction on the ability of Members to recruit to fixed term contracts and for those contracts longer than six months in duration, to be subject to an open and fair recruitment process.

Proposal 2. The Board is proposing to allow Members to decide on the starting salary of their support staff and decide on incremental pay rises following probation subject to the Starting Salary Criteria.

Proposal 3. The Board is proposing to allow support staff who are made redundant as a result of an office restructure, and who are entitled to a redundancy payment to be entitled to a 100 per cent uplift of the statutory entitlement, which will be funded from the Member's Staffing Expenditure Allowance.

Proposal 4. The Board is proposing to ensure that interns, other than those on higher education placements, who are on placements of longer than four weeks be paid a salary equivalent to the band three scale minimum.

Proposal 5. The Board is proposing to introduce a procedure for volunteer placements in Members' offices.

Proposal 6. The Board is proposing to allow the Leader of a Political Parties to determine the starting salary of their support staff and decide on incremental pay rises following probation, subject to the Starting Salary Criteria.

Proposal 7. The Board is proposing to allow support staff who lose their jobs as a result of an office restructure to be entitled to a 100 per cent uplift of the statutory entitlement, which will be funded from their Political Party Support Allowance.

Proposal 8. The Board is proposing that support staff who are made redundant as a result of a Political Party being fewer than three Members in number, or when an individual Member joins a Political Party, be entitled to redundancy payments with a 100 per uplift.

Proposal 9. The Board is proposing that interns, other than those on higher education placements, who are on placements with a party group of longer than four weeks be paid a salary equivalent to the band three scale minimum.

Proposal 10. The Board is proposing to introduce a procedure for volunteer placements in party Group offices.

Privacy Policy

The below provides a general overview of how we will use the information you provide.

If you need assistance in preparing your response please contact the secretariat on the details outlined at the start of the document.

Who we are

The Remuneration Board is the data controller of the information you provide and will ensure it is protected and used in line with data protection legislation.

Why we are collecting this information

Your submission will be used to inform the Remuneration Board's review of the staffing support for Members.

What we will do with your information

Submissions will be seen in full by the Remuneration Board members and the secretariat to the Board (employees of the Assembly Commission) who are involved in the consultation. Your information will be stored on the Assembly Commission's ICT network (which includes third party cloud services provided by Microsoft). Any transfer of data by Microsoft outside of the EEA is covered by contractual clauses under which Microsoft ensures that personal data is treated in line with European legislation.

Publication of submissions

The Remuneration Board may publish some or all of your submission to this consultation on the Board's website. It may also publish extracts from your submission within documents produced following the consultation and published on the Board's website. Any submissions that are published on the Board's website will remain in the public domain.

Please let us know if you would prefer that your submission or extracts from it are not published.

If the Board publishes a submission you have provided on behalf of an organisation, it will include your name, job title and the name of your organisation with your submission. If it publishes a submission you have provided on your own behalf, it will only publish your name if you have asked us to do so.

How long your information will be retained

Responses will be retained until the Remuneration Board has completed the consultation and any subsequent work in the areas outlined in this document. This is anticipated to be in May 2020 as the Board has committed to publishing its Determination for the Sixth Assembly, one year before the Welsh general election in 2021.

Contacting you

The Board may use the contact details you provide to contact you in relation to this consultation and your submission, and any additional work undertaken as part of this review. Please inform us as you respond to the consultation if you would like us retain your contact details and contact you for these purposes. If you decide to opt into further contact, you may opt out of further contact at any point by letting us know.

Requests for information made to the Assembly Commission

In the event of a request for information being made under access to information legislation, it may be necessary to disclose all or part of the information that you provide. This may include information which has previously been removed by the Remuneration Board for publication purposes. The Board will only do this if it is required to do so by law.

Your rights

Your personal data will be processed for the performance of a task carried out in the public interest by the Remuneration Board.

If you would like to:

- engage any of the rights that you have under the legislation (such as the right to request access to your own data);
- ask a question; or
- make a complaint about how your information has been used;

please **contact the secretariat**.

You can also make a complaint to the Information Commissioner's Office (ICO) if you believe we have not used your data in line with the law. The ICO's contact details can be found on its website – **www.ico.org.uk**

1. Review of the Determination for the Sixth Assembly

The section below provides an overview of the Board's review of the Determination for the Sixth Assembly.

Background

1.1. The Remuneration Board (the Board) is an independent body responsible for ensuring that Assembly Members (Members) have the right remuneration and resources available to them to undertake their role whilst demonstrating value for money for the public purse. Full details of the Board's functions and responsibilities are set out in the **National Assembly for Wales (Remuneration) Measure 2010**.

1.2. The Board, as outlined in its **strategy report**, is committed to publishing its Determination for the Sixth Assembly one year before the Welsh general election in 2021 to inform all potential candidates. In **December 2018** the Board agreed to the following terms of reference for its review of the Determination for the Sixth Assembly:

- the suitability of the level of support provided within the Determination;
- the flexibility, prescriptiveness and accessibility of the provisions;
- the probity, accountability, reasonableness and transparency of the expenditure made available.

1.3. The Board has agreed to undertake its review in three parts which will consider the issues outlined below:

- Part one: Residential Accommodation Expenditure, Members' Travel and Office Cost Allowance;
- Part two: Support for Members and Support for Political Parties;
- Part three: Members' Remuneration and Members leaving office.

1.4. After considering the issues arising under each part, the Board will issue a consultation to seek views on its proposals to amend any provisions within that part. Once the Board has concluded its review of the three parts, a final consultation on the Determination as a whole will be issued, to ensure the package of financial support for Members continues to be fit for purpose. Provisional dates for each of the consultation periods are available on the **Board's website**.

1.5. The Board is aware of the recent decision made by the Assembly Commission stating that it is not possible to introduce legislative proposals to increase the size of the Assembly in this term.

Methodology

1.6. During the course of this Assembly, the Board has undertaken several engagement exercises with stakeholders in order to elicit feedback on the operation of the Determination in practice. These opportunities have included engagement events and meetings with Members and support staff, visits to offices across north and south Wales, surveys and regular meetings with Member and staff representatives.

1.7. The evidence that has been gathered through these different methods has also been supplemented by external research commissioned by the Board. Through open tender the Board commissioned the **Wales Governance Centre at Cardiff University** to identify the **barriers and incentives to standing for election in National Assembly for Wales elections**. Following a subsequent tendering exercise, the Board commissioned Capital People to undertake an evaluation..

1.8. To ensure that all decisions are transparent, accountable and reflect market conditions, the Board has also considered the current provisions against other sources of information including:

- Members' usage of the various allowances to date during the Fifth Assembly;
- comparisons with the support made available to elected representatives in the other UK legislatures;
- comparisons with various other measures within the public sector in Wales.

1.9. The remainder of this document outlines the Board's consultation proposals.

2. Support for Assembly Members

2.1. Chapter seven of the Determination outlines the staffing support available to individual Assembly Members to enable them to perform their duties as elected Members.

2.2. Members are able to claim a maximum allowance of £100,417 for support staff employed by them (correct for 2019-20 financial year), and each member of support staff must be employed on one of four pre-defined salary bands. The salaries are indexed annually by the change in the Annual Survey of Hours and Earnings gross median earnings for full time employees in Wales.

2.3. Members may employ any combination of staff as long as the total cost payable in a year does not exceed the total value of the allowance provided.

2.4. The chapter also outlines other matters such as the pensions arrangements and redundancy provision available to support staff.

Consideration of evidence

2.5. The Board has already considered evidence related to the staffing support available **in its review of staffing support** and it has already made several changes as a result of this review. This evidence included extensive feedback from both Members and support staff as well as benchmarking of current data against other UK legislatures and other Welsh comparators. However, the Board considered whether some of these initial decisions would impact on other staffing support provisions available to Members. The Board also considered provisions related to unpaid work opportunities such as internships and volunteers.

2.6. The Board assessed the work experience and volunteering opportunities within Members' offices. The information available for consideration was limited as no official record of all activity is kept. However, the Board is aware of some good practice that does take place in different offices and believes there may be scope to enhance the support currently available.

2.7. The Board also discussed previous concerns raised by some Members on their ability to ensure they are able to arrange the staffing of their offices to meet their needs. The Board discussed the entitlement for mid-term redundancies.

Proposals

Fixed term contracts

2.8. The Board considered the different options available to ensure that previous changes arising from the review of staffing support can be fully utilised by Members. These changes, which included changing the way staffing costs were calculated as well as extending the ability to transfer funds between different pots of money, enabled Members to spend more of their allowances without increasing the cost to the taxpayer. In order to ensure Members were able to fully utilise these changes, the Board considered what it could do to remove any potential restrictions on this activity.

2.9. The Board noted that one potential hurdle to Members is the current six month limit on the employment of temporary staff. The primary purpose of allowing Members to employ staff on a temporary basis for up to six months without going through an open and fair recruitment process is to allow them to put in place some initial level of support as they set up their offices or to address short term absences. However, the Board agreed that this limit may not be suitable in all circumstances, for instance if Members wished to utilise any unallocated funds to employ staff on a fixed-term basis for specific projects. As such the Board discussed how it may be able to amend the current recruitment policy in order to accommodate those Members who may wish to use any unallocated or additional funds they now have at their disposal as result of the increased flexibility provided by the Board.

2.10. The Board's support staff recruitment policy states that all permanent appointments must be subject to a fair and open recruitment process. The exception is temporary posts of up to six months. The Board is of the view that Members should also be able to employ staff on a fixed-term basis in order to make the most of the new flexibility offered by the staffing allowances. As such the Board is proposing to amend the recruitment policy to clarify that all posts, whether they are fixed-term or permanent, beyond six months in duration, must be subject to an open and fair recruitment process. The Board is also proposing to amend the support staff recruitment guidelines to outline the different support staff employment options to Members, be they temporary, fixed-term or permanent posts. To achieve this goal the Board proposes to amend the Recruitment Policy. As it stands, paragraphs 3.1 and 3.2 of the Recruitment Policy which currently read as:

2.11. The recruitment policy applies to all grades of AMSS. All 'permanent' posts will be advertised on the National Assembly's website for a minimum period of one week (except where the circumstances of 04.01 apply).

2.12. Temporary appointments may be made for a maximum duration of six months. After this time any continuation, including cover of Maternity Leave or change of the post's status to 'permanent' will be subject to the formal recruitment procedure

The Board is proposing to replace these two paragraphs with the following text:

The recruitment policy applies to all grades of AMSS. All posts of six months duration or more will be advertised on the National Assembly's website for a minimum period of one week (except where the circumstances of 04.01 apply) and subject to the formal recruitment procedure.

Starting salary criteria

2.13. The Board also considered whether there was scope to increase the level of responsibility of Members and discretion in the decisions they make on spending their staffing allowances. The Board is of the view that one of these areas in which Members should be responsible is deciding the starting salary of their support staff.

2.14. As outlined in the Determination, if Members wish to award a higher starting salary to new starters, they must submit a business case to Members' Business Support (MBS) outlining the reasons for doing so. MBS must then consider the evidence provided against criteria to see whether a higher starting salary is warranted. The purpose of the current process is to ensure that all staff are treated equally.

2.15. The Board is of the view that there may be some merit in transferring this responsibility from MBS to Members themselves. The reason for doing so is that Members are the employers and should be responsible for determining the starting salary of their staff. Some Members have also previously shared a view with the Board that they should have responsibility for deciding the starting salary of their staff. However, to ensure that that these decisions are applied consistently, the Board is also proposing that Members must give due regard to guidance on starting salary criteria before coming to any decision on the starting salary. The Board believes that this approach will ensure that Members decisions are applied fairly to all support staff. To

achieve this change, the Board is proposing to replace paragraph 7.2.1 of the Determination in its entirety with the following text:

7.2.1 All new staff are expected to enter on the scale minimum for the appropriate band. However, a higher starting salary for new staff may be determined by the employing Member in line with the guidance on starting salary criteria. Members are expected to follow the guidance to justify the higher starting salary.

2.16. In addition to this change, the Board believes the same principle should be applied to incremental pay rises on completion of a probationary period. The Determination currently allows Members to propose to move staff up one incremental point on the satisfactory completion of their probation period subject to approval from MBS. However, as with the starting salary criteria, the Board believes that Members, rather than MBS, should determine whether or not this pay rise should take place. As such the Board is proposing to amend paragraph 7.2.3 to the following:

7.2.3 Where new staff commenced employment on pay point 1 and showed satisfactory performance throughout their probation period, Members may, following the completion of the probation period, move the staff member up the incremental scale to point 2 in advance of the anniversary of the commencement of employment. In doing so, Members are expected to have due regard to the guidance provided to them. In such cases, the trigger date for future annual reviews will be the date on which pay at pay point 2 commenced (instead of the date of commencement of employment).

2.17. It will be important in both cases that Members inform MBS of the salary change in order for them to instruct pay roll.

2.18. To ensure that Members have all the required information to allow them to apply such decisions, the Board is proposing to amend the support staff recruitment guide to include all the necessary information including a support staff appraisal toolkit as well as guidance on starting salary criteria as mentioned.

Redundancies of support staff

2.19. There are occasions where Members need to restructure their offices mid-term. The Board considered that while these occasions are infrequent, they are sudden and unforeseen and agreed that any support staff who are eligible for a redundancy payment as a result of a restructure, should be entitled to receive an 100 per cent uplift as per the provision in paragraph 7.13.4. However, the current Determination does not reflect this, therefore the Board is proposing to amend paragraph 7.13.4 to include the following additional clause:

d) the employing Member has a restructure of their staffing complement during the Assembly term.

2.20. The Board reiterates that Members who wish to undertake such a restructure should fund the costs from their existing allowances, therefore further clarity is required to highlight that this would not cost the taxpayer any more than it should. As such the Board is proposing to amend paragraph 7.13.1 to the following:

7.13.1 A Member is entitled to claim for the cost to them of redundancy payments to qualifying staff, where the Member ceases to be a Member of the Fifth (or any subsequent) Assembly for any reason. The funding for redundancy arising from a restructure as referred to in Paragraph 7.13.4 d), will be deducted from the Staffing Expenditure Allowance. In all other cases described, the redundancy will be paid out of central funds and will not be deducted from the Staffing Expenditure Allowance.

Volunteers and interns

2.21. Unpaid placement opportunities come in various guises be it work experience, internships, student placements or voluntary work. However, the Board believes that there are a variety of different definitions applied to each term i.e. work experience may traditionally be viewed as a week placement for a school pupil or could be an adult working voluntarily in order to develop their own skills. Further, there is a fine balance to be struck between providing a worthwhile experience to an individual on placement without taking advantage. The Board is also aware that these opportunities are used widely by Members.

2.22. In order to enhance the experience for individuals who undertake such placements in Members' offices, the Board is of the view that further provisions should be introduced. While

the Board is not aware of any instances where Members have exploited individuals on these kinds of placements, the Board wants to protect such individuals from undertaking 'actual' work, as that is not what they are in place to do. In order to limit criticism that work placements or internships might stray into actual work, the Board is of the view that such placements should be undertaken for a limited time only e.g. no more than one month, (unless they are part of a higher education course where the placement occurs over a longer period of time e.g. day release). The Board believes that if work placements or internships do take place over a longer period, it would be hard to justify that the individual is continually "shadowing" and as such that they should be contracted on a "fixed term" contract. Therefore, the Board is proposing that any individual who is on an internship that lasts more than four weeks, must be placed on a "fixed term" contract with the Member, equivalent to the scale minimum of a band three support staff. These staff will also be entitled to the terms and conditions available to other support staff. At the current salary rates, this would represent a minimum wage of just over £10 an hour. This would be funded from the Member's Staffing Expenditure Allowance.

2.23. The Board is also of the view that a new procedure needs to be put in place to protect both the employer and the employee, which in this case would be the Member and the individual on placement. This would include providing greater clarity on what is expected from both parties as well as putting in place certain parameters on the placements.

2.24. The Board is proposing that this new procedure would set out the work that would be undertaken by the volunteer as agreed with the Member; it will set out who will supervise the volunteer whilst they are in the office; what insurance cover will be provided for the volunteer while in post; and what the notice period would be for the termination of the placement.

Proposal 1. The Board is proposing to amend the recruitment policy to clarify that there is no restriction on the ability of Members to recruit to fixed term contracts and for those contracts longer than six months in duration, to be subject to an open and fair recruitment process.

Proposal 2. The Board would welcome your views on its proposal to allow Members to decide on the starting salary of their support staff and decide on incremental pay rises following probation subject to the Starting Salary Criteria.

Proposal 3. The Board would welcome your views on its proposal to allow support staff who are made redundant as a result of an office restructure, and who are entitled to a redundancy payment to be entitled to a 100 per cent uplift of the statutory entitlement, which will be funded from the Member's Staffing Expenditure Allowance.

Proposal 4. The Board would welcome your views on its proposal to ensure that interns, other than those on higher education placements, who are on placements of longer than four weeks be paid a salary equivalent to the band three scale minimum.

Proposal 5. The Board would welcome your views on its proposal to introduce a procedure for volunteer placements in Members' offices.

3. Support for Political Parties

3.1. Support for Political Parties exists to assist parties and individual Members who are not in Political Parties in the discharge of their work in the Assembly. The level of expenditure set out elsewhere in the Determination, and subject to review before Sixth Assembly, is dependent on whether a Political Party Group exists and the size of the group. Members who are not in a group are also entitled to an allowance.

3.2. The expenditure available under this allowance may be used for employing staff to undertake either research or administrative work as well as the costs of acquiring office equipment.

3.3. The chapter also outlines the staffing provisions that may be claimed under this allowance.

Consideration of evidence

3.4. As with the previous chapter, the Board has already considered evidence related to the staffing support for political parties [in its review of staffing support](#).

3.5. Many of the outstanding provisions left for consideration applied to both the Support for Members and Support for Political Parties chapters of the Determination. As such the Board also undertook many of considerations as outlined in chapter three of this document in the context of this allowance.

3.6. The Board also discussed what provisions were available within the Determination in the event of political group ceasing to exist, and considered whether these were sufficient to address different eventualities.

Proposals

Fixed term contracts

3.7. The Board is of the view that the provisions outlined in the previous chapter should be replicated for the Support for Political Parties chapter of the Determination as many of the challenges related to staffing apply to all support staff, no matter which allowance they are funded by.

3.8. The Board's review of staffing support applied the increased flexibilities that were introduced for individual Members to Political Parties as well. The Board is of the view that it would be right that Political Parties should also be able to use any additional funds they may have as a result of these changes to employ staff on a fixed term basis for specific projects. For Political Parties this may be for specific policy work or to employ a specialist policy advisor for a short period to assist with scrutiny on a particular Bill. As such the Board is of the view that should the first proposal in this consultation be agreed, it would also apply in full to Political Parties. As the recruitment policy applies to both individual Members and Political Parties, this would only require the one change outlined as per paragraph 2.10 of this document.

Starting salary criteria

3.9. The Board also considered whether there was scope to apply the proposal for determining the starting salary criteria to Political Parties. The Board is of a similar view that Political Party Leaders should also be responsible for the spending decisions they make on the political party support allowance.

3.10. Section 8.3 of the Determination outlines the process where Political Parties wish to award a higher starting salary for new starters, in a similar approach to that which is applied to individual Members. The Board believes, as it does with its proposal for individual Members, that there is merit in transferring this responsibility from MBS to Political Party Leaders. The Board believes this for the same reason as outlined above, in that Political Party Leaders are the employer, and as such should be responsible for deciding the starting salary of support staff who work for them. As with individual Members, the Board is also proposing that Political Party Leaders should also give due regard to guidance on starting salary criteria before coming to any decision on the starting salary. To this end, the Board is proposing to replace paragraph 8.3.1 of the Determination in its entirety with the following text:

8.3.1 All new staff are expected to enter on the scale minimum of the appropriate pay band. However, a higher starting salary for new staff may be determined by the employing Political Party Leader in line with the guidance on starting salary criteria. Political Party Leaders are expected follow the guidance to justify a higher starting salary.

3.11. As with decisions for incremental pay rises subject to the satisfactory completion of probationary periods, the Board also believes the Party Political Leaders themselves rather than

MBS should determine whether or not this pay rise should take place. As such the Board is proposing to amend paragraph 8.3.3 to the following:

8.3.3 Where new staff commenced employment on pay point 1 and showed satisfactory performance throughout their probation period, Political Party Leaders may, following the completion of the probation period, move the staff member up the incremental scale to point 2 in advance of the anniversary of the commencement of employment. In doing so, Political Party Leaders are expected to have due regard for the guidance provided to them. In such cases, the trigger date for future annual reviews will be the date on which pay at pay point 2 commenced (instead of the date of commencement of employment).

3.12. To ensure that Political Parties have all the required information to allow them to apply such decisions, the Board is proposing to amend the guidance to include all the necessary information including a support staff appraisal toolkit and the guidance on starting salary criteria.

Redundancies of group staff

3.13. The Board is also of the view that the redundancy arrangements discussed in the previous chapter for staff losing their roles should be applied to Political Parties. Groups may wish to change their composition from time to time as a result of a change in leadership or a change in their size and as such may wish to amend their staffing structures to accommodate such changes.

3.14. In order to allow Political Party Leaders to facilitate any required restructure of their group offices, the Board has agreed that any support staff who find themselves redundant due to such a restructure, and who are eligible for a redundancy payment, should be entitled to receive an 100 per cent uplift as per the provision in paragraph 8.10.4. However, as with chapter seven, the current Determination does not reflect this, therefore the Board is proposing to amend paragraph 8.10.4 to include the following additional clause:

8.10.4 d) the employing Political Party has a restructure of their staffing complement during the Assembly term (but see paragraph 8.10.3).

3.15. The Board reinforces that Members who wish to undertake such a restructure should fund the costs from their existing allowances, therefore further clarity is required to highlight

that this would not cost the taxpayer more than it should. However as with individual Members, the Board reinforces that should Political Parties choose to undertake such restructures, then it should be funded from existing allowances i.e. the Political Parties Support Allowance. As such clarity also needs to be provided on this occasion that such processes would not cost the taxpayer any more than it should. To achieve this, the Board is proposing to amend paragraph 8.10.3 to the following:

8.10.3 To qualify, staff to whom payments will be made must have at least two years' service with the employing Political Party on the date at which they cease to be employed by the party (or former party) and not be self-employed. Redundancy payments will be calculated on the basis of the statutory entitlement under the current employment legislation, uprated by 50 per cent (but see paragraphs 8.10.4 to 8.10.5 below). Such sums will be paid out of central funds (and will not be deducted from the Support for Political Parties Allowance) apart from when redundancies result from a restructure whereby funds will be deducted from the Political Parties Allowance.

3.16. The Board discussed the provision outlined in paragraph 8.10.2 of the Determination. The paragraph makes provision for Political Parties to claim for the cost of redundancy of support staff as the result of an election or if a Member ceases to be a Member during an Assembly, for whatever reason. However it does not address the situation if Political Parties no longer constitute a group as per Standing Order 1.3 as a result of a Member or Members of the party defecting to another party to such an extent said Political Party is fewer than three Members in number. When this happens, Political Parties lose their core administration grant. It also does not address what would happen if an independent Member decides to join a Political Party. The Board believes it should always seek to rectify, where suitable, any weaknesses that have been exposed in the Determination. Due to a recent situation where a Political Party has ceased to exist as a political group as result of Members leaving the party, the Board is now proposing to amend paragraph 8.10.2 to the following:

8.10.2 A Political Party is entitled to claim for the cost of redundancy payments to qualifying staff where the party composition changes whether as a result of an election, or where a Member of a party ceases to be a Member during the term of an Assembly, or where the party composition reduces as a result of some other reason, such that it reduces or removes entitlement to the Support for Political Parties Allowance in paragraph 8.2.1

Volunteers and interns

3.17. The Board is also proposing that Political Parties should also be subject to the proposals for paying interns and a new volunteer procedure. The Board understands that such placements are equally used by parties as they are by individual Members' offices and the Board agrees that there should be consistency in the approach to in ensuring everyone who is on such a placement can expect the same clarity regarding their role and support.

3.18. The Board is proposing that if any individual who is on a work placement or internship that lasts more than four weeks, they then must be placed on a contract with the Political Party Group, equivalent to the scale minimum of a band three support staff. The Board is also proposing that its new volunteer procedure will also apply to Political Parties.

Proposal 6. The Board would welcome your views on its proposal to allow the Leader of a Political Parties to determine the starting salary of their support staff and decide on incremental pay rises following probation, subject to the Starting Salary Criteria

Proposal 7. The Board would welcome your views on its proposal to allow support staff who lose their jobs as a result of an office restructure to be entitled to a 100 per cent uplift of the statutory entitlement, which will be funded from their Political Party Support Allowance.

Proposal 8. The Board would welcome your views on its proposal that support staff who are made redundant as a result of a Political Party being fewer than three Members in number, or when an individual Member joins a Political Party, be entitled to redundancy payments with a 100 per uplift.

Proposal 9. The Board would welcome your views on its proposal to ensure that interns, other than those on higher education placements, who are on placements with a party group of longer than four weeks be paid a salary equivalent to the band three scale minimum.

Proposal 10. The Board would welcome your views on its proposal to introduce a procedure for volunteer placements in party Group offices.

4. Equality

4.1. As outlined in its strategy for 2016-2021, one of the Board's priorities is to gain a better understanding of the incentives for and barriers to standing for election to the Assembly. As such the Board wants to ensure that the Determination for the Sixth Assembly enables and supports as diverse range of candidates as possible to become Assembly Members.

4.2. The Board would welcome any views you may have on:

- whether there could be an implication for people who identify with any protected characteristics from the proposals outlined in this document;
- whether the issues you have raised in this consultation have an impact, or could they have a potential impact, on people who identify with protected characteristics as defined under the Equality Act 2010?

4.3. Please note the protected characteristics as defined under the Equality Act 2010 are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation.

Summary of proposals – Part 2

The Board is proposing to make the following changes to the Members' Pension Scheme:

Proposal 1. The Board is proposing to change the Rules of the Assembly Members' Pension Scheme in order to comply with age discrimination requirements with regard to Scheme members aged 75 or over.

Proposal 2. The Board is proposing to amend the Scheme rules to allow Scheme members who have a life expectancy of less than 12 months to be given the option for their ill health pension to be fully exchanged for a cash sum. This would be in addition to existing ill health and death in service provisions within the Scheme rules.

5. Review of Pension Scheme Rules

5.1. The section below provides an overview of the Board's review of the Members' Pension Scheme Rules.

Background

5.2. The Remuneration Board (the Board) is an independent body responsible for ensuring that Assembly Members (Members) have the right remuneration and resources available to them to undertake their role whilst demonstrating value for money for the public purse. Full details of the Board's functions and responsibilities are set out in the National Assembly for Wales (Remuneration) Measure 2010.

5.3. Chapter three of the Board's Determination outlines that Members will automatically be enrolled in the Assembly Members' Pension Scheme ("Scheme") unless they choose to opt out.

5.4. The Scheme is managed by the Pensions Board made up of five Trustees. Two of these are nominated by Scheme members, two are appointed by the Assembly Commission and there is a professional independent Trustee who acts as Chair.

5.5. The Remuneration Board is responsible for the rules of the Scheme and for setting the level and form of Member benefits.

5.6. The Board is proposing to make a number of changes to the Rules of the Pension Scheme to ensure ongoing compliance with age discrimination requirements with regard to members aged 75 and over. The Board is also proposing to provide increased flexibility for Members suffering from severe ill health, around the form in which they can take their pension.

5.7. These changes will not affect the level of contributions made to the Pension Scheme. The Scheme actuary has confirmed that due to the expected small number of cases and if cost neutral factors are used to exchange the pension for a lump sum payment in the case of short life expectancy, there would be minimal impact on the funding of the Scheme if the Board were to decide to make these changes to the Rules.

Proposal 1. The Board would welcome your views on its proposal to change the Rules of the Assembly Members Pension Scheme in order to comply with age discrimination requirements with regard to members aged 75 and over. These are set out in the table below:

	Current Rule	Proposed change
Rule 9 Membership and Rule 43 Commutation into Lump Sum	<p>When a Scheme member reaches age 75 and continues to serve as an Assembly Member, they are taken out of the Scheme but the pension cannot be paid until the Member ceases to serve as an Assembly Member.</p> <p>If a member wishes to take part of their pension as a lump sum, under the current Scheme rules, this has to be paid before the member reaches age 75 even though the pension cannot be paid until the member stands down as an Assembly Member.</p>	<p>Scheme members' who continue to serve as an Assembly Member after age 75 will have a choice to either:</p> <p>Stay in the Scheme after age 75 if they wish to and continue to build up benefits in the Scheme*</p> <p><i>or</i></p> <p>Leave the Scheme and defer taking their retirement lump sum until after age 75 and take it when they retire along with their pension. Members who choose this option would become a deferred member in the Scheme.</p>
Rule 62 Death in Service Gratuity	<p>A lump sum of two times the serving AM's salary is paid at Trustee discretion on the death in service of a 'participant' Member. "Participant" means paying contributions to the Scheme.</p> <p>This benefit is currently not available if the deceased had reached age 75 at the date of death even if they were still serving as an Assembly</p>	<p>If a Member dies while still serving as an Assembly Member (whether before or after age 75), a death in service lump sum of two times salary will be paid even if they have decided they no longer wish to be a Scheme member.</p>

	Current Rule	Proposed change
	Member. This is because currently, Members are taken out of the Scheme, in accordance with the Scheme rules, when they reach age 75.	
Rule 66 Guarantee Payments	<p>If a pensioner dies within five years of drawing their pension, if they are under age 75, the balance of the five year's pension from the date of death to the end of the five years following the date of retirement is paid as a lump sum (less any pensions payable to a surviving adult or child). This is known as a five year guarantee.</p> <p>If they are over age 75 at the date of their death, it is paid as a supplementary pension to their adult dependant rather than as a lump sum.</p>	The proposal is that if a member over age 75 and in receipt of a pension dies within five years of retirement, the five year guarantee is paid as a lump sum in the same way as it is if the member were under age 75.
Schedule 5 Pension Sharing on Divorce	<p>If a member were to get divorced, their ex-Spouse may be awarded a share of their pension by the Family Law Court. The Ex-spouse is then entitled to a pension from the Scheme, and they become an 'Ex-Spouse Participant'.</p> <p>Currently if the Ex-Spouse Participant were to die after age 75, there would be no lump sum death benefit payable.</p>	It is proposed that if an Ex-Spouse Participant who is over age 75, dies before drawing their pension, a death in service sum should be paid equal to five years' worth of the pension they have in the Scheme. This is known as a five year guarantee and would be consistent with the treatment if the ex-spouse were under 75.

	Current Rule	Proposed change
	The Ex-Spouse Participant must commence payment of their pension before their 75 th birthday.	It is also proposed to give Trustee discretion to allow an ex-spouse to postpone taking their pension until after age 75.

Note: the tax treatment of pension contributions changes when an individual reaches age 75 and members who choose to stay in the Scheme after age 75 would no longer be able to claim tax relief on their contributions.

6. Short life expectancy

Short life expectancy

6.1. Under the Scheme rules as they currently stand, a terminally ill Scheme Member may choose to draw an enhanced ill health pension (with the option to exchange some of this for a tax free lump sum) or choose to remain in service. Should the Scheme Member die in service a death in service payment, which is currently twice the final salary of the Scheme Member at the time of their death would be payable at the discretion of the Trustees. The adult dependant and child pensions are the same in both circumstances.

6.2. However the Board appreciates that under such tragic circumstances it may be helpful to allow increased flexibility as to the form in which members can take their pension. As such the Board is considering making provision in the rules for the ill health pension to be fully exchanged for a cash sum in cases of short life expectancy of less than 12 months. This is referred to as a 'serious ill-health lump sum' by HM Revenue and Customs. The adult dependant and child's pensions would be the same as those payable on death in service and following the granting of an ill-health pension, so there would be no loss of benefit to the Scheme Member's dependants if this option were introduced.

6.3. Such a proposal would allow Scheme Members, with a life expectancy of less than 12 months, the option of being paid a one off lump sum, which is currently payable tax free, in lieu of their pension. Depending on the age of the Scheme Member and their personal circumstances, this could be more financially beneficial to the Scheme Member than the ill health or death in service benefits. Each case would have to be considered individually to enable the Scheme Member to make the choice that is best for them but it would provide an additional option which is currently not available to Scheme Members in this position.

Proposal 2. The Board would welcome your views on its proposal to amend the Scheme rules to allow Scheme Members who have a life expectancy of less than 12 months to be given the option for their ill health pension to be fully exchanged for a cash sum. This would be in addition to existing ill health and death in service provisions within the Scheme rules.