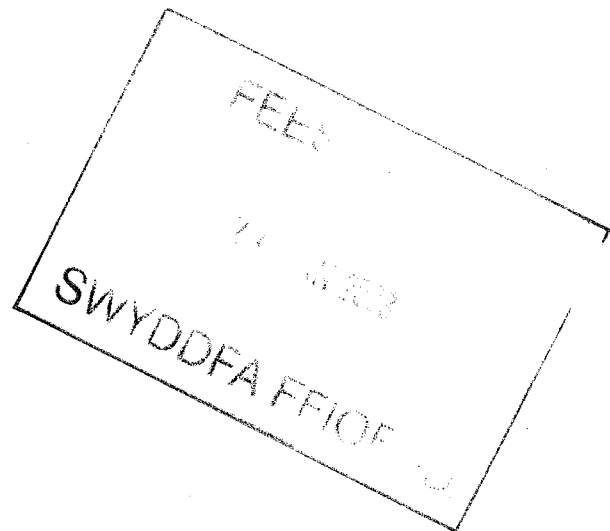


Pay and Allowances Review
c/o Wayne Cowley
Members HR and Allowances Team
National Assembly for Wales
Cardiff Bay
CF99 1NA
January 2008



Dear Wayne,

Submission of the Welsh Liberal Democrat Group – National Assembly for Wales - to the Independent Review Panel on Members' Salaries and Allowances

We are pleased to submit evidence to the review on Members' salaries. This document relates only to the salaries element of the review. We will make a further submission in relation to allowances.

We submit the following as evidence to support the panel's review and to aid further consideration of the matters within its remit.

Tasks of an AM

The tasks of an Assembly Member fall mainly but not exclusively within the following headings

Work within the constituency

- Casework
- Constituency representation – taking the views forward of groups, bodies and organisations
- Public representation at events
- Addressing public meetings
- Meetings with public bodies, schools, hospitals etc
- Surgeries
- School assemblies and lessons

Work within the Assembly

- Attend and speak at committees
- Meet organisations
- Receive lobbies
- Raise questions with Ministers
- Lay motions and amendments
- Research
- Read available literature including magazines, document and newspapers

- Attend all-party groups
- Represent constituents and bodies
- Develop legislation
- Meet with Members of Parliament and Members of the House of Lords
- Scrutinise budgets, policies and legislation
- Attend educational and public visits
- Attend and speak at plenary sessions
- Democracy development activities
- Media interviews and press releases
- Represent the Assembly with international and other external bodies

Role Change

Since the passing of the Government of Wales Act 2006, and the elections of May 2007, there has been a dramatic increase in committee work, both in quantity and length. This has required a growth in the work of Assembly Members and their staff in preparing for these meetings. Welsh Liberal Democrat Members would typically serve on 3 or more committees of the National Assembly.

Another major change has been in responding to government legislation proposed by the Welsh Assembly Government. This has meant a much closer working relationship with colleagues in Westminster, in relation to the passage of Legislative Competence Orders, Bills with framework powers and Bills with Welsh provisions. Meetings are now held more frequently between our MPs and AMs, and support staff are also communicating more frequently.

The new legislative processes mean that Members now spend more time and research in developing LCOs and Measures, both individually as Assembly Members and also as Committee members. Both individual Assembly Members and Committees now have the ability to submit LCOs and Measures, as well as the Welsh Assembly Government.

Reading and research on legislation has dramatically increased. Members now have the full range of parliamentary devices available to them in respect of legislation, including amending, scrutinising and taking evidence.

The Assembly is spending longer in its Plenary sessions, and as the legislative workload increases these sessions are expected to increase.

Opposition parties also have to develop more debates and legislative ideas for plenary time.

There has been no increase in the numbers staff allocated to party groups, through the leaders allowance to cover any of the additional workload.

Assembly Measures have the same effect and status as UK government Bills. The explanatory notes to the Government of Wales Act 2006 explains that they have the same affect as an Act of Parliament (though of course

geographically limited to Wales). The depth and breadth of understanding by Members for both would therefore have very similar requirements and demands. The same skills are required, and for the people of Wales this work has the same impact. We believe it is now impossible to make a fundamental distinction between the two places in respect of legislative work.

Comparing the jobweight (job size) of MPs and AMs

Jobweight or jobsize are the commonly used terms for measuring the responsibilities of a job. They are used to indicate levels of responsibility and not workload, a point frequently emphasised by the SSRB. We believe workload issues concern the level of staff needed to carry out the job. We will address this issue when making our submission on Members Allowances. In this submission we concentrate on job size (responsibility).

We submit that it is now timely to consider the issue of comparability with the salaries and allowances of other administrations – including Westminster and the Scottish Parliament.

The SSRB has used outside companies to conduct comparability exercises for them including Price Waterhouse Cooper and the Hay Group to measure job size. These companies have used recognized comparability “tools” to undertake their work, and these in turn have had a significant impact on the final SSRB recommendations. These “tools” are different in part, but all contain common threads. For this exercise we use the criteria outlined in the Chart Profile Method used by the Hay Group.

This methodology uses three key factors for making its comparison. These are Know How, Problem Solving and Accountability. Looking at these three areas in turn it is possible to map the changes which have occurred to job size since the implementation of the Government of Wales Act 2006.

Know How

Divided into three areas:-

Technical Know How

Additional knowledge of legislative mechanisms and scrutiny to the same depth as parliamentary bills.

Management Breadth

More skills are now required to manage the increased flow of information, the sources from which they come, the development of argument, and the development of external advice.

Human Relation Skills

No real change in this area save that Members now have more staff resource than before, and an enhanced Parliamentary Service with whom to work.

Problem Solving

Divided into two areas:-

Thinking environment

More detailed research and policy understanding now required for consideration of both laid and prospective legislative proposals

Thinking Challenge

Speed of assessment, scrutiny of proposals and ministerial intent are now requiring much greater breadth of knowledge

Accountability

Divided into three areas:-

Freedom to act

Members of the National Assembly now have higher and wider horizons, this means that aspirations will rise. The individual member can now have a direct influence on legislation, through private members measures, committee measures and proposals linked to government action.

Impact on end results

The legislative changes made within Wales enable swifter and direct solutions to issues which have been identified in the policy determination processes. The new powers encourages broader and more significant changes to the structure of our society.

Magnitude

There is a clear leap upwards since May 2006 in the impact the decision makers have upon the lives of the people of the country. Measures have the same force as Acts of Parliament according to the Government of Wales Act 2006.

This map demonstrates that there has been considerable change to the job weight or job size of Assembly Members since May 2007. The fundamental change of responsibilities demonstrates that the 76.5% relativity to MPs pay is also in need of change.

We note that in 2004 the SSRB used the Price Waterhouse Coopers Monks 6 Factor methodology in arriving at its relativity conclusions. At that time the SSRB agreed that the job size comparison of AMs with MPs was 90.2%, however they made their overall salary relativity recommendation largely on the basis of salary comparators with salaries in general.

The salary comparator is now a redundant factor in the analysis since AMs salaries are now linked, following that SSRB recommendation to those of MPs. We would not wish to change that method of determination. Salary

comparators are now undertaken by the SSRB reports for Parliament¹. As AMs salaries are linked by percentage to MPs salaries, and since the salary comparator has been done by the SSRB, this element of determination is now not needed.

The crucial remaining factor is the relative percentage to be applied. This in turn is based upon the job size comparability. The evidence from the previous SSRB report was that this figure for AMs was 90.2%. Using the Hay methodology there is a clear change in the job size since May 2006 and since that earlier SSRB report.

We would therefore commend the review panel to amend the relativity percentage of Assembly Members to reflect the move to a fully legislative Assembly to reflect the increased job size

Comparing Constituency Work

Three of the Welsh Liberal Democrat Assembly Members also have a colleague Member of Parliament representing the same constituency. They are therefore able to provide first hand understanding of the work within the same constituency of both MPs and AMs.

Invitations to events are generally identical in nature and workload. However, most AMs are expected to travel to their constituencies during the week, and for many even for midweek events.

The experience of our AMs where they have an MP colleague is that their caseload is at least equal. MP caseload will include matters related to the CSA, tax, credit, immigration, and benefits issues. Assembly Members deal with health, education, planning, transport, the environment, student grants and loans etc.

Our Members experience is that their postbag is at least equal in volume and complexity to that of their colleague MP.

Where Assembly Members do not share a constituency with an MP they would cover the whole range of casework brought to them using the protocol which exists between the Assembly and Whitehall. (Assembly Members are entitled to replies directly from Westminster based Ministers).

Parliamentary responsibilities

We have done an analysis of MPs and AMs diaries, taking a typical week and looking at the time spent undertaking various activities. The results are as follows:-

¹ SSRB report 64 2007 – the latest for Westminster – used PwC to carry out the external comparators.

Presence at Committee Meetings	Average 4 hours per week	Average 3 hours per week
	Assembly Members	Members of Parliament
Required presence in the Chamber	Average 6.5 hours per week	Average 2.5 hours per week

2

The sample taken indicates that AMs have at least as much parliamentary responsibility as our MP colleagues.

Tasks of a leader

The Welsh Liberal Democrats believe it to be counter intuitive to have some members of the group to be paid more than the leader. The party leader has responsibilities which are placed on all party leaders regardless of their group's numerical position in the National Assembly.

The leader acts as the representative of the party and the group. This requires attendance at events and meetings at which all party leaders are present. The Assembly is not constructed on a two party model. All of its structures reflect the multiparty nature of our national legislature.

It is now established protocol in the National Assembly of equality of treatment for all political groups. Whilst size defines speaking order, all leaders are called to speak. There are no different responsibilities for the leader of the opposition than for the leader of our party.

There are a broad range of events which require the presence of the party leader, including the National Service of Remembrance, and the Multi Faith Forum for Wales.

In addition, the leader is the principal spokesperson for the group. That entails presentation of issues to the media in all its aspects. It entails speaking at all events where there is a multiparty presence including the First Minister.

In the National Assembly, the leader will shadow the work of the First Minister, including all the matters in which the First Minister takes a lead. Where the First Minister speaks, the party leader will respond. There is a well established convention in the National Assembly that all leaders are given equal opportunities to speak and participate. The party leaders speak in the order of their size, but all are given equal treatment.

The same treatment is afforded to any formal part of the work of the First Minister, such as providing tributes, greeting visitors etc.

² This excludes attendance at votes

The leaders meet jointly to discuss and form judgements on particularly difficult matters, reaching consensus on issues where this is possible. Such meetings have recently covered matters relating to a referendum on the powers of the National Assembly. Joint leaders meetings are held on a Chatham House basis, and often cover sensitive issues. This arrangement provides a very useful method of determining these issues.

The party leader plays a very important role in appointing and managing party group spokespeople who are the party's Shadow Ministers. The leader has the responsibility for ensuring cohesion of policy and co-ordinating the approaches which the group's Shadow Ministers make to the matters facing the National Assembly.

The leader will meet regularly with Shadow Ministers to progress a consistent approach across the work of the National Assembly.

In addition the leader will have a role in dispute resolution.

The leader has responsibility for the leaders allowance, which has some equivalence with the House of Commons Short money. This allowance is expressed in terms of numbers of support staff, and a relatively small cash sum for expenditure related to the work of these staff.

The allowance has a basic sum applicable to all parties – reflecting the common work which all parties have to undertake, and a second amount related to the number of Members that group has.

This principal of reflecting common work - a qualitative assessment, - and an addition for numbers of Members – a quantitative assessment - provides a model for the payment of Party leaders.

We would therefore commend the review to recommend an allowance for leaders of parties in the National Assembly who do not have a Member in the government.

Tasks of a whip

We repeat the statement made earlier, that it would be counter intuitive to make payments to the group Whip or Business Manager when the duties and requirements are not of the same order as the leader.

The whip/business managers role will include the following functions:-

- Attending Business Cttee
- Maintaining inter party co-ordination in respect of the business of the National Assembly
- Keeping AMs in line with group policy, organising their attendance at meetings and their voting

- Conflict resolution

Tasks of a chair

The role of a Committee Chair will include the following functions:-

- Representing the committee at events
- Media representation as chair
- Help determine the forward programme and agenda
- Expectation they will be present throughout meetings
- Promoting through the work of the Committee the importance of scrutiny and accountability.

We feel, that whilst the Standards Cttee has an important role it will meet relatively infrequently

Flatter structure

Welsh Liberal Democrats feel it is important to guard against a very large number of Assembly Members being given additional allowances. We feel that the basic allowance for Members should reflect the work that is done generally. With Members serving on 3 Committees on average it would be very difficult to achieve a high degree of fairness without a large range of additional payments. We feel it would be better to spread any additional money amongst all non office holders so that the Assembly does not find itself in a position where the majority of AMs are on some form of financial enhancement.

Yours sincerely,



Michael German OBE AM
Leader, Welsh Liberal Democrats
Arweinydd, Democratiaid Rhyddfrydol Cymru
Member, South Wales East
National Assembly for Wales
Cynnulliad Cenedlaethol Cymru