

**ASSEMBLY BOARD OF DIRECTORS – 26 September 2007**

**Report of the Finance & Audit Committee regarding a proposal from the Independent Remuneration Panel for a Members Allowances Scheme**

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**1.0 Notes of the FAC Meeting 18 July 2007**

**Purpose**

- 1.1 To provide the Board with the notes of the Finance & Audit Committee meeting held on 18 July 2007 (Appendix 1) and to make recommendations to the Board in respect of the Report of the Independent Remuneration Panel on a Proposal for a Members Allowances Scheme (Appendix 2).

**Recommendation**

- 1.2 That the Board **notes** the content of this report and **receives** the recommendations.

**2.0 IRP Proposal for a Members Allowances Scheme**

**Background**

- 2.1 An Independent Remuneration Panel was convened during the summer and was provided with terms of reference to develop a Members Allowances Scheme for the Regional Assembly. The panel was chaired by Dr Declan Hall of the University of Birmingham. Dr Hall presented the IRP proposal to the Finance and Audit Committee at their meeting on 18 July.

**Recommendation**

- 2.2 In consideration of the IRP Proposal FAC would also like to recommend to the Board that;
- a) The existence of WMLGA Allowances Scheme was a key driver for efficiency savings in the proposed Assembly Scheme and therefore **any savings should be shared equally between the two funding bodies** (following the same model that is currently operated in respect of the Chairman's Allowance).

- b) To implement a scheme in 2007/08 **the costs would have to be met from existing budgets** (so requiring a re-prioritisation of expenditure) and costs for 2008/09 would need to be built into the business planning and budget setting process.
- c) It is recommended that the Board may wish to give some consideration to the issue of the **number of meetings** attended by those in roles leading statutory functions compared to that of non statutory and the correlation between the two proposed levels of allowance.

### Cost of an Allowances Scheme

- 2.3 The cost of the proposed scheme is calculated below based on current membership being continued into 2008-09 and including the FAC recommendation 1.2(a) that savings are split 50:50 with WMLGA.

Remunerated Post / Activity	No of SRAS	Ratio	Full SRA Value	SRA Value if WMLGA post holder	WMLGA post holder	July-Mar 08 (9 mths)	Apr-Mar 09 (12 mths) +2.5%
Chairman	1	100%	8,700	<b>4,350</b>	Yes	3,263	4,459
Vice Chair LG	1	25%	2,175	<b>1,088</b>	Yes	816	1,115
Vice Chair BS & Chair Audit	1	25%+10%	<b>3,045</b>	1,523	No	2,284	3,121
Vice Chair OS & Chair SRG	1	25%+10%	<b>3,045</b>	1,523	No	2,284	3,121
Chair Planning Partnership & Conformity	1	40%+5%	3,915	<b>1,958</b>	Yes	1,468	2,006
Chair Housing Partnership	1	40%	3,480	<b>1,740</b>	Yes	1,305	1,784
Chair Transport Partnership	1	40%	3,480	<b>1,740</b>	Yes	1,305	1,784
Chair of Non Stat Partnership (1)	1	25%	2,175	<b>1,088</b>	Yes	816	1,115
Chair of Non Stat Partnership (2)	1	25%	2,175	<b>1,088</b>	Yes	816	1,115
Chair of Non Stat Partnership (3)	1	25%	2,175	<b>1,088</b>	Yes	816	1,115
Chair of Non Stat Partnership (4)	1	25%	2,175	<b>1,088</b>	Yes	816	1,115
Vice Chair Conformity Panel (1)		5%	<b>435</b>	218	No	326	446
Vice Chair Conformity Panel (2)		5%	<b>435</b>	218	No	326	446
Vice Chair Conformity Panel (3)		5%	<b>435</b>	218	No	326	446
Conformity Panel Subs Call In (max p.a.)	5	£70 (50% LGA)	<b>350</b>	175	No	350	350
Chair Scrutiny Panel (max p.a.)	5	£870 (10%)	<b>4,350</b>	2,175	No	4,350	4,459
<b>Total Cost</b>			<b>42,545</b>	<b>21,273</b>		<b>21,665</b>	<b>27,994</b>
<b>50% saving (shared with WMLGA)</b>				<b>10,636</b>		<b>5,122</b>	<b>7,807</b>
<b>Total Cost to the Assembly</b>				<b>31,909</b>		<b>26,787</b>	<b>35,801</b>

- 2.4 If the Board wish to implement a Members Allowance Scheme these remunerations will need to be processed via WMLGA payroll and as such the Assembly will also be required to meet the cost of National Insurance and any associated payroll costs.
- 2.5 For the purposes of these calculation we have assumed that if a scheme were approved it would be effective from the AGM in July 2007 and therefore the 07-08 cost is based on a pro rata payment of 9 months.
- 2.6 The estimated cost of the scheme to the Regional Assembly based on current posts held and commencing from the AGM (July 2007) is therefore explained as;

	<u>07-08</u>	<u>08-09</u>
Allowances (see table)	21,665	27,994
50% savings repaid to WMLGA	5,122	7,807
National Insurance / Payroll	<u>3,429</u>	<u>4,583</u>
Total Cost	30,216	40,384
Budget Allocated	<u>15,000</u>	<u>17,000</u>
<b>Additional Costs to be met</b>	<b>15,216</b>	<b>23,384</b>

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Chair, Finance and Audit Committee

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