



**Northern Ireland
Assembly**

Northern Ireland Assembly Commission

**CONSULTATION ON ESTABLISHING
AN INDEPENDENT STATUTORY BODY
TO DETERMINE PAY, PENSIONS AND
FINANCIAL SUPPORT FOR MEMBERS
OF THE NORTHERN IRELAND
ASSEMBLY**

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BACKGROUND TO PROPOSAL

1. In the last few years the House of Commons and the devolved legislatures across the UK have all undertaken reviews or commissioned independent reviews of their pay and/or allowances schemes. The House of Commons and the National Assembly for Wales have decided that responsibility for pay and allowances should be vested in independent bodies. Until recently, this possibility was not open to the Northern Ireland Assembly.

House of Commons

2. The Parliamentary Standards Act 2009, which received Royal Assent in July 2009, provided for the establishment of the Independent Parliamentary Standards Authority (IPSA) and gave it the responsibility for paying Members' salaries and allowances; and for preparing a scheme under which allowances are paid. The Constitutional Reform and Governance Act 2010, which received Royal Assent on 8th April 2010, includes a provision that also transfers responsibility for determining the amount of Members' salaries from the House of Commons to IPSA.

National Assembly for Wales

3. In August 2008, the National Assembly for Wales Commission set up the Independent Review Panel in order to look at all aspects of financial support available to Assembly Members including: salaries, allowances for travel, pensions, accommodation, constituency offices and support staff.
4. A key recommendation made by the Independent Review Panel in their report published in July 2009 entitled "Getting It Right for Wales" was that the automatic link between the pay of Assembly Members and that of Members of Parliament should be broken and that a statutory Independent Review Body should be established to set future salary levels and to monitor and review other financial support including allowances for travel, pensions and office support.
5. The Commission accepted this, and indeed all other recommendations, and a Proposed National Assembly for Wales (Remuneration) Measure was introduced into the National Assembly for Wales on the 9th November 2009. The purpose of the Proposed Measure is to establish an independent National Assembly for Wales Remuneration Board and to transfer to the Board the functions of making determinations in relation to remuneration of Assembly Members, the First Minister, Welsh Ministers, the Counsel General and Deputy Welsh Ministers, and for connected purposes. These functions include the setting and reviewing of Assembly Members' salaries, allowances and pensions.

Northern Ireland Assembly

6. Until recently, section 47 of the Northern Ireland Act 1998, which provided for the Northern Ireland Assembly to determine and pay Members' salaries and allowances, explicitly prevented the Assembly from delegating the function of making a determination.

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7. On 4 May 2007, prior to the restoration of devolution, the Secretary of State wrote to the Chairman of the Review Body on Senior Salaries (SSRB) seeking its agreement to conduct a review of the existing structure for salaries, expenditure and pension benefits payable to Members and Office Holders of the Northern Ireland Assembly.
 8. In 2008, the SSRB, published its review of pay, pensions and allowances in the Northern Ireland Assembly, which included a recommendation that whilst the pay of Members of the Assembly should continue to be recommended by an independent body such as the Review Body on Senior Salaries, Members of the Assembly should consider the option of committing themselves to accepting the outcome of the independent reviews of their pay without modification.
 9. After considering the SSRB report, the Northern Ireland Assembly Commission, in line with the views expressed by Assembly Parties, supported the recommendation raised by the SSRB and agreed at a meeting in June 2009 that the Commission should consider an independent mechanism for the future determination of salaries, pensions and financial support for Members.
 10. To take this forward, the Northern Ireland Assembly Commission recommended that an amendment to the Northern Ireland Act 1998 should be made to enable the Northern Ireland Assembly to delegate the function of determining salaries, pensions and financial support to an independent statutory body.
 11. The Northern Ireland Assembly Members Act 2010, which received Royal Assent on the 8th April 2010 amends sections 47 and 48 of the Northern Ireland Act 1998 and allows the Northern Ireland Assembly to continue to determine salaries and allowances or to delegate that function for example, by resolution, to the Northern Ireland Assembly Commission or, by an Act of the Assembly, to an independent body.
 12. Details of the Northern Ireland Assembly Commission's proposals for the establishment of an independent statutory body to determine Members' pay, pensions and financial support are set out below. The Northern Ireland Assembly Commission welcomes responses to the questions contained within this document. Following completion of the consultation exercise and consideration of the responses, the Northern Ireland Assembly Commission plans to introduce a bill into the Assembly to give effect to its final decisions on the establishment of the body.

NORTHERN IRELAND ASSEMBLY COMMISSION PROPOSALS

Scope and Purpose

13. The Northern Ireland Assembly Commission proposes that an independent statutory body (the body) is established to determine Members' pay, pension, and financial support. The Northern Ireland Assembly Commission will, therefore, introduce a bill to the Assembly which includes a statement reflecting the independent nature of the body. The bill will also contain provision for repeal of the Allowances to Members of the Assembly Act (NI) 2000, which currently makes provision for certain allowances that would in future fall to the body to determine.
14. The Northern Ireland Assembly Commission recognises the links between the development of the work by the Committee on Standards and Privileges in relation to the establishment of an Assembly Commissioner and the development of the independent statutory body.¹ It is not proposed, however, that the body will have any investigative function.

Functions

15. The body would be responsible for the determination of pay, pensions and financial support. It is proposed that the body would set the high level rules in respect of financial support and that the Finance Office within the Northern Ireland Assembly Commission will produce future equivalents of the Financial Support for Members Handbook to provide further support and guidance in this regard. The body would also be responsible for the determination of Winding Up, Resettlement and Ill Health Retirement Allowances, following repeal of the Allowances to Members of the Assembly Act (NI) 2000.² It is envisaged that the Northern Ireland Assembly Commission would continue to administer these.

Objectives

16. Reflecting those contained in the Proposed National Assembly for Wales (Remuneration) Measure³, the Northern Ireland Assembly Commission proposes that the objectives of the body are as follows:
 - Ensuring probity, accountability, value for money and transparency with respect to the expenditure of public funds;

¹ http://www.niassembly.gov.uk/standards/2007mandate/commissioner_inquiry.htm

² http://www.opsi.gov.uk/legislation/northernireland/acts/acts2000/nia_20000003_en_1

³

http://www.assemblywales.org/bus-home/bus-legislation/bus-leg-measures/bus-legislation-measures-proposed_remuneration.htm

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- Providing Assembly Members with a level of remuneration which (i) fairly reflects the complexity and importance of the functions they are expected to discharge (ii) does not, on financial grounds deter persons with the necessary commitment and ability from seeking election to the Assembly;
 - Providing Assembly Members with adequate resources to enable them to discharge their functions.

Determinations

17. It is proposed that the body will be given the power to decide the frequency of its meetings but that as a minimum would be expected to meet nine months before an ordinary election with a view to producing a determination two months before the election, such determination to have effect from the beginning of the new Assembly. Ordinary elections to the Assembly are held once every four years. The body will also be empowered to meet and produce a determination as soon as practicable in the event of any other election and also as soon as practicable after the body is initially established.
18. The determination of the body would be binding and would not be voted on by the Assembly or Northern Ireland Assembly Commission. The body will, however, be required to present its determination to the Northern Ireland Assembly Commission and to make the determination public.
19. The body will be required to keep under review the following matters:
 - experience gained from the operation of its determinations;
 - changes in the functions of Assembly Members; and
 - any other relevant changes in circumstances.

Membership, appointment, tenure, disqualification and termination

20. The Northern Ireland Assembly Commission is proposing a three member body, one of whom will be chair. Members will be appointed by the Northern Ireland Assembly Commission on recommendation from an independent panel in a manner which maximises public confidence in the body and which is fully consistent with the Office of the Commissioner for Public Appointments in Northern Ireland (OCPANI) best practices.
21. Terms and conditions of members will be determined by the Northern Ireland Assembly Commission.
22. Members of the Assembly, candidates for election to the Assembly, and staff of the Northern Ireland Assembly Commission will be disqualified from becoming members of the body. The Northern Ireland Assembly Commission is also considering widening the range of disqualifications to include, for example, councillors, council officials, Members' staff and employees of political parties.

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23. It is proposed that appointments will be made for a five year period with members serving a maximum of ten years on the body. Members seeking reappointment will be considered along with all others for positions in an open appointment process which, as stated above, will be designed to maximise public confidence in the body.
 24. Termination of membership of the body will result from: expiry of term; resignation; or becoming disqualified. The Northern Ireland Assembly Commission is also proposing that it may terminate membership of the board.

Budget, Governance and Administration

25. Given the small scale of the activity proposed for the body, it is proposed that it will be treated as an independent body but that its budget will be dealt with within the budget voted upon in respect of the allocation of funds to the Northern Ireland Assembly Commission under Annual Budget Acts.
26. It is proposed that members of the body should be obliged to adhere to a code of conduct and disclose their interests.
27. It is proposed that the body should have the power to obtain external professional support if necessary.

CONSULTATION QUESTIONS

In order to inform its further development, the Northern Ireland Assembly Commission would welcome your views on the proposal to establish an independent statutory body to determine Members' pay, pensions and financial support. In particular, the Northern Ireland Assembly Commission is seeking views on the following:

Is there a need for the Northern Ireland Assembly Commission to establish such an independent body?

In order to instill public confidence, do the Northern Ireland Assembly Commission's proposals sufficiently ensure the independence and accountability of the independent statutory body?

In considering these questions it would be helpful if you could comment on the following:

- *the functions and determinations of the body;*
- *the objectives of the body;*
- *method of appointment to and membership of the body;*
- *tenure of members on the body;*
- *disqualification from membership of the body;*
- *termination of membership of the body; and*
- *governance and budget arrangements for the body.*

When addressing these issues, it would be helpful if you could be as specific as possible about the proposals and explain, where appropriate, the reasons behind your agreement or disagreement with a proposal.

The proposal to establish the body has been screened in line with the requirements of section 75 of the Northern Ireland Act 1998 and Annex 1 contains the responses to the screening questions. These responses indicate that the policy does not have a significant impact on equality of opportunity and, therefore, does not require an equality impact assessment. Nevertheless, the screening exercise highlighted the opportunity to better promote equality of opportunity or good relations through consideration of designation of the independent statutory body as a public authority under section 75. Comments on this or other ways in which the policy could be developed to better promote equality of opportunity or good relations are welcome.

Views on the proposals contained within the consultation document can be submitted by e-mail to: commission@niassembly.gov.uk or by post to the address below:

The Commission Support and Compliance Unit
Northern Ireland Assembly
Parliament Buildings
Ballymiscaw
Stormont
Belfast
BT4 3XX

If you do not have access to internet or e-mail facilities, require this document in an alternative format, or if you have any other enquiries please contact the Commission Support and Compliance Unit on (028) 905 21930 or (028) 905 21992

The closing date for submissions is **Tuesday 31st August 2010.**

ANNEX 1 – SECTION 75 EQUALITY SCREENING

NI ASSEMBLY COMMISSION

POLICY SCREENING

Background

Under Section 75 of the Northern Ireland Act 1998, the NI Assembly Commission is required in carrying out its functions to have due regard to the need to promote equality of opportunity:

- between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- between men and women generally;
- between persons with a disability and persons without; and
- between persons with dependants and persons without.

Without prejudice to the obligations set out above, the Commission is also required in carrying out its functions to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion, and racial group.

Screening

The screening procedure should lead to one of two conclusions:

- The policy being screened does not have a significant impact on equality of opportunity and therefore does not require an EQIA.
- The policy being screened has (or is likely to have) a significant impact on equality of opportunity and may require an EQIA.

Scoping the Policy

Title of policy to be screened:

Introduction into the Assembly of a bill to establish an independent statutory body to determine pay, pensions and financial support for Members of the Northern Ireland Assembly.

Brief description of policy to be screened:

The Northern Ireland Assembly Commission proposes that an Independent Statutory Body (the body) is established to determine Members' pay, pension, and financial support.

Aims of the policy:

- *To ensure probity, accountability, value for money and transparency with respect to the expenditure of public funds;*
- *To provide Assembly Members with a level of remuneration which (i) fairly reflects the complexity and importance of the functions they are expected to discharge (ii) does not, on financial grounds deter persons with the necessary commitment and ability from seeking election to the Assembly; and*
- *To provide Assembly Members with adequate resources to enable them to discharge their functions.*

Who is responsible for devising and implementing the policy?

The Northern Ireland Assembly Commission is the corporate body of the Northern Ireland Assembly. It has responsibility, under Section 40 of the Northern Ireland Act 1998, to provide the Assembly, or ensure that the Assembly is provided with the property, staff and services required for the Assembly to carry out its work. The Northern Ireland Assembly Commission will, therefore, be responsible for introducing legislation into the Northern Ireland Assembly to establish the body. The Northern Ireland Assembly itself, however, will enact the legislation. The Assembly is not itself a public authority for the purposes of section 75.

Under the current proposals, The Northern Ireland Assembly Commission will, on recommendation from an independent panel, be responsible for appointing Members to the independent statutory body, and for determining their terms and conditions.

Once established, the body will be responsible for determining the pay, pensions and financial support for Members of the Northern Ireland Assembly. The Northern Ireland Assembly Commission will, however, continue to administer payments to Members.

**Is the policy applied uniformly throughout the NI Assembly Commission?
If NO, what are the consequences?**

Yes

Who are the main stakeholders in relation to the policy?

- *Members of the Northern Ireland Assembly*
- *The Northern Ireland Assembly Commission and secretariat staff*
- *Members of the public*
- *Other related parliamentary bodies*

What factors/forces could contribute/detract from the aim or implementation of the policy?

The timescale for the progress of the Bill establishing the body will need to be strictly adhered to, as any variance could affect the passage of the Bill. The body itself will need to have access to sufficient financial and human resources to enable it to achieve its objectives.

Which other policies are related to this policy?

The Northern Ireland Assembly's Committee on Standards and Privileges has recently published its 'Report on the Committee Inquiry on enforcing the Code of Conduct and Guide to the Rules Relating to the Conduct of Members and the Appointment of an Assembly Commissioner for Standards'. In this report, the Committee recommends that the role of the Assembly Commissioner for Standards should be set out on a statutory basis. Establishing the Assembly Commissioner for Standards on a statutory basis, together with the creation of an independent statutory body to determine pay, pensions and allowances represent significant reforms to ensure probity, accountability, value for money and transparency in the use of public funds.

How do we interface with other bodies in relation to implementation of this policy?

The body once established will independently determine Members' pay, pensions and financial support.

The Northern Ireland Assembly Commission will also be required to operationalise the decisions of the body and reflect these in the Members' Handbook. The Northern Ireland Assembly Commission will interface with the

Commissioner for Public Appointments to ensure that appointments are fully consistent with best practice.

The body itself will interface with other related bodies such as IPSA, the National Assembly for Wales Remuneration Board, and the Senior Salaries Review Body. It may also interface with a range of other bodies for benchmarking purposes and for the purpose of obtaining external professional support.

What data are currently available to facilitate the screening of this policy?

The development of this policy and its screening have been supported by information drawn from a range of sources including:

- Consultation with political parties in the Assembly;*
- The development and passage of The National Assembly for Wales 'Proposed National Assembly for Wales (Remuneration) Measure 2010';*
- Consultation responses to the 'Proposed National Assembly for Wales (Remuneration) Measure 2010';*
- The development and passage of the Parliamentary Standards Act 2009, which established IPSA;*
- The equality screening report relating to the establishment of IPSA and a new expenses scheme for MPs and*
- Reports published by the Senior Salaries Review Body.*

1. Is there any evidence of higher or lower participation or uptake by different groups? If so please indicate below.

Category	Yes	No	Not known
Religious belief		x	
Political opinion		x	
Racial group		x	
Age		x	
Marital status		x	
Sexual orientation		x	
Gender		x	
Disability		x	
Dependency		x	

Please comment:

Uptake of pay, pensions and allowances is limited to Members, past and present, of the Northern Ireland Assembly. If, when established, the independent statutory body falls within the definition of public authority for the purposes of section 75 of the Northern Ireland Act 1998 it would be required to undertake screening of its own policies.

A number of groups, such as Members of the Assembly, will be disqualified from membership of the body. The Northern Ireland Assembly Commission is consulting on the disqualifications and will screen the disqualification policy in line with section 75 requirements.

The Northern Ireland Assembly Commission will also determine the terms and conditions of members of the body and these will also be screened as part of the policy development process.

2. Is there any indication or evidence that different groups have different needs, experiences, issues and priorities in relation to this policy issue?

Category	Yes	No	Not known
Religious belief		x	
Political opinion		x	
Racial group		x	
Age		x	
Marital status		x	
Sexual orientation		x	
Gender	✓		
Disability	✓		
Dependency	✓		

Please comment:

There is evidence that the categories of 'dependency', 'disability' and 'gender' may have an impact on pay. The terms and conditions of members of the body have yet to be agreed. The Northern Ireland Assembly Commission will, therefore, at a later date screen policies relating to the terms and conditions of membership of the body.

If, when established, the body falls within the definition of public authority for the purposes of section 75 of the Northern Ireland Act 1998, the body will be

responsible for screening how its policies may impact on all section 75 categories including dependents, disability and gender.

3. In relation to implementing this policy, is there an opportunity to better promote equality of opportunity or good relations by altering the policy or by working with others in Government or in the wider community?

Yes No

Please elaborate:

This policy is limited in scope, as it relates only to the Northern Ireland Assembly Commission's initiative to establish the independent statutory body.

It is recognised, however, that related policy issues such as the terms and conditions of membership of the body and the determinations of the body itself may present opportunities to better promote equality of opportunity or good relations.

As a body designated under section 75 of the Northern Ireland Act 1998, the Northern Ireland Assembly Commission will screen the related policies for which it has responsibility to identify any such opportunities.

It is proposed that the most effective way to ensure consideration is given to the promotion of equality of opportunity or good relations by the body itself is through ensuring that it is included within the definition of public authority for the purposes of section 75 of the Northern Ireland Act 1998.

4. Have consultations with relevant groups, organizations or individuals indicated that policies of this type create problems that are specific to them?

Category	Yes	No	Not known
Religious belief		x	
Political opinion		x	
Racial group		x	
Age		x	
Marital status		x	
Sexual orientation		x	
Gender		x	
Disability		x	
Dependency		x	

Please comment:

Initial consultation, which was undertaken with political parties, did not highlight any problems relating to any of the section 75 categories. Further consultation of both a general and targeted nature will take place on this policy before legislation to establish the body is introduced into the Assembly.

The Consultation responses to the 'Proposed National Assembly for Wales (Remuneration) Measure 2010' did not appear to reveal any significant problems relating to any of the section 75 categories.

The equality screening document relating to the establishment of IPSA and a new expenses scheme for MPs identified a range of factors which potentially affect diversity of representation amongst MPs but noted that IPSA itself had no power to determine any of these factors.

Any equality issues addressed or recognised through this, or relevant future screening exercises, which may not be within the power of the Assembly Commission to address, will be referred to the relevant authority (e.g. the independent statutory body).

5. Is there a better opportunity to encourage participation in public life across the nine categories?

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Please elaborate:

The Northern Ireland Assembly Commission is proposing a three member body, one of whom will be chair. Members will be appointed by the Northern Ireland Assembly Commission on recommendation from an independent panel in a manner which maximises public confidence in the body and which is fully consistent with the Office of the Commissioner for Public Appointments in Northern Ireland (OCPANI) best practices.

6. With reference to Questions 1 to 5 please summarise how you believe the policy may impact on the NI Assembly Commission's obligation to have due regard to the need to promote equality of opportunity.

See responses above.

7. What data do you believe will be required to ensure effective monitoring of the policy following implementation?

The Assembly Commission will seek to monitor the composition of members of the body.

The body, if it is included within the definition of public authority for the purposes of section 75 of the Northern Ireland Act 1998, will adhere to any relevant monitoring requirements.

8. In the context of Question 4 are there any relevant groups which you believe should be consulted at this time? Please specify.

- *Members;*
- *Northern Ireland Assembly Commission;*
- *General public; and*
- *Other related parliamentary bodies*

9. Any other comments on the policy and/or screening exercise?

10. On the basis of answers to Questions 1 to 4 above (and in particular positive answers), do you recommend that the policy should be subjected to a full impact assessment?

Yes No

Please elaborate
