

**INDEPENDENT FINANCIAL REVIEW PANEL**

**CONSULTATION ON MEMBERS’ SALARIES AND OFFICE HOLDER ALLOWANCES**

**Deadline for responses:**

**5 pm on FRIDAY 29 MAY 2015**

**A copy of this consultation document can be accessed on the IFRP website (**[**www.ifrp.org.uk**](http://www.ifrp.org.uk)**), by email (**[**info@ifrp.org.uk**](mailto:info@ifrp.org.uk)**) or by writing to the IFRP at:**

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**The Consultation Document can be made available in large type on request.**

**Friday 27 March 2015**

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**NORTHERN IRELAND ASSEMBLY MEMBERS’ SALARIES AND OFFICE HOLDER ALLOWANCES**

**CONSULTATION DOCUMENT**

**Foreword**

The Independent Financial Review Panel (‘the Panel’) was established in July 2011 to independently set the pay, allowances and pensions of Members and office holders of the Northern Ireland Assembly (‘the Assembly’). Our remit includes a range of subjects, for example:

* Members’ Salaries;
* Additional Allowances paid to office holders within the Assembly and Executive (e.g. Ministers, Committee Chairs, the Speaker, etc.);
* Pensions;
* Office Costs Allowance paid to Members to support their work in constituencies; and
* Travel expenses.

The Panel publishes a Determination setting out its assessment of what monies should be paid to Members and any restrictions on how they can be paid or spent. We normally only publish one Determination per Assembly Mandate. Once the Panel publishes its Determination, Members have no right of appeal. Enforcement of the rules in the Determination is a matter for the Northern Ireland Assembly Commission (‘the Commission’) which incorporates them into a Handbook for Members setting out detailed financial controls.

We are now starting to develop our Determination for the next Assembly which is scheduled to begin in May 2016. It is our intention to publish this well in advance of the start of the new Assembly so all existing and prospective Members and those who might consider running for election to the Assembly can see what will be available to them should they be successful.

In developing its Determination the Panel is required by law to:

* Secure for Members a level of remuneration which fairly reflects the complexity and importance of their functions and does not, on financial grounds, deter people with the necessary commitment and ability from seeking election to the Assembly;
* Secure for Members adequate resources to enable them to exercise their functions as members of the Assembly; and
* Ensure probity, accountability and value for money with respect to the expenditure of public funds.

In order to inform our deliberations, we carry out research into the way in which monies paid to Members are used. As part of that process we look at external benchmarks and undertake a number of consultation exercises.

We are currently analysing the results of our first threeconsultation exercises which were in relation to the Assembly Members’ Pension Scheme, Assembly Members’ Constituency Office Costs and the employment of Assembly Members’ staff. The Panel has also initiated a short 4 week consultation on Prior Disclosure which closed on the 27 March 2015.

This, our fifth consultation, focuses on the salaries of Members and allowances paid to office holders of the Assembly.

We would be very grateful if you would respond to this consultation exercise and help us to ensure that the monies from the public purse are used appropriately and effectively, that the expenditure represents value for money, and importantly that Members have sufficient resources to fulfil their responsibilities to their constituents.

**PATRICK MCCARTAN CBE, Chairman, Independent Financial Review Panel**

**DR HENRIETTA CAMPBELL CB, Panel Member**

**ALAN MCQUILLAN OBE, Panel Member**

**BACKGROUND AND CURRENT POSITION RELATING TO MEMBERS’ SALARIES AND OFFICE HOLDER ALLOWANCES**

**Introduction**

1. This consultation focuses upon issues relating to the salaries that will be paid to Members and allowances paid to office holders in the next Assembly.
2. Currently, Members’ salaries are paid in accordance with the Northern Ireland Assembly Members’ Salaries, Allowances, Expenses and Pensions Determination 2012 (‘the 2012 Determination’), as amended by the Northern Ireland Assembly (Members’ Salaries and Allowances) Determination 2014 (‘the 2014 Determination’), effective from 1 April 2015. The 2014 Determination was made under exceptional circumstances to set the salaries and allowances payable to Members for the additional year of the current Assembly up until April 2016. At that point the Panel made no change to Members’ salaries and level of office holder allowances payable for the remaining year of this Assembly.
3. The current position is therefore that the core salaries and allowances paid to Members are based upon the original Determination of the Panel published in 2011.

**Remuneration of Members**

1. The core remuneration paid to Members consists of a number of components, which include:

* Their basic salary; and
* Allowances paid to various Members who hold specific additional responsibilities within the Executive and Assembly (‘office holders’) e.g. Ministers, Committee Chairs, The Speaker, etc. A full list of the current allowances is at Annex A.

1. As outlined in the Report of the Panel in March 2012[[1]](#footnote-1) and subsequently detailed in the 2012 Determination as from time to time amended, the Panel sought to develop a clear pattern of remuneration for office holders that:

* was based upon the evidence from its research and comparison with other similar institutions in the UK;
* fairly rewarded office holders for their responsibilities and workloads;
* created a clear hierarchy of allowances based upon our assessment of the relative weight of each role. These were developed from the evidence gathered at that time, discussion with Members and some office holders and other sources;
* protected and enhanced the Assembly in its role of holding the Executive to account through a clear focus on fair remuneration for certain posts which, in the Panel’s assessment, played critical roles in this vital process; and
* fairly recognized those posts where the responsibility and workload is vested in a single individual in comparison to those posts where responsibilities are shared across several individuals.

Further detail on the salaries and allowances paid to Members can be accessed at:

<http://www.niassembly.gov.uk/your-mlas/members-salaries-and-expenses/>

**The Approach to Setting Members’ Salaries in the 2012 Determination**

6. When the Panel first looked at Members’ salaries in 2012, change was clearly long overdue. The Assembly had previously held responsibility for setting Members’ pay and allowances. Not only was this seen publicly as an unhealthy situation, but political pressures at that time had meant that Members had not had any rise in their core pay for almost 11 years.

1. The Panel’s approach then was to undertake a ‘triple benchmarking’ exercise looking at Members’ responsibilities and pay in comparison to similar posts in:

* other Legislative Bodies in the UK and Ireland;
* the public sector in Northern Ireland; and
* the private sector in Northern Ireland.

8. The Panel also commissioned and utilised an independent remuneration benchmarking exercise by PricewaterhouseCoopers[[2]](#footnote-2) to compare the salaries of Assembly Members with a range of salaries and rewards for comparable occupations in both the public and private sectors in Northern Ireland. This then led to the award of a core salary for Members of £48,000, an increase of 11.36% on the previous provision. The Panel also looked at the relative responsibilities of the office holders in the Assembly and, again based on benchmarking data, set out a pattern of new allowances for the various post holders.

**Setting Members’ salaries in the next Assembly**

1. In considering how to set Members’ salaries in the next Assembly, the Panel has determined to adopt a similar approach but using the most current available data from publicly available sources. Given its statutory remit, the Panel has also sought to develop a model for pay and allowances that:

* is fair for the responsibilities and workload inherent in the various posts;
* will not deter individuals from a career in politics; and
* will deliver value for money in the context of a period of particular austerity in public finances and where the affordability of any changes is a critical factor.

1. The Panel selected a number of methods to compare Members’ base salary with earnings in Northern Ireland occupations with a broadly similar level of responsibility. In particular it:

* researched NI earnings levels and changes from 2011[[3]](#footnote-3) as evidenced in the Annual Survey of Hours and Earnings (ASHE);
* compared pay and grades in a wide range of public sector occupations; and
* Conducted a role relativities and pay comparison exercise with the other UK and Irish Legislatures.

In utilising these sources, the Panel were also careful to take account of any known error limits in them.

1. It was also important to consider the way in which Members’ salaries had fared in comparison with earnings in the labour market from which they are drawn. The following table sets out how the salaries of Members, Members of other legislatures and NI Median Earnings have changed in the last 5 years.

**Table 1 Members’ Salaries: 2007-2015**



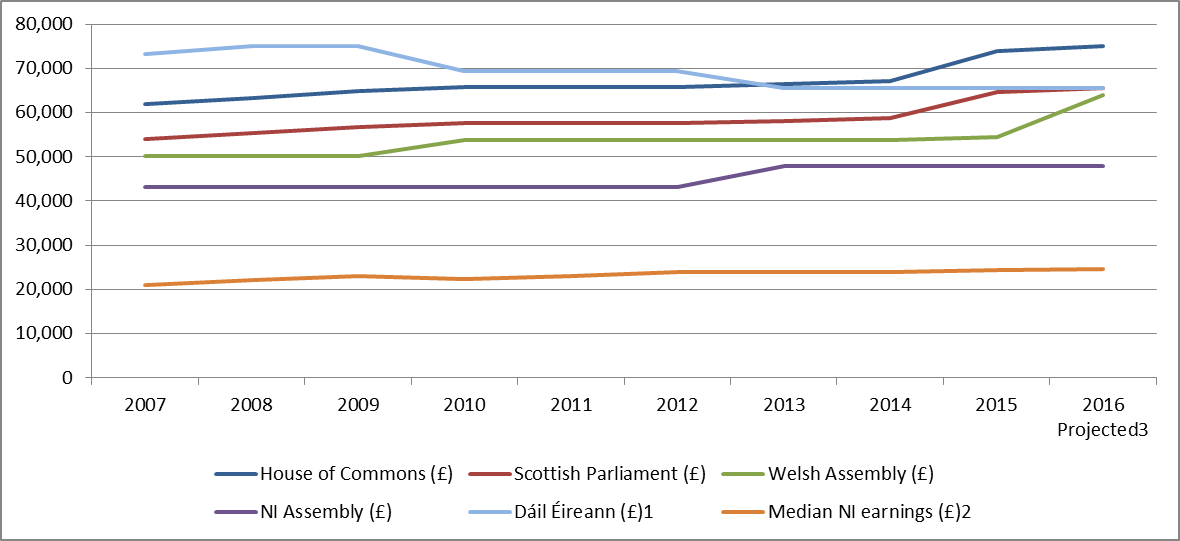
***Notes:***



***Sources:***



1. The graph below further shows the relevant movement of each of these salaries over the last 10 years.

****



1. Although the Panel notes that the salary increase for Members in 2012 was awarded after a long period of no salary increase, over the last 5 years the percentage rise in Members’ pay has been broadly comparable to the other legislatures in the UK and Ireland and the rise in Northern Ireland Median Earnings.
2. In determining the future levels of pay for Members, the Panel also has to have regard to similar posts in other legislative bodies and also the costs of politics borne by the public purse. This is especially relevant as we enter a period of significant reductions in public spending in real terms, with reductions in the size of the public sector and a renewed emphasis on efficiency and value for money. The Panel are very aware that this is an area where comparisons are sometimes difficult and where there can be no absolute measures but Table 2 below provides some useful indicators between the relative costs of Members’ salaries per head of population in the various parliamentary bodies.

**Table 2 - 2015 Members’ Salaries: Comparison between Legislatures**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Members’ Salaries (2015)** | **% of MP Salary\*** | **Population (‘000)2** | **No. of Members** | **Total Member Salaries3 per head of population (£ per head)** |
| **House of Commons** | 74,000 | 100.0 | 64,105.7 | 650 | 0.75 |
| **Scottish Parliament** | 64,750 | 87.5 | 5,327.7 | 129 | 1.57 |
| **National Assembly of Wales** | 54,390 | 73.5 | 3,082.4 | 60 | 1.06 |
| **Dáil Eireann1** | 65,444 | 88.4 | 4,593.1 | 166 | 2.37 |
| **Northern Ireland Assembly** | 48,000 | 64.9 | 1,829.7 | 108 | 2.83 |

Notes:

1. Comparisons with Dáil based on rate of exchange at 31 January 2015 (1Euro=£0.75)
2. 2013 population estimates (latest available)
3. Salary per head times number of Members (excludes office holder and other allowances, expenses, etc.)
4. The information above clearly indicates that at the end of the current Assembly, and after the implementation of the May 2015 pay award for MPs in Westminster, a Member will be earning 65% of an MP’s salary. It can be noted that Members of the Northern Ireland Assembly’s salaries are significantly greater per head of population than elsewhere. There will always be some diseconomies of scale in a smaller jurisdiction but in terms of cost per head of population, Members’ salaries in Northern Ireland are:

* 3 times greater than an MP in Westminster;
* 2 times greater than an MSP in the Scottish Parliament;
* 1.5 times greater than AM in the National Assembly of Wales; and
* 2 times greater than a TD in DáilEireann.

16. To some extent this level of provision has been recognised by the political parties and Governments and it has been agreed to reduce the number of Members from 108 to 90, a reduction of 17%. However, the Panel notes that this will not take place until the end of the next Assembly and even then will only go part of the way towards reducing what is clearly a significant imbalance in costs that will continue throughout the next Assembly.

17. In setting the future salaries of Members, the Panel also wants to have strong regard to issues of affordability and the likely changes in patterns of salary over the 5 years of the next Assembly, starting in 2016. This in effect means that we have to try and forecast some 6 years ahead. In that context we have considered the most up to date information on the likely level of inflation over that period. Recent data from the Bank of England[[4]](#footnote-4) has suggested that the Consumer Price Index measure of Inflation is likely to:

* fall further in the near term, and could temporarily turn negative; and
* return to the 2% target within two years.

18. In the Panel’s judgement, this is likely to mean that upward pressures in wage levels, generally at a national level are likely to be contained over the period of the next Assembly. In Northern Ireland, where the public sector has historically been such a major part of the economy, the full impact of planned spending cuts has yet to be seen, but in our view, in the short to medium term is likely to constrain wages still further.

**Affordability**

19. There is then the further issue of affordability of salaries over the next Assembly. All Members’ salaries and expenses are paid by the Commission on the basis of a budget provided by the Executive. At this stage there is considerable downward pressure over the period 2015-2016 and beyond.

20. This poses a particular challenge for the Secretariat[[5]](#footnote-5) and the Commission. The pie chart below shows that Members’ salaries represent 19.1% of the Commission’s total Departmental Expenditure Limit (‘DEL’) Resource Allocation for 2014-15. Any increase in Members’ salary costs means that all those increases and the entire burden of any cut on the remainder of the budget have to be borne out of other parts of the budget, which include:

* Members’ expenses and the costs of providing their support staff and offices in constituencies; and
* the cost of running, staffing and servicing the Assembly in Parliament Buildings.

**Preliminary Views on Members’ Salaries in the Next Assembly**

21. The Panel has been reviewing all these issues and has come to some preliminary views. We stress that these are not final decisions and that this is an open consultation process where we wish to hear and consider the views of all interested parties before we make any final decisions. However, at this stage it is our assessment that:

* the increase in Members’ salaries over the last 5 years has been fair in comparison to other legislative bodies and the general pattern of NI Median salaries;
* Members are now paid around 2 times the median earnings in Northern Ireland. The Panel believes that given the nature and scope of a Member’s role, that it is probably about the correct level to attract people of the right quality into politics;
* The Panel is very conscious that the cost per head of population for Members is significantly higher than any other UK or Irish Legislature and that no significant reform of this is contemplated for the next 6 years. Even if what is proposed is enacted for the 2021 Mandate, the overall costs of Members in Northern Ireland will remain significantly above every other Parliament or Assembly;
* The budgetary cuts now faced by the Government of Northern Ireland are significant and we believe that Members will wish to show leadership in the management of public finances. The Panel is very conscious that when we increased Members’ salaries in 2011 there was significant criticism of this from political parties represented in the Assembly, although in the end all Members have now accepted the pay rise;
* The financial pressures faced by the Northern Ireland Block Grant now are significantly worse than in 2011;
* At this stage the Panel is minded to make a Determination on the basis that Members’ salaries will remain at £48,000 for the next Mandate. This does not preclude the IFRP or any successor body from reviewing salary levels and allowances should they believe that exceptional circumstances exist at some point during the new Mandate; and
* In making this proposal we are conscious that what we do now will have an effect not just next year but over a 5 year period thereafter. Over that period, the best information available to us suggests that after a short period of inflation close to zero as measured by the Consumer Price Index, it is expected to revert to a 2% target within two years.

**Consultation Question 1**

**Do you agree with the Panel’s proposal that Members’ salaries should remain at £48,000 for the next Mandate?**

**YES NO**

**Consultation Question 2**

**Do you believe that a Member’s salary should be indexed e.g. to growth in NI Median earnings, an MP’s salary, CPI or should there be some other link?**

**YES NO**

***If you do not agree, please use the space below to indicate what level you think Members’ pay should be set at. Please also indicate any further views you may have on indexing Members’ salaries?***

**ALLOWANCES FOR OFFICE HOLDERS**

22. The next major component of Pay is the issue of allowances paid to holders of specific offices in the Assembly. The current levels and numbers of these are set out at Annex A.

23. The intention of these allowances is to reward Members for the work done in carrying the additional responsibilities of their office. In some cases these are clearly major and onerous responsibilities. Allowances are paid to a wide range of post holders including Ministers, Junior Ministers, the Speaker, deputy Speakers and Commission members. In developing the level for these allowances in its 2012 determination, the Panel had regard to the relativities of these posts to various other benchmarks as shown on the table below:

**Table 3: Role Relativities – Westminster, Edinburgh, Cardiff, Dublin and Belfast – as collated in March 2015.**



24. Table 4 provides a comparison of Members’ office holder allowances as compared to Members of other legislatures in the UK and Ireland. The latest comparable information available for office holder allowances is for 2014. More information on the role of office holders can be accessed using the following links: <http://www.niassembly.gov.uk/>

<http://www.northernireland.gov.uk/>

**Table 4: Members’ Office Holder Allowances (April 2014)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Northern Ireland Assembly** | **Scottish**  **Parliament** | **National Assembly for Wales** | **House of Commons** | **Dáil Eireann1** |
| **First Minister** | **72,000** | 85,002 | 80,870 | 75,440 | 73,,569 |
| **Minister** | **38,000** | 44,097 | 41,949 | 67,505 | 52,712 |
| **Junior Minister** | **12,000** | 27,622 | 26,385 | 31,680 | 25,786 |
| **Speaker** | **44,000** | 44,097 | 41,949 | 75,766 | 52,712 |
| **Deputy Speaker** | **9,000** | 27,622 | 26,385 | 41,370 | 25,786 |
| **Member of Commission** | **6,000** | 0 | 12,420 | 0 | 6,555 |
| **Committee Chair** | **12,000** | 0 | 12,420 | 14,876 | 6,555 |

Note: Comparisons with Dáil based on rate of exchange at 31 January 2015(1Euro=£0.75)

25. Tables 5 below provides a comparison of Members’ salaries as compared to Members of other legislatures in the UK and Ireland when office holder allowances are included.

**Table 5: Member Salaries including Office Holder Allowances (April 2014)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Northern Ireland Assembly** | **Scottish**  **Parliament** | **National Assembly for Wales** | **House of Commons** | **Dáil Eireann1** |
| **First Minister** | 120,000 | 143,680 | 134,722 | 142,500 | 139,013 |
| **Minister** | 86,000 | 102,775 | 95,801 | 134,565 | 118,155 |
| **Junior Minister** | 60,000 | 86,300 | 80,237 | 98,740 | 91,229 |
| **Speaker** | 92,000 | 102,775 | 95,801 | 142,826 | 118,155 |
| **Deputy Speaker** | 57,000 | 86,300 | 80,237 | 108,430 | 91,229 |
| **Commission Member** | 54,000 | 58,678 | 66,272 | 67,060 | 71,999 |
| **Committee Chair** | 60,000 | 58,678 | 66,272 | 81,936 | 71,999 |
| **First Minister** | 48,000 | 58,678 | 53,852 | 67,060 | 65,444 |

**Future of Allowances**

26. The Panel is aware that when we were first established it was part way through an Assembly and a lot of the focus at that stage had to be on setting the correct base pay for Members. For the next Assembly we also wish to look in detail at the level of allowances to current Office Holders.

27. In addition to considering a general reduction in all Office Holder allowances, the Panel is also seeking your views based on the current allowances regime as detailed in Table 4 on page 16 of this document. The following questions address each of the allowances separately.

**First Minister and deputy First Minister**

28. These posts are clearly the most critical and important in the Assembly. They carry very high burdens in terms of making politics, the Executive, and the Assembly, work and have high personal workloads. At this stage the Panel considers that in relative terms they are fairly rewarded for the posts that they hold.

**Consultation Question 3**

Do you agree that the current allowance for First and deputy First Minister, as detailed in Table 4, should remain at £72,000 for the next Mandate?

**YES NO**

***If you do not agree, please use the space below to indicate at what level you think the allowances should be set and why?***

**Ministers**

29. In its 2012 Determination the Panel set the level of allowance for all Ministers at the same level. We are also very conscious that the First and deputy First Minister have just announced proposed changes to the number of Ministers that will result in a significant reduction in the numbers and increase in individual workloads. These changes are expected to take effect from the start of the next Mandate.

30. At the point of publishing this consultation we cannot see the exact figures for the size of the new Departments and their budgets / staffing levels etc. During the period from our last Determination, we have been very conscious that:

* there is a strong view within the Assembly that all Ministers are of equal status and should be paid the same salary; and
* while we accept that constitutionally all Ministers may carry the same weight within the Executive, at the same time we cannot help but note that there are radical differences between the size and scope of the different ministerial briefs and their importance to people in Northern Ireland. Logically that should have an impact on Ministerial salaries.

31. Now that information is available on the details of the new Departments[[6]](#footnote-6), the Panel will wish to look at Ministerial Allowances to determine if all Ministers should still be paid the same allowances or Ministers should be paid on a 2 or even 3 point scale determined by the size of their Department and scale of the budget in accordance with the oral statement provided by OFMDFM relating to the reduction in the number of Northern Ireland Civil Service Departments.

**Consultation Question 4**

Do you consider that all Ministers should continue to be paid the same allowance of £38,000 as detailed in Table 4 or should allowances be banded according to, for example, the overall size and budget of their Department? *(Please tick one box)*

* It is my view that Ministers’ allowances should remain

unchanged for the next Assembly

* It is my view that Ministers’ allowances should be incorporated

into a scale dependent on the size of the Department and

budget for which they hold responsibility.

***Please use the space below to indicate at what level you think the allowances should be set and why?***

**Junior Ministers**

32. The Panel is also considering the role and responsibilities of Junior Ministers, particularly arising from the oral statement provided by OFMDFM where a number of current responsibilities from OFMDFM are to be distributed to other Departments, thus reducing the scope of OFMDFM.

33. There are two Junior Minister positions at OFMDFM. Junior Ministers assist the First Minister and deputy First Minister in carrying out the work of their department. They are jointly accountable to the First Minister and deputy First Minister. In preparing their original determination in 2012, the Panel found some difficulty in determining the exact role of the Junior Ministers.

34. We are conscious that the Office of the First Minister and deputy First Minister is managed directly by the First and deputy First Ministers who each already have a number of Special Advisers to assist them in those roles.

35. We were therefore concerned that we could not clearly see any role for the Junior Ministers that was not essentially a political role as opposed to one directly related to the function of the Assembly. Given the information available to us at that point we therefore made a significant cut in the Allowance for Junior Minsters.

36. We are very clear that the structure of Junior Ministers’ roles is not a matter for our Panel and we do not wish to intrude on this in any way. However, we are charged with a duty to ensure that roles attracting allowances are paid fairly and that such payments represent value for money. At this point, given the lack of clarity on the exact roles of these posts, the Panel is considering if the roles of Junior Minister warrant the payment of any allowance.

**Consultation Question 5**

Do you consider that the post of Junior Minister warrants the payment of a £12,000 Allowance?

**YES NO**

***If you agree, please use the space below to indicate on what basis you consider that such an allowance should be paid and for what responsibilities?***

**Speaker, Principal Deputy Speaker and Deputy Speakers**

37. The Speaker plays a critical role in the effective operation of the Assembly and in supporting the role of MLAs and Committees in holding the Executive to account. In its last determination, the Panel set the allowance for this post at £44,000, giving the post a salary above that of a Minister.

**Consultation Question 6**

Do you consider that the Speaker should be paid the same allowance of £44,000 for the next Assembly?

**YES NO**

***If you do not agree, can you indicate at what level you consider appropriate and why?***

38. The Principal Deputy Speaker and Deputy Speakers are also paid an allowance set at £9,000 per annum. Looking at this allowance in comparison to numbers and the overall responsibilities of these posts and having regard to the allowances of other posts, the Panel is considering a flat rate allowance set at a lower level – e.g. £6,000 per annum.

**Consultation Question 7**

**Do you consider that Deputy Speakers should be:**

***(please indicate your answer by ticking one box)***

Paid the same allowance for the next Assembly

Paid a flat rate allowance at a lower level

***Please use the space below to indicate your further views on the amount of allowance payable to a Deputy Speaker:***

**Committee Chairs**

39. Committee Chairs play a vital role in the Assembly. Committees are important for the scrutiny of proposed legislation and for holding the Executive to account on a wide range of issues. In its 2012 Determination the Panel set the allowance for Statutory Committee Chairs and the Chair of the Public Accounts Committee at £12,000 to reflect those responsibilities.

40. However, the same arguments on the overall scope of the responsibilities for Ministers can also be said to apply to Committees. In the current Assembly some carry the most onerous and important burdens and others perhaps less so. The structure and scope of the work of the Committees will also change with the change in the number of Departments and the impact of this is not yet absolutely clear.

**Consultation Question 8**

Do you consider that the allowance currently paid to Chairs for Statutory Committees and the Chair of the Public Accounts Committee should remain unchanged or should the allowance be banded according to, for example, the overall size and budget of the relevant Department? *(Please tick one box)*

* It is my view that allowances paid to the Statutory Committee

Chairs and the Chair of the Public Accounts Committee

should remain unchanged for the next Assembly

* It is my view that allowances paid to the Statutory Committee

Chairs and the Chair of the Public Accounts Committee should

be incorporated into a scale dependent on the size of the Department and budget which they scrutinise or the importance of the Public Accounts Committee.

41. In addition to the twelve Statutory Committees, the Assembly also has six Standing Committees. At present, an allowance is only paid to Chairs of Statutory Committees and the Chair of the Public Accounts Committee and not to Chairs of Standing Committees.

**Consultation Question 9**

Do you consider that a Chair of a Standing Committee within the Assembly should be paid the same allowance as a Chair of a Statutory Committee?

**YES NO**

***If you agree, please use the space below to indicate on what basis you consider that such an allowance should be paid and for what responsibilities?***

**Commission Members**

42. The Commission is the corporate body of the Assembly and is responsible for the provision of the property, staff and services to support the effective operation of the institution. The Commission, chaired by the Speaker, is where senior representatives of the five main parties come together to ensure the smooth running of Assembly business. It is a vital component of the management structure within the Assembly itself. The Assembly Commission as a Corporate Board has a responsibility of a £38m Budget to support the effective operation of the Assembly. In its 2012 Determination the Panel set the allowance for a Commission Member at £6,000 to reflect their responsibilities.

**Consultation Question 10**

Do you consider that a Commission Member should be paid the same allowance of £6,000 for the next Mandate?

**YES NO**

***Please use the space below to indicate your further views on the amount of allowance payable to a Commission Member:***

**General issues in relation to Salaries and Office Holder Allowances**

43. The Panel has also given consideration to the circumstances in which a reduction of salary or allowances payable to Members may be necessary or appropriate. The Panel notes that the Assembly has power under the Northern Ireland Act 1998 to reduce the remuneration payable to Ministers and members of political parties in limited circumstances (section 47A of that Act). The Panel further notes that the Assembly’s standing orders allow the Assembly to impose sanctions on a Member including his or her exclusion from proceedings of the Assembly for a specified period and the withdrawal of rights and privileges, including the rights to salary and allowances. The Panel intends that its proposals on salaries and allowances will complement these existing powers.

**Absence of Members from the Assembly**

44. A further issue that has arisen during the current Assembly is the question of continuing the salaries of Members who are absent from the Assembly or from their entire duties as a Member for a period of time. At present, once a Member is elected to the Assembly, they are generally paid a flat rate salary for their entire term of office

**Members who are unable to attend the Assembly because they have been imprisoned or remanded in custody pending a trial**

45. This has never happened in Northern Ireland but has occurred elsewhere and has given rise to public concern. The Panel has noted that the Scottish Parliamentary Corporate Body responded to this matter by bringing forward an amendment to the Scottish Parliament Salaries Scheme. The amendment, which was agreed by the Parliament, provided that for any period during which an MSP was imprisoned, the salary payable to that member would be reduced by 90%. The Panel wishes to consider if a Member, who is charged with a criminal offence and remanded in custody, or convicted of a criminal offence and imprisoned, should continue to be paid their salary and allowances pending the outcome of their trial.

**Consultation Question 11**

Do you believe that a Member who is charged with or convicted of a criminal offence and imprisoned should continue to be paid their **salary** at the full rate?

YES NO

**Consultation Question 12**

Do you believe that a Member/ Office Holder who is charged with or convicted of a criminal offence and imprisoned should continue to be paid their **expenses** at the full rate?

YES NO

***Please use the space below to indicate your further views on the issue of sanctions for Members who are unable to attend the Assembly because they have been imprisoned or remanded in custody pending a trial.***

**Sick Leave**

46. At present there is no concept of sick leave for Members. A Member may remain on sick leave for months with no impact on their pay or allowances. Again there are competing arguments on this. The Member may be too ill to attend the Assembly but be able to perform their other duties as a Member. In the Panel’s view, any system must be fair and support the Member (who has been elected to office) through a period of illness to return to represent their constituents. At the same time we do not believe that this should be open ended. The Panel is therefore considering if some system should be introduced whereby Members have sick pay paid to them for a stepped period if they are off ill for a prolonged time. One comparative model for this is the current system for the Assembly’s own staff who receive:

* full pay for up to 6 months then;
* half pay for a further 6 months; and
* then statutory sick pay.

**Consultation Question 13**

Do you believe that Members who are off sick for a prolonged period of time should recieve sick pay in line with the model above.?

**YES NO**

***If you agree that restrictions should be imposed, can you use the space below to indicate your suggestions on what level of sickness pay protection should be provided:***

**Attendance at the Assembly Generally**

47. At the moment there is no record at all of when Members do and do not attend the Assembly. It is perfectly possible for a Member to be elected and attend very infrequently. Enforcement of attendance is generally regarded as a matter for Party Whips but if, for example, a Member is an Independent, there is no mechanism at all to ensure that they do perform their role in the Assembly as part of their general duties as a Member. It should be noted that this has never been a major issue, but the Panel is considering what can reasonably and proportionately be implemented to minimise any potential future abuse.

**Consultation Question 14**

Do you believe that in order to obtain their full salary, Members should be required to attend the Assembly on a set minimum percentage of sitting days?

**YES NO**

***If you agree, please use the space below to outline any suggestions on how attendance could be measured:***

**NEXT STEPS**

The Panel invites your views on the proposals listed above and any other additional comments which you wish to make.

**Additional Comments**

*Please use this space to include any additional comments you may have on the proposals outlined in this consultation document. Your response and comments will help inform our decisions for our next Determination.*

**Should you wish to respond electronically, please download the consultation proposals by typing or pasting the following link into your internet browser –**

**http://nia1.me/salaries**

**Alternatively you may send your response to:**

**Independent Financial Review Panel**

**Room 241, Parliament Buildings**

**Ballymiscaw**

**Stormont**

**Belfast BT4 3XX**

**E-mail:** [info@ifrp.org.uk](mailto:info@ifrp.org.uk)

**You may wish to note that the names of respondees and, in some cases, the full response, will be published unless you indicate when you submit your response that you do not wish this to happen.**

**Are you content that your information is published?**

**YES NO**

**NAME:**

**ORGANISATION (IF APPLICABLE):**

**ADDRESS:**

*Please note that it is not essential to include your details. You may respond anonymously if you prefer to do so.*

**CONSULTATION RESPONSES**

**The deadline for responses to this consultation is 5PM ON FRIDAY 29 MAY 2015.**

**Responses received after this date may not be considered.**

**DISCLOSURE OF INFORMATION**

The Independent Financial Review Panel may publish, or make available on request, any information provided to it in relation to this consultation exercise. In line with the provisions of the Data Protection Act 1998, information containing personal data will not be disclosed. You should be aware that your response, or an extract from it, may appear in a Report or may be included on a list of evidence submitted. In the event of a request under the Freedom of Information Act 2000, it may be necessary to disclose information which you provide.

If you are providing any information, other than personal data, which you feel is not suitable for public disclosure, you should identify that information and provide a reasoned argument against its disclosure. The Independent Financial Review Panel will take this into account when publishing information or when responding to requests for information.

**CONTACT DETAILS**

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**ANNEX A**

**Current Salary Levels for Members and Office Holders of the Northern Ireland Assembly**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Schedule 1 Paragraph 6(1)** |  |  |  |  |
| **(1)** | **(2)** | **(3)** | **(4)** | **(5)** |
| **Member** | **Annual Salary for the year commencing 1 April 2012** | **Annual Salary for the year commencing 1 April 2013** | **Annual Salary for the year commencing 1 April 2014** | **Annual Salary for the year commencing 1 April 2015** |
| A member holding office as First Minister or deputy First Minister | £114,535 | £120,000 | £120,000 | £120,000 |
| A member holding office as any other Minister | £80,902 | £86,000 | £86,000 | £86,000 |
| A member holding office as a junior Minister | £55,101 | £60,000 | £60,000 | £60,000 |
| A member holding office as a junior Minister and who held that office on 1 April 2012 | £62,710 | £62,710 | £62,710 | £62,710 |
| A member holding office as Speaker | £80,902 | £92,000 | £92,000 | £92,000 |
| A member holding office as Principal Deputy Speaker or as Deputy Speaker | £51,600 | £57,000 | £57,000 | £57,000 |
| A member holding office as Member of the Assembly Commission | £49,101 | £54,000 | £54,000 | £54,000 |
| A member holding office as a Member of the Assembly Commission and who held that office on 1 April 2012 | £54,432 | £54,432 | £54,432 | £54,432 |
| A member holding office as Chairperson of any Statutory Committee or of the Public Accounts Committee[[7]](#footnote-7) | £54,432 | £60,000 | £60,000 | £60,000 |
| A member holding office as a Deputy Chairperson of a Statutory Committee[[8]](#footnote-8) | £43,101 | £48,000 | £48,000 | £48,000 |
| A member holding office as a Deputy Chairperson of a Statutory Committee and who held that office on 1 April 2012 | £48,768 | £48,768 | £48,768 | £48,768 |
| Any other member | £43,101 | £48,000 | £48,000 | £48,000 |

1. Northern Ireland Assembly Members’ Salaries, Allowances, Expenses and Pensions, Report of the Independent Financial Review Panel, March 2012.

   <http://ifrp.org.uk/wp-content/uploads/2012/03/The-Report-of-the-Independent-Financial-Review-Panel-March-2012.pdf> [↑](#footnote-ref-1)
2. PricewaterhouseCoopers, Remuneration Benchmarking, January 2012 [↑](#footnote-ref-2)
3. The Annual Survey of Hours and Earnings (ASHE), 2013 revised results, http://www.ons.gov.uk/ons/rel/ashe/annual-survey-of-hours-and-earnings/index.html [↑](#footnote-ref-3)
4. Bank of England Inflation Report, February 2015 - <http://www.bankofengland.co.uk/publications/Pages/inflationreport/2015/feb.aspx>

   (see Chapter 5 ‘Prospects for Inflation’). [↑](#footnote-ref-4)
5. The Secretariat is the name given to the staff appointed by the Commission to assist in the discharge of its functions [↑](#footnote-ref-5)
6. OFMDFM Oral Statement : OFMDFM Oral Statement reduction in the number of Northern Ireland Civil Service Departments; <http://www.northernireland.gov.uk/news-ofmdfm-020315-ofmdfm-oral-statement> [↑](#footnote-ref-6)
7. The Assembly has established 12 **Statutory Committees** to advise and assist each Minister in the formulation of policy with respect to matters within his/her responsibilities as a Minister (Assembly Standing Orders 46 to 49). These statutory committees are established for the duration of an Assembly unless the Assembly determines otherwise (Standing Order 49(6)). Standing Order 46 confers on the statutory committees the powers described in paragraph 9 of Strand One of the Belfast Agreement- i.e. a scrutiny, policy development and consultation role with respect to the department with which each is associated, and a role in the initiation of legislation. Each statutory committee has eleven members.

   In addition to the 12 Statutory Committees, the Assembly also has 6 **Standing Committees**. Standing Committees are permanent Committees of the Assembly. With the exception of the Business Committee, which is chaired by the Speaker, the posts of chairpersons and deputy chairpersons of standing committees are allocated using the d'Hondt system. Chairpersons of these Committees receive no additional allowance. The standing committees of the Assembly are:

   * Assembly and Executive Review Committee
   * Audit Committee
   * Business Committee
   * Committee on Procedures
   * Committee on Standards and Privileges
   * Public Accounts Committee

   [↑](#footnote-ref-7)
8. [↑](#footnote-ref-8)