

Independent
Financial
Review
Panel

INDEPENDENT FINANCIAL REVIEW PANEL

ANNUAL REPORT

YEAR ENDING 31 MARCH 2014

INDEPENDENT FINANCIAL REVIEW PANEL (IFRP)

ANNUAL REPORT 2013/2014

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INTRODUCTION

In its 2012 Report, the Independent Financial Review Panel set out a number of issues which it undertook to consider for the next mandate. These included a review of Office Costs Expenses and the Assembly Members' Pension Scheme as well as incentives for efficiency and effectiveness. It had been the Panel's intention to publish this Determination in the summer of 2015. However the introduction of the Northern Ireland (Miscellaneous Provisions) Bill in 2013 and its subsequent enactment meant that the Panel had to give priority to making provision for the additional year of the mandate. A Determination for 2015/2016 was subsequently published in May 2014.

In addition, the Panel began to consider the issues to be addressed for the next mandate. During 2013/2014, we reviewed the Assembly Members' Pension Scheme and launched a consultation exercise. We also formulated proposals in relation to Members' constituency office expenses and carried out some initial work in relation to MLAs' staffing arrangements.

The Panel is anxious to consult with all interested parties so that all their decisions are fair and justified. During the course of the year we held discussions with senior Assembly officials, the Pension Trustees and some MLAs. We would urge MLAs and others to engage with us as we progress towards the finalisation of our next Determination.

A handwritten signature in black ink, appearing to read 'P. McCartan', with a decorative flourish at the end.

PATRICK MCCARTAN CBE
Chairman
Independent Financial Review Panel

THE INDEPENDENT FINANCIAL REVIEW PANEL (IFRP)

Background

The Panel was established in July 2011 by the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 (“the Act”) to make determinations in relation to the salaries, allowances and pensions payable to members of the Northern Ireland Assembly.

The functions of the Independent Financial Review Panel are to make determinations in relation to the salaries and allowances and also the pensions, gratuities and allowances payable to members of the Northern Ireland Assembly.

The Panel is fully independent and is not subject to the control of either the Northern Ireland Assembly or the Assembly Commission.

Membership

The Chair and Panel members were appointed by the Assembly Commission on 1 July 2011 for a five year term. The Panel consists of:



Chair: Patrick McCartan CBE, MSc (Dist), FCIPD

Patrick McCartan was until December 2012, Chairman of the Belfast Health and Social Care Trust. Other posts held by Mr McCartan include Chairman of North & West Belfast Health & Social Services Trust. Chairman of the NI Confederation of Health and Social Services Organisations, Chairman of the Labour Relations Agency, Chairman and Board member of Co-Operation Ireland, Chairman and Vice-Chair of St Columbanus College Bangor, member of CCMS, member of the Industrial Court for NI, a member of Industrial Tribunals and Fair Employment Tribunals and an Independent Expert for Equal Pay cases.

Mr McCartan spent 12 years in a senior academic post in the University of Ulster; he spent 18 years as a senior trade union official and ten years in the Civil Service. He is a former member of the ICTU Executive Committee and member and Chairman of ICTU – NI Committee and was a Board Member of the Industrial Development Board and the NI Economic Council.

Mr McCartan is a Chartered Fellow of the Chartered Institute of Personnel Development. He was awarded a CBE for services to employment relations.



Dr Henrietta Campbell CB, MD, FRCP

Dr Campbell graduated from Queen's University Belfast with a degree in medicine. Following a career in General Practice she was appointed Chief Medical Officer in the Dept. of Health and Social Services in Northern Ireland in 1995, a post she held until 2006. Dr Campbell is a Board Member of the Food Standards Agency. She was a UK Electoral Commissioner from 2006 to December 2011 and a member of the Prison Services Pay Review Body from 2006 to March 2011. Dr Campbell is a Board member of Oxfam Ireland and has worked on a voluntary basis with a number of Northern Ireland charities. In recognition of her contribution to medicine in Northern Ireland, Dr Campbell was awarded an honorary doctorate by Queen's University Belfast, and in 2000 was awarded a CB in the New Year's Honours List.



Alan McQuillan OBE BSc (Hons) MBA

Mr McQuillan is an independent management and security consultant. He was Acting Deputy Chief Constable in PSNI until 2003 when he retired to help establish and develop the newly formed Assets Recovery Agency and in 2007 was appointed as Director to manage its merger with the Serious and Organised Crime Agency.

He has worked on a voluntary basis with a number of third sector organisations in Northern Ireland. He has also undertaken a number of international consultancy assignments for the European Union, UK Foreign and Commonwealth Office and the International Monetary Fund.

Mr McQuillan was Chairman of the Northern Ireland Assembly Secretariat Audit and Risk Committee from 2009 to 2011. He holds a BSc (Hons) Degree in Physics from Queen's University, Belfast and a Masters in Business Administration from the University of Ulster. He was awarded an OBE in December 2000 in the New Year's Honours List.

GOVERNANCE REPORT

Meetings of the Panel

A list of the meetings held by the Panel during the period 1 April 2013 to 31 March 2014 is attached at Annex A.

Code of Conduct

The Independent Financial Review Panel is committed to reviewing its Code of Conduct annually. This was done at the Panel's meeting on 6 September 2013 when it was **agreed that no amendments were required**. No breaches of the Code of Conduct have occurred.

A copy of the Code of Conduct is available on the IFRP website (www.ifrp.org.uk).

Rules of Procedure

The Rules of Procedure set out the way in which meetings of the Independent Financial Review Panel are conducted. There was no deviation from these Rules during the period of this Report. The Panel's Rules of Procedure can be accessed on the IFRP website (www.ifrp.org.uk).

Declaration of Interests

The Independent Financial Review Panel (IFRP)'s Code of Conduct contains a commitment to maintain a Register of Interests. In addition, at each meeting of the IFRP, there is a standing agenda item to allow the Chair or members to declare any interests which they have in relation to the issues to be discussed.

The purpose of the Register is to provide information on any financial interests or other material benefits which the Chair or a member of IFRP receives which might reasonably be thought by others to influence his or her actions or decisions taken in his or her capacity as Chair or member of the IFRP.

The Chair and each Panel member is responsible for his/her own entry and for providing any additional information which may be relevant at meetings of the IFRP. Entries are amended on an ongoing basis as necessary.

The Register of Interests was updated in May 2014. A copy of this document can be accessed on the IFRP website (www.ifrp.org.uk).

WORK PROGRAMME 2013/2014

The Panel's first Determination was published in March 2012 and was subsequently revised in December 2012 to clarify an ambiguity relating to the definition of "connected persons". The revised Determination set out the level of salaries and allowances of Assembly Members for the remainder of the current Assembly mandate which at that time was due to end in May 2015.

The Northern Ireland (Miscellaneous Provisions) Act 2014 extended the length of the current and future mandates of the Northern Ireland Assembly from four years to five years and the current mandate will now end in 2016. There are a number of provisions in the current Determination which will cease to apply after 31 March 2015 thus making it necessary to have a new Determination to cover the additional year of the mandate. Work on this Determination commenced in 2013/2014 and it was subsequently published in May 2014.

A review of the Assembly Members' Pension Scheme was undertaken which included extensive research involving the Government Actuary, the Pension Trustees and MLAs. A consultation document was published in February 2014. We also initiated an in depth review of the various elements which make up the Office Costs Allowance. Research was carried in relation to the rental costs associated with MLAs' constituency offices. The conclusions and proposals were subsequently published in a consultation document in May 2014.

During the course of 2013/2014 the Panel started the preparation for the Determination which will establish MLAs' pay, allowances and pensions for the next mandate. The Panel's aim is to publish its next Determination approximately twelve months before the end of the current mandate.

The Panel is keen that this Determination should be based upon the widest possible consultation with MLAs, Political Parties and the public. The Panel has therefore commissioned and will commission detailed research into a number of different aspects of members pay and Office Costs Expenses. It will use this material to inform its consultation with all interested parties.

The Panel wishes to ensure that it has the deepest possible understanding of how MLAs offices work and the demands upon them. It will continue to engage with Parties, MLAs and the Assembly Secretariat to seek further and deeper consultation with MLAs on the support they really need to deliver their service to constituents

FINANCIAL REPORT

The Panel's budget for the year to 31 March 2014 was £12,639.48 which would be used to fund General Administrative Expenditure such as external research, specialist advice, printing costs travel costs etc. This excluded the budget for Panel Members' fees which was £12,240.02.

A breakdown of the costs incurred by the Panel during the period 1 April 2013 to 31 March 2014 is shown below.

COSTS INCURRED BY IFRP DURING THE PERIOD 1 APRIL 2013 TO 31 MARCH 2014

FEES	AMOUNT £	BUDGET 2013/2014 £
Mr Patrick McCartan, Chair	4061.25	
Dr Henrietta Campbell	1900.00	
Mr Alan McQuillan	1090.00	
TOTAL FEES	7051.25	12,240.02
GENERAL ADMIN EXPENDITURE	625.71	12639.48
TOTALS	7676.99	24,879.50

ANNEX A

MEETINGS OF IFRP: 1 APRIL 2013 TO 31 MARCH 2014

ALL MEETINGS

Meeting Date	Meetings/Issues discussed
16 April 2013	Meeting with Chair of Pension Trustees
19 April 2013	Consultation re Assembly Members' Pension Scheme; Research re MLAs' salaries and MLAs' staff salaries
4 June 2013	Pension Scheme Awareness Seminar
1 July 2013	Meetings with Director of Corporate Services and IFRP Secretary
26 July 2013	IPSA Consultation; Forward Work Programme
27 August 2013	Meeting with Director of Corporate Services
6 September 2013	Review of Assembly Members' Pension Scheme; Research re Constituency Office Rents; Annual Review of Code of Conduct
24 September 2013	Pension Scheme Seminar
24 September 2013	Meeting with Director of Corporate Services and Secretary to Pension Trustees
11 October 2013	Review of Pension Scheme; Office Costs Expenses
16 October 2013	Meeting with the Commissioner for Standards

25 October 2013	Office Costs Expenses; MLA staff salaries; Constituency Office Rents
4 November 2013	Meeting with Director of Corporate Services
29 November 2013	Analysis of Office Costs Expenses; Constituency Office rents; MLA staff salaries
29 November 2013	Lunch with Prof Rick Wilford QUB
13 December 2013	Office Costs Expenses; MLA staff salaries; Constituency Office Rents
24 January 2014	Pension Scheme Consultation; Review of Determination
4 February 2014	Meeting with SDLP MLAs
11 February 2014	Pension Scheme Consultation
11 March 2014	Constituency Office Rents; Consultation Programme; Register of Interests
26 March 2014	Meeting with Secretary to Pension Trustees

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