

**Statement of the National Assembly for Wales Remuneration Board under section 13(5) of the National Assembly for Wales (Remuneration) Measure 2010**

On 30 March 2020, National Assembly for Wales Remuneration Board (the Board) made a determination which makes provision under sections 20(1) and 53(1) of the Government of Wales Act 2006.

The Board's determination, which applies in place of paragraph 3.2.1 of the Determination on Members' Pay and Allowances, is that:

*The pay of Members and office holders will be adjusted in October 2020 by +4.4 per cent, and thereafter in April of each year, by the change in the ASHE (Annual Survey of Hours and Earnings), gross Median Earnings for full-time employee jobs in Wales between March and March of the previous year.*

This replaces the current provision which has been in place for the Fifth Assembly, that the pay of Members and office holders is adjusted in April of each year by the change in the ASHE. This year the ASHE change applied would have been a 4.4 per cent increase in pay.

Under normal circumstances, the Board may not make more than one determination (decision) in relation to the salaries of Members which is to have effect during each term of the Assembly (as outlined in section 13(3) of the Remuneration (Wales) Measure 2010). That restriction also applies to a determination that makes provision for payment of salaries to the First Minister, Welsh Ministers, the Counsel General and deputy Welsh Ministers.

The Board acknowledge that this is a second determination which will have effect during this term of the Assembly. The Board is of the opinion that there are exceptional circumstances which make it just and reasonable that the restrictions imposed by section 13(3) of the National Assembly for Wales (Remuneration) Measure 2010 (2010 Measure) should not apply.

The Board has considered the highly unusual and unprecedented situation as a result of the Covid-19 pandemic and is of the opinion that this situation constitutes exceptional circumstances which make it just and reasonable to change the Determination for 2020-21.

Specifically, the Board had regard to the following principles which has guided its work throughout:

- that the financial support and remuneration for Members should support the strategic purpose of the Assembly and facilitate the work of its Members;
- that decisions must be appropriate within the context of Welsh earnings and the wider financial circumstances of Wales; and

## BWRDD TALIADAU REMUNERATION BOARD

- that the system of financial support for Members must be robust, clear, transparent, sustainable and represent value for money for the taxpayer.

The Board recognises the important role undertaken by Members in representing their electorate and their commitment to undertaking their duties in these difficult times.

At the same time, the Board considered the significant and unfavourable economic impact of the Covid-19 pandemic in Wales. Many workers in Wales will have been adversely affected by current circumstances, because either they have become unemployed or are in receipt of a reduced salary. The full economic impact on Welsh earnings is as yet unknown, however, the Board recognises that the economic picture is now profoundly changed since the last ASHE adjustment was published.

The Board believes that allowing the indexed salary rise to take place in such circumstances would go against its principle that decisions must be appropriate within the context of Welsh earnings and the wider financial circumstances of Wales. It is also of the view that this principle is important in maintaining public confidence at a time of unprecedented challenges for the nation. The Board intends to review this matter again ahead of October 2020 to assess whether or not it is appropriate for it to apply the adjustment at that time.

This statement constitutes a written statement to the Assembly Commission for the purposes of section 13(5) of the 2010 Measure.