

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

On 24 September 2020, the Independent Remuneration Board of the Senedd (“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 is to remove paragraph 3.2.1 of the Determination on Members’ Pay and Allowances 2020-21 (“the Determination”), meaning there will be no indexation to Members’ salaries before the start of the Sixth Senedd.

This replaces the current provision, that the pay of Members and office holders is adjusted in October 2020 by +4.4 per cent, and thereafter in the April of each year by the change in the Annual Survey of Hours and Earnings (“ASHE”) gross Median Earnings for full time employee jobs in Wales between March and March the previous year.

Under normal circumstances, the Board may not make more than one determination (decision) in relation to the salaries of Members and office holders which is to have effect during each term of the Senedd (as outlined in section 13(3) of the National Assembly for Wales (Remuneration) Measure 2010 (the 2010 Measure)). 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 acknowledges that this is the third determination which will have effect during this term of the Senedd. In accordance with section 13(4) of the 2010 Measure, 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 2010 Measure should not apply.

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

Specifically, the Board had regard to its own principles as set out in strategy of 2017 which have guided its work throughout:

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

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The Board recognises the important role of Members in representing their electorate and their commitment to undertaking their duties in these difficult times. At the same time, the Board considered the economic impact of the Covid-19 pandemic in Wales. The extremely unfavourable economic outlook in Wales will mean that many workers will experience hardship, be it through reduced salary or unemployment. The Board is of the view that the economic picture has changed significantly since the Board reviewed the matter in March at the start of the pandemic. It is becoming clearer that the pandemic will have longer term impacts and given the rapidly changing public health context in the past three weeks, it is now highly likely that the extremely poor economic outlook will prevail for the next six months.

Given these considerations, the Board believes that allowing any pay rise to take place in such conditions would be unsuitable and difficult to justify. It would go against the Board's 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 is clear that this determination will not pre-empt any future decisions concerning the indexation of salaries for the Sixth Senedd.

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