

## **Member and Additional Office Holder Salaries**

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

#### Decision of the Independent Remuneration Board of the Senedd

On 4 March 2021, the Independent Remuneration Board of the Senedd ("the Board") made a decision in relation to the salaries of Members of the Senedd under sections 20(1) and 53(1) of the Government of Wales Act 2006.

The Board's decision is to amend the Determination on Members' Pay and Allowances in the Sixth Senedd ("the Determination") so that:

- the Member's salary contained in paragraph 3.1.2 is amended to £67,649, which is the salary applicable for the remainder of this Senedd term – this means that Members' salaries will not increase at the start of the Sixth Senedd;
- the salaries contained in Table 1 at paragraph 3.1.4 are amended to the salaries set out in the Annex to this statement, which are the salaries applicable for the remainder of this Senedd term – this means that additional office holder salaries will not increase at the start of the Sixth Senedd; and
- the annual indexation mechanism in paragraph 3.2.1 will be subject to a maximum of three per cent and a minimum of zero per cent – this means that any annual indexation applied to Member and additional office holder salaries from 2022-23 onwards will not be greater than three per cent and will not result in a decrease in salary.

These amendments replace the current Member and additional office holder salaries set out in the Determination. The salaries set out in the Determination for the start of the Sixth Senedd were based on the current salaries, increased by 4.4 per cent and would have seen a further 2.4 per cent applied at the start of the Sixth Senedd.

#### Requirements under the National Assembly for Wales (Remuneration) Measure 2010

Under normal circumstances, the Board cannot make more than one decision in relation to the salaries of Members and additional office holders which is to have effect during each Senedd term (as outlined in section 13(3) of the National Assembly for Wales (Remuneration) Measure 2010 ("the 2010 Measure")). That restriction also applies to decisions on the payment of salaries to the First Minister, Welsh Ministers, the Counsel General and deputy Welsh Ministers.

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 for the restrictions imposed by section 13(3) of the 2010 Measure to not apply.

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The Board has considered the circumstances resulting from the continuing Covid-19 pandemic and the view that the implications of the pandemic will be felt for longer than was thought to be the case when the Board made its decisions set out in the Determination. The Board is of the opinion that these longer term implications constitute exceptional circumstances which make it just and reasonable to change the Determination in relation to Member and additional office holder salaries.

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

- the financial support and remuneration for Members should support the strategic purpose of the Senedd and facilitate the work of its Members;
- decisions must be appropriate within the context of Welsh earnings and the wider financial circumstances of Wales; and
- 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 of Members in representing their electorate and their commitment to undertaking their duties. This includes undertaking significant additional casework whilst also undertaking existing parliamentary duties. At the same time, the Board considered the economic impact of the Covid-19 pandemic in Wales.

Following a year of unfavourable economic conditions in Wales, the pandemic continues to cause great uncertainty as to the effect on the incomes of Welsh workers. In line with the Board's guiding principle of ensuring its decisions are appropriate in the context of Welsh earnings, information on current salary trends in Wales and the UK was considered by the Board. The Board also discussed broader economic statistics published since the Board issued its consultation, which indicated the scale of the impact of the pandemic on the economy.

Despite an economic resurgence for a period last year, continued lockdowns and other measures have slowed this recovery. Since the Board published its consultation in December 2020, the economic picture has worsened as illustrated by the figures considered. Following its consideration of the economic statistics available, the Board agreed that these figures evidence the significant impact that the pandemic is having on the economy and people of Wales.

The Board concluded that the gravity of the ongoing economic impact of the pandemic means that any pay increase would be inappropriate in the context of salaries elsewhere in Wales. The Board agreed that its decisions on this are important in maintaining public confidence at a time of unprecedented challenges for the nation. Given these conclusions, the Board has decided to postpone any decision to increase salaries for the time being.

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Instead, the Board has agreed that the salaries currently in place should continue for a further year.

In relation to the salary adjustment mechanism in the Determination, the Board noted the level of fluctuation in the Annual Survey of Hours and Earnings (ASHE), annual gross Median Earnings for full-time employee jobs in Wales for 2018/19 and 2019/20, together with the potential impact which might be seen in the index in the future in light of the Covid-19 pandemic.

The Explanatory Notes to the 2010 Measure expressly provide a period of exceptionally rapid inflation as an example of exceptional circumstances which justify the Board making a second or subsequent decision that takes effect in a Senedd term.

The Board had regard to its own principles set out in its strategy of 2017 (as set out above) in considering this proposal.

The Board is of the opinion that the recent fluctuation, together and risk of continued longer term implications arising from the Covid-19 pandemic, constitute exceptional circumstances which make it just and reasonable to change the Determination in relation to the salary adjustment mechanism for Members and additional office holders.

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

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**Annex: Replacement for Table 1 at paragraph 3.1.4.**

**Table 1: Additional office holder salaries for 2021-22**

Additional office holder salaries	2021-22 Base Salary	2021-22 Additional Salary	2021-22 Total salary
First Minister	£67,649	£80,334	£147,983
Welsh Minister	£67,649	£38,052	£105,701
Counsel General <sup>1</sup>	£67,649	£38,052	£105,701
Deputy Minister	£67,649	£22,197	£89,846
Presiding Officer	£67,649	£43,338	£110,987
Deputy Presiding Officer	£67,649	£22,197	£89,846
Senedd Commissioner	£67,649	£13,741	£81,390
Committee chair (higher)	£67,649	£13,741	£81,390
Committee chair (lower)	£67,649	£9,154	£76,803
Business Committee Member	£67,649	£9,154	£76,803

<sup>1</sup> See 3.3 Counsel General who is not a Member.

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Leader of a Political Group not in Government <sup>2</sup>	£67,649	£13,741 + £1,057 per Member up to £38,052	Range from £84,561- £105,701 <sup>3</sup>
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<sup>2</sup> Political Group is defined in the Standing Orders of the Welsh Parliament.

<sup>3</sup> The salary of a Leader of a Political Group not in Government is capped at the salary payable to a Welsh Minister.