
Review of the Determination for the Sixth Senedd: Report

March 2021

The Independent Remuneration Board of the Senedd

The Independent Remuneration Board of the Senedd makes independent decisions on the pay and direct support for Members of the Senedd to attract a wide range of capable and diverse candidates and to enable those elected as Members to do their jobs effectively, ensuring value for money for the people of Wales. The Board was established by the National Assembly for Wales (Remuneration) Measure 2010.

Members of the Board

- Dr Elizabeth Haywood (Chair)
- Ronnie Alexander
- Mike Redhouse
- Dame Jane Roberts
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Contents

1. Chair’s Foreword.....	6
2. Summary of decisions.....	7
3. The Independent Remuneration Board of the Senedd.....	9
4. Background and methodology	11
5. Review of the Determination for the Sixth Senedd: Decisions.....	15
6. Equality.....	38
7. A forward look.....	39
Annex A: Board membership	40

1. Chair's Foreword

Members of the Senedd are elected to hold the Welsh Government to account; represent the interests of their constituents; and participate in the making of laws and the setting of Welsh taxes. Whilst these responsibilities have remained unchanged in the past few years, the Covid-19 pandemic has revolutionised the way in which those responsibilities are carried out. For the first time since the Senedd's establishment, Members are mostly working from home. Plenary and committee meetings are conducted online or as a hybrid of Senedd presence and online. Members engage with their constituents via online video platforms with limited opportunities for face to face interaction.

However, whilst the corridors of the Tŷ Hywel and the Senedd buildings are quieter, Members' workload is anything but quiet. Scrutinising Covid-19 and Brexit legislation in addition to undertaking numerous other responsibilities has placed great pressure on the Senedd and its Members. Members have worked hard to support their constituents, many of whom are facing significant financial hardship and various other challenges resulting from the pandemic.

The Independent Remuneration Board of the Senedd is responsible for determining the pay and allowances available to Members. In doing so, the Board must ensure Members' pay and the remuneration package as a whole reflects fairly the responsibilities they undertake and that the allowances available to Members enable them to fulfil their duties. At the same time, the Board must keep value for money for the taxpayer at the forefront of its decision making.

These are the goals we, the Board's members, set out to achieve through the proposals we put forward for changes to the Determination for the Sixth Senedd. Our subsequent decisions reflect the added pressures on Members that have been created by the pandemic, during which time Members' salaries have been and will continue to be frozen for the coming year. The Board's decisions are also aimed at providing clarity to those thinking of standing for election to the Sixth Senedd on the total package of remuneration available to Members of the Senedd.

The Board would like to thank all those who engaged with its consultation process on the proposals and shared their views. The Board has carefully considered these views as reflected by the decisions outlined in this document. All decisions will be reviewed during the Sixth Senedd, in the line with the Board's reviewing mechanisms, to ensure Members are able to carry out their duties effectively whilst also, as always, ensuring excellent value for money for the taxpayer.



Dr Elizabeth Haywood

Chair, Independent Remuneration Board of the Senedd

2. Summary of decisions

1. In June 2020, the Independent Remuneration Board of the Senedd (“the Board”) published its **Determination for the Sixth Senedd** which set out the pay and allowances that would be available to Members of the Senedd following the Welsh general election, scheduled for May 2021. This report sets out proposals by the Board for changes to that Determination and the decisions taken by the Board in light of a **consultation** on those changes. Some decisions previously taken have been reviewed as a result of the pandemic [and the *Elections Wales (Coronavirus) Bill*], while others are routine matters of annual review which were flagged in the previous Board’s report which accompanied the **Determination for the Sixth Senedd**, published in June 2020.
2. The consultation ran from 16 December 2020 to 11 February 2021. At its meeting on 4 March 2021, the Board decided on the following changes to the Determination for the Sixth Senedd:
 - that Members’ and additional office holder salaries having been frozen by Board in 2020-21, will also be frozen for the first year of the Sixth Senedd (2021-22) and for the remainder of the current Senedd term (2020-21);
 - that from 2022-23, annual salary changes for Members, and additional office holders, would be subject to a maximum ASHE indexed increase of three per cent and to rule out any decrease to these salaries in the Sixth Senedd;
 - to not change that the current rates provided for residential accommodation expenditure for the start of the Sixth Senedd;
 - to remove references to the European Union and “Brussels” from the Determination relating to Members’ travel;
 - that stationery provision would move from the Senedd Commission and instead be funded from the Office and Constituent Liaison Fund. To reflect this change, the allowance would increase in a cost-neutral way by £1,800 to £20,060 (or £6,712 where the Member works exclusively from Tŷ Hywel) for the start of the Sixth Senedd;
 - that there will be no increase to the Office and Constituent Liaison Fund in relation to the Senedd’s name change and that Members should reclaim the costs arising from changing the institution’s name from this allowance in the next Senedd term;

- that from 2022-23, annual salary changes support staff would be subject to a maximum ASHE indexed increase of three per cent and to rule out any decrease to these salaries in the Sixth Senedd;
- to enhance the support staff pension scheme by introducing a matching employer contribution of up to three per cent of salary;
- to remove additional Board mandated guidance for the Policy, Research and Communications Fund for the Sixth Senedd, and to clarify the time limit on the use of the allowance by political parties in an election year;
- that the costs of printing and signage may only be used from the Office and Constituent Liaison Fund;
- to increase the value of the Support for Political Parties allowance by 1.94 per cent to £1,018,500 for the start of the Sixth Senedd;
- to change the definition of 'political parties' in the 'Interpretation' section of the Determination to:

"Political party" means (i) a group of Members who belong to the same political party registered with the Electoral Commission or (ii) recognised as a group under Standing Order 1.3(ii), or (iii) an individual Member who has notified Members' Business Support that they are a member of a registered Political Party."

- to insert a new section at 2.5 of the Determination to clarify a range of support to Members that may be provided outside of the allowances specifically set out under the Determination;
- to include a specific reference to the time off for public duties policy the Determination in Chapters 7 and 8.

3. The Independent Remuneration Board of the Senedd

This section describes the Board's functions, remit and ways of working.

The Board's functions

3. The Board makes independent decisions on the pay and direct support for Members of the Senedd (Members), to attract a wide range of capable and diverse candidates and to enable those elected to do their job effectively, ensuring value for money for the people of Wales. Full details of the Board's functions and responsibilities are set out in the ***Government of Wales Act 2006*** (the Act) and the ***National Assembly for Wales (Remuneration) Measure 2010*** (the Measure).
4. The Measure sets out three key objectives that the Board must seek to achieve when making a Determination. These are to:
 - provide Members with a level of remuneration which reflects the complexity and importance of the functions they perform, and does not deter individuals from seeking election to the Senedd on financial grounds;
 - provide Members with adequate resources to enable them to perform their functions;
 - ensure probity, accountability, value for money and transparency with regards to the expenditure of public funds.
5. The Measure states that the Board may only make one decision for each five-year Senedd term on the salaries of Members, the First Minister, Welsh Ministers, Deputy Welsh Ministers and the Counsel General. A second or subsequent decision on such salaries for the same five-year Senedd term may be made only where exceptional circumstances mean that it would be just and reasonable to do so.
6. The Measure also requires the Board to keep the Determination under review. To date the Board has exercised this duty by undertaking an annual review of the Determination as well as a review of the Determination for each new Senedd. It also periodically reviews the effect of the decisions it has taken, when and if required.

- 7.** In undertaking its functions, including the preparation of a Determination, the Board consults, unless it considers the circumstances are unsuitable to do so, with Members of the Senedd, their staff, trade unions and such other persons as it considers appropriate.

The Board's guiding principles

- 8.** In January 2017, the previous Board published its strategy for its work throughout the Fifth Senedd. The strategy sets out the following clearly defined principles to underpin the Board's work which have continued to inform its approach and is reflected in the Determination for the Sixth Senedd:
- 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 and sustainable, and represent value for money for the taxpayer.

4. Background and methodology

This section explains the Board’s approach to reviewing the Determination for the Sixth Senedd

Full review of the Determination for the Sixth Senedd

9. The previous Board, appointed in 2015, published its Determination for the Sixth Senedd in June 2020. Among the main changes to the Determination for the Fifth Senedd were:
- the introduction of an allowance for Members to help meet costs incurred in relation to a disability or disabilities. This allowance may be used to support disabled Members and their support staff, and to help Members engage with disabled constituents, by covering the costs of any ‘reasonable adjustment’ required, for example adjustments to office accommodation. This was an extension of an existing provision;
 - the introduction of additional resources to help with a Member’s workload during their period of parental leave. Such support can take the form of either an additional staff member or additional resource as required. The specific type of support needed might vary according to the Member’s needs;
 - the introduction of a contribution towards care costs for children and / or dependants when Members are required to work beyond family friendly hours, reflecting similar arrangements that are in place for local authority members in Wales. The reimbursement of such costs is subject to a set monthly limit and is payable for care provided by regulated care providers only;
 - on Members’ salaries, the Board decided that the base and additional office holder salary levels should remain unchanged for the Sixth Senedd, subject to adjustment annually in accordance with the Annual Survey of Hours and Earnings - gross median earnings for full time employee jobs in Wales. The Board at the time noted that the full implications for the roles and responsibilities of Members as a result of constitutional developments in Wales were not yet clear. It further stated that any changes to Members’ roles and responsibilities would be influenced not only by external factors, but also by the way in which the Senedd, its committees and its

Members decide to respond. It concluded that these factors do not currently represent a driver for any changes to Member or office holder salaries.

Exceptional determinations

- 10.** The Determination provides for Members' and additional office holders' salaries to be automatically adjusted in the April of each year by the change in the Annual Survey Hours and Earnings (ASHE)¹ gross median earnings for full time employee jobs in Wales. This provides annual adjustments to Members' salaries in line with average changes in the earnings of workers in Wales.
- 11.** Owing to uncertainty around the anticipated economic downturn caused by the Covid-19 pandemic, the Board made an exceptional determination² on 30 March 2020 which paused the adjustment of Members' salaries for a period of six months from that date. This meant the 4.4 per cent increase (in line with ASHE) to Members' salaries that was due on 1 April 2020 was delayed to 1 October 2020.
- 12.** Subsequently, as the economic uncertainty continued into the autumn, the Board disapplied the increase in Members' salaries due on 1 October by means of another exceptional determination made on 29 September 2020. This was done by deleting paragraph 2.3 from the Determination on Members' Pay and Allowances: 2020-2021, which provides for an annual ASHE indexed increase to Members' salaries. This meant that Members would not receive a salary increase until the start of the Sixth Senedd.

Annual review of the Determination for the Sixth Senedd

- 13.** Every year, the Board undertakes a review of the Determination to ensure it remains fit for purpose and is reflective of the current Welsh context, in particular the latest economic conditions in Wales.
- 14.** The new Board appointed in September 2020 undertook an annual review of the **Determination for the Sixth Senedd** published by its predecessor Board (in June 2020). The key aim of this review was to ensure the Determination ahead of the Sixth Senedd

¹ ASHE means the Annual Survey of Hours and Earnings, conducted by the Office of National Statistics. The pay of Members, office holders and staff will be adjusted in April of each year by the change in the ASHE annual gross Median Earnings for full-time employee jobs in Wales between April and April of the previous year.

² This means the Board is able to take extraordinary decisions in certain circumstances where it believes it is reasonable and justified to do so. If the Board takes such a decision it must communicate it to the Senedd Commission at the same time as when it takes effect.

remained appropriate in the context of the Covid-19 pandemic and the associated economic and social impact of it. It also needed to ensure the Determination continued to be suitable in light of the impact on Senedd business.

15. The Board's consideration of any changes required to the Determination for the Sixth Senedd, particularly on the salaries, support and allowances for Members, was informed by a range of sources including:

- Members' use of the various allowances to date during the Fifth Senedd;
- comparisons with the support made available to elected representatives in the other parliaments of the UK; and
- comparisons with various other measures within the Welsh public sector, and the wider economy of Wales.

16. The review also considered matters that were outstanding from the previous Board's review of the Determination for the Sixth Senedd, conducted in 2019-2020, as outlined in that review [report](#).³

17. Having identified the changes to the Determination for the Sixth Senedd which it considered necessary, the Board published a [consultation document](#) on 16 December 2020 setting out its proposals for change. The consultation document was also shared with the Board's stakeholders including Members, their support staff, political parties represented in the Senedd, the Senedd Commission and the media, as well as a number of external bodies. The consultation sought views on the Board's proposals for changes to the Determination for the Sixth Senedd. It also asked whether the Board's proposed changes could have implications for people who identify with any protected characteristics as defined under the *Equality Act 2010*.

18. The Board held meetings with representative groups on behalf of Members and Members' support staff prior to and during the consultation. The Board used these meetings to set out their proposals for change and the reasons for those proposals, in order to help inform the consideration of these proposals by political party groups, Members and their staff. Feedback on proposals received during these meetings was considered by the Board as part of its consideration of responses to the consultation.

³ See Section 5 'Review of the Determination for 2021-2026 – results'

19. The Board received written responses to the consultation from the following:

- two members of the public;
- Neil McEvoy MS (Member of the Senedd);
- the Acting Senedd Commissioner for Standards;
- the Labour group in the Senedd;
- the Conservative Group in the Senedd;
- the Abolish the Welsh Assembly party;
- the Independent Alliance for Reform Group in the Senedd;
- one joint response from the support staff of the Labour group and support staff who are members of the GMB union.

20. On the whole, the response to the consultation by political groups in the Senedd was broadly supportive of the Board's proposals with the notable exception of the proposal to increase Members' and additional office holders' salaries in line with the annual survey of household earnings (ASHE). Responses from members of the public were focused entirely on the proposal to increase salaries, to which they were strongly opposed. A summary of the comments by respondents on each of the Board's proposals is provided in section 5 below. The Board met on 4 March 2021 to consider the responses to its consultation. The decisions taken by the Board at that meeting on changes to the Determination for the Sixth Senedd are explained in section 5 also.

21. The consultation document included a statement on how the Board would use the information provided by respondents to the consultation in accordance with the Board's privacy policy - <https://www.remunerationboard.wales/privacy-policy-2/>.

5. Review of the Determination for the Sixth Senedd: Decisions

This section provides a summary of the Board’s decisions on changes to the Determination for the Sixth Senedd and the reasons for those changes. It also summarises the comments from respondents to the Board’s consultation. All changes will take effect on the first day following the next Senedd election in 2021.

Proposal 1: Member and additional office holder salaries

The Board’s proposals

- 22.** Chapter 3 of the **Determination** published in June 2020 sets out the annual salary that would be available to Members of the Sixth Senedd, as well further remuneration to that base salary paid to additional office holders, such as the Llywydd, Deputy Presiding Officer, Ministers and Committee Chairs. The base salary for Members set out in the Determination was £70,626. This salary and the salaries of additional office holders were based on the salaries for 2019-20, with a 4.4 per cent increase to account for the adjustment in accordance with Annual Survey Hours and Earnings (ASHE) due in April 2020. The Determination also provided for the salaries to be adjusted in accordance with ASHE in April 2021.
- 23.** However, two exceptional determinations made by the Board in **March** and **September** 2020 to postpone and subsequently disapply a planned increase to Members’ salaries in April 2020 meant that Members’ base salary was frozen at £67,649 for the duration of the financial year 2020-21. Salaries would also not be subject to any increases before the start of the Sixth Senedd.
- 24.** In deliberating any changes needed to the Determination for the Sixth Senedd, the Board concluded, in late 2020, that the Covid-19 pandemic and freezing of Members’ base salary for the remainder of the Senedd term, constituted exceptional circumstances that made it reasonable for the Board to revisit the decision on Members’ salaries for the Sixth Senedd.
- 25.** The freezing of Members’ salaries during 2020-21 constituted a slight decrease in salaries in real terms taking into account inflation cost increases. The Board considered that continuing

to freeze pay could lead to a position where salaries would no longer fairly reflect the complexity of the roles undertaken by Members. The end result of this could be the need to significantly increase salaries in the future.

- 26.** In light of these considerations, the Board proposed as part of its consultation to re-apply the annual indexing of Members' salaries by the ASHE index, from the start of the Sixth Senedd (proposal 1). The consultation document set out the Board's intention to apply the ASHE index of 2.4 per cent (published in November 2020) to the frozen base salary of £67,649. Therefore, Members' base salary for the start of the Sixth Senedd would be £69,273 per annum and continue to be adjusted in accordance with ASHE every year thereafter.
- 27.** As noted, the Board was mindful that salary adjustments in accordance with ASHE, as it relates to Welsh salaries, can be volatile as seen over the past two years.
- 28.** To address the risk of big fluctuations in the index in future, the Board proposed changes to the Determination to ensure that, in future, Members' salaries will not increase above a maximum of three per cent nor be decreased (proposal 1.c). This would avoid the risk of salary increases being applied in future that are disproportionate in the context of the economic conditions at the time. In the Board's view, this would be fair both to Members and to the Welsh taxpayer and would provide certainty as to the minimum salary that would be paid to Members during the Senedd term.
- 29.** The Board's proposals on Members' salaries were as follows:

Proposal 1. In light of the current economic circumstances, having frozen Members' salaries in 2019/20, the Board proposes:

- a. that for 2020/21 salaries, the Board's decision to freeze salaries at the 2019/20 rate is maintained (i.e. not to apply the 4.4 per cent increase in average earnings as received by other workers in Wales for the relevant year);
- b. for 2021/22 salaries, to apply to those frozen base salaries the increase in average earnings of 2.4 per cent as received by other workers in Wales for the relevant year – this means that Members' base salary for the start of the Sixth Senedd will be £69,273, rather than the £72,321 as published in June 2020;
- c. introduce a maximum annual ASHE indexed increase of three per cent and rule out any decrease below zero per cent to Member and additional office holder salaries in the Sixth Senedd.

Views on the Board's proposals

- 30.** The Labour Group and the Independent Alliance for Reform noted their support of proposal 1a.
- 31.** The Conservative Group and the Independent Alliance for Reform were supportive of proposal 1c.
- 32.** No other comments were received on proposals 1a and 1c.
- 33.** Proposal 1b attracted significantly more attention by respondents than any other proposals. One member of the public, the individual Member of the Senedd and the political parties who responded to the consultation were all opposed to proposal 1b. No respondents were in favour of it. These sentiments were also expressed by the representative group on behalf of Members of the Senedd during their meeting with the Board on 3 February 2021.
- 34.** Respondents' views on how long salaries should remain frozen varied. Neil McEvoy MS stated salaries should be frozen for the next two financial years. The Labour Group noted salaries should remain frozen until financial circumstances in Wales improve.
- 35.** Alongside these responses, the Board considered the latest information available on current economic conditions, in particular current salary trends in Wales and further afield. The latest Office for National Statistics' (ONS) data showed growth of around 2 per cent in average salaries in Great Britain.⁴ However the ONS acknowledged that average pay growth rates were being impacted upwards by a fall in the number and proportion of lower-paid jobs compared with before the Covid-19 pandemic.

The Board's decisions

Member and additional office holder salaries

- 36.** The Board considered the important work undertaken by Members during the previous year in light of the straining circumstances caused by the pandemic. While there has not been a significant change in their responsibilities over the past year, the Board is in no doubt that Members' workloads have increased. Feedback provided to the Board throughout the past year notes the significant increase in case work undertaken by Members. At the same time Members have been undertaking increased levels of scrutiny work on Covid-19 and Brexit

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<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/january2021>

matters. However, the Board's view is that it should determine salary levels on responsibility, and not workload. The Board also considered the most recent data on the economic impact of the Covid-19 pandemic in Wales.

- 37.** It is a year since the start of the pandemic in Wales. The unfavourable economic conditions caused by the pandemic continue 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.
- 38.** The Board is of the view that the overall picture on how average wages are changing is obscured by the impact of the pandemic. The latest ONS estimate of annual growth in UK average earnings, up to December 2020, is at 4.7 per cent. However, the ONS note that average pay growth rates are being affected upwards by a fall in the number and proportion of lower-paid jobs compared with before the pandemic. This issue also impacts on other ONS and HMRC wage inflation indicators that cover Wales or the UK. It was considered that there is no available data to present a realistic picture of changes in average wages in Wales. The Board also noted that its preferred indicator⁵ of salary changes in Wales will not show what the impact of the pandemic is on Welsh salaries until autumn 2021, at the earliest. This is because the data is subject to a time lag of six months following the end of the previous financial year.
- 39.** The Board discussed broader economic statistics published since the Board issued its consultation, which indicated the scale of the impact of the pandemic on the economy. It was noted that UK Gross Domestic Product (GDP) fell 9.9 per cent in 2020. This is the largest fall of any Group of Seven countries (G7 countries). It is also the biggest decline in UK GDP since 1709. The latest ONS unemployment figures for Wales (published on 23 February 2021) showed the rate was 4.4 per cent for the period September to December 2020, down 2,000 people on the previous quarter. As this does not represent employees on furlough, this does not represent the full impact of the pandemic on unemployment. HMRC statistics show 155,500 employments in Wales have been furloughed as at 31 December 2020. This is a take up rate of 12 per cent across Wales which is a significant figure in itself. Despite an economic resurgence for a period last year, continued lockdowns and other measures have dented

⁵ The Annual Survey of Hours and Earnings. Members' salaries have historically been indexed by the change in the ASHE (Annual Survey of Hours and Earnings), gross Median Earnings for full-time employee jobs in Wales between April and April of the previous year.

recovery. Since the Board published its consultation in December 2020, the economic picture has worsened as illustrated by the figures considered.

- 40.** The Board concluded that these figures evidence the significant impact that the pandemic is having on the economy and people of Wales. This is important as one of the Board's guiding principles is to ensure that its decisions are appropriate within the context of Welsh earnings and the wider financial circumstances of Wales.
- 41.** The Board also considered the unanimity of opposition to the proposal for increasing salaries in the responses received to the consultation.
- 42.** 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 decided to freeze the salaries of Members and additional office holders for a second year.
- 43.** This means that Members' and additional office holder salaries will remain unchanged for the start of the Sixth Senedd and for the remainder of the current Senedd term⁶. The Board's decision is an exceptional determination (as per section 13(3) of the National Assembly for Wales (Remuneration) Measure 2010). To implement this, the base salary contained in paragraph 3.1.2 and the salaries contained in Table 1 at paragraph 3.1.4 of the Determination for the Sixth Senedd will be amended to be the same as those that are currently payable.

ASHE adjustment

- 44.** The Board also considered its proposal to introduce upper and lower limits on the adjustment of salaries. 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.
- 45.** 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

⁶ Currently May 2021 unless the election is postponed as per section 6 of the Welsh Elections (Coronavirus) Bill.

second or subsequent decision that takes effect in a Senedd term. The Board also had regard to its own principles set out in its strategy of 2017 in considering this proposal.

46. 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.

47. As such, it was decided that from 2022-23, annual salary changes for Members, and additional office holders, would be subject to a maximum ASHE indexed increase of three per cent. This decision would also rule out any decrease to Member and additional office holder salaries in the Sixth Senedd.

48. In the Board's view, this is fair both to Members and to the Welsh taxpayer. The Board also agreed that it was important for Members to have some certainty as to the minimum salary that would be paid during the Senedd term, and therefore avoid the risk of salary reductions being applied during a Senedd term.

49. To conclude, the Board has decided to implement some parts of this proposal for an exceptional determination again in relation to salaries for the Sixth Senedd and changed its approach for other parts.

Proposal 2. Residential Accommodation Allowance

The Board's proposals

50. Chapter 4 of the Determination outlines the support available to Members to cover costs which they necessarily incur as a result of staying away from their main homes in connection with their role as Members.

51. The Board consulted on proposed changes to the allowance available to Members to cover residential costs incurred in the exercise of their functions as Members.

52. Members whose main residence is in the "Outer area" (as defined in the Determination) can claim up to £9,720 per annum (£810 per calendar month) while those residing in the "intermediate area" can claim up to £6,840 per annum (£570 per calendar month). Chapter 4 also provides a small number of long-standing Members with an allowance to cover mortgage interest payments on properties purchased in the Cardiff area. This allowance will cease to be available to Members following dissolution of the Sixth Senedd.

53. The Board discussed trends in the residential accommodation costs in the Cardiff area and Members' usage of the allowances outlined above. The Board also considered different uprating mechanisms that could be applied to the allowances provided.

54. Members' expenditure against their residential accommodation allowances demonstrated that those allowances are generally sufficient to meet the costs incurred by Members. A majority of those Members claimed within the thresholds provided. Analysis provided to the Board also showed that rental and hotel costs in Cardiff have been reasonably stable. This analysis also showed that the cost of a one-bedroom flat in Cardiff Bay fell comfortably within the allowance provided to outer area Members. As such, an increase to current allowances was not justified and the Board proposed that the current rates provided were sufficient for the start of the Sixth Senedd.

Views on the Board's proposals

55. Two respondents commented on this proposal. The Labour Group noted that some Members are currently having to make their own contributions in addition to the RAE allowance in order to meet the cost of their accommodation. The Labour Group explained that, for safety reasons, Members are limited in the accommodation available to them which affects rental costs i.e. this pushes up rental costs for Members. The Group asked the Board to ensure that its evidence base for any decisions on the RAE allowance is shared and to liaise directly with Members who claim the allowance in order to better understand their experiences.

56. The Conservative Group noted support for the Board's proposal but asked the Board to regularly review the sufficiency of the RAE allowance.

The Board's decisions

57. The Board discussed the current system in operation. It concluded that the current system for determining eligibility for the RAE allowance was the most appropriate system available. In the Board's view, it is clear that there would be instances where some Members would be better or worse off depending on the system adopted. For instance, one concern with determining the allowance based on mileage or travel time is that this is often impacted by the route taken, and traffic on those routes.

58. Provision already exists for Members to make a business case to request that their main homes is deemed to be located in a different area, where the Member believes this would be reasonable.

59. In light of the consultation responses received on provisions for RAE allowance, and the current provisions available, it was decided no change was required to the rate of the allowance. However, the Board will commit to frequently reviewing the sufficiency of this allowance to ensure that it remains fair.

Proposal 3: Provisions in the Determination relating to travel to the European Union

The Board's proposals

60. Chapter 5 of the Determination for the Sixth Senedd sets out allowances available to Members to cover travel costs incurred in the exercise of their duties as Members of the Senedd. Following the end of the transition period for the UK's departure from the European Union, the Board proposed to remove references to the European Union from the Determination.

61. The Determination includes various provisions based on Members' travel to and from areas within and outside of the European Union. For example, the Determination provides that each Member is entitled to make up to four return journeys between Wales and any other member state, or region, of the European Union on Senedd related business.

62. The UK formally left the European Union on 31 January 2020 and the transition period that followed ended on 31 December 2020. As such, the UK is no longer a member state of the European Union. Further, as the transition period ended before the start of the Sixth Senedd, the Board sees no grounds for retaining a distinct provision for travel within the European Union.

63. In the Board's view, provisions in the Determination concerning international travel could be applied to travel within the European Union as they apply to travel in other foreign countries. International travel by Members for the purpose of undertaking their duties as Members is not subject to a maximum number of trips. Rather, each trip must be discussed and authorised by Members' Business Services.

64. Accordingly, the Board proposed to remove or substitute (as appropriate) all references to the European Union in the provisions in the Determination relating to Members' travel.

Views on the Board's proposals

65. The Labour and Conservative Groups noted support for this proposal. No other respondents commented on this proposal.

66. During a meeting of the representative groups, some concern was raised that removing these provisions could discourage future links with the EU.

The Board's decisions

67. The Board decided to remove references to the European Union from the Determination relating to Members' travel. Further, the Board also noted a reference to "Brussels" in this Chapter. It was noted that there would not be reason, aside from EU business, specifically provide for trips to Brussels but no other non-UK cities. As such, it was decided to also remove such references from the Determination.

68. Although reference to the European Union was being removed from the Determination, the Board did not intend to discourage Members from maintaining or creating future links with the EU. The Board did not consider that its proposals would have such an effect, as provisions in the Determination concerning international travel can be applied to travel within the European Union as they apply to travel in other foreign countries.

Proposals 4 and 5: Office and Constituent Liaison Fund

The Board's proposals

69. Provisions in Chapter 6 of the Determination for the Sixth Senedd entitles Members to claim reimbursement of all reasonable costs relating to the running of a constituency or regional office and engaging with constituents, known as an Office and Constituent Liaison Fund ("OCLF").

70. The Board proposed changes to provisions in the Determination on the allowance available to Members to cover the costs of running their offices.

71. The Determination for the Sixth Senedd sets out that a Member may claim an amount from the OCLF not exceeding the following in the year commencing 1 April 2021:

- £18,260 where the Member maintains an office in the Member's constituency or region, or
- £4,912 where the Member undertakes constituency or regional duties exclusively from the office facilities in Tŷ Hywel, Cardiff Bay.

Stationery costs

72. Members may use the OCLF to pay for stationery. Members may also use centrally funded resources for the same purpose. Such central resources are currently provided by the

Senedd Commission. These resources include printing, personalised stationery and postage costs. The total expenditure on stationery by Members from central funds during the financial year 2019-20 was £107,325 meaning an average total cost per Member of £1,789.

- 73.** The Board has agreed with the Senedd Commission that Members' stationery costs should be met in full by the OCLF in future. This will provide greater transparency on Members' full spending on such costs.
- 74.** The Board therefore proposed, as part of its consultation, to increase the Members' OCLF for the next Senedd term to reflect the transfer of the stationery budget from the Commission to Determination. This means Members' expenditure on stationery would no longer be funded by the Senedd Commission.
- 75.** To reflect this change the Board proposed to increase the OCLF by £1,800 per Member. This figure is based on actual expenditure on stationery by Members in 2019-20. This would not result in an additional cost to the taxpayer. Rather, the budget will simply be transferred from the Senedd Commission to the Board's Determination.

Costs resulting from changing the Senedd's name

- 76.** On 6 April 2020, the Senedd's name changed from Cynulliad Cenedlaethol Cymru / National Assembly for Wales to Senedd Cymru / the Welsh Parliament (commonly known as the Senedd). Members' stationery will need to be updated following the Senedd election in 2021 to reflect the name change. During the preparation of the legislation which led to changing the name of the Senedd it was estimated that the costs of updating office items would total £292,700, at a total cost of £4,878 per Member.
- 77.** As such, the Board proposed that returning Members will be able to claim the costs arising from changing the institution's name to Senedd from the OCLF, from the beginning of the Sixth Senedd. Members have not been permitted to do so during the period from the date on which the name was changed (i.e. 6 April 2020) to the end of the Fifth Senedd.
- 78.** A review of Members' use of their Office Costs Allowances during the Fifth Senedd found significant underspend by the majority of Members.
- 79.** On the basis of the current underspend of this Fund, the Board proposed the OCLF should not be increased from the beginning of the Sixth Senedd to accommodate additional costs resulting from the name change.

Views on the Board's proposals

- 80.** In response to the proposal to transfer the budget for Members' stationery costs from the Senedd Commission to the OCLF, the Labour Group asked the Board to provide flexibility for Members to procure stationery using the Senedd Commission budget or the OCLF, within the overall limit of the budget proposed for each Member. The Labour Group requested that should the proposal be implemented, the reasons for that should be fully explained.
- 81.** The Labour Group also noted the stationery budget proposed for Members (based on the average spending by Members on stationery during 2019/20) is significantly lower than that available to Members of Parliament.
- 82.** The Conservative Group opposed the proposal on the basis that current arrangements work well.
- 83.** However, the Acting Standards Commissioner welcomed this proposal on the basis that it would provide greater transparency on Members' total spending on stationery.
- 84.** In response to the proposal not to increase Members' OCLF from the beginning of the Sixth Senedd, the Conservative Group argued that extraordinary costs resulting from the name change should be paid from central funds not Members' allowances.

The Board's decisions

- 85.** In light of the responses received, the Board decided that stationery provision would move from the Senedd Commission and instead be funded from the Determination for the Sixth Senedd. The Board also decided to increase the value of this allowance by £1,800 to £20,060 (or £6,712 where the Member works exclusively from Tŷ Hywel) for the start of the Sixth Senedd. The transfer of budget to cover such claims from the Senedd Commission to the Determination means that this cost will not lead to an increase in cost to the taxpayer. This is because it is reflective of the current spend made by Members of the Senedd on such items.
- 86.** The Board is of the view that this decision will provide more flexibility to Members on who they choose as a supplier for their stationery needs. This means that Members can continue to use the arrangements put in place by the Senedd Commission should they wish to (whereby they will meet the costs from their OCLF allowance). Alternatively, they can also choose their own suppliers outside of the Senedd Commission arrangements, such as a company based in their constituency. Such expenditure is subject to the usual value for

money and reasonableness principles outlined in the Determination and the Rules on the Use of Senedd Resources. This decision applies to all stationery costs previously funded by the Senedd Commission including postage, pre-paid envelopes, other mail/delivery services, printing, personalised stationery and other stationery items.

- 87.** As with all costs claimed against this allowance, these will be published regularly on the Members' Allowance Database on the Senedd Commission website. This will provide greater transparency on the expenditure made by Members on such items.
- 88.** The Board also decided that there should be no increase to the OCLF in relation to the Senedd's name change and that Members should reclaim the costs arising from changing the institution's name from their OCLF in the next Senedd term.
- 89.** A previous review by the Board of expenditure against the Office Costs allowance showed underspends by many Members. The Board also noted that new Members, and those returning for a third successive term, are provided additional funds for establishing their offices. Given these considerations, the Board concluded that no additional funding was required.

Proposals 6 and 7: Members of the Senedd Support Staff Salaries and Pension Scheme

The Board's proposals

- 90.** The Board consulted on changes to the provisions in the Determination on support staff salaries and pension scheme.

Support staff salaries

- 91.** Chapter 7 of the Determination outlines the allowance available for Members to cover the costs of staffing support. Members may claim from this allowance for the salaries and pension contributions payable to their support staff.
- 92.** Chapter 8 of the Determination includes similar provisions relating to the support staff of political parties represented in the Senedd.
- 93.** The salaries of individual Members and political parties' support staff are adjusted annually in line with the Annual Survey of Hours and Earnings (ASHE), estimated gross Median Earnings for full-time employee jobs in Wales between April and April of the previous year.
- 94.** As the Board is proposing to introduce a maximum and minimum annual level of ASHE indexed adjustment for Members' salaries in the Sixth Senedd, it considered whether

support staff salary adjustments should be subject to the same limits. Support staff were given a 4.4 per cent increase to their salaries for the current financial year (i.e. 2020/21) in accordance with the ASHE figure for the previous financial year. The Board believes this constitutes a generous salary increase compared with salary trends elsewhere during the same period. At the same time, the Board is conscious that, if current economic conditions persist, the ASHE index figure could be very low in future. It may even fall below the rate of inflation and possibly return a negative value. The Board's proposal to place limits on annual increases to salaries was intended to avoid the potential for very significant changes to salaries from one year to the next resulting from the volatility of ASHE index figures.

Support staff pension scheme

- 95.** Individual Members and political parties may claim for the reimbursement of pension contributions made to their support staff. This is up to a maximum amount of 10 per cent of the actual salary paid to the relevant member of staff.
- 96.** In light of comments raised by support staff during the review of the Determination for the Sixth Senedd in 2020, the Board committed to consider options to enhance the support staff pension scheme.
- 97.** Accordingly, as part of its consultation, the Board proposed to make additional funding available to provide a matching employer contribution to the support staff pension scheme. This would allow the employing Member (the Party Leader in the case of political parties' support staff) to match the contributions paid by their support staff, up to a maximum amount of three percent of the employee's salary. The Board's intention with the introduction of a matching employer contribution is that it will act as an incentive for support staff to make a contribution to their pension scheme themselves to help increase their retirement savings.
- 98.** The Board has estimated the additional cost of this enhanced pensions provision would be up to c.£100,000 per annum, if up to half of support staff chose to pay a contribution of three per cent or more. However, it is uncertain at this point how many support staff would choose to make a contribution themselves. Currently around 18 per cent of staff choose to make a contribution to their pension.

Views on the Board's proposals

- 99.** Both proposals were supported by the Labour Group, the Labour Group and GMB support staff and the Conservative Group, with no objections. Respondents acknowledged that the

introduction of matched employer contributions towards support staff's pensions would help promote support staff saving for their futures.

100. Two respondents noted that the operation of the upper and lower limits on annual adjustments to support staff salaries should be kept under review during the Sixth Senedd.

The Board's decisions

Support staff salaries

101. The Board discussed the responses received to introducing future maximum and minimum salary increases for support staff. As with Members' salaries, it was agreed that this provision would avoid the risk of salary changes being applied in future which could be deemed disproportionate. It was noted that this provision would also ensure support staff do not receive a pay cut should the index return a negative figure in future. Having come to these conclusions, the Board decided to implement this proposal.

102. This means that any annual indexation applied to support staff salaries from 2022-23 onwards will not be greater than three per cent and will not result in a decrease in salary. The Board agreed that, as with the decision for Members' salaries above, changes in support staff salaries going forward would be appropriate within the context of Welsh earnings elsewhere.

Support staff pension scheme

103. The Board welcomed the positive responses to its proposal on support staff pensions. As a result, it decided to enhance the support staff pension scheme by introducing a matching employer contribution of up to three per cent of salary. The Board intends to ask the Senedd Commission to promote this added incentive to encourage support staff to increase their retirement savings.

Proposals 8 and 9: Policy, Research and Communications Fund

The Board's proposals

104. Section 7.14 of the Determination states that a Member may claim up to a maximum of £2,500 per annum (inclusive of VAT) towards the cost of obtaining specific policy expertise, to deliver a piece of research or for engaging with constituents.

105. The Board proposed changes to the provisions in the Determination on the funds available to Members to pay for policy, research and communications activities.

106. The Policy, Research and Communications Fund (“the Fund”) may not be used for party political engagement. It may not be used to cover the cost of dissemination of any content funded by the Fund.

Rules on the use of the Policy, Research and Communications Fund

107. Members must abide by the Board’s Rules and Guidance on the use of the Fund referred to in paragraph 7.14.8 of the Determination. The Rules and Guidance are largely focused on operational matters such as how to apply for the reimbursement of costs from the Fund. It also includes rules on the use of political party logos in any publications or communications with constituents.

108. Rules on the use of Senedd resources by Members are included in the Senedd Commission’s Accounting Officer’s **Rules and Guidance on the Use of Senedd Resources**. Members’ spending of funds provided for by the Determination are subject to both these rules and guidance and those agreed by the Board. Both sets of rules and guidance set limitations on the use of political party logos on materials produced by Members using public funds.

109. To avoid the risk of confusion, the Board proposed to remove the need for specific guidance from the Board on the use of the Fund, meaning Members would be required to comply with the Senedd Commission’s Accounting Officer **Rules and Guidance on the Use of Senedd Resources in this respect**.

110. Political parties represented in the Senedd are provided a party support allowance to fund the discharge of their work in the Senedd. The expenditure available under this allowance may be used for employing staff to undertake either research or administrative work. It may also be used to fund office equipment. Parties are permitted to use any unused funds in their Political Party Support Allowance to fund policy and research work (see Section 8.7A of the Determination).+

111. As a consequence of its proposal to dispose of its Rules and Guidance on the use of the Fund, the Board proposed to retain a reference in the Determination to periods where the Fund may not be used. The Board proposed to insert wording into the Chapter on Support for Political Parties which states that the Fund may not be used four months before a general election. This is currently included as a rule in the Rules and Guidance on the use of the Fund as well as in Chapter 7 of the Determination.

Printing and signage costs

112. The Board considered whether there were any possible implications for the use of the Fund arising from its proposal to transfer the budget for centrally funded stationery from the Senedd Commission to the Office and Constituency Liaison Fund. The Board noted this change would allow Members to claim for reimbursement of printing and signage costs from both the Fund and the Office and Constituent Liaison Fund.

113. Accordingly, the Board proposed to insert wording into the Determination to make clear that Members may not claim reimbursement of printing and signage costs from the Policy, Research and Communications Fund.

Views on the Board's proposals

114. The Conservative Group welcomed the proposals to remove the need for guidance by the Board on the use of the PRCF, noting this would simplify the rules for Members. The Labour Group also supported these proposals. No other respondents commented on these proposals.

115. The Labour Group also welcomed the proposal to include a clear statement in the Determination that the PRCF may not be used by Members to pay for the costs of printing and signage. It asked the Board to work with the Senedd Commission to review the current guidance and ensure that it is as comprehensive and clear as possible regarding what can and cannot be printed or promoted using central resources.

116. The Conservative Group object to this proposal on the basis that it unnecessarily curtails legitimate use of the PRCF, for example, the printing of surveys to inform policy. The Group asked for confirmation on how the PRCF may be used for communications purposes if printing is not allowed.

The Board's decisions

117. The Board concluded that it is unnecessary to have two sets of rules and guidance to underpin an allowance. Given that the Rules on the Use of Senedd Resources apply to all resources used by Members and their offices, the Board decided to remove additional Board mandated PRCF guidance for the Sixth Senedd. Further, the Board has written to the Accounting Officer to note that it wishes to maintain open dialogue to ensure any future adjustments to the Rules reflect experience gained by the Board in the operation of the Determination.

118. The Board also considered its proposal regarding introducing further text into Chapter 8 to clarify the time limit on the use of the allowance by political parties in an election year.

The existing Rules and Guidance for the allowance already state this time limit. As this change confirms what already happens in practice, and given that the guidance is being removed as outlined above, the Board decided that to implement this proposal.

119. The Board also proposed that the costs of printing and signage may only be used from the Office and Constituent Liaison Fund. Following consideration, the Board decided to implement this decision. The Board's view is that it provides transparency and clarity to Members on which allowance can be used for such costs. In this instance, printing includes (but is not restricted to) all printed materials such as surgery notices, newsletters and surveys. With regards to signage, this decision applies (but again is not limited) to office signage, pop up banners and advertising boards.

Proposals 10 and 11: Support for Political Parties allowance

The Board's proposals

120. As noted above, political parties represented in the Senedd are provided a party support allowance to fund the discharge of their work in the Senedd. This allowance may be used for employing staff to undertake either research or administrative work and to cover the costs of acquiring office equipment.

The definition of political parties

121. The definition of 'political party' set out in the 'Interpretation' section of the Determination for the Sixth Senedd determines eligibility for the allowance:

"Political party" means (i) a group of Members who belong to the same registered political party, or (ii) an individual Member who has notified Members' Business Support that they wish to be regarded as a Political Party."

122. The Senedd's Standing Orders (1.3) provide a definition of political groups in the Senedd:

For the purposes of the Act, a political group is:

(i) a group of Members belonging to the same registered political party having at least three Members in the Senedd; or

(ii) three or more Members who, not being members of a registered political party included in Standing Order 1.3(i), have notified the Presiding Officer of their wish to be regarded as a political group.

- 123.** The definition of 'political group' in Standing Order 1.3 determines eligibility for certain privileges in the Senedd such as entitlement to an allocation of Plenary time and places on Senedd committees.
- 124.** The definitions of 'political party' and 'political group', intended for different but related purposes, are similar but not the same. The Board's current definition is different than the definition in Standing Order 1.3 in the sense that it does not require that a Member's political party affiliation depends on that party being registered with the Electoral Commission.
- 125.** In order to provide greater clarity on the meaning of 'political party' in the Determination, the Board proposed that only political parties registered with the Electoral Commission should be recognised as such for the purposes of the allowances in the Determination. However, it noted that Standing Orders do provide for three or more independent Members (or those not registered with the Electoral Commission) to have a status of a 'political group' (Standing Order 1.3(ii)).
- 126.** The Board proposed to amend the definition of 'political party' in the Determination to make reference to Standing Order 1.3(ii).
- 127.** Any change to the definition in Standing Order 1.3(ii) would automatically apply to the definition in the Determination.
- 128.** This proposed change would not affect the criteria for opposition parties' receipt of core administrative funding. Any registered political party with three or more Members will receive core administrative funding (or if not Members of a registered political party, they must be a group as defined in Standing Order 1.3(ii)).
- 129.** To give effect to this, the Board proposed to change the definition of 'political parties' in the 'Interpretation' section of the Determination to:

"Political party" means (i) a group of Members who belong to the same political party registered with the Electoral Commission or (ii) recognised as a group under Standing Order 1.3(ii), or (iii) an individual Member who has notified Members' Business Support that they are a member of a registered Political Party."

The value of the political party support allowance

- 130.** The amount of allowance available to political parties in the Senedd is set out in Chapter 8 of the **Determination**. It is dependent on the number of members in a Political Party and whether they are in Government or not. Any Political Party not represented in the Welsh

Government, with three or more Members, will be entitled to a core administration allowance of £54,870. Any political party or parties represented in Welsh Government receive a core administration allowance of £10,980 per Member up to a maximum of £164,600. The remaining Support for Political Parties Allowance is allocated on a per capita basis among all Members whose parties are not represented in the Welsh Government.

- 131.** The total value of the Political Party Support Allowance is adjusted annually to reflect increasing costs, the majority of which relate to staff salaries. In previous years, it has been adjusted annually by the same index as is used for support staff salaries.⁷ This was to ensure that increased salary costs were reflected in the value of this allowance. However, the allowance is not exclusively used to fund group support staff salaries. It is also used to fund other staffing costs such as travel, office equipment and materials.
- 132.** In 2020, the previous Board agreed to adjust the average proportion spent on salaries (80.2 per cent) by the ASHE index, and the remainder of the allowance by the CPI rate.⁸ This gave an overall increase of 3.86 per cent (while salaries were increased by 4.4 per cent as per the ASHE index for this year).
- 133.** The Board proposed to adopt the same methodology as used by the previous Board last year for increasing the total value of the allowance. Therefore, the Board proposed that the proportion of the total amount that is spent on salaries (which is circa 76 per cent of the total allowance in the past financial year) is increased by the ASHE index of 2.4 per cent, and that the remainder of the allowance (24 per cent) is adjusted by the CPI rate for September 2020, which is 0.5 per cent. The Board believes that implementing this methodology provides an increase to the allowance which would enable Political Parties to meet the costs of the support staff salary increases without unnecessarily increasing the overall sum of the allowance.
- 134.** The Board's proposal means that the total value of the allowance for 2020-21 of £999,070 would be increased by 1.94 per cent to £1,018,500 for the start of the Sixth Senedd.

⁷ The pay of Members, office holders and support staff are adjusted in April of each year by the change in the ASHE annual gross Median Earnings for full-time employee jobs in Wales between April and April of the previous year.

⁸ Chapter 8 of the Determination on Members' Pay and Allowances for the Sixth Senedd, June 2020

Views on the Board's proposals

135. Both the Labour Group and Conservative Group welcomed the proposal to increase the value of the Political Party Support Allowance and no objections were received.

136. Both the Conservative Group and the Labour Group welcomed the proposal to change the Board's definition of 'political party'. The Labour Group noted there may be a case for changing the proposed new wording further to state that a "political party" refers to a party which has contested seats at the previous Senedd election, on the basis that this would mean that taxpayers are only asked to directly support parties in the Senedd which have a democratic mandate from the people of Wales. The Labour Group also noted this move may help avoid the creation of new political groups that do not have an established democratic mandate.

137. The Independent Alliance for Reform objected to this proposal on the basis that it would limit the ability of Independent Members of the Senedd, who have rejected party politics, to form a group. The Group noted that *"by making this change, the Remuneration Board will enable the Business Committee, which has no representation from Independent MS's, to change the criteria for forming a group"*. The Senedd's Business Committee may change the criteria for forming groups in the Senedd by proposing changes to Standing Order 1.3, for agreement by the Senedd. The Board were not clear how any changes to the Board's definition of 'political party' would facilitate any such change.

The Board's decisions

138. The Board noted that those who responded to the matter of the value of the allowance agreed with the Board's proposal to implement the same methodology as the previous year. The Board agreed that this was a fair increase to the allowance. This would allow political parties in the Senedd to meet the costs of salary increases to their staff, without unnecessarily increasing the overall sum of the allowance. As such, the Board decided to increase the value of the allowance by 1.94 per cent to £1,018,500 for the start of the Sixth Senedd.

139. The Board also considered the views raised by respondents to its proposal to amend the definition of "political party" in the Determination. It was mindful of the work being undertaken by Business Committee in relation to the definition of political party groups in Standing Orders. At the time of its discussion on the proposal, the Committee has not reported on any proposals for change. Nevertheless, the Board agreed that it is important that it takes decisions independent of those elsewhere in the Senedd.

- 140.** In response to the point raised by the Welsh Labour Group, the Board did not propose to make a further amendment to restrict this allowance to Members belonging to parties that have contested seats at the previous election. The Board considered that there could be numerous reasons as to why such parties may form during a Senedd term. There are no triggers within the Government of Wales Act 2006 for by-elections should a Member change party during a Senedd term. The Board is of the view that it is not its role to restrict the resources provided under the Determination in this manner.
- 141.** In considering the point raised by the Independent Alliance for Reform, the Board are of the view that primarily, core administration funds should only be allocated to Members of a political party registered with the Electoral Commission (where there are three or more Members). The Board was of the view that, where the Senedd's own procedures allow for other groups to be formed which are not registered political parties, it was appropriate they should be able to claim support to effectively undertake their parliamentary role. Given this, the Board decided to implement the proposed definition of a political party in the Determination, and that it should include reference to the definition of a 'political group' in the Senedd's Standing Order 1.3(ii).
- 142.** Further, as outlined in the consultation, the Board is mindful of the ever increasing cost of the allowance, as well as the general operation of the allowance. For instance, the total value of the allowance is more generous than for other devolved parliaments in the UK. The Board considers that the current formula for the allowance has operated as intended during the current term, even as political affiliations and groups have changed (i.e. capping overall costs and supporting all Members). However, the Board is minded to undertake a wholesale review of the purpose of the allowance during the course of the next Senedd term.

Other issues raised

- 143.** The Acting Standards Commissioner reiterated in his response the view previously shared with the Board that Members should be required to maintain a record of the hours worked by their support staff during time paid for by the Senedd Commission. The Commissioner noted concern that the absence of such a record gives rise to a risk of the Senedd Commission paying for time spent by support staff on party political activity.
- 144.** The Acting Standards Commissioner acknowledged in his response that this is a matter for the Senedd Commission's Accounting Officer to consider. The Senedd's Accounting Officer has since written to the Board to explain that the **Rules and Guidance on the Use of**

Senedd Resources have been amended to require Members to keep a record of the hours worked by staff in relation to Members' duties for this year's election period.

- 145.** The Board noted concerns raised by the Acting Standards Commissioner about the absence of any requirement for Members to maintain records of hours worked by their Support Staff, in particular the absence of any records of time spent by support staff on party political or election work during their normal office hours.
- 146.** The Board noted that the Accounting Officer Rules on the Use of Senedd Resources for the 2021 Senedd election, requires Members to keep such records during the election period. The Board is of the view that making such recording mandatory will provide an account by Members on the use of Senedd Commission resources as they must do for all other areas of the allowances.
- 147.** One of the members of the public who responded to the consultation questioned whether Members of the Senedd who are able to claim an allowance to help meet costs incurred in relation to a disability or disabilities should also be able to claim Disability Living Allowance (DLA) or Personal Independence Payment (PIP). The respondent noted it would be inappropriate to allow Members to claim both the disability allowance provided for in the Determination and the Government means-tested DLA or PIP, as this would constitute double provision from the public purse.
- 148.** The allowance available to Members to help meet costs incurred in relation to a disability or disabilities was introduced by the previous Board for inclusion in the Determination for the Sixth Senedd. It was not a proposal put forward as part of this Board's consultation on changes to that Determination.
- 149.** The disability allowance provided by the Determination is intended to help Members meet the additional costs of any reasonable adjustments required in order to enable Members to fulfil their duties. This may include, for example, making use of a British Sign Language interpreter in order to be able to engage with a constituent. The DLA and PIP allowances provided by the UK Government are means of supporting individuals with additional living costs resulting from a disability or disabilities. Therefore, the purpose of the disability allowance provided for in the Determination is quite different to the purpose of the allowances provided by the Government.
- 150.** Further, the Board's decisions were intended to eliminate potential barriers which might otherwise deter people with the ability and commitment to be Members of the Senedd from

standing for election and encourage a diversity in representation. The Board did not see any reason to change this.

151.

Other decisions incorporated into the Determination for the Sixth Senedd

152. In addition to the changes outlined in the Board's consultation, during its review of the Determination for the Sixth Senedd, the Board identified a number of minor changes. This includes some minor changes to the text of the proposals adopted by the Board.

153. The Board also identified two provisions which are missing from the Determination, but which reflect decisions previously made by the Board.

Support from central funds

154. At various times, the Board and its predecessors have provided a range of support to Members outside of the allowances specifically set out under the Determination. That support has usually been provided in response to specific circumstances. In the last 12 months, the Board has provided a range of support from central funds in order to ensure Members have appropriate resources to respond to the challenges arising as a result of the Covid-19 pandemic.

155. A new section 2.5 has been inserted into the Determination to reflect this approach. The Board is of the view that this will ensure transparency and clarity.

Time off for public duties

156. As part of its consultation on the Determination for the Sixth Senedd, the previous Board determined that Members should be permitted to allow support staff to have time off work to undertake public duties. This could apply to training with reserve forces; attending meetings of public bodies; and participation in jury service.

157. Subsequently, in January 2020, the previous Board agreed that the policy's provisions should be in-line with provisions available for support staff in the other parliaments of the UK.

158. In order to provide transparency in relation to this provision, the Board intends to include a specific reference to the policy the Determination in Chapters 7 and 8.

6. Equality

159. As noted in the consultation document, the Determination for the Sixth Senedd published in June 2020 aims to ensure that the support and remuneration offered to Members of the Senedd do not deter people from standing for election to the Senedd. For example, the Determination includes:

- an allowance for Members to help meet costs incurred in relation to a disability or disabilities;
- additional resources to help with a Member's workload during their period of parental leave; and
- a contribution towards care costs for children and / or dependants when Members are required to work beyond family friendly hours, reflecting similar arrangements that are in place for local authority members in Wales.

160. Understanding incentives for, and barriers to, standing for election continues to be a priority for the Board. Accordingly, as part of its consultation on changes to the Determination for the Sixth Senedd, the Board invited views on:

- whether the proposals on which it consulted could have any implications for people who identify with any protected characteristics as defined under the Equality Act 2010;
- whether the issues raised by respondents to the consultation could have an impact or potential impact on people who identify with protected characteristics.

161. None of the responses received to the consultation raised any issues relating to the impact or potential impact of the Board's proposals on persons with protected characteristics. The Board itself did not identify any such impacts arising from its proposals.

7. A forward look

- 162.** The decisions set out in this report are intended to ensure the Determination on Members' pay and allowances is fit for purpose at the beginning of the Sixth Senedd. In particular, the Board's decisions on the salaries of Members and additional office holders are intended to ensure such salaries reflect the challenging economic circumstances faced in Wales at the time those decisions were taken whilst also providing Members with a fair salary that reflects the complexity of the work they do.
- 163.** The role of Members in holding the Welsh Government to account and representing the interests of their constituents will not change during the Sixth Senedd. However the circumstances in which that role will be carried out are far less clear. At the time of writing it is not known how long the pandemic will continue to affect how Members' undertake their work. It is not known whether recent changes in Members' working arrangements will be made permanent as the pandemic subsides.
- 164.** Beyond the pandemic, the full implications of Brexit on Members' work during the Sixth Senedd are also not fully known. Questions on the future constitutional make-up of the UK remain firmly on the cards. Clearly, the context within which Members will fulfil their duties during the Sixth Senedd is unclear and could change significantly over time.
- 165.** With this in mind, the Board will keep the Determination under regular review to ensure it provides adequate resources to allow Members to fulfil their roles effectively; a level of pay and allowances for Members that are appropriate within the financial circumstances in Wales; and, crucially, value for money for the taxpayer.
- 166.** In order to achieve this, the Board will continue to work closely with stakeholders and consult them on any further changes to the Determination. It will also take account of the latest evidence, information and data available in order to ensure any further development of the Determination for the Sixth Senedd is reflective of social, constitutional and economic circumstances in Wales.

Annex A: Board membership

Dr Elizabeth Haywood (Chair)



Elizabeth is currently a Board member of Natural Resources Wales and Hendre Group. She chairs NRW's Flood Risk Management Committee. She was previously a Board member of Scottish Power Energy Networks, a Trustee and Board member of the charity Leonard Cheshire where she was a member of the Audit and Risk and Remuneration Committee. She has also been an independent member of the Welsh Audit Office's Remuneration Board, and inaugural Chair of WCVA Services Ltd. She also chaired the Welsh Government's Ministerial Task Force on City Regions.

Her early career was spent in the European Parliament and the Welsh Development Agency, before being appointed Director of CBI Wales, Communications Director of the Association of Train Operating Companies and then running an executive search firm based in Cardiff and London.

She has a degree from Cardiff University, a PhD and an honorary doctorate from Swansea, was the recipient of the first Welsh Woman of the Year Award and is an honorary Fellow of Trinity St David's University.

Elizabeth was appointed as Chair of the Independent Remuneration Board of the Senedd in June 2020.

Ronnie Alexander



Ronnie is a former Chief Environmental Health Officer for Welsh Government. He is a Consumer Advocate for the Consumer Council for Water and is a member of the Welsh Food Advisory Committee. In addition, Ronnie is a Non-Executive Director for Estyn, Independent Chair of the Standards Committee at Blaenau Gwent County Borough Council and has membership of the Standards Committees for the South Wales Fire and Rescue Service and the Vale of Glamorgan Council. He also chairs the Independent Remuneration Panel on Members Allowances for Bath and North East Somerset Council and is a Panel Member for Bristol City Council.

Ronnie had a civil service career spanning over 20 years when the issues of climate change and sustainability were particular interests. Prior to that, he worked for a number of local authorities in Northern Ireland and England in areas such as enforcement and strategic support services. He has a considerable track record of engaging with the public, professionals and politicians at all levels to influence policy.

Ronnie's appointment to the Board was confirmed by the Assembly Commission in June 2017. He took up the position in July 2017.

Michael Redhouse



Michael Redhouse is currently Principal of EMES Consulting, which he founded in 2002, helping many major organisations with their remuneration and benefits issues. Michael graduated in mathematics from the Open University, and his career included spells as a Partner at Ernst and Young, and as Employment Policy Director at Diageo. Michael served as a Trustee of the APEX Trust, which supports offenders returning to work, and as Chair of Trustees of St. Luke's Hospice in Harrow.

Michael is a Member of the School Teachers' Review Body (STRB), which looks into pay, professional duties and working time of school teachers in England and Wales and reports to the Secretary of State.

Michael has been a member of the Independent Remuneration Board since 2015.

Dame Jane Roberts



Jane is Research Fellow in Public Leadership at The Open University Business School. Jane was Leader of the London Borough of Camden Council from 2000 to 2005 following which she has served in a range of non-executive roles including as Chair of the Councillors Commission for the Department of Communities and Local Government, Chair of Parenting UK, a member of the Ofsted board, Chair of New Local Government Network and currently Chair of the charity, Living Streets. She is also a member of the Advisory Group of the Welsh Centre for Public Policy. Jane was appointed a DBE in 2004. Professionally, she is a medical doctor and is an Honorary Consultant Child and Adolescent Psychiatrist with experience of senior healthcare management in the NHS.

Jane has published a number of academic articles in paediatrics, psychiatry and politics. She co-edited 'The Politics of Attachment' (1996) with Sebastian Kraemer and is the author of 'Losing Political Office' (2017).

Hugh Widdis



Hugh is the Head of the Government Legal Service for Northern Ireland, and Departmental Solicitor for the Northern Ireland Executive.. He has 20 years of experience in parliamentary services and government legal services. Prior to joining the Northern Ireland Executive, Hugh was Director of Legal and Governance Services for the Northern Ireland Assembly.

He has previously worked in research, as a barrister in private practice and as an in-house lawyer in a leading financial services provider. He has also worked in the Scottish Parliament's legal office, and on discrimination law in the Office of the First Minister and deputy First Minister. He was a member of the Welsh Assembly Commission's Audit and Risk Assurance Committee (ACARAC) from 2012 until 2019. Hugh is a barrister and member of the Bar of Ireland and the Bar of Northern Ireland. Hugh was appointed to the Independent Remuneration Board in June 2020.