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# **Senedd Commission**

## **Effectiveness Review of the Independent Remuneration Board of the Senedd**

**January 2023**

Reviewed by: Gareth Watts, Head of Governance and Assurance

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# 1. Executive summary

## 1.1 Introduction and background

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- 1.1.1 I have undertaken a mid-term effectiveness review of the Independent Remuneration Board of the Senedd (the Board).
- 1.1.2 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 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.
- 1.1.3 The current Board is the third Remuneration Board and it met for the first time on 23 September 2020. Board members are appointed by the Senedd Commission and hold office for a fixed term of five years (which can be renewed for a further term). Two members of the current Board are now serving their second five-year terms. Since the Board first met in September 2020, there has also been a change in membership with a member resigning and a new member being appointed as a replacement in August 2021.

## 1.2 Scope

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- 1.2.1 I have concentrated on the following key areas in undertaking this review:
- Board dynamics
  - Board meetings
  - Support for the Board
  - Stakeholder views
  - Continuous improvement and development

The other two issues cited in the terms of reference were around work programme and the effect of the Covid pandemic. I have not completed separate sections for these issues but comment on the work of the Board and the effect of the pandemic, where appropriate, throughout the five sections.

- 1.2.2 The evidence leading to this report was obtained from discussions with a cross section of Board stakeholders including:
- Board members.
  - Board secretariat.
  - Members of the Board's integrated team; and

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- Members of the Senedd and Members' support staff.<sup>1</sup>

Further details about the people interviewed as part of the review can be found in Appendix 2 to this report.

1.2.3 Additionally, I reviewed minutes and papers from Board meetings and the Board's Terms of Reference. The review does not consider 'effectiveness' in terms of whether the Board has achieved its strategic objectives, as it is too soon into their term to assess that as yet.

1.2.4 This report will summarise my findings from the review raise recommendations.

## 1.3 Conclusion

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1.3.1 Since the commencement of its term in 2020, the current Board has encountered significant challenges most notably having to operate through the Covid pandemic, which has resulted in it working in very different ways from its predecessor Boards.

1.3.2 Board members are acutely aware of the difficulties the pandemic has presented to them as a group but also the limitations that 'lockdown' conditions have placed on their ability to interact with their stakeholders.

1.3.3 As a result of the review there are three important themes emerging:

- in a number of areas there is lack of clarity around roles and responsibilities which leads to a lack of shared understanding around the relationship between the Commission and the Board.
- an element of frustration and loss of confidence and trust in the Board from sections of Members and Support Staff; and
- concerns about the complexity and difficulty of interpreting the Determination.

## 1.4 Recommendations

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1.4.1 I have raised 12 recommendations. (Appendix 1.)

## 1.5 Further work

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1.5.1 As outlined in Appendix 1 the Board should put in place an action plan to address the recommendations raised. At some point before the end of the current Board's term it should commission a further effectiveness review to follow up and validate the progress made as well as to evaluate the Board's overall effectiveness throughout the whole of its term.

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<sup>1</sup>The approach I took was to speak to Commissioners who offered a perspective in their role as a Commissioner and the views from within their Group. I also met with the one Member not part of party Group and additional Member who requested to speak to me. For Support Staff I met with Chiefs of Staff who fed back on behalf of their Support Staff colleagues in the Group and also met with a Support Staff member who works for a Member not in a Group.

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1.5.2 All different options to undertake such a review should be presented to the Board at that point so they can make an informed decision as to how they wish that review to take place.

## 1.6 Acknowledgment

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1.6.1 I would like to thank everybody who contributed to this effectiveness review.

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## 2. Detailed Findings

### 2.1 Board Dynamics

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- 2.1.1 The current Board has a broad range of skills at its disposal including, but not limited to, knowledge and experience of local and national politics; understanding of the workings of a legislature; supporting diversity in public life; knowledge and experience of Welsh public life; and expertise in technical areas such as pensions. The Chair considers the various skills and individual experience of each member when designating members as leads in particular areas of the Board's work.
- 2.1.2 Cumulatively the contributions of these skills, knowledge and experience add value to how the Board operates, gives credibility to the Board in its dealings with its various stakeholders and leads to a positive and mutual respect between the different members of the Board.
- 2.1.3 A significant frustration for the Board has been the lack of opportunities to meet in person with each other and with stakeholders due to the pandemic. This is a significant issue which has affected individual Board members' chances to meet and get to know new colleagues and inhibited the Board in being able to forge developed working relationships with the secretariat team and the wider cohort of Commission officials who support the Board's work.
- 2.1.4 As the Board continues to evolve and as both the size and potentially the remit of the Senedd expands in the future, there may also be opportunities to reevaluate the role of the Board and the skills, experiences and time commitments required from future Board members.

### 2.2 Board Meetings

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- 2.2.1 The pandemic has played a significant role in the nature of meetings with most of the meetings that have taken place since September 2020 being virtual. Amongst other challenges presented by this format of meeting is the practical challenge of clerking meetings. More comments on the issue of clerking are included in the section on Senedd Commission support, but it is evident from my conversations that opportunities for the clerking team to fully support the Chair in real time in a virtual environment have been extremely limited.
- 2.2.2 I think it would be helpful if further clarity relating to the roles and responsibilities of all meeting participants, together with setting out meeting procedures and rules, was all set out in one accessible document such as a Board Charter.
- 2.2.3 The review feedback has identified different opinions on how effectively meetings run and I note that the Chair has introduced an opportunity for meeting participants to feedback at the end of meetings. The Board and Commission may also wish to explore other avenues and mechanisms to canvass real time feedback.

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## 2.3 Commission Support for the Board

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- 2.3.1 In accordance with Section 9 of the 2010 Remuneration Board Measure: “The [Senedd] Commission must provide the Board with such administrative support as the Board reasonably requires enabling it to discharge its functions.”
- 2.3.2 Currently, staff employed by the Commission are allotted to the Board from a similar pool of clerking posts, in particular at the start of a new Senedd, or when vacancies or new posts arise (or external recruitment is conducted when necessary). It was acknowledged by all interviewees that the Board’s term has coincided with significant change and upheaval with respect to the resourcing of the Board’s secretariat team.
- 2.3.3 Until January 2022, the Board only had two members of staff dedicated to it: a Clerk and Deputy Clerk. It has and continues to receive wider support from an Integrated Team which includes expertise from Research, Members’ Business Support (MBS), Legal and ad-hoc support from Communications. The Board felt that it has not had at its disposal all the expert and technical expertise it requires and has only been able to draw on part time advice from legal and finance experts.
- 2.3.4 A case for extra resource has been proposed to the Commission to address many of the issues raised here which the Board had recognised. This included- pace of work, a more strategic response, improved engagement, and different ways of working with Members.
- 2.3.5 As part of the case for extra resources the Board is seeking to recruit an additional Researcher who would become an expert in Board matters to complement the support given to others and has been allocated a resource from the Commission’s Communications Service Area. While some staff have joined the secretariat team over the past 12 months, recruitment of staff has taken longer than anticipated and this is acknowledged in the Commission’s corporate capacity which forms part of the strategic risk register.
- 2.3.6 There have been difficulties experienced around staffing during this Board’s term due to some unavoidable circumstances and this was recognised by all Board stakeholders during my review. These staffing challenges, allied to difficulties brought about by virtual working, has made working relations between the Board and its secretariat more challenging for all concerned.
- 2.3.7 Over the last year the Commission has recognised the complexity that exists for Members in respect of who is responsible for what in terms of the governance around Members' spend and use of Senedd resources. During 2021, a consultation on Accounting Officer rules was undertaken. An updated version of the Accounting Officer’s Rules and Guidance on the use of Senedd Resources has been produced and issued. These came into force on the first day of the summer recess on 18 July 2022. The rules were updated following formal and informal consultation with Members, support staff, Remuneration Board, ARAC, and the public. The rules have been simplified where possible.

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- 2.3.8 This area has been recognised as being a very complex regulatory environment and the Commission has raised a corporate risk to manage it proactively. One of the mitigating controls put in place was the establishment of the Regulatory Forum, comprising relevant staff from across the Commission, including those who support the Board to meet on a periodic basis. The objective of the forum is to establish a shared understanding of the issues being raised and seek means of resolving these issues.
- 2.3.9 The role of the Commission and the Board going forward was also discussed as part of the review and in particular their respective roles as Senedd reform is taken forward. The Senedd Commission will be charged with reviewing its property, staff, and services in response to Senedd Reform within the institution, while the Remuneration Board will have some significant strategic decisions to make as part of the process and be intrinsic to the governance of the project. There are varying views as to how this will play out as it is noted that those leading on Reform for the Commission are part of the same service which also support the Remuneration Board. There are opportunities presented by this scenario due to the familiarity of the two aspects for those involved in these areas but also the risk of independence and conflicts of interest risks which Commission staff may be exposed to.

## 2.4 Stakeholders' Views

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- 2.4.1 Stakeholders recognise that the Board has had a particularly challenging economic and social context within which it has had to take decisions, consider, and weigh up its principles, including that decisions must be appropriate within the wider financial circumstances of Wales and represent value for money for the taxpayer.
- 2.4.2 Some political stakeholders expressed a level of frustration with the way the Board has been working and some have lost confidence in the Board.
- 2.4.3 Some political stakeholders I met fed back to me that in the opinion of some of their fellow Members and Support Staff:
- There is an element of duplication around the consultation process and asking for the same information repeatedly.
  - There is frustration at the timing and notice given around some of the consultations issued to Members and Support Staff.
  - The Board does not always respond quickly enough to events and doesn't always show a full understanding of the work of a Member or Support Staff.
  - The Board should be more transparent and share the research papers they commission for Board meetings.
- 2.4.4 Stakeholders expressed different opinions about the usefulness of the Determination itself. Some viewed it as being helpful and an important point of reference. However, many expressed frustrations as to how difficult the Determination is to navigate as it has been put



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together in a 'piecemeal' format over the last decade or more. Some saw it as overly prescriptive, others as providing insufficient guidance.

- 2.4.5 Due to the covid pandemic the Board has had to become more agile in the way it responds to provide support. For example, under Section 2.5 of the Determination there is provision for central funds for support for Covid. However, this was introduced in such way which meant that the Determination did not need to be updated to reflect any in year changes, it provides that the Board can issue a notice to Members about any changes. At its October 2022 meeting, the Board decided that this Fund should close as of 30 November 2022. A letter was sent which constitutes written notice of the Board's intention to close the Fund from 30 November 2022, but the Determination itself would not be updated until March 2023. Therefore, the Board is relying on MBS and Members to be aware of the letter between December 2022 and April 2023.
- 2.4.6 A further historic example of this being in relation to staff travel – a Fit for Purpose Report issued in 2011 refers to staff travel and explains that an amount of an allowance is allocated for staff travel, however this is not explicitly mentioned anywhere in the Determination itself. Interviewees did not think it was realistic for MBS or Members to refer to reports from 2011 to determine what is allowable.
- 2.4.7 There is a potential risk the MBS and Members may for whatever reason be unaware of update letters issued and the Board and Commission should work together to ensure that a visible and accessible trail of any such letters is available to ensure nothing slips through the gaps.
- 2.4.8 The Board had already initiated a simplification initiative to address some of the criticisms levelled at the current arrangements. This is not far enough advanced at the time of the review to ascertain how this will address the issues.

## 2.5 Continuous Improvement

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- 2.5.1 Effective Boards should encourage an environment where self-evaluation and continual development is a deliberate routine process.
- 2.5.2 All members of the Board have significant and valuable experience from which they can draw from sitting on boards and committees elsewhere in both the private and public sectors.
- 2.5.3 An important performance driver for this Board is about delivering on its strategy and fulfilling its forward programme. There is a sharp focus on the forward programme, with reference made at each meeting and progress is tracked against this as well as it being amended and updated as and when appropriate.
- 2.5.4 The Commission has funding to help support the training and development of Board members should this be required but the current Board have not seen the need to utilise

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such funding. However, where appropriate third-party experts have been used to provide the Board with advice. Increased staffing levels and expertise being provided going forward may also reduce the potential need for this further in the future.

- 2.5.5 The Board recognises the challenges it faces and by commissioning this mid-term review also demonstrates its desire to gather feedback and continue to develop going forward.
- 2.5.6 During the review some interviewees suggested that some of the apparent difficulties and complexity caused by the dynamic of the current relationship between the Board and the Commission could be overcome by adopting a different model. In particular, several interviewees referred to the Independent Parliamentary Standards Authority (IPSA) the independent body, arm's length to the House of Commons, which regulates and administers the business costs and decides the pay and pensions of the 650 elected MPs and their staff. As Senedd reform moves forward and the future of the Board potentially comes into sharper focus, the options of different models in the future may be an issue the Commission and the Senedd itself may wish to address as part of the Board's future development, and if so, the Board will have valuable experience to contribute.
- 2.5.7 I recognise that this Board is small in size so there are close relationships between each member and the Chair, although due to the pandemic these are not potentially as developed as they would have been under different circumstances.
- 2.5.8 As referenced earlier in this report, the Chair already seeks feedback at the end of meetings. Good practice would also dictate that an element of performance management review should be established to formally manage expectations between the Chair and the other members of the Board and safeguard the risk of underperformance going unaddressed during a future Board.

## 2.6 Concluding Comments

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- 2.6.1 The Board are invited to consider and discuss the findings of this review.
- 2.6.2 I re-iterate my thanks to all who helped to contribute towards this review and wish the Board well for the future.

## Appendix 1 – Recommendations

<b>Recommendation 1</b>	<b>Details</b>
<b>Issue</b>	The review identifies that the Board does not currently have in place a single document which outlines the respective roles and responsibilities of meeting attendees nor sets out the details of meeting rules such as quorum, deputising for the chair etc.
<b>Recommendation</b>	The Board, in conjunction with the secretariat team, introduce a Board Charter or other such governance document.
<b>Recommendation 2</b>	<b>Details</b>
<b>Issue</b>	The Covid pandemic has significantly reduced the opportunities for in person meetings between the Board members, secretariat, and the wider integrated teams.
<b>Recommendation</b>	The Board works with Commission officials to agree and set aside time to develop relationships between the Board and officials. Time and dates should be set aside for development and team building opportunities to contribute towards developing the effectiveness of the Board further.
<b>Recommendation 3</b>	<b>Details</b>
<b>Issue</b>	The advent of Senedd reform may continue to impact upon the work of future Boards and may necessitate the different skill sets, experiences, and time commitments for future Board members. For example, one suggestion brought forward during my review was whether there should be a requirement for a former Member of the Senedd to be a member of a future Board.
<b>Recommendation</b>	The responsibility for Board recruitment rests with the Commission. If opportunities arise the current Board should work with the Commission, to review the role specification for future Board Members in light of Senedd reform. This review should be completed in advance of the next round of Board recruitment.

<b>Recommendation 4</b>	<b>Details</b>
<b>Issue</b>	Currently feedback is sought from Board members and Commission officials at the end of Board meetings. During the review some feedback was shared with me around Board meetings that had not previously been fed back to the Board. Therefore, the Board may look to use other methods to gather feedback and to try and ensure that constructive and evidence feedback is received in 'real time'.
<b>Recommendation</b>	The Board works with the secretariat to develop other mechanisms to regularly gather feedback from all those who participate in meetings.
<b>Recommendation 5</b>	<b>Details</b>
<b>Issue</b>	The Board has recognised the fact that it does not have tax expertise and has commissioned the Commission's Head of Procurement to help the Board with this next year. The Chair has written to the Chief Executive and Clerk to tell her the Board are doing this and has asked for updates from the Commission on progress on tax negotiations with His Majesty's Revenue and Customs (HMRC). There are potentially other areas where sufficient information or expertise isn't available to the Board.
<b>Recommendation</b>	The Board undertakes further gap analysis to determine whether there are other areas it lacks in terms of expertise or capacity to make informed decisions with complete information.
<b>Recommendation 6</b>	<b>Details</b>
<b>Issue</b>	There is sometimes a lack of clarity with respect to the relationship between the Board and the Commission and the respective roles and responsibilities within this relationship.
<b>Recommendations</b>	<p>a) The Board should enter into discussions with the Commission to review their relationship in respect of the services the Commission provides to the Board and consider how this may operate going forward.</p> <p>b) The Board should also work with Commission staff to ensure clarity for Members and their staff to understand the respective roles of the Board, MBS, and the Chief Executive.</p>

<b>Recommendation 7</b>	<b>Details</b>
<b>Issue</b>	Concerns have been expressed about the way the Board sometimes communicates with its political stakeholders. Criticisms include unnecessary duplication and some concerns around the timings and notice given in respect of some consultations.
<b>Recommendation</b>	The Board should look to address the concerns identified in relation to the way in which it communicates with its political stakeholders. One route may be to engage communication expertise to help and support the Board. The Board should also involve Members and their staff in finalising and agreeing any new ways or principles adopted in respect of future communications to ensure a shared understanding.
<b>Recommendation 8</b>	<b>Detail</b>
<b>Issue</b>	Some political stakeholders were of the view that they would be better able to understand decisions made by the Board if all the information provided to the Board is available to them.
<b>Recommendation</b>	Transparency is an important principle which underpins the work of the Board. The Board should re-review in which circumstances it would be appropriate to share the information it receives by way of research to ensure that those affected by its decision have a clear understanding of the evidence which led to the decisions being made.
<b>Recommendation 9</b>	<b>Detail</b>
<b>Issue</b>	During the review a number of comments were made to me about difficulties which users sometimes experience when trying to navigate their way around and understand the Determination. There are regular updates and, as cited in the main report, are sometimes provisions available to Members which aren't explicitly referred to in the Determination document itself.
<b>Recommendation</b>	The Board should ensure that the work it takes forward on simplification addresses the issues noted in respect of the Determination. In taking forward this work it should also include Commission staff (including MBS), Members and Support Staff in its discussions and deliberations to helping to shape the way forward for the Determination.

<b>Recommendation 10</b>	<b>Detail</b>
<b>Issue</b>	There is some on-going debate about the future of the Board, its relationship with the Senedd and the Commission and what its remit may look like in a reformed and enlarged Senedd.
<b>Recommendation</b>	The responsibility for any change in remit or reform of the Board would be the responsibility of the Senedd. However, the Board should enter into discussions with the Commission to raise the themes around its ongoing relationship with the Commission and any potential impact on its future remit, resulting from Senedd reform.
<b>Recommendation 11</b>	<b>Detail</b>
<b>Issue</b>	There are no formal performance management arrangements in place for the Board at present.
<b>Recommendation</b>	The Board (under the direction of the Chair) and working with the secretariat should consider looking to introduce some form of annual performance management arrangements with Board members in line with good practice.
<b>Recommendation 12</b>	<b>Detail</b>
<b>Issue</b>	The Board needs to ensure that it can adequately track progress against its strategy, and indeed these recommendations and ensure that it communicates such progress with its stakeholders.
<b>Recommendation</b>	The Board should work with its secretariat to develop a means of tracking its progress and puts in place a communication plan to ensure it can demonstrate the progress being made to its stakeholders.

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# Appendix 2 – List of Interviewees

## Board Members

- Elizabeth Haywood (Chair)
- Jane Roberts
- Mike Redhouse
- Hugh Widdis
- David Hanson

## Members of the Senedd

### Commissioners

- Ken Skates MS
- Rhun ap Iorwerth MS
- Janet Finch-Saunders MS
- Joyce Watson MS

### Other Members

- Jane Dodds MS
- Vikki Howells MS

## Support Staff

### Chiefs of Staff

- Anthony Cooper
- Carmen Smith
- Paul Smith

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## Other Support Staff

- Rhys Taylor

## Commission Officials

### Secretariat

- Huw Gapper
- Ruth Hatton
- David Lakin

### Other Officials

- Manon Antoniazzi (Chief Executive and Clerk)
- Siwan Davies (Director of Senedd Business)
- Anna Daniel (Head of Strategic Transformation and Senior Adviser to the Board)
- Sulafa Thomas (Head of Commission and Member Support)
- Bethan Davies (Head of Member' Business Support)
- Llinos Madeley (Former Clerk to the Board)
- Craig Griffiths (Legal Adviser)
- Kate Rabaiotti (Legal Adviser)
- Martin Jennings (Finance Research Team Leader)