

To: Respondents to the Board's consultation on the annual review of the Determination for 2023-24

Date: 30 March 2023

Subject: Annual Review of the Determination of Members' Pay and Allowances for 2023/24

The Independent Remuneration Board undertook a consultation exercise on its Determination of Members' Pay and Allowances for 2023/24, in accordance with its duty under the National Assembly for Wales (Remuneration) Measure 2010.

The consultation was published on the Board's website between 9 January and 9 February 2023. Meetings were held with the Chiefs of Staff of the political parties represented in the Senedd. The consultation was publicised via Twitter, promoted on the Senedd's intranet and website with a direct mailing to the Board's stakeholders.

The Board received 16 responses, listed below. The Board would like to thank all those who engaged in this exercise. The responses received were very helpful in informing the Board's decisions and we appreciate the time and effort that it took to produce them.

The Board considered these responses at their meeting on 2 March and agreed a revised Determination at their meeting on 16 March.

Some of the comments made in response to the consultation on issues which were not directly related to consultation proposals are also addressed. All of the issues raised will be considered as part of the Board's ongoing work programme.

Changes to the Determination agreed by the Board for 2023/24 are listed below.

Best wishes,

A handwritten signature in black ink that reads "Dr Elizabeth Haywood". The signature is written in a cursive, flowing style.

Dr Elizabeth Haywood,
Chair, Independent Remuneration Board of the Senedd

Changes to the Determination

Proposal 1: Expenditure sum requiring three written quotations

1. Responses to the consultation showed that increasing the sum at which Members are required to provide three written quotations would result in a more efficient and less time consuming procurement process for Members and their staff. Responses also said that in some cases it was not possible to source three providers for certain goods or services.
2. In response, the Board agreed to change the Determination to reflect the need for three written quotations for any expenditure on goods or services with an estimated value above £1,500. This differed from the proposal which called for comments on a threshold of £1,000. In response to evidence from the Chief Executive and Clerk to the Senedd, the Determination will also be changed to note that Members may seek prior approval from the Members' Business Support Team in exceptional cases to disapply the requirement to obtain three quotations.

Proposal 2: Home working allowance

3. All those who responded agreed with the proposal, although the Welsh Conservatives were concerned that the allowance will not be pro-rated. The Board had considered the arguments for pro-rating the allowance, including the costs and additional staff time involved in doing so at the time of drafting the proposal. It concluded that it would be disproportionate to the sum involved and lessen the value for money overall. Board agreed to change the Determination as proposed in the consultation. The Determination will be amended to:
 - remove section 2.5 of the Determination 'Support from central funds related to Covid-19 pandemic';
 - introduce a new provision in Chapter 7 and Chapter 8 of the Determination providing for a Home Working Allowance of up to £6 per week (or £26 a month for employees paid monthly in arrears) towards the additional costs of working at home for Member Support Staff and Group Support Staff. This will not be pro-rated; and
 - pay this allowance from central funds.

Members' salaries

4. The Board noted, that in accordance with the annual indexation provision agreed for the 6th Senedd, that Members' salaries (including office holders' salaries) will increase by 3 per cent in the Determination 2023-24. One respondent commented to say that the annual increase to Members' salaries should not apply to Additional Office Holder salaries, and that it should instead reflect the quantum of work carried out.

5. The Board noted this comment. However, in accordance with the *National Assembly for Wales (Remuneration) Measure 2010*, the Board may not make more than one decision in relation to the salaries of Members and office holders which is to have effect during each Senedd term, unless there are exceptional circumstances.

Proposal 3: Caring responsibilities

6. Those who responded to the proposal were in favour. The Welsh Labour group wished to highlight issues regarding the availability of childcare professionals who are able to provide sufficiently flexible childcare. The Board noted the difficulties for those seeking childcare and is open to working with the Senedd Commission to consider whether any further change to the Determination is needed.

7. The Board has agreed to change the Determination as proposed in the consultation. The Determination will be amended to increase the limit on the costs that may be reimbursed for Members with caring responsibilities under section 3A.3.2 by 10.1 per cent, the Consumer Price Index (CPI) rate as at September 2022.

Proposal 4: Overnight accommodation in the Cardiff area

8. Those who responded were in favour of the proposed increase. The Board noted the suggestion from Welsh Labour that accommodation support should be based upon actual distance to work from main home or travel time, rather than the current three very broad geographical areas. The Board also noted the recommendation from Plaid Cymru that the definition of the 'Cardiff Area' is reviewed. These comments will be fed into the Board's work programme for the Seventh Senedd, which includes a thematic review of 'Ways of Working'.

9. The Board has agreed to change the Determination as proposed in the consultation. The Determination will be amended to increase the rate of the allowance for overnight accommodation in the Cardiff area by the CPI rate as at September 2022, 10.1 per cent.

Proposal 5: Overnight accommodation outside Cardiff

10. Those who commented agreed with the proposal. The Board has agreed to change the Determination as proposed in the consultation. The Determination will be amended to:

- increase the rate of the allowance for overnight accommodation outside the Cardiff area (but excluding London) by the CPI rate as at September 2022, 10.1 per cent; and
- increase the rate of the nightly allowance for overnight accommodation in London in line with the CPI rate as at September 2022, 10.1 per cent.

Proposal 6: Overnight accommodation with a friend or family

11. Those who commented agreed with the proposal. The Board has agreed to change the Determination as proposed in the consultation and in line with HMRC guidance. The Determination will be amended to withdraw the overnight accommodation with friends and family allowance.

Proposal 7: Outer area allowance

12. In considering the allowance the Board took into account the amounts Members are paying for accommodation; CPI inflation; changes to supply and market prices of available apartments in the Cardiff Bay area; changes to average rents in Cardiff; and latest market reports on changes to rent prices for existing (rather than solely new) rentals. The Board noted the concerns from the Welsh Conservatives that Members have had difficulty finding affordable accommodation. They also noted that the other Groups were in favour of the proposal, noting Welsh Labour's comment that the three geographical areas used to determine allowances should be replaced with calculations based on actual distance to the Senedd which is noted above.

13. Given the range of views expressed, the Board is of the view that its proposed increase is sufficient to enable Members to find appropriate accommodation. The Board will continue to monitor changes in the rental market as part of its annual reviews.

14. The Board has agreed to change the Determination as proposed in the consultation. The Determination will be amended to increase the monthly and annual allowance for overnight accommodation for those whose main homes are in the outer area by the CPI rate as at September 2022, 10.1 per cent.

Proposal 8 – Outer area allowance for those with caring responsibilities

15. Those who commented were in favour of the proposed increase. The Board has agreed to change the Determination as proposed in the consultation. The Determination will be amended to:

- increase the rate of the Carer's Allowance by the CPI rate as at September 2022, 10.1 per cent.

Proposal 9 – Office and constituent liaison fund

16. The political groups welcomed the increase to the fund. Specific concerns were raised about whether it was sufficient to address the pressures faced by Members in high rent areas or the increased cost of postage when engaging with constituents, and whether the allowance

should be different for Regional Members who cover a larger area/population than constituency Members or for those Members who undertake business exclusively from Tŷ Hywel. Two groups also called on the Board to address the growing gap between MS' and MPs' office budgets.

17. The Labour group proposed alternative solutions for addressing variances in rental costs, such as meeting some costs from a central budget to compensate for the variance across Wales, to enable consistent standards to be maintained across all offices. Alternatively, they proposed a supplement for Members facing higher costs due to local market prices, similar to that available to London MPs.

18. In recognition of the inflationary pressures Members are facing the Board made a one-off payment of £1,000 available to Members in the Office and Constituent Liaison Fund in January 2023.

19. The Board noted the comments from all of the political Groups that the workload for staff has increased since COVID.

20. The Board will give further consideration as to whether alternative solutions are required to address the range of rental costs which Members face. This will be considered further as part of the Board's ongoing work programme which includes thematic reviews on 'Staffing' and 'Ways of Working'.

21. The Board has agreed to change the Determination as proposed in the consultation. The Determination will be amended to increase the upper limit of the OCLF allowance by the CPI rate as at September 2022, 10.1 per cent.

Proposal 10 – DSE assessments

22. The Board noted the comments from respondents that greater support is needed to carry out DSE assessments and greater clarification on Members' responsibilities to staff with regards to ensuring best practice is followed. The Board is grateful for the comments from the Chief Executive and Clerk of the Senedd about possible clarifications that could be made with regards to health and safety and DSE assessments.

23. The Board also noted comments suggesting that the current limit on ICT equipment should be reviewed in light of increasing numbers of staff who work from home. Decisions about ICT equipment lie with the Senedd Commission and these comments will be passed on.

24. The Board has referred comments on the need for guidance to the Members' Business Support team and the Board will continue to seek ways to improve clarity around Health and Safety provision in its ongoing work programme.

25. The Board has agreed to change the Determination as proposed in the consultation. The Determination will be amended to:

- insert a statement in section 6.6 to clarify that the health and safety allowance provided for in section 6.6 may be used to pay the costs of DSE assessments and any equipment identified as necessary in order to facilitate safe working at home; and
- section 6.6 will be reworded to confirm that the purchase of any equipment identified as required by a DSE assessment does not have to be recommended by an appropriate person approved by the Chief Executive and Clerk (currently section 6.6 limits the reimbursement of the costs of health and safety measures to those recommended by such a person).

Proposal 11 – Health and safety provisions

26. All those who responded welcomed the proposal. The Board has agreed to change the Determination as proposed in the consultation. The Determination will be amended to:

- Such that in paragraph 6.6.1, reference to 'at their premises', will be removed to make clear that the cost of health and safety measures may be met from the funds provided for in section 6.6 regardless of the location at which those measures are deemed necessary; and
- an additional provision will be inserted in section 6.6 to make clear that where health and safety measures are deemed necessary due to a disability, the costs of such may be claimed against Chapter 3A (Additional Support).

Proposal 12 – Support staff salaries

27. The Board considered the comments from respondents arguing that the proposed salary increase should be higher to reflect the increased cost of living. They did not give a figure but one suggested it should be closer to the inflation rate. The majority of MSS welcomed the additional proposed cost of living payment. Some respondents argued that the MSS salaries are not currently competitive and should be increased to match those of MPs' support staff.

28. When considering the proposal, the Board had regard to its responsibility to make decisions which are appropriate within the context of Welsh earnings and the wider financial circumstances of Wales. The Board considered further evidence on decisions and on-going pay negotiations in other legislatures and in the public sector in Wales and the latest economic indicators and inflation forecasts for the coming year. The Board's decision-making involved balancing the need to mitigate the immediate impact of the cost of living crisis on low-paid staff who are particularly affected, and the overall affordability of increased staff costs at a time of additional pressures on public sector budgets. The Board noted the evidence provided by the

Welsh Labour group, Labour support staff, GMB and Unite and Plaid Cymru group on the impact of the cost of living pressures faced by staff.

29. In December 2022, in recognition of the economic circumstances, the Board made an exceptional determination (made in accordance with section 14 of the National Assembly for Wales (Remuneration) Measure 2010) to provide each member of Support Staff with a flat rate payment of £600 in January 2023, to help meet increased living costs.

30. In light of the evidence received in response to the consultation, the Board agreed to increase Support Staff salaries by 3 per cent for 2023/24 in line with the 3 per cent cap agreed for the Sixth Senedd. To mitigate cost of living pressures, the Board also agreed that the cost of living payment should be higher than that proposed, and that a payment of £600 will be paid to Support Staff. All staff in post on 1 April 2023 will be eligible for the £600 which is payable as a lump sum unless the member of support staff requests to receive instalments (in order for it not to affect their benefits, for instance). The £600 will be consolidated into salaries from April 2024 onwards.

31. This equates to a salary increase of 5.8 per cent for those on the bottom of the pay scale of Band 3, to 4.2 per cent for those on the top of the pay scale for Chief of Staff.

32. If a Support Staff member wishes to receive the payment in more than one instalment or decline it, they are advised to contact Members Business Support before 13 April 2023 to facilitate this. Support Staff are also able to decline the payment if they feel that accepting it might risk their longer term benefits, by contacting Members Business Support before 13 April 2023.

33. This differed from the proposal in the consultation which proposed an increase of 3 per cent plus additional payment of £400 payable in April 2023 to all those in post on 1 April 2023.

34. The Board remains committed to reviewing staff pay framework as part of its review on Staffing Support.

Proposal 13 – Members’ Staffing Expenditure Allowance

35. The Board noted the comments from all of the political Groups, who welcomed the proposal but said that the budget was insufficient to deal with increased workloads. The Welsh Conservatives and Welsh Labour argued that the budget is less than that available to MPs covering Wales, although the workloads are similar, following the increase in workload since COVID.

36. The Board is aware of the concerns expressed over increases in workload and has committed to addressing these issues in their ongoing work programme, including through the planned review of 'Staffing Support'.

37. The Board has agreed to change the Determination as proposed in the consultation. The Determination will be amended to increase Members' staffing allowance for 2023/24 to enable Members to employ three full time staff at the maximum salaries paid for the Senior Adviser, Band 1 and Band 2 roles. This will result in an increase of £11,189 to each Member's Staffing Expenditure Allowance.

Proposal 14 - Support for political parties allowance

38. All those who commented were in favour of the proposed increase. The Board noted the comments on this proposal around increased workloads which were similar to the arguments made on the proposal for increases to Support Staff salaries. More than one political Group said they looked forward to taking up these issues with the Board as part of its review of 'Staffing', saying that more resources are needed at Group level to attract and retain staff.

39. The Board has agreed to change the Determination as proposed in the consultation. The Determination will be amended to apply an increase of 10.1 per cent to the element of the SPP Allowance relating to costs incurred which do not relate to employing staff. The revised Determination will also be amended to show the increase in this allowance resulting from agreed staff salary rises.

Issues not related to proposed changes to the Determination

40. The Board considered all of the points raised in responses to this consultation. These included issues not directly related to the proposals. For instance, Plaid Cymru have called for the Board to commission research into claims systems in other Parliaments saying that the current system is a 'barrier' and has led to staff paying large costs up front and being left out of pocket. The Members' Business Support team has initiated work on alternative methods of payment and will ensure Members are kept informed on their progress.

41. Plaid Cymru have called for the role of Chief Whip to be recognized as a standalone role with remuneration and training. This role is not listed as an Additional Office Holder and, in accordance with the *National Assembly for Wales (Remuneration) Measure 2010*, the Board may not make more than one decision in relation to the salaries of Members and office holders which is to have effect during each Senedd term unless there are exceptional circumstances. The Board may return to this question as part of its review of Members' remuneration for the Seventh Senedd.

42. Welsh Labour have asked that Members be allowed to pay reasonable local travel costs for interns. Members are entitled to claim reimbursement of all reasonable costs relating to the running of an office and engaging with constituents from the Office and Constituent Liaison Fund. The Board will ensure that if greater clarity is needed with regards to unpaid volunteers or placements, this will be looked at as part of their ongoing work, including the work on the 'Staffing' review.