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Chair of Finance Committee
Welsh Parliament
Tŷ Hywel
Cardiff Bay
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17 May 2022

First Supplementary Budget 2022-23: Costs to support the administration of the Independent Remuneration Board

Dear Peredur,

Thank you for your Committee's consideration of the Commission's supplementary budget request.

I am pleased to note that the Committee welcomes the presentation of the costs to support the administration of the Independent Remuneration Board ("the Board") as separate to the Commission's operational budget and considers this a positive development.

I also note the Committee's request for further information on the support costs for the Board, which can be found in the Annex.

The Commission welcomes the Committee's rigorous scrutiny and can give assurance that this supplementary budget has indeed been considered as a last resort and that all potential savings and efficiencies have been explored.

Please let me know if you require any further information.

Yours sincerely



Ken Skates MS
cc Manon Antoniazzi, Nia Morgan

Croesewir gohebiaeth yn Gymraeg neu Saesneg / We welcome correspondence in Welsh or English



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Annex

How this figure (£218k) was reached, including how the Commission concluded that the Board's request was reasonable.

The Commission has a legal obligation to provide the Board with '...such administrative support as the Board reasonably requires to enable it to discharge its functions' (section 9 of the National Assembly for Wales (Remuneration) Measure 2010). The details of the Board's work programme, published in its (**Report on the Review of the Determination for 2022-23**) and the impact of additional resources was shared with the Committee in the Annex to my letter of 10 May 2022.

In summary, the work programme includes:

- reviewing the current Determination to make improvements during the 6th Senedd, including usual routine business and two additional thematic reviews:
 - new ways of working, which will include a review of the Office and Constituent Liaison Fund and support for working from home;
 - reviewing the support staff allowance, including the job role, pay and grading structure; and
 - exploring cross-cutting issues, including simplification of the Determination, to make it operationally simpler and more flexible for Members.
- preparing the Determination for Seventh Senedd; as stated in the Board's report:
 - "As decisions on Senedd Reform become clearer, the Board will need to take stock and decide on the scale of change required and priority areas for thematic review. In advance of this, the Board will seek to undertake preparatory research and commence conversations regarding high level principles for the future design of the Determination."

The Board is also clear on the outcomes it wishes to achieve through its work programme with additional resources:

- A strategic approach to its work programme – improving matters in the Sixth Senedd and laying foundations for fundamental review in readiness for the Seventh Senedd;
- Improving how it engages with Members to inform its proposals for changes to the Determination;
- Improved interparliamentary/comparative research;
- Ensure it has a robust evidence base, including commissioning independent research where needed for additional assurance and trust.

As noted in the report (**Report on the Review of the Determination for 2022-23**), much of the Board's work programme is in direct response to the representations made to it since the start of the Sixth Senedd, and also taking into account important drivers for change which are outwith its control, such as Senedd Reform. The Board has also agreed **a strategy for its term**.



Significant drivers have increased the Board's workload, driven by the issues and concerns raised by Members since the start of the Sixth Senedd. The Board's ability to deliver this significant work programme is dependent on the resources available to it from the Commission. The Board noted in its report that it was reviewing its resource needs in discussion with the Chief Executive and Clerk.

The Commission has assessed the additional resource needs of the Board for 2022-23 (£218k) and, following robust challenge of the business case, is assured that the request is reasonable. The Board's resources are insufficient to deal with its growing day to day work, in response to Members' concerns, let alone its strategic work programme outlined in the reports above.

As a benchmark, the Commission also noted the level of Commission resource available to support committees with a comparable workload, relative to the resource available to support the Board. It noted that the Board has significantly less resource, despite its growing workload, and that this is no longer sustainable. The Commission considered and concluded that the Board would be unable to work effectively to deliver its remit without additional resource.

The Commission also noted the impact on staff well-being if additional resources were not forthcoming.

Why these costs could not be funded by making in-year savings and efficiencies, or reassigning vacant posts to this area.

In preparing this Supplementary Budget Explanatory Memorandum, the Commission has considered the Finance Committee's [Statement of Principles](#). The Commission, as requested, has not assumed an increase in funding and has looked to other areas where processes could be improved and efficiencies accrued.

The potential to fund the additional request for support from the Board during 2022-23 has been considered alongside the requirement to fund the increased National Insurance Employer Contributions and the other new and emerging demands on the Commission's limited resources.

Other new demands and pressures include:

- additional senior support for Members Business Support (MBS),
- additional resource and support for hybrid plenary,
- increased cyber security, health & safety and information governance support, and
- support to implement Member security reviews and enhancements.

The Commission will seek to fund these and other new operational staffing pressures, during 2022-23, from a short term reduction in the project fund, savings arising from the higher than anticipated level of vacancies and potential savings arising from the lower than expected level of e.g. travel, hospitality



etc. This is in line with the Finance Committee's request that the Commission funds in-year pressures it has control over from savings/efficiencies and has asked that the Commission does not assume any increase in funding, in line with its Statement of Principles.

However, these reductions and operational savings, and any additional savings arising from the outcome of the Capacity Review and new Ways of Working programme, are not likely to be sufficient during 2022-23 to also meet the anticipated shortfall in the budget due to pressures outside of the Commission's control i.e. increased National Insurance contributions and to fund the additional support requested by the Independent Remuneration Board.

The demands on the Commission's approved budget during 2022-23 are significant, and have resulted in this Supplementary Budget request to fund items outside of its control.

How the additional support costs of £218,000 will be spent, if agreed.

The additional £218k will be spent on additional staffing to support the Board in response to its agreed work programme.

The Commission provides the Board with two permanent posts and, due to its increased workload, has also provided two temporary posts until July 2022 whilst future resource needs are assessed. The additional funding (£218k) will enable these two posts to be extended for the remainder of the 2022-23 financial year and be made permanent. These posts will provide administrative and clerking support to the Board and ensure that it is supported on a similar footing to other committee clerking teams.

The additional funding will also be used to create three new temporary posts during 2022-23 to support the Board, with the intention that they continue for the duration of the Sixth Senedd. This is comparable to additional resource provided to support a larger committee.

The three new temporary posts will provide additional research and clerking capacity to support the Board's strategic work programme and the outcomes it is seeking to achieve with additional resources (as outlined above). The new posts will enable the Board to undertake more than one thematic review a year and take timely decisions, which is necessary if it is to achieve its aim of a wholesale revision of the Determination ahead of the Seventh Senedd.

The Board has recognised that the resource request may be scaled back if Senedd Reform does not happen.

The additional transparency, afforded by presenting the Board's budget as separate to the Commission's operational budget, enables the Commission to provide the Committee with assurance that if this funding is no longer required it will (as with other ring-fenced budget lines) not be drawn from the Welsh Consolidated Fund. This will ensure that this funding will not be utilised for e.g. operational requirements.

