

Dear Members,

cc Group and Support Staff

SUMMARY OF THE REMUNERATION BOARD MEETING HELD ON 29 & 30 NOVEMBER 2023

The Independent Remuneration Board of the Senedd met on Wednesday 29 and Thursday 30 November, following drop-in sessions with Members and meetings with the Members and Support Staff Representative Groups on 29 November.

This letter provides a summary of the Board's key decisions and discussions. Information relating to previous Board meetings is available [here](#).

I would like to take this opportunity to thank Members, Support Staff and Support Staff union representatives for their ready willingness to engage with the Board and its work. During the past few months, I have given evidence to the Finance Committee and Senedd Reform Bill Committee and the Board has met or had constructive discussions with over 25 Members through various meetings. The wealth of information provided to the Board during Board members' recent visits to Members' offices, Representative Group meetings and in written submissions to the Board has been enormously helpful to inform the Board's discussions and decisions.

Package of financial support for Member Support Staff

The Board considered the financial pressures faced by Support Staff due to continuing high living costs. This included evidence gathered and provided by Support Staff trade union representatives and discussions with Members and Chiefs of Staff and Staff representatives on how cost of living pressures had impacted on Support Staff. We also considered a detailed update by the Senedd Commission's Research Service on the economy including evidence from the Bank of England and the Office of Budget Responsibility analysis and forecasts on inflation, core inflation, energy prices, interest rates and mortgage rates. The Board also heard evidence on trends in public sector pay and national pay, GDP forecasts and public sector spending.

The Board concluded that Support Staff continue to face significant financial pressures due to high living costs and agreed a package of financial support as set out below.

The Board may make only one determination on Support Staff salaries per financial year, unless the Board is of the opinion that exceptional circumstances exist which make a further determination just and reasonable. The Board has agreed to make an exceptional determination for 2023-24 relating to the Real Living Wage and in response to the Cost of Living pressures, as set out below. In doing so, the Board has consulted the Chief Executive and Clerk as Accounting Officer as required by the Determination. The exceptional Determination will be laid in the coming days.

Any additional costs relating to the Real Living Wage and Cost of Living payment will be met in 2023-24 through central funds, rather than Members' current staffing budgets.

Further details on how these measures will be implemented are provided in online [FAQs](#).

Real Living Wage

The Board is committed to ensuring all Support Staff should be paid at least the real Living Wage ("RLW"). For the first time, following the recent Living Wage Foundation review, the RLW has exceeded Band 3 Pay Point 1 for Support Staff.

The Board therefore agreed several matters to ensure affected staff are paid the RLW from 1 November:

- Provide for a temporary uplift of Band 3 Pay Point 1 to the level of the RLW from 1 December 2023 to 31 March 2024. This raises Band 3 Pay Point 1 to £23,088. This change will be reflected in December salary payments to those affected.
- Provide for a one-off payment to Support Staff who received the Band 3 Pay Point 1 salary in November 2023, calculated individually for each member of staff, equal to the difference between the salary received for November 2023 and the salary that would have been received if the RLW had been applied from 1 November 2023. This will be included in December's salary payments. The effect is that staff will receive payments as though they were paid at the RLW level from 1 November.
- This would be a temporary arrangement until 1 April 2024, when Band 3 Pay Point 1 will move to the proposed new 2024-25 pay levels (which, subject to consultation, would see all pay points above the RLW).
- Consult on a change to the Determination for 2024-25 to ensure that should a future annual RLW review see RLW increase above the lowest pay point, that the pay point would automatically adjust to the RLW.

These decisions enable Members to pay all Support Staff at a level that is at least in line with the real Living Wage, without pre-empting any wider changes to the pay and grading structure that might be recommended once the ongoing review of Members' Staff Pay and Grading has concluded.

Cost of living payment

The Board agreed to provide all Senedd Support Staff with a payment of £600 in January 2024, pro-rated in accordance with contracted hours of work, to help meet increased living costs.

This represents £1,800 cost of living payments over a period of 13 months, including the two previous pro-rated payments of £600 to Support Staff in January and April 2023. The Board previously agreed that the April 2023 payment would be consolidated into Support Staff salaries from 1 April 2024.

The payment will be made in January's pay (or may be spread across January, February and/or March pay if requested), and will not be consolidated into salaries.

Further details on how these measures will be implemented are provided in the [FAQs](#), where Support Staff will find details of how they can request different payment arrangements.

Salary increases for 2024-25

In light of the financial pressures faced by support staff and representations received, the Board agreed to consult on the removal of the 3% salary cap and increase salaries for all Support Staff by 5.7% for 2024-25, in line with the average salary increase in Wales during the past 12 months (based on the median Annual Survey of Household Earnings, ASHE, data published in November 2023). Inclusive of the previously agreed consolidation of £600 cost of living in pay points from 1 April, this would be a pay increase of between 6.9%-8.6% depending on pay points.

Together with this proposed increase, if confirmed, Support Staff would have received a compound pay increase during the Sixth Senedd term, between 2021-25, of between 18.4%-20.28%, depending on pay points.

This decision will be subject to consultation with Members, Support Staff, the Senedd Commission and other stakeholders as part of a wider consultation on the Determination on Members' Pay and Allowances for 2024-25 (see below). A final decision on the increase to Support Staff salaries will be taken by the Board in February 2024, in light of responses to the consultation, and reflected in the Determination for 2024-25 to be published in March 2024.

Annual review of the Determination on Members' Pay and Allowances for 2024-25

The Board also agreed a number of other proposed changes to the Determination, for 2024-25, which will be subject to consultation during December and January.

The full details of the consultation will be circulated on Friday 15 December. The annual review notes an increase in Members' and additional officer holders pay of 3%, in line with the cap, and in accordance with the Board's decision for the Sixth Senedd. The consultation document will set out the Board's proposals to increase other maximum amounts which Members' can claim for their business costs by January's CPI figure (current forecast at c.5%).

The annual review will also include several proposed amendments aimed at simplifying the Determination. These have arisen from the Board's engagement with Members and Support Staff, feedback from the Chief Executive and Clerk of the Senedd and several identified through the Board's ongoing work to simplify the Determination, led by Hugh Widdis. Many of these proposals are designed to provide greater discretion and flexibility for Members and reduce the administrative burden, for example, the removal of the requirement for a Member to seek prior agreement from the Senedd Commission before incurring costs for journeys and overnight stays outside the Cardiff area, within the UK.

The full details of the consultation will be circulated to Members, Staff, Groups, the Commission and other stakeholders on Friday 15 December, with a deadline of 26 January 2024 for responses.

Update on the review of the Senedd's Dignity and Respect Policy

The Board considered the findings of the Commission's review of the Senedd's Dignity and Respect Policy. Board members were pleased to note the significant progress made to promote dignity and respect within the Senedd since the policy was agreed in 2018.

The Board gave initial consideration to whether the grievance and disciplinary procedures it has put in place for Members' offices should be reviewed in light of the findings of the Commission's review.

Given the Standards of Conduct Committee's ongoing consultation, the Board agreed to write to the Committee to seek further engagement before determining the next steps regarding any review of the grievance and disciplinary procedures.

Members Remuneration and Personal Support Thematic Review

The Board received updates on several thematic reviews (latest updates, including a note of support available for home and hybrid working, will be available online [here](#) shortly). We also considered our approach, scope and terms of reference for the Members' Remuneration and Personal Support thematic review, which I will be leading as the Board Chair.

This is the final thematic review to commence and will focus on three areas – Members' pay, the Residential Accommodation Expenditure Allowance and Travel, and provisions relating to Members leaving office. The review will have a particular focus on Members' personal support with a view to promoting and supporting diversity and equality in the new Senedd.

The Board will gather comparative evidence and consider methodologies from other parliaments in the UK and internationally and will wish to engage extensively with Members during 2024-25.

Draft terms of reference for this review are attached at Annex A. Members and Support Staff are invited to consider these terms of reference and provide feedback to the Board by 9 February 2024 via remuneration@senedd.wales.

Yours sincerely,



Dr Elizabeth Haywood

Chair, Independent Remuneration Board of the Senedd

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English

Thematic Review

Members' Remuneration and Personal Support DRAFT Terms of Reference

December 2023

Purpose

1. This document sets out the draft terms of reference for the Member's Remuneration and Personal Support Thematic Review.
2. The draft terms of reference are subject to consultation and the Board would welcome feedback by 9 February 2024 via remuneration@senedd.wales.

Objectives

3. The review will seek to ensure the Determination for the Seventh Senedd reflects the statutory objectives of:
 - providing Members of the Senedd with a level of remuneration
 - which fairly reflects the complexity and importance of the functions which they are expected to discharge, and
 - does not, on financial grounds, deter persons with the necessary commitment and ability from seeking election to the Senedd,
 - and providing Members of the Senedd with resources which are adequate to enable them to exercise their functions as Members of the Senedd

Principles

4. All work undertaken by the Independent Remuneration Board is underpinned by a set of principles:
 - 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

- The system of financial support for Members must be robust, clear, transparent, sustainable, inclusive and represent value for money for the taxpayer

Terms of Reference

5. The review will consider Members' salaries, additional office holder salaries, personal support, Members' travel and Residential Accommodation Expenditure, support to Members who leave office. Travel and Residential Accommodation Expenditure, although not pay or remuneration, is included within this review as it helps balance Members' personal and caring commitments, where applicable, whilst enabling and supporting their work-related travel and accommodation needs.
6. The review will have a particular focus on Members' personal support with a view to reducing barriers, promoting accessibility and supporting diversity and equality in the new Senedd and smoothing the transition to life after the Senedd.
7. It will also explore issues related to these areas of support such as flexibility, carbon neutrality, and safety and wellbeing of Members.
8. The review will be organised into three distinct workstreams:
 - **Workstream One:** Member's Pay and Conditions (covering provisions in Chapter 3 and 3A of the Determination on Member's Pay and Allowances)
 - **Workstream Two:** Residential Accommodation and Travel (Chapters 4 and 5 of the Determination)
 - **Workstream Three:** Member's Leaving Office (Chapter 9 of the Determination)
9. In conducting the review, the Board will:
 - Consider any changes to Members' roles and responsibilities in recent Senedd terms
 - Consider the implications of Senedd reform in terms of numbers of Members, their responsibilities and the range of 'additional office holders' entitled to additional salary
 - Seek views of Members on any changes required to the Determination for the Seventh Senedd
 - Seek the views of the public and stakeholders, gather comparative evidence and consider methodologies from other parliaments in the UK and internationally.