

Dawn Bowden MS
Chair, Committee on Senedd Electoral Reform

22 June 2020

Dear Dawn,

Re: additional information following Committee hearing

Thank you for your letter dated 10 March. As noted at the Committee meeting on 20 January, I am more than happy to assist with your work where I can. The information you have sought is outlined under the relevant subheading below.

Capacity of the Senedd

In terms of capacity, as you will be aware, the Remuneration Board ("the Board") decides on the level of allowances and resources directly available to Members of the Senedd and political parties to enable them to exercise their functions effectively. The Board's functions, as set out in section 3 of the National Assembly for Wales (Remuneration) Measure 2010 ("the Measure"), are to determine the level of remuneration and system of financial support for Members of the Senedd ("Members") which enables them to fulfil their roles, including those holding additional office responsibilities.

The Board is a public body and its decisions on the support available to Members must comply with the principles of public life of openness, accountability and integrity. In making decisions, the Board has regard to the following 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;

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

In accordance with these principles, decisions are made on the basis of what is right and appropriate for Wales and the Senedd. However, as a Board we do meet with our counterparts within other UK parliaments to discuss our work including allowances, and we do consider the levels of their different allowances when taking decisions.

Focussing specifically on capacity and the support available to Members to undertake their work, a breakdown of the staffing support for Members in the different UK legislatures is as follows:

Legislature	Financial year 2020-21
Welsh Parliament	£104,835
Northern Ireland Assembly	£50,000 (based on 2016 Determination with annual increases of £500 to account for inflation)
Scottish Parliament	c. £93,930
UK Parliament	£177,550 (or £188,860 for London area)

The support that Members receive in each Parliament is shaped by its history and its constitutional role. The way in which decisions are taken are also different in each legislature. The UK Parliament and the Senedd here have independent panels who take decisions, the Northern Ireland Assembly had an Independent Financial Review Panel as well, while in Scotland the Scottish Parliamentary Corporate Body presents the Reimbursement of Members' expenses scheme to the Parliament.

In accordance with the Board's principles, decisions are taken on what is an appropriate level of support for Members within the Welsh context. Wales' parliament has significantly fewer Members than other parliaments in the UK. The Board's view is that, in a small legislature of only 60 Members, it is appropriate for the Welsh Parliament to have a greater staffing capacity than in the other devolved legislatures.

In this context, between October 2017 and July 2019 the Board undertook a detailed **review** of the pay and career structure of Members' support staff. The staffing allowances of individual Members, Political Party Groups and support staff salaries were considered as part of that review. The findings of that review helped inform the preparation of the provisions in the draft Determination for the Sixth Senedd.

The review noted that the staffing allowances of Members of the UK Parliament are considerably higher than the allowances provided for by the Determination. However, average salaries in London are considerably higher than in Wales which will account for at least some of the difference in these allowances. The staffing allowances provided for

Members of the Senedd are higher than those available to Members of the Scottish Parliament and Members of the Northern Ireland Assembly, which may provide a fairer comparison taking into account workload, responsibilities and salary levels.

The review also noted, that in addition to the allowances provided to them specifically for the purpose of paying staff salaries, Members of the Senedd are permitted to transfer up to 25 per cent of their office cost allowance and any underspend in their Policy, Research and Communications Fund to their respective Staffing Expenditure Allowances to spend on staff salaries (as outlined in the viring provisions outlined in Section 6.8 of the Determination). This type of viring provision is not available to elected Members in either Holyrood or Westminster.

Having considered this issue, the Board decided not to make changes to Members' staffing allowances and support staff salaries beyond the annual adjustments provided for by the indexing with gross median earnings in Wales. At the same time, the Board acknowledged that a review of staffing allowances and support staff salaries is likely to be required if the Senedd decides to increase its number of Members.

From engaging with Members, we are also aware of the pressures on Members' time, and the limits of their capacity to absorb more information or manage more staff. It is Members' own time that is particularly pressed, due to the number of committees on which they sit, the length of plenary sessions etc., and the demands of meeting constituents and interest groups. It is hard to identify how the Board could provide for any further support to relieve such pressure on Members' time.

The next Board will no doubt keep the levels of support available to Members under review. The Senedd's powers may change over the next few years, for example as a result of Brexit, the potential devolution of justice etc. This would clearly affect Members' responsibilities, and the level and types of support available to them many need to be changed accordingly, regardless of any potential changes to the number of Members.

Approach taken by a future Board

In your letter, you ask for an indication of the approach a future Board may take in developing a Determination to accommodate the needs of a larger Senedd. I am, unfortunately, unable to comment on how a successor Board would approach such a piece of work. However as the current Board has concluded its review of the Determination for the Sixth Senedd, I am able to provide an indication of what this process may look like from our experience.

The Board is clear that its decisions on the remuneration available to Members is based on their responsibilities, which derive from the Senedd's powers, not their workload. The Measure states that the Board must provide Members with a level of remuneration which "fairly reflects the complexity and importance of the functions which they are expected to

discharge". Members' responsibilities have changed as the Senedd's powers have increased over time. This has also led to an increase in the staffing and financial support available to Members over the past decade. It also led to a significant re-evaluation of the level of remuneration appropriate for Members' responsibilities at the start of the Fifth Senedd. This Board has recently published its **Determination for the Sixth Senedd** and has decided to maintain the current salary arrangements.

It is likely that current constitutional developments will affect the Senedd in due course, for example how powers are repatriated following Brexit and the potential for changes to the size of the Senedd as is being considered by the Committee on Senedd Electoral Reform. However the impact of such potential changes on Members' roles and responsibilities are not clear at this time. Such matters would need to be taken into consideration when developing proposals to address the needs of a larger Senedd if there are changes in the devolution settlement by that time.

Before any Board considers how to accommodate the needs of a larger Senedd within the Determination, clarity on the details of any proposed increase in the Senedd's size would be required. For example, the number of additional Members, any changes to the electoral system, and whether job sharing would be permitted. A meaningful assessment of the implications for the Determination would not be possible without clear and robust working assumptions for the Board to proceed with its work.

The Board would then need to undertake a full review of its Determination. It would need to carefully assess changes to Members' roles and responsibilities, and how this would affect the support needed to exercise their functions effectively. The Board would also need to balance meeting the strategic needs of Members of the Senedd with the cost to the taxpayer of a larger Senedd.

It's likely that such a review of the Determination would be more time consuming than the current review of the Determination for the Sixth Senedd. This would be a significant exercise that would take time to plan and complete. There would not be an 'off the shelf' model for the Board to follow in assessing the impacts of changes in size, electoral system and so forth on the Determination.

Assuming the next Board wish to continue with the approach taken by this Board and its predecessor, to publish its Determination one year in advance of the next election, the Determination would need to be published in the spring of 2025. This is to provide clarity for potential candidates standing in the 2026 Assembly election on the package of remuneration and support to be available for Members.

Factoring in all the issues outlined above, and based on previous and the current review of the Determination, my assessment is that it would require two years or more. All consideration and consultation would need to take place well in advance of this to allow for publication. The Board is also duty-bound to consult stakeholders. The Board would need to consult on both proposals for change but also on the final Determination. The standard consultation period undertaken by this Board has been six weeks (not counting recess periods). However, for more complex and substantial matters, the Board also consider longer consultation periods if timescales allow for this. As an illustration, the Board's review of the Determination for the Sixth Senedd took nearly two years. However, this was also preceded by a **review of staffing support** (which was published in July 2019) which in itself took 22 months.

View on cost assumptions

Without knowing the full details of the plans to increase the size of the Senedd, I am afraid that the Board is not able to consider whether there are any particular allowances which might be more or less likely to be reformed in the preparation of a Determination for a larger institution.

As already noted in this letter, should proposals for a larger Senedd be agreed, the Board would need to undertake a full review of its Determination. This would include assessing the needs of Members in the context of their roles and responsibilities, and what level of support that would be required for Members to function effectively. The Board would also need consider the cost of this to the taxpayer. At this present time, this information is not known and therefore we are not in a position to comment on any particular allowances.

The funding implications of the Board's provisions vary from year to year and is dependent on a number of variables i.e. usage by individual Members, time in the electoral cycle and so forth. The Board does not hold this type of information and as such I would recommend you contact the Senedd Commission for this.

Measures taken to increase capacity

The current Determination and the Determination for the Sixth Senedd is very much based on the current size of the institution. In preparing the Determination, the Board has acknowledged that the current size of the Senedd and the workload faced by Members are problematic. Indeed, many of the provisions in the Determination are aimed at providing additional support for Members to help address the significant pressures on their time as outlined below.

Staffing

In the Fifth Senedd, Members are able to employ a Senior Advisor as part of their support staff team, if they wish to do so. This is a more senior position within their office. The role is intended to enable Members to have additional strategic capacity. The Board's intention is that the role is used to provide high level research and briefing for Members. The parties also have the flexibility to employ an Additional Group Support role at the same salary level.

Pre-2007, Members were entitled to employ the equivalent of 2.5 full time employees. The increase made in 2007 in the level of staff support for Members, from 2.5 full-time equivalent employees (FTEs) to 3.0 FTEs, was justified by the perceived increase in the responsibilities of the National Assembly as a direct consequence of the Government of Wales Act 2006. The rationale of the enhanced staff numbers implied that the additional staff capacity should be focused on the strategic support needed by Members to deal with legislation, not as a general increase in operational administrative and clerical staff.

Following this, the previous Board maintained the 3.0 FTE principle, but relaxed its rules slightly by allowing Members to appoint any combination of staff grades, as long as it did not go over 111 hours per week (the hourly equivalent to 3.0 FTE).

This Board consulted and engaged with Members and their staff early on in this Board's term. As a result, the Board removed the 3.0 FTE limit (which was referred to as the 111 hours weekly cap during consultation) and allowed Members to move more funding around between office and staffing budgets. This gave Members more flexibility in how they spend their budgets and allowed them to concentrate their resources according to their own priorities. Therefore, if a Member wants to appoint additional staff to help address workload pressures, as long as they have the available funds, then they can do so.

In the Determination for the Sixth Senedd, Members will also be given the decision over the starting salary of new staff, within the established pay bands. This should help Members attract more experienced staff of calibre and to be competitive with other similar jobs in the market, thereby helping to increase capacity.

Policy and research allowance

During the Fourth Assembly, the Board recognised that a Member may be required to scrutinise certain policy areas or pieces of legislation on which they or their staff do not have experience or expertise. In order to assist with this, the Board introduced the Policy and Research Fund ("PRF") (building on the predecessor "Engagement Fund") which provided funding to Members to be able to bring in external expertise to fund strategic and time limited research, undertaken by external experts. The Fund could be used for research into policy development; exploration of issues of significance to constituents; and scrutiny of policy, legislation or finance.

This provision was expanded again for the Fifth Assembly. It increased the size of the PRF from £2,000 to £2,500 and widened the definition of its use. The new wider definition included the ability to use the funds to support communicating with constituents on matters of public interest. This is the same fund that is currently in existence and is named the Policy, Research and Communications Fund (PRCF).

The examples outlined in this section of the letter demonstrate how the Board's decisions with regards to supporting Members and groups have been influenced by the current size of the institution, and aimed at addressing a shortfall in Members' capacity.

Diversity of the Senedd

As outlined already, in addition to its statutory duties, the Measure sets out other key responsibilities that the Board must seek to achieve when making a Determination. This includes ensuring that any decision made by the Board "does not deter individuals from seeking election to the Senedd on financial grounds." The Board takes this duty seriously and is committed to doing what it can to identify and remove barriers to standing for election, as a means of supporting the aim of achieving diversity within the Senedd.

The Board has commissioned two research projects into barriers and incentives to standing for election to the Senedd. Most recently, in 2018, Cardiff University produced a report for the Board entitled '[Unpacking Diversity: Barriers and incentives to standing for election to the National Assembly for Wales](#)'.

The report's conclusions and recommendations covered three main areas.

Firstly, the report recommended that the Board should engage effectively with a wide range of stakeholders to ensure we understand their needs and views and produce a Determination for the Sixth Senedd one year before the Welsh general election, in order to provide clarity to potential candidates on the package of remuneration and support that will be available. Accordingly, the Board has consulted on various aspects of the Determination for the sixth Senedd, and has now published its Determination for 2021-26.

The report also recommended that the Board should consider a number of measures to further enhance diversity and equality within the Senedd, such as supporting Members with childcare costs, flexible working arrangements, job sharing and an access to politics fund. Some such recommendations have helped shape proposals on changes to the Determination on which the Board has consulted, for example:

- The support available for Members to pay for childcare costs;

- Additional support for Members with disabilities;
- The provision of an allowance for Members on parental leave, to pay for additional support during their leave period;
- An allowance for internships within party groups.

Other proposals such as those relating to job sharing and the establishment of an access to politics fund are not for the Board to take forward. The Board would need to respond to any such development by considering their impact on the Determination.

The Cardiff University research identified that there are structural, political, cultural and institutional factors that may be preventing or discouraging members of certain groups from putting themselves forward for election. This includes political culture generally, which tended to attract men rather than women, and the candidate selection processes of political parties. Such barriers attracted greater focus by participants in the research than barriers within the Senedd itself.

Taking into account changes already made and the changes which will be in place for the Sixth Senedd, the Board has gone as far as it can within its remit to remove the financial barriers and other barriers to standing for election to the institution.

You also asked what barriers would be matters for the Senedd itself to address. Responses to our most recent consultation highlighted several matters which are discussed below.

Some respondents to the Board's consultation on its Determination for the Sixth Senedd emphasised that the barriers to standing for election faced by those with childcaring responsibilities are not necessarily financial. They highlighted the lack of childcare provision in some areas, in particular within the Senedd's vicinity and especially outside of normal working hours. Suggestions included that the Board should work with the Senedd Commission and employers in the Cardiff Bay area to explore the potential to jointly procure flexible and affordable childcare that Members could use. It was also suggested that creche provision should be established in the Senedd. The Board acknowledges claims for childcare costs could be limited by the lack of flexible childcare provision within the vicinity of the Senedd as noted by these respondents, and the Board agreed to write to the Senedd Commission to invite the Commission to consider the evidence received on this issue, as this matter is beyond the remit of the Board.

In the same consultation it was argued that the Remuneration Board should allow for 'locum Members' as cover for Members on parental leave, instead of an additional

member of staff who could not participate in Senedd proceedings, in order to avoid the potential for Members on parental leave having to attend the Senedd in order to vote. The same respondent suggested Members on parental leave should be allowed to vote by proxy.

The Board did not agree with the suggestion that cover should be available for a Member on parental leave in the form of a 'locum Member'. The Government of Wales Act and the Senedd's rules and procedures do not allow for persons other than democratically elected Members of the Senedd to undertake the functions of a Member in formal Senedd proceedings. Any change to this would require a change of law and be a matter for the Senedd itself.

Finally, another respondent argued that in light of the Board's decision that work placements of four weeks or longer should be remunerated, staffing budgets should be increased accordingly, in order to avoid discouraging Members from offering such opportunities due to the consequences on their staffing budgets. However, in accordance with the Board's proposals, those on work placements of four weeks or more must be remunerated, effectively becoming additional members of staff to undertake work on behalf of the employing Member. The Board was not persuaded that Members' staffing allowances should be increased for this purpose.

Further, we are aware of mentoring schemes which are in place to help individuals gain experience of the work of the Senedd. There is value in the running of such schemes, however the undertaking of such opportunities does not fall to the Board.

Awareness of proposals

The Board has committed to publishing its revised Determination in sufficient time prior to the next Senedd election so as to provide clarity for potential candidates on the full package of pay and support that will be available to them. This follows the process undertaken by the predecessor Remuneration Board. As discussed already, this Determination has since been published.

As you will be aware, the publication of the previous Board's Determination for the Fifth Senedd drew widespread media coverage. The current Board issued content to the media when it published its Determination for the Sixth Senedd, however given current circumstances related to Covid-19, the publication of the Determination did not receive any attention that we are aware of.

The Board feels it has taken significant steps within its remit to remove barriers and ensure equality of opportunity for those wishing to stand for election. However, it is for political parties in Wales to determine the diversity of candidates available for election and for electors to choose their representatives.

Lessons from elsewhere

As outlined earlier, the Board does meet with its counterparts within other parliaments in the UK to share ideas. The research we commissioned into barriers and incentives also identified diversity measures within other parliaments.

Some of the proposals considered by the Board for the Sixth Senedd reflect practice in other parliaments, such as the provisions made by IPSA for MPs, adapted where necessary to suit the Welsh context. The Board also consulted on additional support in relation to disabilities which may be used to by Members' to help pay any additional costs arising from their engagement with persons with disabilities. This reflects the additional support for the same provided to MSPs.

However, it is not only practice in other parliaments the Board considers. We also take note of measures to achieve diversity within local government and other parts of the public sector. For example, in considering proposals on caring responsibilities, the Board considered practice within local government in Wales.

The Board is also aware of the support provided to members of the Norwegian Storting to return or move on to other areas of employment, as their times as elected members draws to an end. This benefits diversity within that Parliament. Potential candidates from particular economic backgrounds may be more willing to put themselves forward for election knowing that they would be supported to find employment towards the end of their time in parliament.

The Senedd Commission has already put in place some outplacement support for support staff of Members standing down or who are defeated at an election, as well as to a Member who is defeated, following evidence considered by the previous Board. The issue of support for Members losing their seat has been given more public airing in recent years. The Board has written to the Commission to invite them to consider expanding such support to Members who choose to stand down, as well as those individuals referred to earlier.

Should you require any further information on what's outlined in this letter, please do not hesitate to contact me via the Board's secretariat.

Thanks and best wishes,



Dame Dawn Primarolo

Chair of the Independent Remuneration Board

Croesewir gohebiaeth yn Gymraeg neu yn Saesneg.

We welcome correspondence in Welsh or English.