

To: Members of the Senedd
Cc: All support staff

21 December 2022

Dear Members,

SUMMARY OF BOARD MEETING HELD ON 8 DECEMBER 2022

The Independent Remuneration Board of the Senedd met on Thursday 8 December. The focus of the meeting was:

- The impact of increased living and energy costs on Members and their staff;
- Annual review of the Determination for 2023/24;
- Senedd reform;
- Members' Employers' Insurance;
- The Support Staff Pension Scheme;
- The Board's forward work programme.

This letter provides a summary of the Board's discussions and decisions. It will be published on the Board's website along with [summaries of previous meetings](#).

1. Member Engagement

On 7 December, ahead of our meeting on 8 December, the Board met with the Representative Groups on behalf of Members and Support Staff to discuss the issues on the Board's agenda the following day. We are grateful to the Groups for engaging constructively and sharing information to inform the Board's work.

We also met with various individual Members on 7 December to discuss issues they wished to raise with the us, which were really helpful to us in understanding the Members' perspective.

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2. Cost of Living - Additional support measures for Members and their staff

As a Board we have been gathering information and received evidence this year on the impact of increased living costs including energy costs on Members' office costs and their staff. During challenging times, it is important that Members are able to continue to undertake their duties effectively of engaging and representing their constituents.

Taking account of the continued impact of high inflation the Board decided to:

- Increase the upper limit of the allowance available to Members to meet any necessary costs to run their constituency or regional office and engage with constituents in 2022-23 (known as the Office and Constituent Liaison Fund (OCLF)), by £1,000. This is aimed at ensuring that any Members who have exhausted their OCLF allowance before the end of this current financial year due to increased costs are able to continue to run their offices and engage with constituents. This increase will apply to all Members including those who do not currently rent a constituency or regional office;
- Provide each member of Support Staff with a flat rate payment of £600 in January 2023, to help meet increased living costs. All Support Staff employed on the date the decision was made (8 December) will be eligible to receive this payment. The payment will be pro-rated according to an individual's contracted hours of work as at 8 December.

Support Staff will be able to request that the payment is made in instalments during the remainder of this financial year (i.e. Jan – March) if they so wish, instead of one single payment.

Both measures are non-consolidated meaning that they will apply in this financial year only and will not affect the limit of Members' OCLF allowance and Support Staff salaries beyond the end of this financial year. Proposals for next year's allowances will be published as part of the Annual Review of the Determination (see below).

Further information on these measures and how they will be rolled out is provided in the Annex to this letter.

The Board's decision to provide each member of Support Staff with a flat rate payment of £600 constitutes an exceptional determination made in accordance with section 14(2) of the National Assembly for Wales (Remuneration) Measure 2010 ("the 2010 Measure"). Under normal circumstances, the Board makes provision for Support Staff and Group staff salaries not more than once for each financial year. However the Board is of the opinion

that there are exceptional circumstances which make it just and reasonable for the restrictions imposed by section 14(2) of the 2010 Measure to not apply i.e. only one determination per annum on Support Staff salaries. The Board has considered the current economic circumstances and in particular that the UK is experiencing a period of exceptionally rapid inflation. The Explanatory Notes to the 2010 Measure expressly provide that a period of exceptionally rapid inflation is an example of exceptional circumstances.

As required by section 14(4) of the 2010 Measure the Board has provided the Senedd Commission with a written statement on this decision.

3. Annual review of the Determination

The Board discussed proposals for changes to the Determination for 2023/24, taking into account the information received on current economic conditions and representations made by Members during this financial year. We will publish a consultation on **9 January 2023**, to run until **9 February**, seeking the views of Members, Support Staff and other stakeholders on proposed changes to the Determination for 2023/24. On the basis of responses received to the consultation the Board will review its proposal in March 2023 and publish a final Determination for 2023/24 in advance of the end of this current financial year.

The timescales for publishing the Determination following the end of the consultation period are tight and we would like to be able to give Members, their staff and Groups as much notice as possible of our final decisions, to allow for budget planning ahead of the new financial year. For this reason the Board would be grateful to receive submissions to the consultation by the deadline above.

4. Senedd reform

The Board continued its discussions on planning and preparation for Senedd reform. It noted progress on the engagement with Members on future Ways of Working and agreed to seek engagement with the Commission on the key questions of the balance of resources provided through the Determination and Commission provided services, once the findings of the engagement exercise are presented to it.

It also noted the Commission's proposed approach to preparing the information required by Welsh Government for inclusion in the Regulatory Impact Assessment which will accompany the anticipated bill on Senedd reform.

5. Pensions

The Board considered advice provided by the Governance Group of the Members Support Staff Pension Scheme that the Support Staff Pension Scheme should be moved from a stakeholder arrangement to a Group Personal Pension Scheme (GPPS).

Moving to a GPPS would allow Support Staff who want an alternative to the default pension plan to choose from a much larger range of funds including a wider range of Environment, Social and Governance Funds. Aviva (the pension plan provider) has confirmed the move to a GPPS would also lead to a reduction in the Annual Management Charge applied to Support Staff pensions. For most Support Staff this would mean a reduction in the total of the charges applied to their pensions.

The Board agreed to move the Support Staff Pension Scheme to a GPPS as recommended by the Governance Group, subject to discussions between the Pension Board's Secretariat and Support Staff in the New Year.

The Board noted a briefing by the Pension Board Secretariat on the Members' pension scheme cost cap valuation.

6. Members' Employer's Insurance

The Board considered a paper by the Commission on the costs of the Members' Employers Insurance Policy, presented for awareness only. This policy offers Members financial protection against the costs of employment disputes between Members and their staff.

The Board noted the paper and potential increases to the costs of the policy from 2024/25 set out in the paper. We will return to this matter in due course when the Commission has reviewed its options for future years.

7. Forward work programme

The Board agreed its forward work programme for the remainder of this financial year.

At our next meeting on 2 February 2023 the Board will consider:

- The findings of the ways of working engagement exercise with Members and the next steps in the Board's thematic review of ways of working;
- A further update on Senedd reform;
- An update of the Recruitment Policy issued to Members by MBS.

We will have an additional meeting in February to consider the responses received to the consultation on the Annual Review of the Determination for 2023/24, following the end of

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the consultation period. Final decisions on changes to the Determination for 2023/24 will be taken at the Board's meeting on 16 March 2023.

The Board also agreed to have an additional meeting in January to discuss the interim findings of the Board's Effectiveness Review currently being undertaken.

These updates will be provided to you following each meeting of the Board. In the meantime, should you have any matters you wish to raise with me or the Board, please do not hesitate to get in touch via the Clerk to the Board, Huw Gapper, by emailing 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.

Annex - frequently asked questions – financial support measures

December 2022

- At its meeting on 8 December the Board made a decision to provide Support Staff with a flat rate payment of £600 in January 2023 to help meet increased living costs.
- The Board also decided to increase the allowance available this year to each individual Member of the Senedd to meet office costs, by £1,000 (known as the Office and Constituent Liaison Fund).
- The FAQs below provide information to help answer any queries that may arise relating to these decisions.

Flat rate payment of £600 for Support Staff

Why are Support Staff receiving this additional payment?

- The cost of living has soared as a result of high inflation and other factors, for example energy costs, the cost of food and the cost of travel. Support Staff pay increased by 3% this financial year while inflation for November 2022 was 10.7%.
- This flat rate payment will help Support Staff meet the increased costs of living during the remainder of this current financial year, which is being felt more during these winter months.
- The Board believes this payment strikes the correct balance between enabling Support Staff to meet the increased costs of living whilst also meeting the Board's value for money obligations.

Will all Support Staff receive the flat rate payment?

- All support staff in employment on 8 December 2022 will receive the payment, including those who leave their post between this date and the date on which the

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payment is made (end of January). Support Staff who commence their employment after 8 December will not receive this payment.

- Those Support Staff who work for more than one Member of the Senedd will only receive one payment. The payment will reflect the total, combined contracted hours of Support Staff between different posts, for those holding more than one post.

Will all support staff get the same amount?

- No. The payment will be pro-rated according to each individual Support Staff's contracted hours of work. This means staff working full-time will receive the full £600 whilst staff working part-time will receive a proportion of the £600 commensurate to their contracted hours.

Will this flat rate payment be added to Support Staff salaries after this financial year?

- No, this will be a one-off payment to be made in January 2023 and will not be added to Support Staff salaries for future financial years.

Will the payment be subject to deductions?

- Yes, deductions that are normally made to Support Staff salaries (for example National Insurance Contributions and Income Tax) will also apply to this flat rate payment. The payment will not be subject to pension contributions.

When will the payment be made?

- On 31 January 2023, via payroll.

If Support Staff are on maternity/parental/adoption/sick leave, will their payment be affected?

- All Support Staff in employment on 8 December 2022 will receive the payment.
- Any member of Support Staff currently on any form of maternity/shared parental/adoption leave is treated for the purposes of the payment as having been in work on 8 December, and will have their contracted hours reflected in their payment.

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- Similarly, any Support Staff member who was absent on December due to illness will have their contracted hours included reflected in the payment.

Will the payment affect eligibility for Universal Credit or other benefits?

- It is possible that the payment could affect eligibility for benefits that is linked to income. It is likely that most individuals will be better off overall receiving this payment but it is important that Support Staff ensure they understand their own personal benefits circumstances to ensure they will not be disadvantaged by receiving this additional payment. Support Staff should seek independent advice.
- The payment will be made to all Support Staff via payroll. If any member of Support Staff wish to refuse the payment or request that it is paid in instalments during the remainder of the financial year rather than as one single payment, you will need to contact MBS. Any notification that you wish to decline the payment or receive it in instalments will need to be in writing and received by 10 January 2023.

What other support is available?

- Members Business Support and the Senedd Commission has put in place other measures such as access to independent financial advice and financial wellbeing workshops as well as links to other organisations that can provide support and guidance.
- Further details are available on the [Members intranet](#).

Increase of £1,000 to Members' Office and Constituent Liaison Fund

Why is this allowance being increased?

- It is important that Members are able to undertake their duties effectively of engaging and representing their constituents, and that this continues during challenging times.
- The rise in inflation means that the business cost for Members of running a constituency or regional office and engaging with the public has increased, for example energy, rental and postage costs. Some Members have noted that the allowance available to meet their business costs will have been exhausted before the end of this current financial year.

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- The increase in the level of allowance available to meet any necessary costs incurred is intended to ensure Members are able to continue to run their offices (and pay the costs for such) for the whole of this current financial year. Members will continue to be required to use the resources available to them in a way which reflects the principles set out in the Determination relating to value for money and sustainability.

How will this increase be applied?

- As the increase to the limit of the allowance is being made to help meet the increased costs of running offices and engaging with constituents, the increase will apply to all Members' OCLF allowances including those Members who do not rent an office and whose OCLF allowance is at the lower of the two rates set out in paragraph 6.1.2 of the Determination.
- Members will continue to make claims for reimbursement of the costs of running their offices and engaging with the public. Where a Member reaches the current limit of the allowance (£23,260 for those with a constituency or regional office, £9,500 for those without an office) the Member may seek reimbursement of their costs up to an additional £1,000, meaning a limit of £24,260 for those with a constituency or regional office and £10,500 for those without an office.