

Dyddiad | Date: 9 January 2023

Pwnc | Subject: Annual Review of the Determination 2023-24

Dear All,

The Independent Remuneration Board reviews its Determination on Members' Pay and Allowances annually to ensure that the support provided to Members remains appropriate for the coming financial year. The Board is committed to ensuring the level of remuneration and system of financial support for Members will enable them to perform their Members' duties, as well as ensure probity, accountability, value for money and transparency with respect to the expenditure of public funds.

This year has seen a significant increase in the cost of living, for example energy costs, and inflationary pressures in the economy. Such pressures have implications for Members' business costs, including the costs of running a constituency or regional office. The increased costs of living will have placed financial pressures on Members' Support Staff as they have on so many other people in Wales, especially those on lower salaries.

It is widely anticipated that the rate of inflation will start to reduce in the coming financial year. However the Board recognises that current inflationary pressures will continue to affect Members' budgets and living costs into the next financial year. This is the context within which the Board has reviewed the provisions in the Determination to ensure they are appropriate. The Board is also mindful of the wider position of Welsh public finances and that Members will wish to play their part in achieving efficiencies where possible.

The Board has already taken steps to help mitigate the effects of high inflation on Members and their staff. For this current financial year the allowance available to Members to pay the costs of running their office and engaging with constituents has been increased by £1,000, so as to ensure no Members find themselves unable to continue to run their offices due to increased costs. Support Staff have been provided a lump sum payment of £600 each (pro-rata) to help meet increased living costs.

In reviewing the Determination for the next financial year (2023-24), the Board took account of the guiding principles set out in the [Board's Strategy for 2021 – 2026](#):

- that financial support and remuneration for Members should support the strategic purpose of the Senedd and facilitate the work of its Members;
- that decisions must be appropriate within the context of Welsh earnings and the wider financial circumstances of Wales and
- that the system of financial support for Members must be robust, clear, transparent, sustainable, inclusive, and represent value for money for the taxpayer.

It also took account of representations made by Members and their staff during this financial year including that the allowance available to employ staff should be increased to reflect the growth in the complexity of Members' workload.

The review identified a number of changes the Board wishes to make to the Determination for the next financial year. Those proposed changes are set out in the annex to this letter. The Board would welcome your views on its proposals, to help inform its final decisions on changes to the Determination for 2023-24.

The Board would also welcome your comments on any impacts from an equalities perspective that may result from the consultation proposals, for instance:

- whether the consultation proposals could have any implications for people who identify with any of the protected characteristics set out in the Equalities Act 2010;
- whether the consultation proposals could be changed to ensure more positive impacts for people who identify with any of the protected characteristics set out in the Equality Act 2010.

Please note the protected characteristics as defined under the Equality Act 2010 are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation.

This consultation will be open until 5pm on 9 February. 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 Group as much notice as possible of our final decisions, to allow for budget planning ahead of the new financial year. For this reason we would appreciate receipt of all responses by no later than the 9 February. All responses will be handled according to our Privacy policy. Please send responses to [remuneration@senedd.wales](mailto:remuneration@senedd.wales).

The final Determination for 2023-24 will be published by the end of this financial year.

Best wishes,



Dr Elizabeth Haywood,

Chair, Independent Remuneration Board of the Senedd

# Annex A: Annual Review of the Determination 2023-24

## Introduction

1. Each year the Independent Remuneration Board is required to review the Determination in line with the guiding principles set out in the [Board's Strategy for 2021 – 2026](#).
2. The Board has made a series of proposals for changes to the Determination 2023-24, listed in this annex. The proposals are set out in the order in which they appear in the Determination.
3. You are invited to comment on these proposals by writing to the Board with your response to [remuneration@senedd.wales](mailto:remuneration@senedd.wales) by no later than close of play on 9 February. All responses will be handled according to our Privacy policy set out at Annex 3 to this document.
4. The Determination states that Members' salaries (including additional office holder salaries) will be adjusted annually in April in line with the Annual Survey of Hours and Earnings (ASHE) figure for Wales, published by the Office for National Statistics. The Board agreed at the start of the Sixth Senedd that, in order to avoid volatile adjustments to salaries resulting from the ASHE index fluctuating, a cap and collar mechanism applies, ensuring that salaries are adjusted annually by no lower than zero per cent and no higher than three per cent.
5. In previous years many of the allowances set out in the Determination have been increased year on year in line with the Consumer Prices Index (CPI), normally by applying the CPI figure for the previous September. The CPI for September is used by the UK Government to uprate Social Security Benefits and Business Rates, providing some consistency with other increases in expenditure. However for this current financial year (2022-23), due to sharp inflation increases at the time allowances were being considered, the Board decided to use the then 'latest available' CPI rate of 5.5 per cent from February 2022 instead of the September 2021 CPI figure of 3.1 per cent, to increase many allowances, apart from the OCLF which was increased by 3.1 per cent.

6. This year, the Board will follow its previous approach when undertaking the Annual Review of the Determination, and the proposals for increasing most allowances are in line with the CPI index for September 2022, that is 10.1 per cent.

## Chapter 2: Rules for submission of claims

### 2.3. Rules for submission of claims

#### Background

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7. The Determination requires Members to obtain and provide three quotes for goods or services of varying values.

8. For instance, the Determination states under **paragraph 2.3.3 (Rules for submission of claims)**; **paragraph 6.2.3 (Office costs)** and **paragraph 8.1.7 (purchase of equipment in relation to Support for Political Parties)** that any items with a lifetime value of £750 or more must be referred to the Members' Business Support (MBS) Team for approval, accompanied by at least three competitive quotations in advance of any expenditure being incurred or contract being entered into. However, under paragraph **6.6.1 (Health and Safety)**, Members are required to provide three written quotations to fund any health and safety expenditure of more than £500.

9. The Board is proposing to make changes to the Determination such that there is consistency with regard to the value of goods and services for which Members are required to provide three quotations, and also to increase that value. The aim is to reduce the administrative burden on Members and their staff while adhering to the principles of transparency, accountability and value for money for the taxpayer. This proposal is in line with the Board's overall aim to simplify the Determination.

#### Proposal 1 – Expenditure sum requiring three written quotations

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10. The Board proposes to make changes to the Determination to reflect the need for three written quotations for any expenditure on goods or services with an estimated value above £1,000.

11. The Board would appreciate your views on whether this threshold for needing to obtain three written quotations achieves the right balance between administrative efficiency, financial probity and value for money.

## **2.5. Support from central funds related to Covid-19 pandemic – Home working allowance**

### Background

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**12.** The Board decided at its meeting of June 2020 to establish a Homeworking Allowance (“the Allowance”) in response to Covid-19 restrictions in place at the time. It enables Members to pay their Support Staff a tax-free allowance of up to £6 per week (or £26 a month for employees paid monthly) to cover the additional costs of working at home, based on HMRC guidance. The Allowance is reduced pro rata for staff who work part time or if staff are absent (e.g. on holiday or sick leave). Staff who are paid the Allowance cannot claim tax relief via HMRC on the costs of working from home. The Allowance is paid from central funds.

**13.** No specific provision is made in the Determination for this Allowance. Rather the Board inserted section 2.5 into the Determination to provide a mechanism for the Board to make such provisions as it deems appropriate to support Members with additional costs resulting from the pandemic. In accordance with this section, the Board introduced the Allowance and various other allowances such as the Return to Office Allowance (which has since ended).

**14.** Ways of working have changed significantly post-pandemic. While some Members’ staff have continued to work in the office, other Members have enabled their staff to continue to work from home or a flexible mix of home and office according to the Members’ business needs.

**15.** The Board is proposing to continue to make funds available for homeworking, but rather than a Covid-19 specific measure, this would be an on-going measure to support home or hybrid working arrangements to cover the cost of additional household expenses of staff who work from home. The decision about whether a staff member can work from home is for the Member, as the employer.

**16.** The proposal is to continue to allow Members to claim the sum of £6 per week on behalf of their staff, which is the maximum tax-free allowance allowed by HMRC.

**17.** The Board is proposing that the Allowance will be paid monthly, in arrears, provided Members have satisfied themselves that the relevant staff member meets the two conditions as set out in HMRC guidance. The payment will not be pro-rated.

**18.** This will mean an end to all Covid-19 response measures in the Determination. As such, the proposal is to also remove section 2.5 of the Determination (Support from central funds related to Covid-19 pandemic).

#### Proposal 2 – Home working allowance

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**19.** The Board is proposing 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;
- pay this allowance from central funds.

**20.** This proposal requires the employer (Members and Party leaders) wishing to claim this allowance to satisfy themselves that the HMRC conditions have been met. That is, that the relevant staff member has arrangements in place for homeworking and works at home on a regular basis.

### **Chapter 3: Members' Remuneration**

**21.** The Determination states that Members' salaries (including additional office holder salaries) will be adjusted annually in April in line with the Annual Survey of Hours and Earnings (ASHE) figure for Wales, published by the Office for National Statistics. At the start of the Sixth Senedd it was agreed that, in order to avoid volatile adjustments to salaries resulting from the ASHE index fluctuating, a 'cap and collar' mechanism applies, ensuring that salaries are adjusted annually by no lower than zero per cent and no higher than three per cent.

**22.** Members' salaries increased by 0.4 per cent for this current financial year (2022/23) in line with ASHE, prior to which they had been frozen since April 2020.

**23.** The ASHE figure for Wales was published on 3 November 2022. The published figure is 7.3 per cent.<sup>1</sup>

**24.** In considering the application of the annual indexation of 3 per cent to Members' salaries for 2023/24, the Board is assured that it remains appropriate, taking account of the current economic climate including cost of living pressures, government interventions and decisions on pay by other public sector bodies as well as the challenging public finances context in Wales.

#### Members' salaries

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**25.** The Board is not proposing any change to the Determination in respect of Members' salaries. In accordance with the annual indexation provision, Members' salaries will increase by three per cent in the Determination 2023-24. Currently, a Member's base salary is £67,920. A three per cent increase will result in a base salary of £69,958. Any percentage increase applied to a Member's base salary will also apply to the Additional Office Holder salaries set out in paragraph 3.1.4 of the Determination (see Annex 1).

## **Chapter 3A: Additional Support - Support for Members with childcare and other caring responsibilities**

### Background

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**26.** A Member may claim the reimbursement of costs up to a maximum of £297 per month for the care of their children or adult dependents under paragraph 3A.3.2.

### Proposal 3 – Support for Members with caring responsibilities

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**27.** The Board recognises the costs of associated with caring responsibilities and is proposing to increase the limit on the costs that may be reimbursed for Members with caring responsibilities under section 3A.3.2 by the Consumer Price Index (CPI) rate as at September 2022. This would increase the rate from £297 to £327.

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<sup>1</sup> **Earnings and hours worked, UK region by public and private sector** – see table 25.7a (Annual gross pay 2022 - full time employees in Wales)

## Chapter 4. Residential Accommodation Expenditure (RAE)

### Background

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**28.** RAE allowances provide support for Members to meet the additional costs of staying overnight away from their main homes when on Senedd business.

### Overnight accommodation in the Cardiff area

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**29.** Section 4.3 allows “intermediate area” Members to claim up to £7,220 per annum for overnight accommodation in the Cardiff area. The maximum nightly amount that may be claimed for hotel stays (including breakfast and parking) is £100. This limit can be exceeded in exceptional circumstances, with prior written approval from the Members Business Support team.

**30.** For this financial year (2022-23), the Board agreed to increase the allowances for the intermediate area by 5.5 per cent (CPI figure for February 2022). Previously, the intermediate area RAE allowance had remained unchanged since the financial year 2019-20.

**31.** The Board is aware that in some instances Members have experienced difficulty in securing hotel accommodation in Cardiff Bay at this rate. However this is considered alongside research considered by the Board which indicates that hotel rooms are usually available in Cardiff Bay within the current allowance. Additionally, the number of times when Members have sought permission to exceed the allowance is low (two in this financial year).

### Proposal 4 – Overnight accommodation in the Cardiff area

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**32.** The Board is proposing 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. This would increase the allowance from £100 to £110. The total annual allowance, amended to reflect the change to the nightly allowance, will be £7,920. This has been calculated on the basis of “intermediate area” Members being able to stay two nights in a hotel in Cardiff at a cost of £110 per night for each sitting week of the Senedd (based on 36 sitting weeks per year).

### Other overnight accommodation outside the Cardiff area

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**33.** The maximum nightly amount that may be claimed for hotel stays (including breakfast and parking) outside the Cardiff area (but excluding London) is £100. This



limit can be exceeded in exceptional circumstances, with prior written approval from the Members Business Support team.

**34.** Members can claim £158 for the cost of a hotel in London. This can be exceeded with prior written approval from MBS which will only be given in exceptional circumstances. There has been one instance of a Member claiming more than the £158 rate in this financial year.

**35.** The Board has listened to Members' concerns about the availability of hotel accommodation in London at the current rate of £158. In particular, that the rate has resulted in Members only being able to find a hotel within the allowance by staying a distance away from their appointment, resulting in increased travel costs.

#### Proposal 5 – Overnight accommodation outside Cardiff

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**36.** The Board is proposing 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. This would increase the allowance from £100 to £110.

**37.** The Board is proposing to increase the rate of the nightly allowance for overnight accommodation in London in line with the CPI rate as at September 2022, 10.1 percent. This would increase the nightly allowance from £158 to £174.

### **Overnight stay with a friend or family**

**38.** Paragraph 4.5.8 of the Determination states:

'Where, instead of staying at a hotel, a Member stays overnight with a friend or relative, the Member may claim a flat rate of £25 per night.'

**39.** HMRC has advised:

#### ***Staying with friends and family rate***

*A benchmark rate has not been set for a scale rate payment for staying with friends and family. Furthermore, HMRC no longer accepts that a scale rate payment for this purpose should be agreed with an employer.*

#### Proposal 6 – Overnight accommodation with a friend or family

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**40.** The Board is proposing to withdraw the overnight accommodation with friends and family allowance, in line with HMRC guidance.

## Outer area allowance

### Background

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**41.** Members whose main homes are located within the 'Outer Area' are able to claim expenses in relation to properties in the Cardiff area, up to a maximum of £10,260 per year or £855 per month. Members may also claim for associated expenses such as council tax (up to Council Tax Band F), utility bills etc. in addition to rent (including any management charge or ground rent).

**42.** In recognition of the rise in inflation, the 'Outer area' RAE allowance rates were increased in the Determination for 2022-23 by 5.5 per cent (CPI figure for February 2022). Otherwise, they remained unchanged for the financial years 2021-22 and 2020-21. This allowance was previously increased for the financial year 2019-20, by 2.4 per cent (in line with CPI in September 2018).

**43.** To inform decisions on this rate, the Board considered monthly prices for one and two bedroom flats being advertised for rent in the Cardiff Bay area. The analysis showed that for the year to 14 November 2022, excluding the most expensive 10 per cent of flats:

- the average cost of a one bedroom flat was £819 per calendar month (up 9.7 per cent from £747). The median cost was £825;
- the average cost of a two bedroom flat was £1,094 (up 19.3 per cent), median £1,100.

**44.** The average rental price of a one bedroom flat advertised on Rightmove has shown an increasing trend over the year. Figures from Homelet and Zoopla showed similar trends for new rental price increases. Other market information shows that the increase for all rented homes, where people have moved or not, was 3.6 per cent for the UK and 2.7 per cent for Wales (this is the September figure from [ONS](#)).

**45.** The Board also considered the evidence of pressures on rents in the Cardiff Bay area, and the need for the rental allowance to reflect the particular market trends in the area.

## Proposal 7 – Outer area allowance

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**46.** The Board is proposing 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. This would result in an increase in the monthly allowance from £855 to £940 and an increase in the annual allowance from £10,260 to £11,280.

### Outer area allowance for those with caring responsibilities

#### Background

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**47.** There is provision under paragraph 4.4.3 (h) for Members to claim up to £1,520 to cover the cost of caring for someone who is a dependent and normally resident with them, in addition to the allowance for accommodation. This Carer's Allowance was introduced for the Fifth Senedd and had remained at £1,440 per annum until 2022-23. This allowance was considered during the Annual Review of the Determination for this financial year and the Board agreed to increase the allowance for those with caring responsibilities by 5.5 per cent (CPI figure for February 2022), increasing it from £1,440 to £1,520.

### Proposal 8 – Outer area allowance for those with caring responsibilities

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**48.** The Board is proposing to increase the rate of the Carer's Allowance by the CPI rate as at September 2022, 10.1 per cent. This would result in an increase to the maximum limit of the allowance from £1,520 to £1,670.

## Chapter 6: Office and Constituent Liaison Fund (OCLF)

#### Background

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**49.** Chapter 6 of the Determination states that Members are entitled to claim for *'all reasonable costs relating to the running of an office and engaging with constituents'* under the OCLF.

**50.** This definition is very wide and encompasses office costs such as rent, rates and utilities, website development and running costs, advertising, mobile telephones and legal expenses. Since 2021-22, it has also covered all costs relating to stationery (including postage and printing). In 2022-23, it also covers the costs of communications and research which could previously be met in the Policy Research and Communications Fund.

**51.** For this financial year the Board agreed to increase the total of the OCLF by 3.1 per cent (CPI figure for September 2021). In considering any further change to the limit of the OCLF the Board acknowledged office costs such as energy costs and various costs affected by inflation had increased significantly, however, this was weighed against the fact that Members' spending at the time of publication of the Determination 2022-23 suggested that no Members were likely to overspend by the end of the financial year, ending on 31 March 2022.

**52.** The Board considered the latest CPI data and forecasts for the coming period. Inflation continues to be high. While forecasts suggest it may fall over coming months, the current climate remains uncertain.

#### Office costs and utilities

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**53.** As a result of the feedback received during the Annual Review of the Determination 2022-2023, in the report of the Review, the Board said:

*The Board understood the concerns raised regarding the cost of utilities, and decided to keep energy and inflation costs under close review. During the course of the year, the Board will seek evidence from Members, via Member Business Support, of the increase in energy costs for Member's offices so as to make a more accurate and appropriate adjustments to the allowance to reflect these, given the current unpredictable outlook.*

**54.** The Board has received evidence from Members of increases to the costs of running their offices, including energy costs. It also noted the planned Welsh Government support.

**55.** The Board has made a one-off increase of £1,000 to the upper limit of the OCLF in this financial year in recognition of the immediate pressures resulting from the significant increase in the cost of living, in particular energy costs. This payment is non-consolidated and will not result in a permanent increase to the upper limit of the OCLF.

#### Proposal 9 – Office and constituent liaison fund

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**56.** The Board is proposing to increase the upper limit of the OCLF allowance by the CPI rate as at September 2022, 10.1 per cent, meaning an increase from £23,260 to £25,610 where a Member rents a constituency or regional office and from £9,500 to

£10,460 where a Member undertakes constituency or regional duties exclusively from the office facilities in Tŷ Hywel.

## **DSE Assessments and homeworking equipment**

### **Background**

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**57.** During the Covid-19 pandemic, those who were able to work from home were required to do so. This instruction has since resulted in a shift from Members and staff working mainly from constituency offices and Tŷ Hywel to a rise in homeworking, with working patterns/location varying from office to office.

**58.** This shift in working patterns has resulted in a need to consider the health and safety of staff in a greater number of places. As employers, Members have certain legal responsibilities. The Health and Safety Executive website says: 'As an employer, you must protect your workers from the health risks of working with display screen equipment (DSE), such as PCs, laptops, tablets and smartphones.'<sup>2</sup>

**59.** The template Health and Safety policy, provided by MBS for Members to adopt, says:

*All employees share responsibility for achieving safe working conditions. You must take care of your own health and safety and that of others, observe applicable safety rules and follow instructions for the safe use of equipment.*<sup>3</sup>

**60.** Claims for the cost of DSE assessments, and the purchase of any equipment that has been identified as necessary as a result of the assessment can be made under section 6.6 of the Determination, however this is not clearly set out in that section at present.

**61.** Amendments to section 6.6 of the Determination to highlight that Members may claim the costs of DSE assessments and any equipment identified as needed in order to facilitate safe working at home may make it easier for assessments to be carried out and acted upon.

**62.** Views are also sought on removing the requirement for health and safety mitigation measures to be 'recommended by an appropriate person approved by the

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<sup>2</sup> [Working safely with display screen equipment: Overview - HSE](#)

<sup>3</sup> [2.5 EN Health and Safety v2021.1.docx \(sharepoint.com\)](#)

Chief Executive and Clerk.’ This requirement acts as a control measure to ensure that the Accounting Officer has confidence that funds are being spent appropriately. The DSE assessments undertaken by Support Staff will be provided by recognised suppliers of such assessments and it is not normally necessary for any recommendations arising from these assessments to be verified by another person.

#### Proposal 10 – DSE assessments

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**63.** The Board is proposing:

- the insertion of 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;
- re-wording section 6.6 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).

## **Simplification of health and safety provisions**

### Background

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**64.** The Board agreed to review the provisions in the Determination which relate to Health and Safety, to make them clearer and simpler.

**65.** The Board has considered various changes to health and safety provisions in the Determination. The Board is proposing to amend paragraph 6.6.1 to make clear that any health and safety measures may be claimed under this section regardless of the location at which such measures are required. Currently the wording of section 6.6 limits claims for such costs to health and safety measures at Members’ ‘premises’. The Board considers that ‘premises’ imposes a restriction which may prove a barrier to Members being able to discharge their health and safety responsibilities effectively, and is therefore an unnecessary restriction on the use of the funds provided for by section 6.6.

**66.** The Board is proposing to remove the term 'works' in paragraph 6.6.1, so as not to limit costs which may be claimed to those for building works only, thereby allowing the funds provided by section 6.6 to be used to pay for the costs of any health and safety measures deemed necessary. This would clarify that the provision is intended to meet other types of Health and Safety precautions that Members should fund to safeguard their staff and visitors, such as first aid courses, signage, hand sanitisers etc.

**67.** In order to reduce confusion, it is proposed that the wording of the Determination is made clearer. Currently there is an overlap between section 6.6 (Health and Safety) and Chapter 3A (Additional Support). For example, the cost of a wheelchair ramp at the entrance to a constituency office could potentially be paid from either part of the Determination.

#### Proposal 11 – Clarification of health and safety provisions

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**68.** The Board is proposing:

- the rewording of paragraph 6.6.1, in particular the removal of the reference to 'at their premises', so as 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;
- the replacement of the term 'works' with the term 'measures' in paragraph 6.6.1;
- the insertion of an additional provision 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).

## Chapters 7 and 8: Staffing Support for Members

### Support Staff salaries

#### Background

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- 69.** Members' Support Staff are employed on one of four pay bands – Senior Advisor, Band 1, Band 2 or Band 3. Each pay band includes five specific salaries, referred to as pay points. Group staff are employed on one of five pay bands which reflect Support Staff pay bands with the addition of a Chief of Staff pay band, again with five pay points per band.
- 70.** The Board determines the overall staffing allowance available to each Member for the purpose of employing staff. Support Staff salaries are adjusted annually in April in the same way as Members' salaries i.e. in accordance with the ASHE Wales figure for the previous year, subject to a cap (three per cent) and collar (0 per cent).
- 71.** For the 2020-21 financial year (the last financial year before the introduction of the cap and collar), Support Staff salaries rose in line with ASHE by 4.4 per cent. For 2021-22 Support Staff salaries increased by 2.4 per cent in line with ASHE. For the current financial year (2022-23), the Board decided to increase Support Staff salaries by the maximum of three per cent allowed under the cap mechanism set out in the Determination, instead of the 0.4 per cent ASHE figure for 2021 that would have otherwise applied. This decision was based on the high increase to the cost of living experienced at the time and in response to representations made by Members and Support Staff in their responses to the consultation on the annual review of the Determination for this year, and the value of the role.
- 72.** The Board has considered the inflationary pressures affecting staff, in particular the sharp increase in energy prices. The Board has also taken into account the most recent information regarding the funding outlook for the Welsh Government, the public sector pay awards that have been made for 2022-23 and also pay offers being considered and contested.
- 73.** They have also considered views presented by Members and their staff that Support Staff salaries should be increased to reflect the importance of the roles undertaken by them within the Senedd, and in particular to address the challenges of recruitment and retention in the current labour market.



**74.** The Board has considered, alongside these arguments, that increases to Support Staff salaries over the last few years has exceeded pay increases awarded in other sectors and by the Senedd Commission.

**75.** The Board recognises the impact of the increases in the cost-of-living on Support Staff. In recognition of this, the Board has agreed a one-off payment of £600 for Support Staff (pro-rated) to be delivered in January 2023.

**76.** For the Determination 2023-24, the Board has considered how best to maintain a balance between their commitment (introduced at the start of the Sixth Senedd) to place limits on annual increases to salaries designed to reduce the impact of annual fluctuations resulting from the volatility of the ASHE index figure, against the need to respond to inflationary pressures in the economy.

**77.** The Board is not proposing any change to the Determination in respect of Members' Support Staff salaries. In accordance with the annual indexation provision, set out in section 7.3 of the Determination and agreed at the start of the Sixth Senedd, Support Staff salaries will increase by three per cent in the Determination 2023-24 (see Annex 2).

**78.** The Board has considered the ongoing needs of Support Staff as a result of increased pressures from inflation and higher energy costs. The Board is also proposing to increase Support Staff salaries by 3 per cent for 2023/24 with an additional payment of £400 payable in April 2023 to all those in post on 1 April 2023. This payment will be pro-rated for part-time staff according to their contracted hours of work of on 1 April 2023. It will be paid as a single payment unless a Support Staff employee requests to receive it in instalments or declines the payment.

**79.** The payment will be consolidated into salaries the following year and thereafter, meaning each pay point on each pay band will increase by £400 from 2024/25.

**80.** This is based on their assessment of the ongoing need for financial assistance in the current economic climate and information suggesting inflation will have reduced by the start of the next financial year.

**81.** The Board is consulting on an increase of 3 per cent for 2023/24 with an additional payment of £400 payable in April 2023 to all those in post on 1 April 2023. This payment will be pro-rated for part-time staff according to their contracted hours of work of on 1 April 2023. It will be paid as a single payment unless a Support Staff employee requests to receive it in instalments or declines the payment.

**82.** The payment will be consolidated into salaries the following year and thereafter, meaning each pay point on each pay band will increase by £400 from 2024/25.

## **Staffing Expenditure Allowance**

### Background

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**83.** Currently the Staffing Expenditure Allowance (the SE Allowance) enables Members to claim a maximum of £110,570 for the purpose of employing staff. This roughly equates to three full time members of staff. However, the SE Allowance is not sufficient to allow for the employment of three full-time staff at the top of the Senior Advisor, Band 1 and Band 2 pay bands.

**84.** The Board has considered the need for changes to the SE Allowance taking into account:

- Representations from Members;
- Comparisons with allowances in Westminster and the Scottish Parliament, while noting that they are not directly comparable in terms of their scope;
- Information on the nature and complexity of Senedd Business;
- The number of casework queries to the Senedd Research Service; and
- The pattern of use of the SE Allowance.

**85.** In particular the Board considered representations by Members over the course of this year for greater staffing support and evidence provided on changes to the volume and complexity of Members' workload. The Board acknowledged that the complexity of Members' parliamentary work has increased.

**86.** By increasing the SE Allowance such that Members will be able to employ three full-time members of staff at Senior Advisor, Band 1 and Band 2, at the top of their pay scales, it was felt this would help enable greater flexibility of staffing grades within Members' offices, and potentially allow more opportunities for progression and staff retention.

**87.** The Board recognises that it will be for Members to decide how best to use their Staffing Expenditure Allowance, and therefore could be used to employ other combinations/more part-time staff at lower grades.

#### Proposal 13 – Members' Staffing Expenditure Allowance

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**88.** The Board is proposing 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 would result in an increase of £11,189 to each Member's Staffing Expenditure Allowance.

## Chapter 8: Support for Political Parties

### Background

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**89.** The Support for Political Parties Allowance (the SPP Allowance) may be used by Group leaders of the parties represented in the Senedd to employ staff, including payment of overtime, travel and subsistence, etc. and buy office equipment and hire facilities.

**90.** The total SPP Allowance available in this current financial year is £1,049,110. This SPP Allowance is divided amongst political parties and Members who are not part of a political group in the Senedd, based on the formula set out in section 8.2 of the Determination.

**91.** The majority of this SPP Allowance is used to pay Group staff salaries. Historically, the Board has adjusted the proportion spent on Group staff salaries annually by the same percentage increase as applied to Members' Support Staff salaries, with the remainder of the SPP Allowance increased in line with the CPI rate applied to other allowances in the Determination. The 'cap and collar' mechanism of three per cent and zero per cent which applies to annual adjustments to Members' Support Staff salaries also applies to annual adjustments to Group staff salaries.

**92.** For the current financial year, 86.3 per cent of the SPP Allowance was increased by three per cent (i.e. the same percentage by which Members' Support Staff salaries was increased), with the remaining 13.7 per cent increased by 3.1 per cent (the CPI figure for September 2021).

**93.** The proposals for increasing Support Staff pay for 2023-24, will apply equally to Group Support Staff (see above).

#### Proposal 14 – Support for political parties allowance

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**94.** The Board is proposing:

- to adjust the Support for Political Parties Allowance (SPP Allowance) using the same mechanism as has been used previously i.e. to increase the proportion spent on salaries by the same percentage as will be applied to Members' Support Staff salaries and the non-salary proportion of the SPP Allowance by the same percentage as applied to other CPI-linked allowances.
- This would result in an increase of three per cent to staff salaries paid under this Allowance and an increase of 10.1 per cent, the CPI rate as at September 2022, applied to the element of this SPP Allowance relating to costs incurred which do not relate to employing staff. This would mean the overall quantum of the Allowance increases from £1,049,110 to £1,089,640.
- an additional payment of £400 payable in April 2023 to all those in post on 1 April 2023. This payment will be pro-rated for part-time staff according to their contracted hours of work of on 1 April 2023.

## Annex 1: Members' salaries with three per cent increase applied

This table shows the three per cent increase applied to the Additional Office Holder salaries set out in paragraph 3.1.4 of the Determination.

Additional office holder salaries	Base salary	Additional salary	Total salary
First Minister	£69,958	£83,075	£153,033
Welsh Minister	£69,958	£39,350	£109,308
Counsel General	£69,958	£39,350	£109,308
Deputy Minister	£69,958	£22,955	£92,913
Presiding Officer	£69,958	£44,816	£114,774
Deputy Presiding Officer	£69,958	£22,955	£92,913
Senedd Commissioner	£69,958	£14,210	£84,168
Committee Chair (Higher)	£69,958	£14,210	£84,168
Committee Chair (Lower)	£69,958	£9,467	£79,425
Business Committee Member	£69,958	£9,467	£79,425
Leader of a Political Group not in Government	£69,958	£14,210 + £1,093 per Member up to £39,350	Range from £87,447 to £109,308

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## Annex 2: Support Staff salaries with three per cent increase applied

Band	Pay point 1	Pay point 2	Pay point 3	Pay point 4	Pay point 5
Chief of Staff	£41,846	£43,990	£46,247	£48,617	£51,113
Senior Adviser	£38,042	£39,990	£42,043	£44,196	£46,469
Band 1	£28,274	£30,805	£33,575	£36,598	£39,902
Band 2	£24,143	£26,556	£29,220	£32,152	£35,388
Band 3	£21,862	£23,555	£25,381	£27,353	£29,483

## Annex 3: Privacy Policy

The statement below provides a general overview of how we will use the information you provide. Our full privacy policy is available from our website at: [Privacy Policy \(remunerationboard.wales\)](https://remunerationboard.wales/privacy-policy)

The Board is the data controller and will ensure information is protected and used in line with data protection legislation. We rely on the legal basis that the processing is necessary for the performance of a task carried out in the public interest. The task is to facilitate our work and undertake our functions. We may process special category personal data because it is necessary for reasons of substantial public interest.

### Why we are collecting information, and what we do with it

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Your submission will be used to inform our decisions on proposed changes to the Determination. Submissions will be seen in full by the Board's members and its secretariat. Some information may be shared with the Senedd Commission in considering any changes and how any changes should be administered.

We may publish your submission on our website. We may also publish extracts within documents produced following the consultation. Any submissions published on our website will remain in the public domain. Please let us know if you would prefer that your submission is not published.

Responses will be retained on the Senedd Commission's secure ICT systems (which includes third party cloud services provided by Microsoft) until we have completed the consultation and for no longer than six months after the consultation. Any information published into the public domain will remain there. After the six month period, we will retain anonymised responses.

In the event of a request for information being made under access to information legislation, it may be necessary to disclose the information that you provide.

### Your rights

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You have a number of rights, including the right to request access to your information. You also have the right to request from us that:

- any inaccurate information we hold about you is corrected;
- information about you is deleted (in certain circumstances);

- we stop using your information for certain purposes or circumstances; and
- your information is provided to you or a third party (in certain circumstances).

#### Contact details

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If you would like to engage any of the rights, ask a question or make a complaint, please contact the Secretariat at: [remuneration@senedd.wales](mailto:remuneration@senedd.wales).

If, following a complaint, you remain dissatisfied with our response, you can also complain to the Information Commissioner's Office. The Information Commissioner's Office's address is:

Information Commissioner's Office,  
Wycliffe House,  
Water Lane,  
Wilmslow,  
Cheshire,  
SK9 5AF.