

8 January 2025

Dear all,

Annual Review of the Determination 2025/26

The Independent Remuneration Board ('the Board') reviews its Determination annually to ensure the support provided to Members remains appropriate for the coming financial year.

This annual review occurs at a time when the Board is also considering and consulting on fundamental changes to the Determination for the Seventh Senedd. The first of two consultations for the Determination for the Seventh Senedd has recently closed and the Board is grateful for the comprehensive feedback received from a range of stakeholders and members of the public. The Board will issue the second consultation, on Members' pay and staffing support, later in the Spring.

This annual review consultation focuses on the proposed changes for the Determination for 2025/26, to ensure Members' budgets continue to meet their business needs, in light of changing circumstances and inflationary pressures.

In reviewing the Determination, the Board has to reflect on several core objectives and principles, to ensure that Members are remunerated fairly and provided with sufficient resources to support them in the constituency and parliamentary duties, whilst ensuring that decisions represent value for money for the taxpayer and are appropriate within the context of Welsh earnings and the wider financial circumstances of Wales.

The Board's proposals have been informed through engagement with Members and staffing and union representatives and are underpinned by the latest economic data and comparative analysis and research. The latest ASHE Wales figure for 2023/24, published in November, has confirmed a three-year period of unexpected and consistent growth in average salaries, with increases to ASHE of 7.3%, 5.7% and 6% during 2021/22, 2022/23 and 2023/24 respectively.

In light of this evidence, the Board is proposing to make an exceptional Determination to remove the cap on Members' salaries, as the latest published data confirms a sustained period of consistent growth in average earnings in Wales. Given the circumstances have changed since

its introduction at the start of this term, the retention of the cap, in light of the latest data, would run counter to the Board's core objectives and principles.

As part of its wider thematic review of Members' remuneration and personal support, the Board has also reviewed the support provided to Members when they leave the Senedd. The Board has considered international evidence and has reflected on the approaches of other UK legislatures; the Board is therefore proposing to introduce 'winding-up payments' for Members who leave the Senedd at the next election, similar to the approach in the UK Parliament. The Board also proposes to provide the same level of redundancy entitlement to all support and group staff, irrespective of when or how their employing Member leaves the Senedd.

The Board is also proposing other changes, including piloting the provision of a limited amount of overnight accommodation to support inner area Members with their parliamentary duties following a recent consultation, as well as other changes to Members' business costs to reflect inflationary pressures since the last review.

The Board is consulting on the proposals as set out below, and we would welcome responses **no later than 5.00pm, 19 February 2025**. The process for submitting a response and more information on how it will be handled can be found at the end of this document. Please send responses to remuneration@senedd.wales.

We look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink that reads "Dr Elizabeth Haywood". The signature is written in a cursive, flowing style.

Dr Elizabeth Haywood
Chair, Independent Remuneration Board of the Senedd

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

Summary of proposals

Proposal 1:

To increase the amount Members may claim for business costs, unless otherwise specified, by the January 2025 CPI rate (as set out in Annex A).

Proposal 2:

To make an exceptional Determination to remove paragraph 3.2.2 of the Determination and removing the 3% cap on annual indexation. Members' and additional office holders' salaries will increase by the ASHE Wales figure of 6% in 2025/26, rounded to the nearest £1 (as set out in Annex B).

Proposal 3:

To increase Members' staff and group staff salaries in 2025/26 by the ASHE Wales figure of 6%, rounded to the nearest £1 (as set out in Annex C) and increase Members' staffing expenditure allowance to £138,438.

Proposal 4

The Board will be considering whether additional support is required for Members through the Determination to support Members' implementation of the new pay and grading framework, in particular the transition of current staff into the new framework. While further discussions are planned with Members, trade unions and Senedd Commission, the Board would welcome views on the range of support Members think they may need in relation to this change.

Proposal 5

To simplify the redundancy entitlement provisions as set out in section 7.13 of the Determination and to provide statutory redundancy entitlement uprated by 100% to all qualifying support staff irrespective of the timing or the circumstance of how the Member ceases to be a Member of the Senedd.

Proposal 6

To include references to 'serviced accommodation' in Chapter 4 of the Determination for clarity that it is an option for overnight accommodation.

Proposal 7

To increase the maximum nightly amount that may be claimed for overnight (hotel or serviced) accommodation in Cardiff and elsewhere (exclusive of breakfast and parking) by the CPI figure for January 2025 and to increase the London maximum nightly amount (exclusive of breakfast and parking) to £210.

Proposal 8

To provide Members with a main residence in the inner area with an overnight accommodation budget of £684 per year (uprated by the January 2025 CPI rate) for overnight accommodation in the Cardiff area.

Proposal 9

To increase the annual amount, at paragraph 4.4.3.(a) that may be claimed for overnight accommodation for Members whose main homes are in the outer area by 9.8%, the October figure for the ONS Index of Private Housing Rental Prices on private rental prices, rounded to the nearest £5 per month.

Proposal 10

To increase the amount at paragraph 4.4.3 (h) available to Members in the outer area to claim in respect of caring responsibilities by 9.8%, the October figure for the ONS Index of Private Housing Rental Prices on private rental prices, rounded to the nearest £5 per month.

Proposal 11

To increase the Support for Political Parties' Allowance, at paragraph 8.2.1(a) by the ASHE Wales figure of 6%, rounded to the nearest £10.

Proposal 12

To simplify the redundancy entitlement provisions as set out in section 8.9 of the Determination and to provide statutory redundancy entitlement uprated by 100% to all qualifying staff employed by a Political Party (through the Support for Political Parties' Allowance).

Proposal 13

To introduce entitlement to winding up their office payments for current Members at the end of this Senedd term, as follows:

- A winding up payment, equivalent to 2 months' salary, payable to Members who do not stand for re-election;
- A winding up payment, equivalent to 3 months' salary, payable to Members who are candidates for re-election but not re-elected.

Consultation and Decision-making timetable

Date	Action
8 January 2025	Consultation Published
5.00pm, 19 February 2025	Consultation Closes
13 March 2025	Independent Remuneration Board considers the consultation feedback and agrees the Determination for 2025/26.
31 March 2025	Publication of the Determination 2025/26

Background

1. The Board reviews the Determination annually to ensure that it reflects Members' business needs and changing circumstances and takes into account any inflationary pressures.
2. The Board is required by statute¹ to exercise its functions with a view to achieving the objectives of:
 - Providing Members of the Senedd with a level of remuneration which fairly reflects the complexity and importance of their functions and does not, on financial grounds, deter persons from seeking election;
 - Providing Members of the Senedd with resources which are adequate to enable them to exercise their functions; and
 - Ensuring probity, accountability, value for money and transparency with respect to the expenditure of public funds.
3. In reviewing the Determination for the next financial year (2025/26), the Board has taken account of the guiding principles set out in section 1.3A of the Determination:
 - 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.

¹ <https://www.legislation.gov.uk/mwa/2010/4/section/3>

4. The Board is also committed to simplifying the Determination, to provide flexibility for Members to determine their own priorities with proportionate safeguards, in co-operation with the Senedd Commission.

5. The Board has been undertaking several thematic reviews with a view to developing a Determination for the Seventh Senedd; through the Simplification Review, several improvements were introduced during the last annual review. Further changes have been identified and included in this consultation which may make it simpler for Members and their staff to understand what funding and support is available and how to claim it, and for the Senedd Commission to administer the Determination efficiently and effectively.

Annual Indexation of Members' business costs

6. Every year the Board reviews the business costs which are available to Members to ensure that they remain sufficient to allow Members to carry out their duties. Members' business costs are set out in Annex A.

7. These business costs, in the main, are increased annually by the rate of the Consumer Prices Index (CPI).

8. The UK Government set benefits and pensions annual uplifts by the September CPI figure. The CPI figure, however, increased in October 2024 to 2.3% and the Bank of England is forecasting CPI to increase further in 2025/26.

9. The Board is mindful of its responsibility to ensure that the provision for Members is sufficient to cover their costs, and at the same time safeguard value for money for Welsh taxpayers.

10. The Board has previously used the September CPI figure, but in keeping with the Board's approach in some recent years, where it has used January and February CPI figures, the Board intends to use the latest CPI figure available at the time it takes its decision on the Determination for 2025/26, as this will provide Members with a more up to date allocation to prepare their budgets for 2025/26.

11. The Board therefore proposes to increase those Members' business costs that are linked to annual CPI indexation by the January 2024 CPI rate (which is forecast to be c2.5%). Other business, support or salary costs which are uprated by alternative indexations are included separately in this document and summarised in Annex A.

Proposal 1:

To increase the amount Members may claim for business costs, unless otherwise specified, by the January 2025 CPI rate (as set out in Annex A).

Members' salaries and additional office holders' salaries

12. The Determination (paragraph 3.2.1) states that Members' salaries (including additional office holder salaries) will be adjusted annually in April "...by the change in the Annual Survey of Hours and Earnings (ASHE), annual gross Median Earnings for full-time employee jobs in Wales between April and April of the previous year". Paragraph 3.2.2 states that this adjustment "...will be no lower than zero per cent and no higher than three per cent".

13. The 'cap' of 3% was introduced in an exceptional Determination in March 2021, as the Board was of the opinion that:

"Following a year of unfavourable economic conditions in Wales, the pandemic continues to cause great uncertainty as to the effect on the incomes of Welsh workers...The Board is of the opinion that the recent fluctuation [in ASHE]... and risk of continued longer term implications arising from the Covid-19 pandemic, constitute exceptional circumstances which make it just and reasonable to change the Determination in relation to the salary adjustment mechanism for Members and additional office holders."

14. The Board has noted that the cap was introduced under the 'exceptional circumstances' of the Covid-19 pandemic and a period of volatility in ASHE in order to mitigate the implications of a unique period of unprecedented economic uncertainty, all of which have, largely, now abated.

15. When the Board made its exceptional Determination on 4 March 2021² to change the annual indexation mechanism to be no greater than three per cent and not to result in a decrease, inflation and average wages had been within this range for a number of years.

16. There has however been consistent wage growth in the Welsh economy during recent years. 'Fluctuations' in ASHE are now less marked and the latest ASHE Wales figure for 2023/24, published in November, has confirmed a three-year period of unexpected and consistent growth in average salaries, with increases to ASHE of 7.3%, 5.7% and 6% during 2021/-22, 2022/23 and 2023/24 respectively. If the cap of 3% remained in place for 2025/26, Members' salaries would have increased cumulatively by 9.7% in the period since the cap was introduced, whereas average earnings in Wales (ASHE) would have increased over the same period by 20.7% and CPI (September rate) by 23.2%.

17. Coupled with high inflation during recent years and the latest ASHE Wales figures, retaining the cap on Members' salaries would mean that the Board would not meet the

²<https://senedd.wales/media/i0ubqfql/gen-ld14246-e.pdf>

principle of setting earnings in the economic context of Wales nor the statutory objective of providing a fair level of remuneration for the role.

18. The Board has also noted that the Independent Parliamentary Standards Authority (IPSA) and the Scottish Parliament reviewed and changed their annual indexation methodology for members' salaries for 2024/25; IPSA moved from its usual KAC9 index of public sector pay to the Senior Civil Service increase of 5.5% and the Scottish Parliament changed from ASHE to Average Weekly Earnings (AWE) at 6.7%.

19. This analysis confirms that, should the cap remain, Members' pay increases will not keep pace with relevant economic indicators and Members' pay will have decreased significantly in comparative and in real terms.

20. The Board is therefore proposing to remove the 'cap' of 3% by deleting paragraph 3.2.2 of the Determination; Members' and additional office holder salaries would increase by 6% in 2025/26 (the ASHE Wales figure published in November 2024). The proposed salaries for Members and additional office holders are set out in Annex B.

21. This decision would require an exceptional Determination as section 13(3) and (4) of the National Assembly for Wales (Remuneration) Measure 2010 states that the Board may not make more than one determination per term relating to Members' salaries unless the Board "...is of the opinion that there are exceptional circumstances which make it just and reasonable" for the restriction not to apply. Section 13(5) requires that the reasons for forming such an opinion be stated in writing and communicated to the Senedd Commission.

22. The Board is of the opinion that an exceptional Determination is required because:

- The 3% cap was partly introduced to mitigate the, then, 'recent fluctuations' in ASHE between 2018-20 (ranging from 0.4%-4.4%), and to ensure indexation remained relevant to the wider Welsh economic context in the immediate post-Covid period.
- The Board has considered the current economic circumstances and in particular that the UK has experienced a period of exceptionally rapid inflation which continues to have a significant impact on the cost of living.

23. The latest ASHE Wales figures published by the ONS in November confirm there has been a three-year period of unexpected, consistent and sustained growth in average Welsh salaries and less fluctuation than experienced in the run-up to the Covid-19 pandemic, with increases to ASHE of 7.3%, 5.7% and 6% during 2021-22, 2022-23 and 2023-24 respectively.

- Retaining the cap for Members' salary indexation at 3% in the context of the current economic situation reflected in the sustained growth in ASHE would be counter to

the Board's core principle of setting decisions in the 'context of Welsh earnings and the wider financial circumstances of Wales.'

- Furthermore, retaining the cap would be counter to the Board's statutory objective of providing Members with a level of remuneration '...which fairly reflects the complexity and importance of their work as Members'. Maintaining the cap would lead to a position where salaries would no longer fairly reflect the role given the impact of growth in earnings in the wider economy and the impact of inflationary pressures.

24. It is the Board's opinion that the matters set out above amount to exceptional circumstances which make it just and reasonable that the restrictions imposed by section 13(3) of the Measure should not apply and the 3% cap on the indexation of Members' salaries should be removed.

Proposal 2:

To make an exceptional Determination to remove paragraph 3.2.2 of the Determination and removing the 3% cap on annual indexation. Members' and additional office holders' salaries will increase by the ASHE Wales figure of 6% in 2025/26, rounded to the nearest £1 (as set out in Annex B).

Staffing support for Members

Members' staff salaries and Staffing Expenditure Allowance

25. The salaries of Members' staff are adjusted in April of each year by the change in the Annual Survey of Hours and Earnings (ASHE), estimated gross Median Earnings for full-time employee jobs in Wales between April and April of the previous year, under paragraph 7.3.1 of the Determination.

26. The latest ASHE figure of 6% was published in November 2024. Salaries are rounded to the nearest £1.

27. The Board also determines the overall amount available to Members to claim for staffing costs, which is based on the total of the salary at Pay Points 5 for each of Senior Advisor band, Band 1 and Band 2. A Member is currently entitled to claim staffing expenditure costs up to a maximum of £130,602.

Proposal 3:

To increase Members' staff and group staff salaries in 2025/26 by the 2024 ASHE Wales figure of 6%, rounded to the nearest £1 (as set out in Annex C) and increase Members' staffing expenditure allowance to £138,438.

Support for implementation of the pay and grading review for the Seventh Senedd

28. Chapters 7 and 8 of the Determination provide a pay and grading framework for support staff employed by Members. The framework applies to both Members' staff and political group staff with the role of Chief of Staff employed by groups only.

29. Following consultation earlier this year, a new pay and grading framework for support staff is being developed based on a job families model, similar to the approach operated for support staff in the UK and Scottish Parliaments. It is intended that the new framework will be included in the Determination for the Seventh Senedd and that all support staff will have to be employed by Members in line with the job families, grades and salaries set out in the new framework from the start of the next Senedd term.

30. The Board will consult on the draft pay and grading framework in the Spring and intends to publish the final framework in the Summer of 2025. Members seeking re-election will be required to identify the roles they intend to employ for the Seventh Senedd, decide on the appropriate job family and grade for such roles and, thereby, determine the salary for each role during the second half of 2025/26 in advance of the 2026 election, so that these salaries will be payable from the beginning of the Seventh Senedd.

31. Members will be supported through this process. Members will be provided with resources including template job descriptions and guidance on the process to follow.

32. Whilst it is anticipated that in most instances this will be a relatively straightforward process for Members, the Board recognises that additional support may be needed in respect of some aspects of the process, separate from the support that might be provided by the Senedd Commission.

Proposal 4

The Board will be considering whether additional support is required for Members through the Determination to support Members' implementation of the new pay and grading framework, in particular the transition of current staff into the new framework. While further discussions are

planned with Members, trade unions and Senedd Commission, the Board would welcome views on the range of support Members think they may need in relation to this change.

Redundancy payments to staff who are paid from the Staffing Expenditure Allowance

33. A Member is entitled to claim for the cost to them of redundancy payments to qualifying staff, where the Member ceases to be a Member for any reason. To qualify, staff must have at least two years' service (as per statutory redundancy arrangements) with the Member on the date at which they cease to be employed by the Member. Similar provisions are also provided to staff employed by a Political Party through the Support for Political Parties' Allowance.

34. The Determination sets out different levels of redundancy payments to staff in section 7.13 depending on the circumstances of how their employing Member ceases to be a Member of the Senedd:

- A member of staff, whose employing Member stands down during a term, would be entitled to statutory redundancy³ uprated by 50% if their employing Member '...made it publicly known that they intended to stand down from the Senedd at least one month before doing so;
- A member of staff, whose employing Member ceases to be a Member because they choose not to stand at the next ordinary general election to the Senedd, would be entitled to statutory redundancy uprated by 50%;
- A member of staff would be entitled to statutory entitlement uprated by 100% under several circumstances which are set out in paragraph 7.1.3.4, including when a Member is defeated at an ordinary general election to the Senedd.

35. The Board has received feedback from several Members and staff representatives that the redundancy provisions are inconsistent and that Members' staff are treated unfavourably in comparison to Commission and MPs' staff.

36. The Board has considered the staff redundancy entitlements provided in other UK legislatures:

- UK Parliament – 100% uplift to the statutory redundancy entitlement if an employing Member stands down or stands and is not re-elected at a general election;

³<https://www.gov.uk/redundancy-your-rights/redundancy-pay>

- Scottish Parliament - four weeks' pay for every completed year of service, up to a maximum of one year's salary if an employing Member stands down or is not re-elected;
- Northern Ireland Assembly – staff are entitled to the statutory redundancy entitlement if they are made redundant.

37. Members' support staff play an important role but their employment status is unique and can be insecure given the democratic and political environment in which they are employed; the Board recognises that redundancy or the threat of redundancy can be stressful and unsettling and the Board is committed to enabling Members to provide appropriate assurance and financial support to their staff.

38. In reviewing the staff redundancy provisions as set out in the Determination, the Board is of the view that these could be simplified, made clearer and more consistent.

39. In keeping with its commitment to simplify the Determination and informed by the redundancy support provided by other UK legislatures, the Board proposes to change the redundancy entitlements as currently set out and intends to provide statutory redundancy entitlement uprated by 100% to all support staff who have a least two years' service with the employing Member, irrespective of the timing or the circumstance of how the Member ceases to be a Member of the Senedd.

40. The Board also intends to simplify and introduce similar changes to redundancy entitlements for staff employed by a Political Party through the Support for Political Parties' Allowance (see paragraphs 70-71 and Proposal 11 below).

41. The Board notes that the Senedd Commission also provides pastoral and professional advice and support (outplacement support) to staff at risk of redundancy, as well as Members at the end of their term in office.

Proposal 5

To simplify the redundancy entitlement provisions as set out in section 7.13 of the Determination and to provide statutory redundancy entitlement uprated by 100% to all qualifying support staff, irrespective of the timing or the circumstance of how the Member ceases to be a Member of the Senedd.

Residential Accommodation Expenditure

Serviced Accommodation

42. The Determination provides for the reimbursement of costs incurred by Members when staying overnight in the Cardiff area in connection with the performance of their duties.

43. The Determination references 'hotel accommodation' and 'rental properties' (for those eligible Members).

44. A range of serviced accommodation, which might typically be a furnished flat or house suitable for short-term let and inclusive of wider costs such as council tax, utilities and broadband, is also available in the Cardiff area.

45. Inquiries have indicated that serviced accommodation could provide an additional option for alternative overnight accommodation which might meet Members' needs and preferences for shorter stays as an alternative to hotel accommodation and can provide a more flexible, less administratively burdensome and better value for money alternative to rented accommodation.

46. The Board therefore intends to include references to 'serviced accommodation' in the Determination, alongside rental and hotel accommodation, in order to provide Members with the flexibility to meet their needs.

Proposal 6

To include references to 'serviced accommodation' in Chapter 4 of the Determination for clarity that it is an option for overnight accommodation.

Hotel accommodation rates in London

47. Members can claim the cost of hotel accommodation in the Cardiff area, elsewhere in the UK or in London if it is necessary to stay overnight in connection with the performance of their duties.

48. The Board reviews the maximum rates claimable for hotel accommodation during the annual review; the current rates are £114 for Cardiff/elsewhere in the UK and £184 in London, exclusive of breakfast and parking.

49. The Board reviewed the availability of hotel accommodation in the Cardiff Bay area and there remains a range of available hotel options within the maximum nightly rates, even when booking accommodation on the day. The Determination also allows for the maximum rate to be applied to the average cost per night, where consecutive nights are booked in a single transaction.

50. The Board is therefore proposing to increase the maximum nightly amount that may be claimed in 2025/26 for overnight accommodation (hotel or serviced accommodation) by the CPI figure for January 2025 (as set out in Annex A).

51. Availability is considerably greater with forward planning, although the Board recognises that this is not always possible and, on occasions, major events can impact on availability and prices. Members will continue to be able to stay outside the Cardiff area, if the Member cannot find a hotel within the Cardiff area within the maximum nightly allowance and Members may also seek prior written approval from the Members' Business Support Team to exceed the maximum overnight amount in exceptional circumstances.

52. The Board has heard feedback from Members that hotel accommodation in London, within the maximum rate of £181, can be hard to find. The Board considered evidence which showed the availability of hotels in the Westminster area and beyond can, on occasions, be in excess of the maximum limit, particularly at short notice and in central London where Members prefer to stay for proximity to meetings and events.

53. The Board also compared the maximum nightly amount for London hotels provided by other remuneration bodies; the Scottish Parliament's London hotel rate for 2024/25 is £262 (inclusive of dinner and breakfast), the Independent Parliamentary Standards Authority (IPSA) rate is £210 for 2024/25 and the Independent Remuneration Panel for Wales has set a London hotel rate for Welsh councillors of £200 for 2025/26 (not inclusive of dinner or breakfast).

54. The Board therefore proposes to increase the maximum nightly amount that may be claimed for hotel accommodation in London (exclusive of breakfast and parking) to £210, in line with IPSA's London rate.

Proposal 7

To increase the maximum nightly amount that may be claimed for overnight (hotel or serviced) accommodation in Cardiff and elsewhere (exclusive of breakfast and parking) by the CPI figure for January 2025 and to increase the London maximum nightly amount (exclusive of breakfast and parking) to £210.

- 55.** The Determination (paragraph 4.2.1) states that inner area Members ‘...may apply to the Members’ Business Support Team, in exceptional circumstances, for reimbursement of the cost of hotel stays in the Cardiff area.’ Inner area Members are those whose main residence is in the constituencies listed in the Interpretation (on page 5) of the Determination.
- 56.** The issue of overnight accommodation for those Members who live in the Inner Area has been raised by several Members during engagement with the Board in 2024.
- 57.** There are occasions when it would not be reasonable for a Member to travel home between Senedd business days and they would need to stay in overnight accommodation in Cardiff. For instance, if they have a late finish following Senedd Plenary business, or a related function, or have an early start for Senedd business the following day, or there is major disruption due to weather events.
- 58.** It has been noted by Members that they often do not have advance notice of needing an overnight stay in Cardiff and that trying to arrange permission for their costs to be covered at short notice can be stressful and time consuming and many Members have paid for hotel accommodation at their own expense as they have not been able to claim for these costs through the Determination.
- 59.** The Board is of the view that Members should have greater discretion and flexibility and agrees that Members who live in the inner area may require overnight accommodation on occasions, in the course of their duties.
- 60.** The Board has recently consulted on proposals for Members to make their own arrangements, within a set limit, to meet their overnight accommodation needs when reasonable, commencing from the start of the Seventh Senedd. This approach would simplify administrative arrangements and remove the requirement for a business case to be submitted to, and considered by, the Members Business Support team.
- 61.** Consultation feedback on this proposal has been supportive, although several responses noted that whilst many inner area Members would not claim any or all of the proposed entitlement, some Members would require more than the 6 nights proposed.
- 62.** Following this feedback, the Board therefore intends to introduce this proposal earlier, to ‘pilot’ the approach ahead of the Seventh Senedd, and provide all Members with a main residence in the inner area with an overnight accommodation budget of the equivalent of 6 nights per year, without requiring prior authorisation of a business case, from 1 April 2025.

63. This would provide inner area Members with an annual overnight accommodation budget of £684 (to be uprated by the January 2025 CPI rate), which is the equivalent of 6 nights' accommodation at the maximum overnight rate set out in the Determination in section 4.5. Members would be able to stay and claim for more than 6 nights' accommodation in the Cardiff area, as long as the total cost over the course of the year did not exceed this budget.

64. Members would be able to make their own arrangements and claim reimbursement for the costs of overnight accommodation without seeking prior approval. Members will also continue to be able to apply to the Members' Business Support Team, in exceptional circumstances, for reimbursement of the cost of hotel stays in the Cardiff area, in excess of this new limit. This 'pilot' would allow for an assessment of usage and the sufficiency of this provision in advance of the Seventh Senedd

Proposal 8

To provide Members with a main residence in the inner area with an overnight accommodation budget of £684 per year (uprated by the January 2025 CPI rate) for overnight accommodation in the Cardiff area.

Overnight accommodation for Members whose main homes are located within the outer area

65. Members whose main homes are located within the Outer Area are currently able to claim expenses in relation to properties in the Cardiff area, up to a maximum of £11,760 per year or £980 per month. Members may also claim for expenses such as council tax (up to Council Tax Band F), utility bills, TV licence, Broadband provision, etc. in addition to rent (including any management charge or ground rent). There is no upper limit on these additional expenses.

66. When reviewing this provision as part of the annual review, the Board considers a range of information to understand any changes to the residential rents and availability of suitable properties in the Cardiff area.

67. The Board has heard from a range of Members that the Cardiff rental market has seen significant change in the recent period which is impacting on the range of suitable properties available within the maximum rental limit or where Members' rent has increased or is at risk of increasing above the maximum rental limit set in the Determination.

68. The Board considered analysis of the local market, including monthly rental costs for one and two bedroom flats in the Cardiff Bay area (although the Determination refers to rental properties in the Cardiff area, Members typically prefer to rent in the Cardiff Bay area). This analysis for the year to 31 October 2024, excluding the most expensive 10% of flats, confirms that advertised new rentals for one-bed properties in the Cardiff Bay area increased by around 5.4% compared to the previous 12 months. The ONS Index of Private Housing Rental Prices on

private rental prices, including existing lets, showed an increase of 9.8% for Cardiff for the year to October 2024.

69. The above analysis confirms that indicators for rental inflation are above the expected CPI for January 2025 (estimated at 2.5%).

70. The Board is therefore proposing to increase the annual amount, at paragraph 4.4.3.(a) that may be claimed for overnight accommodation for Members whose main homes are in the outer area by 9.8% the ONS Index of Private Housing Rental Prices on private rental prices, rounded to the nearest £5 per month. The proposed maximum for 2025/26 is £12,900 per annum or £1,075 per month.

Proposal 9

To increase the annual amount, at paragraph 4.4.3.(a) that may be claimed for overnight accommodation for Members whose main homes are in the outer area by 9.8%, the October figure for the ONS Index of Private Housing Rental Prices on private rental prices, rounded to the nearest £5 per month.

Reimbursement of additional costs that may be incurred by a Member with caring responsibilities for a dependent who is normally resident with them in the Cardiff area

71. There is provision under paragraph 4.4.3 (h) for Members to claim £1,735 to cover the higher cost of suitable accommodation if a Member is caring for someone who is a dependent and normally resident with them in the Cardiff area.

72. As this additional cost, if claimed, may be related to additional rental costs, the Board is proposing to increase this by the same rate as applied to rental properties above, at 9.8% the ONS Index of Private Housing Rental Prices on private rental prices, rounded to the nearest £5 per month. The proposed maximum for 2025/26 is £1,905.

Proposal 10

To increase the amount at paragraph 4.4.3.(h) available to Members in the outer area to claim in respect of caring responsibilities by 9.8%, the October figure for the ONS Index of Private Housing Rental Prices on private rental prices, rounded to the nearest £5 per month.

Support for Political Parties' Allowance

Simplifying the formula for calculating the overall quantum of the allowance

73. Support for Political Parties exists to assist parties in the undertaking of their work in the Senedd. The Support for Political Parties' Allowance is payable only in respect of costs which are incurred by Members wholly, exclusively and necessarily for the purpose of the performance of their duties as Members.

74. Political parties represented in the Senedd are able to claim the costs of employing staff, paying costs such as salaries, travel and subsistence, and office costs, as set out in Chapter 8 of the Determination.

75. The total amount available in this financial year is £1,165,130. It 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 paragraph 8.2.1 of the Determination.

76. Historically the Board has adjusted a proportion spent on Group staff salaries annually by the same percentage increase as that applied to Members' staff salaries, with the remainder increased in line with CPI. The proportions for staffing salaries and non-staffing costs vary from year to year and are based on an average of all groups' previous spend.

77. To provide simplicity and transparency, and as groups spend an increasing proportion of their budgets on staff salaries (99% of the Labour Group budget, 93% Plaid Cymru Group budget and 90% Conservative Group budget), the Board is proposing to increase the political party support allowance in line with ASHE at 6% rounded up to the nearest £10, rather than a proportion by ASHE and a proportion by CPI. The proposed maximum for 2025/26 is £1,235,040.

Proposal 11

To increase the Support for Political Parties' allowance, at paragraph 8.2.1(a) by the ASHE Wales figure of 6%, rounded to the nearest £10.

Redundancy payments to staff who are paid from the Support for Political Parties' Allowance

78. As noted above in paragraphs 31-39, the Board is proposing to review and simplify the redundancy entitlement of Members' staff and group staff.

79. The redundancy entitlements of qualifying staff employed by a group leader (through the Support for Political Parties' Allowance) are set out in section 8.9 of the Determination. Section 8.9 sets out a range of criteria when group staff might be entitled to statutory redundancy

uprated by either 50% or 100%, according to a range of different circumstances that might affect group composition or other redundancy circumstances during a Senedd term or at an election.

80. The Board proposes to change the redundancy entitlements for group staff, as per the proposals for support staff above, and to provide statutory redundancy entitlement uprated by 100% to qualifying group staff who have a least two years' service with the employing group (or former group), irrespective of the timing or the circumstance of the Member or group changes that result in their redundancy.

Proposal 12

To simplify the redundancy entitlement provisions as set out in section 8.9 of the Determination and to provide statutory redundancy entitlement uprated by 100% to all qualifying staff employed by a group leader (through the Support for Political Parties' Allowance).

Members leaving office

81. Chapter 9 of the Determination sets out the financial provisions for supporting Members who leave office.

82. The Determination currently provides for a 'winding up allowance' (section 9.1), to cover the necessary costs incurred by a Member in completing any work in progress and 'winding up' their commitments, staff salary costs, contractual liabilities for equipment or office leases and other relevant costs. The Determination sets out that a 'winding up plan' could continue for a (maximum) duration of three months.

83. Section 9.3 sets out that a Member who stands as a candidate for re-election but who is not re-elected, is entitled to a 'resettlement grant' of one calendar month's salary (at the rate payable to Members immediately before the dissolution) for each completed year of service subject to a maximum payment equal to six months' salary. This payment is the equivalent of a redundancy payment and is therefore payments up to £30,000 are not taxable⁴.

84. Members who have held an additional office will be entitled to receive an additional 'resettlement grant' payment, equal to the amount of additional office holder salary paid in the three months before they ceased to hold that additional office. If a Member held more than one

⁴ <https://www.gov.uk/redundancy-your-rights/tax-and-national-insurance#:~:text=Statutory%20redundancy%20pay%20under%20%C2%A3.included%20in%20your%20termination%20payment.>

additional office during that period, they are entitled to a resettlement payment only for the higher additional salary.

International research and comparative analysis

- 85.** The Board has reviewed the 'loss of office' provisions as part of its thematic review of Members' remuneration and personal support.
- 86.** The Board has sought the views of Members and has undertaken international research⁵ to compare how other legislatures provide financial support to former parliamentarians.
- 87.** It is commonplace across many legislatures for Members leaving political office to receive some form of financial support, although the nature and scale of this varies.
- 88.** In recent years, a number of reports have considered not only the financial support that Members may need when leaving office, but also how former parliamentarians' wellbeing and transition to alternative employment can best be supported. Of particular note, is a recommendation from the House of Commons Administration Committee in their 2023 report *Smoothing the Cliff edge*, that winding up and loss of office payments should better reflect the time it takes MPs to close down their offices and are fairly supported into their next career step.⁶
- 89.** The Independent Parliamentary Standards Authority (IPSA) reviewed Loss of office payments and winding up payments in 2023⁷, given the implications of changes to parliamentary constituencies ahead of the UK General Election. One of the changes IPSA introduced was the extension of the winding up payment from 2 months' to 4 months' salary which is paid to all former MPs, irrespective of whether they stand down at an election or stand and are not re-elected⁸. MPs who stand and are not re-elected are also entitled to a 'Loss of office payment' equal to double the prevailing statutory redundancy entitlement.
- 90.** In the Scottish Parliament, Members' (MSPs) resettlement grants are paid to all MSPs who leave at an election, whether they stand down or stand and are not re-elected. The resettlement grant paid is a percentage of the annual MSP salary; the higher of either 50% or a percentage based on years of service, up to a maximum of 12 (which would be 100% of an annual salary).

⁵ [loss-of-office-and-transitional-support-parliamentary-comparison.pdf](#)

⁶ House of Commons Administration Committee (2023) *Smoothing the cliff edge: supporting MPs at their point of departure from elected office*

<https://committees.parliament.uk/publications/33889/documents/185884/default/>

⁷ IPSA (September 2023) *Consultation report: Constituency boundary changes and support for MPs leaving Parliament*

⁸ <https://www.ipsonline.org.uk/guidance/ending-employment>

91. The Northern Ireland Assembly operates a similar resettlement grant as is provided in the Senedd, of up to 6 months' salary to Members who stood for re-election but were not re-elected.

92. An evidence paper (and executive summary) on 'Loss of Office and Transitional Support: International Parliamentary Comparison' is available on the Board's [website](#).

Board conclusions and proposals

93. The Board recognises that standing for election as a Member of the Senedd presents personal financial risk and uncertainty to individuals, who may otherwise be in comparatively secure and stable employment. The resettlement grant, as set out in the Determination, was introduced to provide assurance to potential candidates given this risk and financial assistance to support their departure from the Senedd, should they be elected.

94. The Board has heard from a range of Members that resettlement payments and support are a key consideration and a concern for many individuals when considering whether to stand for election.

95. The Board also heard that some Members are concerned about future employment prospects should they or colleagues no longer be Senedd Members, given their public profile or because they have been unable to maintain their professional experience, qualifications or skills of their former careers. It was also noted that it can therefore be particularly challenging for longer serving Members to return to previous professions given the length of time since they were last involved in that area of work or sector.

96. These challenges are echoed and evidenced in research that the Board considered and that the challenges for former Members finding employment after leaving political office can be significant. Furthermore, evidence suggests that this issue is particularly acute for female former parliamentarians who tend to have shorter parliamentary careers and are less likely to secure post-parliamentary employment remunerated at the same or higher level than their parliamentary salary.

97. The Board also concluded that 'winding up' commitments could be complex and time-consuming and, unlike in the UK Parliament and to an extent in the Scottish Parliament, those Members who stand down voluntarily are not remunerated for these commitments or responsibilities following dissolution.

98. In considering the views of Members and reviewing the international evidence and comparative analysis of provisions in the Scottish and UK Parliaments in particular, the Board has agreed that the Determination should:

- Provide financial protection to those who leave office, either due to loss at an election or decision to stand down;
- Provide a payment during a winding up period, where outgoing Members are required to close down offices, finalise casework and manage staff redundancies;
- Provide non-financial support to former Members as they transition to life after parliament and seek alternative employment⁹.

99. The Board is therefore proposing to introduce the following winding up payment entitlements to current Members at the end of this Senedd term:

- A winding up payment, equivalent to 2 months' salary, payable to Members who do not stand for re-election;
- A winding up payment, equivalent to 3 months' salary, payable to Members who are candidates for re-election but not re-elected.

100. The Board's proposal for differential payments above reflects the fact that a Member who does not stand will have around a month between dissolution of the Senedd and the election to begin making arrangements. A Member who stands and is not re-elected will not have had time to prepare for 'winding up' and would have to manage more complex 'winding up' responsibilities, including providing guidance and support to staff who will be made redundant unexpectedly. When considering IPSA's approach, which provides for a longer winding up period of four months, the Board noted that the Senedd election dates are known in advance due to the Senedd's fixed terms, whereas elections to the UK Parliament can be called with limited notice at the Prime Minister's discretion.

101. Members will also continue to receive a separate winding up allowance, as set out in section 9.1 of the Determination, to cover the reimbursement of costs incurred in winding up any relevant commitments, such as staff salary costs, contractual liabilities for equipment or office leases and other relevant costs.

102. Members who are a candidate but not re-elected will continue to be entitled to a separate resettlement grant of up to 6 months' salary, and any additional office holder resettlement grant if applicable, as per section 9.3 of the Determination.

⁹ The Senedd Commission provides non-financial 'out-placement' support to Members preparing to stand down and for those Members who are candidates for re-election but not re-elected.

Proposal 13

To introduce entitlement to winding up of office payments for current Members at the end of this Senedd term

- A winding up payment, equivalent to 2 months' salary, payable to Members who do not stand for re-election
- A winding up payment, equivalent to 3 months' salary, payable to Members who are candidates for re-election but not re-elected.

Submitting a response

103. The Board would welcome your views on its proposals, to help inform its final decisions on changes to the Determination for 2025/26.

104. 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 Equality 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.

105. To 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.

106. In line with the [Senedd's Official Languages Scheme](#), you are welcome to respond in both or either of our official languages, and we ask organisations that are subject to Welsh Language standards or schemes to respond in line with their own obligations. Please let us know, when submitting a response, if you intend to provide a translation at a later date.

107. All responses will be handled according to our [Privacy policy](#) and responses are not routinely published by the Board, although summarised responses or views may be included in the published report on the annual review (see 2024/25 report for [information](#)). Please confirm whether you would prefer that your name is not published alongside your comments or evidence in the annual review report.

108. Please send responses to remuneration@senedd.wales.

109. In order to allow as much time as possible to consider responses and finalise decisions, and to give Members and their staff sufficient time to budget for the new financial year, we would welcome receipt of all responses by **no later than 5pm, 19 February 2025**.

Annex A – Indexation of Members’ Business Costs for 2025/26

Budget/Cost	Paragraph	Means of adjustment	Rounding	Total
Childcare/adult dependent care costs	3A.3.2	CPI rate published in January 2025	Nearest £10	TBC
Member’s Salary	3.1.2	6% (ASHE as published in October 2024)	Nearest £1	See Annex B
Additional office holder salaries	3.1.4	6% (ASHE as published in October 2024)	Nearest £1	See Annex B
RAE - Overnight accommodation in Cardiff (intermediate area MS)	4.3.1	CPI rate published in January 2025	Nearest £1	TBC
RAE – Option A rent (Outer Area MS)	4.4.3	9.8% - ONS Index of Private Housing Rental Prices on private rental prices.	Nearest £5 per month	Maximum £12,900 per annum or £1,075 per month.
RAE – Option A additional claim for caring responsibilities	4.4.3 (h) (see 3A.3.2)	9.8% - ONS Index of Private Housing Rental Prices on private rental prices.	Nearest £5 per month	£1,905 per annum
RAE – Option C	4.4.8	Equivalent of maximum rate in paragraph 4.4.3.	Nearest £5 per month	Maximum £12,900 per annum
RAE – Option D rent/mortgage	4.4.10	N/A – No claimants	N/A	N/A
RAE – Option D essential repairs	4.4.10	N/A – No increase	N/A	N/A
RAE – Overnight accommodation in London	4.5.5	Increase in line with 2024/25 IPSA rate	N/A	£210 per night
RAE – Overnight accommodation elsewhere	4.5.5	CPI rate published in January 2025	Nearest £1	TBC
RAE – Reimbursement of costs of an evening meal	4.5.7	N/A	N/A	£20
Mileage rates	5.5	Set at HM Revenue and Customs approved mileage rates	N/A	HM Revenue and Customs approved mileage rates

OCLF – Member with a constituency office	6.1.2	CPI rate published in January 2025	Nearest £5	TBC
OCLF – Member without a constituency office	6.1.2	CPI rate published in January 2025	Nearest £5	TBC
OCLF – office start-up	6.3.2	N/A	N/A	N/A
OCLF – furniture refresh fund	6.3.4	N/A	N/A	N/A
OCLF – health and safety	6.6.2	N/A	N/A	N/A
Staffing expenditure allowance	7.1.1	Total of the 1 salary at Pay Points 5 for each of Senior Advisor, Band 1 and Band 2.	N/A	£138,438
Staffing Salary Scales	7.1.5 and 8.2.6	6% (ASHE as published in October 2024)	Nearest £1	See Annex C
PPSA – Total	8.2.1 (a)	6% (ASHE as published in October 2024)	Nearest £10	£1,235,040

Annex B: Members' Salaries

The following table sets out the proposed salaries of Members' and additional office holders for 2025/26.

Role	Salary	
Member	£76,380	
Additional Office Holder	Additional Salary	Total salary
First Minister	£90,701	£167,081
Welsh Minister	£42,963	£119,343
Counsel General	£42,963	£119,343
Deputy Minister	£25,063	£101,443
Presiding Officer	£48,930	£125,310
Deputy Presiding Officer	£25,063	£101,443
Senedd Commissioner	£15,514	£91,894
Committee Chair (higher)	£15,514	£91,894
Committee Chair (lower)	£10,336	£86,716
Business Committee Member	£10,336	£86,716
Leader of a Group not in Government	£15,514 + £1,194 per Member	Up to a maximum of £119,343

Annex C: Staff Salaries

The following table sets out the proposed salaries of Members' support staff and group staff for 2025/26:

Band	Pay Point 1	Pay Point 2	Pay Point 3	Pay Point 4	Pay Point 5
Chief of Staff	£47,557	£49,960	£52,488	£55,143	£57,941
Senior Advisor	£43,296	£45,478	£47,778	£50,190	£52,737
Band 1	£32,351	£35,187	£38,290	£41,677	£45,380
Band 2	£27,722	£30,426	£33,411	£36,219	£40,321
Band 3	£25,167	£27,064	£29,110	£31,319	£33,706