

Peredur Owen Griffiths MS  
Chair of Finance Committee  
Senedd Cymru  
Tŷ Hywel  
Cardiff Bay  
CF99 1SN

31 October 2023

Dear Peredur

Thank you for the opportunity to contribute recently to the Finance Committee's scrutiny of the estimated costs of the Senedd Cymru (Members and Elections) Bill.

Following our appearance at your Committee on 11 October, I am writing to provide you with further information to add to the responses we provided during the meeting. The information is set out in the attached annex.

The Commission's approach is always to try to operate with openness, transparency and clarity. So if there is anything else that we can provide you with to assist the Committee, please do not hesitate to let me know.

Yours sincerely



**Ken Skates MS**

cc Senedd Commissioners, Manon Antoniazzi

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



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## **Supplementary Note to Finance Committee - Senedd Reform on Budgetary process**

### ***Why did the Commission not model the current costs in these areas to derive a range of estimates for Members' travel and accommodation expenses.***

Costings were prepared on all budgetary lines based on the two different scenarios of 'minimal' or 'greater' change, as set out in Annex 5 of the Explanatory Memorandum to the Bill.

The main difference between the two scenarios are set out in related to:

- the number of Office Holders and party groups that were assumed in the costings;
- the increase in the number of Committees that were assumed;
- differing assumptions on business activity – additional plenary sessions and sitting weeks.

The cost estimates relating to Member costs were based on the provisions of the 2022-23 Determination.

Members are able to claim reimbursement of costs relating to travel on Senedd business (travel, subsistence and accommodation), in accordance with the Determination on Members' Pay and Allowances. These meet the costs of travelling within Wales, the UK and international travel.

Travel costs vary according to the Members' personal preferences for discharging their functions. Without the detailed understanding of how Seventh Senedd Members' may organise their constituency work in a multi-member constituency, and without pre-empting decisions which have as yet to be made, detailed analysis of costs estimating number of nights away, numbers of visits, lengths of visits, method of travel, from where to where etc. could not be made. A reasonable assumption was therefore made that it would be a similar pattern as currently exists.

In any given year, the current budget is established based on historical claims data. Best budgetary practice is to extrapolate based on known information (current budget) by the variant (number of new Members) and to calculate the cost estimates based on an average cost per person. Through averaging, officials removed the highest and lowest cost impact and reach a reasonable cost estimate per Member.

Any range of estimated options (a greater or minimal change scenarios) would not have provided any more accurate a cost estimate for this purpose as they would have introduced further assumptions and uncertainty into the calculation itself.



In relation to accommodation costs, the underpinning assumption to these cost estimates are that the Inner, Outer and Intermediate areas remain as they are in the 2022-23 Determination.

The Determination provides that some Members are able to be reimbursed for costs relating to residential accommodation or overnight stays in the Cardiff area in connection with the performance of their duties as a Senedd Member. The amounts they can claim are dependent on where their main home is in Wales. Based on the 2022-23 Determination, those who are in the outer areas of Wales (Mid and West Wales and North Wales) may be reimbursed for the expense of renting furnished property up to £10,260 rental costs, and other associated domestic costs. Those in the "Intermediate area" (the constituencies of Gower, Neath, Swansea East and Swansea West) may seek reimbursement of £7,220. Those in the "Inner area" (all other constituencies, including South Wales East and South Wales Central, and parts of South Wales West) are not able to claim any Cardiff hotel costs, other than in exceptional circumstances.

At the time the estimates were being prepared, the future constituencies were not known. A reasonable assumption was made that there would be an increase of 15 Members residing in the Outer area, an increase of 5 in the smaller Intermediate area, and an increase of 16 Members residing in the Inner area.

The costings provided to Welsh Government were based on these assumptions. We note that the Explanatory Memorandum presents these costs as on a different model of an average of 36 x Intermediate area costs of £7,400.

The outcome is the same sum of c£266,000. Any range of greater or minimal change scenarios would not have provided any more accurate a cost estimate for this purpose. We therefore remain assured that these are reasonable best estimates of these particular costs. As with the calculation of the travel cost estimates, further options were not explored on the same basis that more assumptions introduced more uncertainty into the calculation of the costing without providing additional material benefit.

