

15 December 2023

Dear all,

### Annual Review of the Determination 2024-25

The Independent Remuneration Board ('the Board') reviews its Determination<sup>1</sup> 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 is adequate to enable them to perform their Members' duties, as well as ensuring probity, accountability, value for money and transparency with respect to the expenditure of public funds.

This consultation sets out proposals for changes to the Determination which need to be agreed before the start of the next financial year, to enable Members to plan their spending and to ensure Members' budgets continue to meet their business needs, in light of inflationary pressures.

Although inflation has fallen in recent months, the Board recognises the impact this has had on Members' budgets and the challenges Members and staff continue to experience as a result of the increased cost of living. The consultation includes a number of proposals related to the increased costs of living such as increasing the amounts which Members can claim for the costs of their duties and salaries. The Board has already taken action to mitigate the increased cost of living from continuing high energy and food costs by agreeing a pro-rated cost of living payment to Members' staff of £600, to be paid in the New Year.

Alongside these changes, the Board is undertaking a series of reviews to ensure that the way in which Members' business costs are reimbursed and the provisions of the Determination remain relevant to their current ways of working. These are helping the Board prepare a new Determination for the Seventh Senedd.

One of these reviews is focused on simplifying the Determination to make it easier for Members to understand and officials to administer. Some of the proposals in this consultation are a direct result of the work on simplifying the Determination and these proposed changes to wording,

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<sup>1</sup> [gen-ld15775-e.pdf \(remunerationboard.wales\)](#)

processes and controls have been identified which, if removed, could result in a more efficient use of time for Members and their staff during the Sixth Senedd.

Other proposals in this consultation are drawn from feedback gathered from meetings with Members, Chiefs of Staff from political groups, union representatives and the Chief Executive and Clerk to the Senedd. The proposals are also in response to comments Board members heard from Members' staff when visiting constituency offices, and responses from previous annual review consultations. Board members are very grateful to all those who have taken the time to attend these meetings, engage with us on visits or speak to us at drop-in sessions.

The Board is consulting on the proposals as set out below, and we would welcome responses **no later than 5pm 26 January 2024**. 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](mailto:remuneration@senedd.wales).

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 change the wording of paragraph 2.3.8. relating to the timescales within which Members must submit their claims for reimbursement. The change would require Members to show an 'exceptional justification' rather than a 'reasonable justification' for submitting a late claim. Also, to amend the paragraph to clarify that late claims 'will' be disallowed, although Members still have the right to appeal that decision.*

*To note: Members' salaries will increase by 3% in line with the cap and collar mechanism at paragraph 3.2.2, as previously determined for the Sixth Senedd.*

*Proposal 2: To increase the amount which Members may be reimbursed for cost of childcare and other caring responsibilities, as set out at paragraph 3A.3.2. in line with the January 2024 CPI rate, rounded up to the nearest £5 per month.*

*Proposal 3: To increase the amount at paragraph 4.3.1. that Members - whose homes are in the inner area, or the intermediate area – may claim for overnight accommodation. The new figure will be increased by the January 2024 CPI rate, rounded to the nearest £1.*

*Proposal 4: 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 the January 2024 CPI rate, rounded to the nearest £5 per month.*

*Proposal 5: 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 the January 2024 CPI rate, rounded to the nearest £5.*

*Proposal 6: To maintain the amount which can be claimed for essential repairs, at paragraph 4.4.10., at £882.*

*Proposal 7: To increase the amount, at paragraph 4.4.5., that may be claimed for overnight accommodation outside the Cardiff area by the January 2024 CPI rate, rounded to the nearest £1.*

*Proposal 8: To amend the cost of overnight stays in section 4.5 so that the rates shown are for the cost of a room only and are exclusive of charges for breakfast and parking. Also, to amend the Determination such that the maximum nightly amount that a Member may be reimbursed for hotel accommodation at paragraph 4.5.5. will apply to the average nightly cost of hotel accommodation, when consecutive nights are booked in a single transaction rather than the cost for individual nights.*

*Proposal 9: To clarify the rules around hotel accommodation such that Members can claim for the cost of a hotel outside the Cardiff area if they are unable to find a hotel in the Cardiff area for cost or availability reasons during a sitting week, for the purposes of engaging in Senedd Business. This cost may be claimed under sections 4.2 (inner area) or 4.3 (intermediate area) or paragraph 4.4.8 (outer area), subject to the usual criteria.*

*Proposal 10: To remove the requirement for a Member to seek prior agreement from the Senedd Commission before incurring costs for journeys and overnight stays outside Wales, within the UK.*

*Proposal 11: To amend the requirements for international travel and accommodation claims to allow a Member to submit one business case in relation to a visit by more than one Member, under paragraphs 4.5.3. and 5.15.2, instead of requiring each Member to submit an individual business case.*

*Proposal 12: To clearly state that arrangements and reimbursements for the costs of accommodation on committee business is a matter for the Senedd Commission and is not covered by the Determination, reflecting the arrangements which are already in place.*

*Proposal 13: To increase the Office and Constituent Liaison Fund, at paragraph 6.1.2., by the January 2024 CPI rate, rounded to the nearest £10.*

*Proposal 14: To remove the requirement for Members to purchase or hire photocopiers only from approved suppliers, at paragraph 6.4.1..*

*Proposal 15: To disapply the cap on Members' staff salaries at paragraph 7.3.2. and increase the pay for Members' staff by the ASHE Wales figure of 5.7%, rounded to the nearest £1. Members Staffing Expenditure Allowance, set out at paragraph 7.1.1., would increase from £121,759 to £130,602 to reflect the pay award.*

*Proposal 16: To include a provision in the Determination to automatically increase any staff pay point that falls below the real Living Wage (as published annually by the Living Wage Foundation). The provision would provide that the real Living Wage rate is to be treated as that pay point for the remainder of the financial year, taking effect on the first day of the month following that publication.*

*Proposal 17: To discontinue the amount that Members may claim on behalf of their staff in respect of home working, at section 7.9B.. Noting that a cost of living payment has been awarded this financial year of £600 and a further cost of living payment of £600 will be awarded in January 2024. This, coupled with the increase to the salary bands of £600, consolidated from April 2024*

and the increase to staff salaries in line with the ASHE Wales percentage is considered a sufficient contribution towards offsetting the costs of working from home.<sup>2</sup>

*Proposal 18: To amend the rules for Members' staff relating to time off for public duties under section 7.9A.2. such that the maximum days which may be taken in a year relate to a financial year, rather than a rolling 12 month period.*

*Proposal 19: To state that the travel and overnight hotel stay maximum rates which may be claimed for reimbursement for Members' staff are the same as those for Members.*

*Proposal 20: To increase the proportion of the Support for Political Parties, at paragraph 8.2.1., spent on staff salaries by the ASHE Wales rate of 5.7% rounded to the nearest £1 (and previously determined consolidated £600 cost of living payments), and the proportion spent on office costs by the January 2024 CPI rate, rounded to the nearest £10.*

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<sup>2</sup> Staff are able to apply for tax relief for working from home directly from [HMRC](#).

# Background

1. In reviewing the Determination for the next financial year (2024/25), the Board took 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.

## Reimbursing Members' costs

2. Every year the Board reviews the amounts which are available to Members to ensure that they remain sufficient to allow Members to carry out their duties.

3. Historically, these amounts have been increased by the September rate of the Consumer Prices Index (CPI) annually, although the Board may, and has, previously used a different CPI date. The rationale for uprating these amount by the September CPI figure has been that this is used by the UK Government to set benefits and pensions uplifts.

4. This year, the Board is again 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. Recently, inflation remains higher than UK Government targets but has started to decrease and is expected to continue to decrease over the course of 2024-25. For this reason, the Board is proposing to increase these amounts by the January 2024 CPI rate, which is forecast to be c5%. This will provide Members with a more up to date allocation to prepare their budgets for 2024/25.

5. Members are also entitled to claim the costs of their staff salaries. The salaries of Members' staff are adjusted in April of each year by the change in the Annual Survey of Hours and Earnings (ASHE)<sup>3</sup>, estimated gross Median Earnings for full-time employee jobs in Wales between April and April of the previous year. Salary increases have been subject to a cap of 3% and a collar of 0%, as set out in paragraph 7.3.2 of the Determination.

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<sup>3</sup> [Annual survey of hours and earnings | GOV.WALES](#)

## **A simpler, more transparent system**

**6.** The Board has begun a number of thematic reviews to deliver its strategic objectives. One of which is the simplification thematic review, led by Board member Hugh Widdis. It aims to deliver the following Board objective:

- To deliver a Simpler Determination: to simplify the Determination to provide flexibility for Members to determine their own priorities with proportionate safeguards, in co-operation with the Senedd Commission.

**7.** The review has identified a number of changes which may make it simpler for Members and their staff to understand what funding will be made available and how to claim it, and for the Senedd Commission to apply the regime efficiently, economically and with reduced risk of dispute.

**8.** Suggestions arising from this review also form the basis for proposals in this consultation.

**9.** The Board has also received suggestions for proposals from the Chief Executive and Clerk to the Senedd to provide some flexibility and seek to reduce administrative burdens for Members and staff, informed by the work of Senedd Commission officials and feedback from Members and their staff.

# Proposals

## Chapter 2: Rules for submission of claims

Issue: Rules for submission of claims

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**10.** In order to claim for costs associated with their duties, Members are required to submit receipts for the costs they have incurred. In accordance with paragraph 2.3.8 in the Determination, Members “must” submit these within a limit of three months, unless an alternative timescale is given, for example, at the end of a financial year “or “an exceptional justification” is provided by the Member. The paragraph then provides a greater level of discretion, that, if a Member does not have a “reasonable justification”, the claim “may” be disallowed.

**11.** At present there is a risk of confusion arising from this wording. For instance, the use of the words ‘must’ and ‘may’ in the same paragraph, similarly, the two references to ‘reasonable justification’.

**12.** The wording can be clarified by amending it to read:

*‘Claims must be submitted within three months of the end of the month to which the expenditure relates, unless an alternative timescale is given by the Members’ Business Support Team (e.g. at the end of the financial year) or ~~a reasonable justification~~ an exceptional justification can be provided by the Member. This is especially important if a direct payment to a supplier is required, so that the payment can be made to the supplier in accordance with Senedd Commission policy. Late submission of a claim (after three months), without ~~reasonable justification~~, may an exceptional justification, will lead to the claim being disallowed. The adequacy of reasons for late claims will be assessed by the Members’ Business Support Team, who may refer cases of doubt, or those where novel or contentious issues are involved, to the Chief Executive and Clerk for decision.’*

**13.** In each case, the 3 month timeframe for claiming is considered to be reasonable. It is hoped that this change will not only clarify the process for submitting claims, but will also be beneficial for budgeting purposes. Members will be able to submit claims later than three months after the end of the month to which the expenditure relates where they can provide an exceptional justification.

**14.** *Proposal 1: To change the wording of paragraph 2.3.8. relating to the timescales within which Members must submit their claims for reimbursement. The change would require Members to show an ‘exceptional justification’ rather than a ‘reasonable justification’ for submitting a late*



claim. Also, to amend the paragraph to clarify that late claims 'will' be disallowed, although Members still have the right to appeal that decision.

### **Chapter 3: Members' remuneration**

Issue: Members' salaries

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**15.** To note: Members' salaries will increase by 3% in line with the cap and collar mechanism at paragraph 3.2.2., as previously Determined for the Sixth Senedd.

**16.** Members' salaries are adjusted annually in line with the ASHE figure of the previous year, as set out at paragraph 3.2.1. of the Determination. The Determination also provides a cap and collar mechanism at paragraph 3.2.2. to ensure salaries will not increase by more than 3% or decrease.

**17.** A Member's base salary is £69,958. A 3% increase will result in a base salary of £72,056, rounded to the nearest £1. This percentage increase will also apply to the Additional Office Holder salaries set out in paragraph 3.1.4. of the Determination.

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

Issue: Caring responsibilities

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**18.** A Member may claim the reimbursement of costs up to a maximum of £327 per month for the care of their children or adult dependents under paragraph 3A.3.1.

**19.** *Proposal 2: To increase the amount which Members may be reimbursed for the cost of childcare and other caring responsibilities, as set out at paragraph 3A.3.2. in line with the January 2024 CPI rate, rounded up to the nearest £5 per month.*

### **Chapter 4. Residential Accommodation Expenditure (RAE)**

Issue: overnight accommodation in the Cardiff area

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**20.** RAE rates are normally reviewed annually by the Board to ensure they continue to be fit for purpose. These rates allow Members to meet the additional costs of staying overnight away from their main homes when on Senedd business.

**21.** Section 4.3 of the Determination allows "intermediate area" Members to claim up to £7,920 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 £110, or £174 if

in London (see paragraph 4.5.5. of the Determination). This limit can be exceeded in exceptional circumstances, with prior written approval from the Senedd Commission.

**22.** The Board has considered evidence from Members of the difficulties they have experienced in finding suitable hotel accommodation within the maximum allowed for a claim, particularly when hotels operate surge pricing around the time of large scale events in Cardiff. Overall, however, the Board felt that the amount, with an increase to take account of inflation, remains appropriate.

**23.** Additional proposals regarding hotel accommodation payments and greater flexibility during busy periods are outlined below.

**24.** *Proposal 3: To increase the amount at paragraph 4.3.1. that Members - whose homes are in the inner area, or the intermediate area – may claim for overnight accommodation. The new figure will be increased by the January 2024 CPI rate, rounded to the nearest £1.*

Issue: Overnight accommodation for Members from the outer area

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**25.** 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 £11,280 per year or £940 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.

**26.** To inform the annual review of the “outer area” RAE, the Board consider a range of information to understand the rate of change of price rises of residential rents. That is, the Senedd Commission’s Research Service analyses monthly rental costs for one and two bedroom flats in the Cardiff Bay area.

**27.** The analysis showed that for the year to 19 October 2023, excluding the most expensive 10% of flats:

- advertised new rentals for one-bed properties in the Cardiff Bay area increased by around 11% compared to the previous 12 months;
- two-thirds of one-bed properties were advertised at or under £940 per month during this period;
- In-year trends suggest that the rate of increase has lessened rather than increased.

**28.** Zoopla reports an increase in the price of the new lets in the Cardiff area for the 12 months to September 2023 of 11.2%. The figure for Wales is 10.2% and 10.3% for the UK. Increases are expected to be 9% overall for in 2023 and then slow to 5-6% in 2024.

**29.** ONS Index of Private Housing Rental Prices (experimental data) on private rental prices, including existing lets, was an increase of 6.9% in 12 months to September 2023

**30.** Homelet, the data ONS reference in their monthly rental data publication have reported four consecutive months of slowing annual inflation for new tenancies in Wales, with new let annual inflation slowing to 7.3% in the 12 months to September 2023.

**31.** The Board considered the evidence of available rental accommodation in the Cardiff area. The Board acknowledged the evidence from the ONS of the increase in private rental prices of 6.9%, and also the fact that two-thirds of one-bed properties were advertised at or under £940 per month and that the amounts which can be claimed in the Determination have always been increased by the same rate in previous years. For this reason, the proposal is to increase the amount which can be claimed for Members whose homes are in the outer area, and who wish to rent a property in the Cardiff area, by the January CPI rate.

**32.** *Proposal 4: 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 the January 2024 CPI rate, rounded to the nearest £5 per month.*

Issue: Reimbursement of additional costs that may be incurred as a result of caring for someone who is dependent

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**33.** There is provision under paragraph 4.4.3 (h) for Members to claim £1,670 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 addition to the amount which may be claimed for renting accommodation. In order to ensure that Members can claim the costs associated with their duties, the Board are proposing to increase this amount by the January 2024 CPI rate.

**34.** *Proposal 5: 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 the January 2024 CPI rate, rounded to the nearest £5.*

Issue: Essential repairs

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**35.** Members claiming under the transitional arrangements in paragraph 4.4.9 of the Determination may claim a sum not exceeding £882 under paragraph 4.4.10 to cover essential repairs to their property. This sum is only available to Members under the transitional arrangements, and none have claimed this year or last. The Board has considered this sum to ensure it is appropriate and is proposing to maintain it at its current level.

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*Proposal 6: To maintain the amount which can be claimed for essential repairs, at paragraph 4.4.10., at £882.*

Issue: Overnight accommodation costs

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**36.** Members can claim the cost of hotel accommodation outside the Cardiff area if it is necessary in connection with the performance of their duties, with prior agreement from the Senedd Commission, under section 4.5. The rates are £174 for London and £110 elsewhere.

**37.** The Board considered the rates to ensure they remain appropriate. In particular, the Board heard feedback from Members that hotel accommodation in London within the maximum rate can be hard to find at short notice. The Board considered evidence which showed sufficient availability of hotel accommodation in London within the maximum rate, and that availability is considerably greater with forward planning, although the Board recognises that this is not always possible. The proposal is that the maximum rates for hotel accommodation outside the Cardiff area are increased to take account of inflation.

**38.** This should be read alongside the next proposal which will provide greater flexibility, as the revised overnight rate will no longer be inclusive of breakfast or parking, which can be claimed, if required, elsewhere in the Determination.

**39.** *Proposal 7: To increase the amount, at paragraph 4.4.5., that may be claimed for overnight accommodation outside the Cardiff area by the January 2024 CPI rate, rounded to the nearest £1.*

Issue: Excluding the cost of breakfast and parking from accommodation rates and allowing average nightly cost for accommodation over consecutive nights.

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**40.** The Board has received evidence from the Chief Executive and Clerk to the Senedd to indicate that Members are often faced with exceeding the maximum nightly rate because of the inclusion of breakfast and parking within that rate, meaning they then have to put forward a request in advance of their stay to exceed the maximum rate. Often these requests are for very small amounts, and the resources for dealing with them can be better utilised on other activities.

**41.** In addition to the proposal to increase the limit by January's CPI, this proposal is intended to ensure Members can claim the cost of hotel accommodation within the limit more easily, by excluding additional costs such as breakfast and parking and accounting for the price of a room only. Breakfast and parking can be claimed separately, if required, through other available budgets set out in the Determination.

**42.** Additionally, there are occasions when Members book more than one night at a hotel and the cost of each night differs. This can result in a situation where one of the nights is above the maximum cost allowed but the other night is not, e.g. where the first night costs £120 and the

second night costs £80. Although the average cost of the hotel accommodation is within the allowed rate, the Member will still need to seek permission from the Senedd Commission to claim the cost of the room rate which is above the maximum of £110.

**43.** For this reason, the Board is proposing to amend the Determination such that the maximum nightly amount that may be claimed for hotel accommodation at paragraph 4.5.5. will apply to the average nightly cost of hotel accommodation rather than the cost for individual consecutive nights.

**44.** *Proposal 8: To amend the cost of overnight stays in section 4.5 so that the rates shown are for the cost of a room only and are exclusive of charges for breakfast and parking. Also, to amend the Determination such that the maximum nightly amount that a Member may be reimbursed for hotel accommodation at paragraph 4.5.5. will apply to the average nightly cost of hotel accommodation, when consecutive nights are booked in a single transaction, rather than the cost for individual nights.*

Issue: Overnight accommodation outside the Cardiff area

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**45.** The Board has also received evidence from the Chief Executive and Clerk to the Senedd which suggests that allowing Members to stay outside the Cardiff Area, if a Member cannot find a hotel in the Cardiff Area for cost or availability reasons, would provide further flexibility for Members. Finding overnight accommodation at times when hotels operate surge pricing, for instance, around the time of large events held in Cardiff on Senedd sitting days, is increasingly difficult.

**46.** Members whose main homes are in the inner area can claim for hotel stays inside the Cardiff Area under section 4.2 in exceptional circumstances. Members whose homes are in the intermediate area can currently claim for hotel costs up to a maximum of £7,920 a year up to a maximum of £110 per night, under section 4.3, and, as noted above, it is proposed to increase this by January CPI. They can seek approval from the Chief Executive and Clerk to the Senedd to exceed this price in exceptional circumstances under paragraph 4.3.2. Members whose homes are in the outer area can currently claim hotel accommodation under paragraph 4.4.8, up to a limit of £11,280 (instead of claiming for rented accommodation), which is proposed to increase by January CPI as noted above.

**47.** Any Member can claim for hotel stays outside the Cardiff Area under paragraph 4.5.2 at any time. The Determination does not prevent a Member from staying outside the defined Cardiff Area when attending the Senedd during a sitting week. This proposal would mean that Members who need to stay outside the Cardiff area when the availability of affordable hotel rooms is scarce, can claim that cost under section 4.2 (inner area) or 4.3 (intermediate area) or paragraph 4.4.8 (outer area).

**48.** It is hoped that this proposal to clarify the Determination may reduce the burden on Members' staff when seeking suitable accommodation at times when hotel costs are high.

**49.** *Proposal 9: To clarify the rules around hotel accommodation such that Members can claim for the cost of a hotel outside the Cardiff area if they are unable to find a hotel in the Cardiff area for cost or availability reasons during a sitting week, for the purposes of engaging in Senedd Business. This cost may be claimed under sections 4.2 (inner area) or 4.3 (intermediate area) or paragraph 4.4.8 (outer area), subject to the usual criteria.*

Removing the requirement for prior permission to stay outside Wales within the UK

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**50.** The simplification thematic review has identified a number of potentially unnecessary controls in the Determination. Under paragraph 4.5.3(a). Members are required to seek permission from the Senedd Commission prior to incurring costs for overnight accommodation outside Wales, within the UK. Similarly, Members are required to seek prior permission for extended travel at paragraph 5.11.1.

**51.** For many reasons Members need to travel outside Wales as part of their duties. For instance, it is necessary to discuss interaction between devolved policy and reserved matters or when services are provided to their constituents across borders. The number of requests has increased and they are often received with late notice and can require a disproportionate amount of time to process to ensure they are resolved in time for Members to make arrangements. This issue has also been highlighted as an unnecessary administrative burden and control by Members in discussion with the Board through Members' Representative Group meetings.

**52.** If this requirement were removed it may reduce the administrative burden on Members' staff making arrangements for Members. The principles of financial support in Chapter 1 of the Determination would continue to ensure the safeguarding of public money and Member accountability in relation to these visits.

**53.** *Proposal 10: To remove the requirement for a Member to seek prior agreement from the Senedd Commission before incurring costs for journeys and overnight stays outside Wales, within the UK.*

Issue: International travel by groups of Members

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**54.** Members are able to travel outside the UK, with prior agreement from the Senedd Commission, under paragraph 5.15.1. Members are required to submit a business case to the Senedd Commission detailing the benefit to the individual in their role as a Member, the benefit

to the Senedd and how the trip would enable them to promote Wales and the work of the Senedd.

**55.** Likewise, Members are required to seek prior agreement to incurring the cost of accommodation outside the UK, under paragraph 4.5.3.

**56.** The proposal is to make provision for Members to be able to submit one business case for international travel and accommodation by multiple Members, rather than each Member having to submit an individual business case each when they are participating in the same visit. The approval process would still involve assessing the request against the principles of value for money and reasonableness.

**57.** *Proposal 11: To amend the requirements for international travel and accommodation claims to allow a Member to submit one business case in relation to a visit by more than one Member, under paragraphs 4.5.3. and 5.15.2., instead of requiring each Member to submit an individual business case.*

#### Accommodation for Committee business

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**58.** The only reference to the cost of accommodation for committee business is at paragraph 4.5.4.:

*'Where the need for an overnight stay is in connection with the business of a Senedd committee, the references in paragraph 4.5.3 to the Members' Business Support Team are to be read as references to the officials of the relevant committee'.*

**59.** Arrangements and reimbursement for accommodation on committee business are a matter for the Senedd Commission and are not in scope of the Determination. In order to clarify this, it would be useful to state explicitly that the cost of accommodation for committee business cannot be claimed via the Determination, similar to paragraph 5.16.1.A which expressly states that travel on committee business is a matter for the Senedd Commission and is not covered by the Determination.

**60.** This change reflects the arrangements that are already in place but clarifies that travel and accommodation on Committee business is a matter for the Commission. Members often carry out additional meetings or visits around a committee event. This proposal will not affect Members' ability to claim costs for additional travel and accommodation if they choose to carry out additional activities either side of a Committee visit.

**61.** *Proposal 12: To clearly state that arrangements and reimbursements for the costs of accommodation on committee business is a matter for the Senedd Commission and is not covered by the Determination, reflecting the arrangements which are already in place.*

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

**62.** Members are entitled to claim for 'all reasonable costs relating to the running of an office and engaging with constituents' under the OCLF. As set out in paragraph 6.1.2 of the Determination, the amount a Member can claim may not exceed £25,610 where the Member maintains a constituency office, or £10,460 where the Member works exclusively from an office in Cardiff Bay.

**63.** This includes 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 of postage and printing. From 2022-23, it also covers the costs of communications and research which were previously available from the Policy Research and Communications Fund.

**64.** In December 2022, the Board took the decision to increase the upper limit of the amount available by £1,000 to take account of the increased costs Members were facing, such as increased energy costs and standing charges. The increase was available to all Members including those who do not currently rent a constituency or regional office.

**65.** The Board considered evidence of the ongoing inflationary pressures in the economy and, in particular, the fact that energy prices and standing charges are likely to remain high due to the change in the energy price cap from the New Year. For this reason, the proposal is to increase the OCLF to take account of inflation.

**66.** *Proposal 13: To increase the Office and Constituent Liaison Fund, at paragraph 6.1.2., by the January 2024 CPI rate, rounded to the nearest £10.*

Issue: Approved suppliers of office equipment and stationery

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**67.** The Determination requires Members to purchase or hire photocopiers from approved suppliers under paragraph 6.4.1. This requirement was partly introduced to safeguard against contracts being agreed which did not offer value for money, for example extending beyond the length of the Senedd term and incurring unnecessary costs.

**68.** Feedback to the Independent Remuneration Board suggests Members would prefer to source such contracts and purchases locally. If this requirement is removed, Members will still need to demonstrate value for money and seek prior approval from the Senedd Commission for purchases or contracts costing over £1,500 as set out in paragraph 2.3.3 of the Determination. This safeguard will ensure Members continue to prioritise value for money for the Welsh tax payer, therefore a specific requirement to use a list of approved suppliers for photocopiers is unnecessary.



**69.** *Proposal 14: To remove the requirement for Members to purchase or hire photocopiers only from approved suppliers, at paragraph 6.4.1..*

## **Chapter 7: Staffing support for Members**

Issue: Members' staff salaries

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**70.** 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. Salary increases have been subject to a cap of 3% and a collar of 0%, as set out in paragraph 7.3.2.

**71.** The latest ASHE figure was published in November 2023 and is 5.7%.

**72.** The Board determines the overall amount available to Members to claim for staffing costs. A Member is currently entitled to claim expenditure costs up to a maximum of £121,759.

**73.** In the Determination for 2023/24, Members' staff salaries were increased by the maximum of 3%, the Board also agreed that the Cost of Living payment of £600 would be consolidated into each pay point from 1 April 2024. This decision was based on the ongoing high cost of living and in response to representations made by Members and their staff to the consultation on the annual review of the Determination, and the nature and value of the role.

**74.** To help inform the decision on adjusting Members' staff salaries for the next financial year, the Board considered the latest economic forecast. This included evidence from the Bank of England and the Office of Budget Responsibility analysis and forecasts on inflation, core inflation, energy prices, interest rates and mortgage rates. The Board also heard evidence on trends in public sector pay and national pay, GDP forecasts and public sector spending.

**75.** The Board has also engaged with Chiefs of Staff and trade union representatives, who have provided a range of survey feedback from union members about cost of living pressures and other matters.

**76.** The Board considered this evidence and it is proposing to disapply the 3% cap on Members' staff salaries and provide a pay uplift, based on the consolidated £600 cost of living payment (as consulted upon and agreed previously by the Board in March 2023) and ASHE, which is 5.7%.

**77.** This would result in the following pay points:

Band	Pay Point 1	Pay Point 2	Pay Point 3	Pay Point 4	Pay Point 5
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Chief of Staff	£44,865	£47,132	£49,517	£52,022	£54,661
Senior Advisor	£40,845	£42,904	£45,074	£47,349	£49,752
Band 1	£30,520	£33,195	£36,123	£39,318	£42,811
Band 2	£26,153	£28,704	£31,520	£34,169	£38,039
Band 3	£23,742	£25,532	£27,462	£29,546	£31,798

**78.** This equates to a percentage uplift from 2023-24 Determination pay points as follows:

Band	Pay Point 1	Pay Point 2	Pay Point 3	Pay Point 4	Pay Point 5
Chief of Staff	7.2%	7.1%	7.1%	7.0%	6.9%
Senior Advisor	7.4%	7.3%	7.2%	7.1%	7.1%
Band 1	7.9%	7.8%	7.6%	7.4%	7.3%
Band 2	8.3%	8.1%	7.9%	7.7%	7.5%
Band 3	8.6%	8.4%	8.2%	8.0%	7.9%

**79.** *Proposal 15: To disapply the cap on Members' staff salaries at paragraph 7.3.2 and increase the pay for Members' staff by the ASHE Wales figure of 5.7%, rounded to the nearest £1. Members Staffing Expenditure Allowance, set out at paragraph 7.1.1. would increase from £121,759 to £130,602 to reflect the pay award.*

Issue: Real Living Wage

**80.** The Board has also considered the implications of the real Living Wage. Real Living Wage rates are independently calculated by the Resolution Foundation<sup>4</sup> and published annually by the Living Wage Foundation. It is based on a core basket of goods and services that people in the UK believe is necessary to meet everyday needs.

**81.** Board members heard that over recent years, the gap between the equivalent annual salary based on the real Living Wage and the lower pay bands of Members' staff has been reducing. The Board is committed to ensuring all staff are paid at least the real Living Wage and

<sup>4</sup> Resolution Foundation • Analysis and action on living standards

has already made an adjustment to Band 3 Pay Point 1 for the remainder of 2023-24 to align with the new real Living Wage.

**82.** The Board is undertaking a review of the staff pay and grading framework ahead of the Seventh Senedd, which may result in permanent changes in due course, but until this work concludes, the Board is proposing to ensure that pay bands for Members' staff will at least meet the level of the real Living Wage following future reviews of the real Living Wage.

**83.** *Proposal 16: To include a provision in the Determination to automatically increase any staff pay point that falls below the real Living Wage, (as published annually by the Living Wage Foundation). The provision would provide that the real Living Wage rate is to be treated as that pay point for the remainder of the financial year, taking effect on first day of the month following that publication.*

Issue: Home working

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**84.** Members are able to claim an amount in respect of the cost to them of paying their staff when they work from home under paragraph 7.9B.1. This must be paid in accordance with any HMRC requirements. The cost is £6 per week or £26 a month and it is not pro-rated.

**85.** During Covid, exceptional arrangements were put in place by HMRC, such as the introduction of the Homeworking Allowance. Since the end of the restrictions imposed as a result of COVID, this sum of money has largely been phased out by public sector organisations. For instance, it is not available to Members' staff in the Scottish or UK Parliaments, nor to Senedd Commission staff. However, Members' staff are able to claim tax relief for home working directly from HMRC<sup>5</sup>.

**86.** The administration of claims for this sum of money by Members, their staff and Commission staff results in an additional workload to administer a relatively small value payment which is only available to some staff depending on their work location.

**87.** The two separate cost of living payments awarded in-year, coupled with the increase to the salary bands of £600, consolidated from April 2024 and the increase to staff salaries in line with the ASHE Wales percentage will help towards offsetting the cost of working from home.

**88.** This approach may be considered fairer as the pay increase and cost of living award are available to all staff regardless of their work location.

**89.** *Proposal 17: To discontinue the amount that Members may claim on behalf of their staff in respect of home working, at section 7.9B. noting that a cost of living payment has been awarded*

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<sup>5</sup> Staff are able to apply for tax relief for working from home directly from HMRC.

*this financial year of £600 and a further cost of living payment of £600 will be awarded in January 2024. This, coupled with the increase to the salary bands of £600, consolidated from April 2024 and the increase to staff salaries in line with the ASHE Wales percentage is considered a sufficient contribution towards offsetting the costs of working from home.*

#### Issue: Time off for public duties

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**90.** Members are entitled to claim the costs when their staff take paid time off for public duties such as jury service, mandatory armed forces training or unpaid work such as school governorship. The amount that may be claimed is capped under paragraph 7.9A.2. with reference to a 12 month rolling period.

**91.** The Board has been advised that by setting a maximum of 15 days per 12 month rolling period, as opposed to financial year, there could be unintended restrictions on the flexibility available to Members' staff, for example when scheduling mandatory armed forces reserve training. For this reason the proposal is to align the maximum number of days to a financial year.

**92.** *Proposal 18: To amend the rules for Members' staff relating to time off for public duties under section 7.9A.2. such that the maximum days which may be taken in a year relate to a financial year, rather than a rolling 12 month period.*

#### Issue: Travel and subsistence rates for Members' staff

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**93.** The Determination sets out the rates for claims in respect of travel and accommodation costs for Members but does not set rates for their staff. The only references to Members' staff are at paragraphs 5.21 to 5.23, referencing the limit on the number of journeys Members can claim for their staff for travel between the Cardiff area and the Member's constituency, and the payment method.

**94.** In order to clarify this situation, it is proposed that if a Member is accompanied on a visit by staff, the Senedd Commission will process a claim for staff travel and accommodation costs in line with the rates for Members. That is, the maximum hotel rates, travel options and meal costs will be calculated in the same way for Members and their staff.

**95.** *Proposal 19: To state that the travel and overnight hotel stay maximum rates which may be claimed for reimbursement for Members' staff are the same as those for Members.*

## Chapter 8: Support for Political Parties

Issue: support for political parties

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- 96.** Political parties represented in the Senedd are able to claim the costs of employing staff, paying costs such as travel and subsistence, and office costs, as set out in Chapter 8 of the Determination.
- 97.** The total amount available in this financial year is £1,089,640, set out in paragraph 8.2.1 of the Determination. 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 section 8.2 of the Determination.
- 98.** The vast majority of the amount is used to pay Group staff salaries, and the cap and collar mechanism on salary increases currently also applies to these salaries. Historically the Board has adjusted the 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.
- 99.** The Board is proposing to increase the amount which is available to spend on office costs to take account of inflation. The remainder will be increased in line with the agreed salary increase for Members' staff, which includes the proposed removal of the 3% cap and the previously agreed consolidated £600 cost of living payment on pay points. Based on an average of the actual spend from the last two full financial years, roughly 13% is spent on office costs and 87% is spent on staff salaries.
- 100.** *Proposal 20: To increase the proportion of the Support for Political Parties, at paragraph 8.2.1., spent on staff salaries by the ASHE Wales rate of 5.7%, rounded to the nearest £1 (and previously determined consolidated £600 cost of living payments), and the proportion spent on office costs by the January 2024 CPI rate, rounded to the nearest £10.*

# Submitting a response

**101.** The Board would welcome your views on its proposals, to help inform its final decisions on changes to the Determination for 2024/25.

**102.** 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.

**103.** 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.

**104.** 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.

**105.** 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 2023-24 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.

**106.** Please send responses to [remuneration@senedd.wales](mailto:remuneration@senedd.wales).

**107.** 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, 26 January 2024.

## Consultation timetable:

Date	Action
26 January 2024	Consultation closes

Date	Action
22 February 2024	Independent Remuneration Board meeting to consider responses
14 March 2024	Independent Remuneration Board agrees the Determination 2024-25.
1 April 2024	Publication of the Determination 2024-25