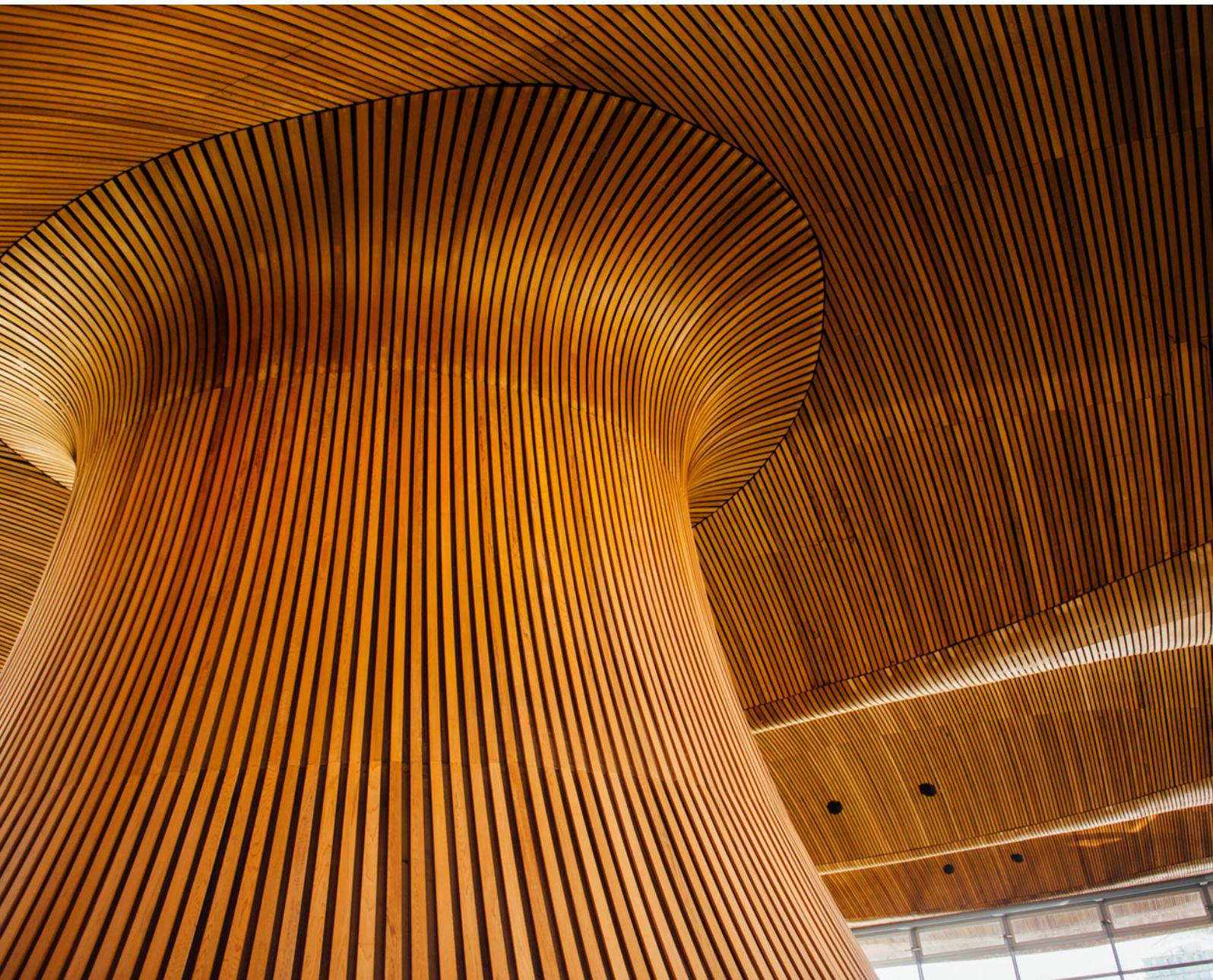


# **Draft Budget: 2025-26**

## Planned Step Change

September 2024



The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

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# **Draft Budget: 2025-26**

## Planned Step Change

September 2024





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## 1. Introduction

The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

The budget for the Senedd Commission (“the Commission”) is used to ensure that the Senedd is provided with the property, staff and services required for the Senedd's purposes. It also covers the costs of salaries and allowances of Members and their staff as determined by the Independent Remuneration Board.

Members of the Senedd carry significant responsibility. They make laws for Wales, represent the interests of Wales and its people, hold the Welsh Government to account and agree Welsh taxes. In turn, the Commission provides the specialist skills, support services and resources to support Members in carrying out their scrutiny, legislative and representational roles.

## 2. The Budget

**The budget for 2025-26 totals £84.301 million and provides for:**

- **Expenditure under the Commission’s direct control, including a Project Fund (the operational budget);**
- **Three ring-fenced budgets for specific programme work;**
  - **Expenditure relating to preparatory work for Senedd Reform;**
  - **Ways of Working programme of works.**
  - **Pre-Election preparatory work.**
- **Ring-fenced budget for adjustment to Lower Pay bands which is currently subject to a 2024-25 Supplementary Budget request.**
- **Depreciation (a non-cash expense);**
- **The budget identified for the Independent Remuneration Board’s Determination on Members’ Pay and Allowances;**
- **The budget for the clerking, administrative and other costs to provide support to the Independent Remuneration Board;**
- **The budget for the Office of the Standards Commissioner; and**
- **The accounting provision for the Members of the Senedd Pension Scheme under HM Treasury’s Annually Managed Expenditure (“AME”) heading (Pension Finance Cost).**

2025-26 is the final year of the 6<sup>th</sup> Senedd, requiring significant additional delivery by the Commission to ensure the Senedd and the Commission are prepared for the enlarged 7<sup>th</sup> Senedd. It is the first year of significant increase in budget requirements as set out in the published Regulatory Impact Assessment (RIA) for Senedd Reform change.

The budget for 2025-26 for the Commission is tight but will ensure value for money and includes the expected pay adjustment for staff, addressing the cost of living crisis. Officials have engaged with Party Groups to gather Members' priorities and share budget details, ensuring these views are incorporated into the Draft Budget presented.

The Senedd has tasked the Commission with delivering two major programmes: Senedd Reform and Ways of Working. Both initiatives require significant financial and human resources and aim to redefine how the Commission's services support the Senedd. This work began in 2024 -25 and will continue during 2025-26, with the Senedd Reform programme finalising estate adaptations and service redesigns for an expanded 7th Senedd in May 2026 enabling the Senedd to return to the Siambwr in February 2026 for Plenary. Both programmes will see a notable and anticipated increase in cost as they advance in implementation in 2025-26.

2025-26 is also a Pre-Election year, bringing cyclical one-off costs associated with the election, which will incur expenses both before and after polling day. These pre-election costs have been earmarked within a specific budget fund to cover necessary preparations and communications.

This Draft Budget also brings forward some infrastructure ICT and estate work to the Siambwr which would normally occur during the dissolution period. It is linked to the Senedd Reform structural works and will provide less disruption to Members and better value for money than waiting until dissolution.

This budget is consistent with the Commission's Medium-Term Resourcing Framework (MTRF), establishing resource and financial principles for the next three financial years. The MTRF aims to limit controllable growth and manage uncontrollable growth within existing base resources. It also seeks to highlight future budget pressures and offers strategies for managing them.

In addition to the known new requirements, some financial pressures lie beyond the Commission's control and reflect the priorities of the Senedd. New Committees set up in year, such as an unbudgeted pressures in 2024-25, which was not anticipated when that budget was laid. The nature of the work of the Committees means that temporary growth in the staffing budget will be required in 2025-26 but will fall away when the work of the Committees is complete.

The Ways of Working programme is delivering the Commission's Estate Strategy and will ultimately determine where Commission staff, Members and their support staff will be based from 2032 onwards, when the current lease of Tŷ Hywel comes to an end. The Programme is being delivered at pace to meet the current and future needs of the Senedd, delivering a hybrid working environment. However, the timelines and budget estimates cannot be accurately assessed before completion of the procurement process. The Draft Budget is, therefore,

presented with certain caveats. The Commission's aim is to ensure the programme has the financial means to progress given the approach of 2032.

The Senedd Cymru (Members and Elections) Act 2024 received Royal Assent in June 2024 which provides the certainty required to progress works to reconfigure the Senedd and Tŷ Hywel. The scale of the change is exceptional in terms of workload and resource requirements of the Senedd Commission. These cannot be serviced by the existing operational budget or resources. Existing resource is required during the period of transition and into the future to continue with normal business delivery as well as delivery of these programmes .

In this context, constructing a budget for the Commission which provides adequate funding for the coming financial year has been a complex process. The budgets for the work programmes have continued to be ring-fenced to aid transparency. The Senedd Commission has given a commitment that any unutilised funding will be returned to the Welsh Consolidated Fund.

The overall budget represents a total increase on the 2024-25 budget of 16.77%. The element relating to the day to day business of the Commission (the operational budget) has increased by 11.08% compared to the 2024-25 budget. Taking into account the known RIA additional costs expected in 2025-26, this increase in total budget is 11.56% overall (10.80% RIA adjusted for pay awards and inflation).

This is a higher level of growth than seen in previous years and higher than the Commission would wish to present. However, the level of delivery for 2025-26 that the Commission has been tasked with is a significant increase on 2024-25 financial year and previous financial years. The Senedd Reform Regulatory Impact Assessment (RIA) cost estimates were, by their very nature, provisional estimates based on the high-level assumptions. Since then, the projects have moved through planning, development and engagement phases, and are now in design, procurement and implementation phases; it is only now, having worked through those necessary steps, that firmer budgets and actual costs can be presented.

For 2025-26, the anticipated uplift in Senedd Reform-related costs (including the Siambr and Tŷ Hywel works) is £3.9 million. (Adjusted for inflation and pay awards, the original RIA estimate for 2025-26 was £3.37 million.) This is equivalent to a 4.67% (adjusted 5.39%) increase on 2024-25.

This, along with the continued impact of two years of high inflation, in particular the effect this has on staff pay awards, increases in employer pension contribution,

adjustment to the lower pay bands and the urgent need to catch-up on lifecycle maintenance works for the estate and ICT following delays has compounded to create the overall level of growth being experienced.

However, the commitment to limit budgetary growth for the core elements of the budget remains a Commission priority in recognition of the pressures on the public purse.

The proposed operational budget has made provision for a pay award in the staffing budget of 5% in 2025-26, to reflect developments in pay awards across the UK public sector. A 3% budgetary assumption has been made for each of the following two years. Pay negotiations with the Commission's Trade Union Side (TUS) to settle 2024-25 and to agree a new multiyear pay deal for 2025-26 onwards are not yet complete. The Commission is therefore using provisions rather than known pay deal rates.

The Commission has also had to include within the Draft Budget a ringfenced 'use or return' budget equivalent to the amount requested in the 1<sup>st</sup> Supplementary Budget request which has unfortunately been delayed due to the UK Parliamentary elections. At the time of preparing the Draft Budget, following negotiations with TUS, an agreed adjustment to the current agreed cap of 3% for lower paid staff (to settle the 2024-25 pay negotiations) has not yet been brought forward as part of a Supplementary Budget motion. There is a significant level of financial and operational risk for the Commission which is unable to afford this sum as an in-year cost. This difficulty has been recognised in scrutiny by the Finance Committee, which considered this matter in May 2024 and was supportive of the Commission's proposed approach.

The Draft Budget makes provision, as usual, for a Project Fund. This is separate from the day to day running costs of the Commission and largely funds infrastructure projects to maintain the estate and ICT systems as well as other discrete projects which cannot be met from service budgets, such as specialist software replacements. The Project Fund has increased for 2025-26 to reflect the period of significant life cycle replacement of major plant and infrastructure.

<b>Description</b>	<b>2024-25 Budget</b>	<b>2025-26 Budget</b>	<b>% change compared to 2024-25 (Laid)</b>
	<b>£million</b>	<b>£million</b>	<b>%</b>
<b>Operational budget</b>	£41.531	£46.135	11.08%
<b>Non-cash items</b>	£5.360	£5.600	4.48%
<b>Member related expenses</b>	£21.708	£22.233	2.42%
<b>Pre-election expenses</b>	£0	£1.000	
<b>Senedd Reform and Ways of Working</b>	£3.596	£8.878	146.91%
<b>Back pay award</b>	£0	£0.456	
<b>Total</b>	£72.195	£84.301	16.77%

### 3. The Medium-Term Resourcing Framework

The Medium-Term Resourcing Framework (MTRF) is the mechanism by which the Commission identifies future cost pressures with enough foresight to manage them. This could be by redirecting resources, change and efficiency management or, at the extreme, making a cohesive and evidenced case for requesting additional resource. The MTRF is a three year forward-look which informs stakeholders and facilitates appropriate planning. This is the second budget produced under this framework.

The assumption for the medium term is that the Commission financing requirements will be in excess of the resourcing available. The Commission therefore needs to understand and mitigate the gap between the two in order to continue to deliver against agreed priorities whilst also supporting the core business needs.

This approach allows the Commission to clearly demonstrate what is driving uplifts in its budgets (rather than creating an impression that 'business as usual' budget lines are being grown annually by an inflationary amount).

The Framework includes both a Medium-Term Financial Plan and a Workforce Plan. The former is a rolling 3-year budgetary framework. It sets out a detailed range of resourcing requirement scenarios and cost-pressures over the next 3 years. It then sets a reasonable and realistic basis for budget planning over the medium-term (a 'Managed Growth Scenario').

As a principle a 'Target Establishment' has been defined (for the permanent staffing establishment) to ensure the Commission's people resources continue to align with Commission priorities within the available resourcing envelope. It operates as a strategic cost management tool and drives resource management in an agile, effective and efficient way. Regular engagement with Heads of Service (budget managers) has provided structured input and feedback as to how the Commission can direct resource appropriately to organisational needs. This is particularly important given the transition to a larger Senedd and resists extrapolating existing resource in a linear fashion.

For this Draft Budget, the Commission recognises that the previous year's growth target, the GDP Deflator, is not a realistic target to use due to level of the funding gap that would be created. In coming to this conclusion, the Commission considered the impact of the potential pay award which, as noted above, is set at

a level comparable with current public sector pay awards across the UK. The extent of the reduction to services to Members that would be required in order to achieve this without a supplementary budget, is not sustainable. Rather, the Commission will manage headcount, limit provision for pay award to a maximum of 5% and manage non staff costs to contractual uplifts and absorb where possible other cost pressures within the inflation target set for the MTRF for 2025-26.

## 4. Staffing

The majority of the Commission's operational revenue expenditure relates to staffing costs (~70%). There is a continued commitment to develop and maintain a diverse, highly skilled workforce to support Senedd Business.

2025-26 financial year will be the first year of the new pay deal. Negotiations for the new pay deal are currently ongoing but should conclude during 2024-25 and will hopefully set the basis for the budget for the following years (up to 2027-28). For planning purposes, a maximum 5% pay award for 2025-26 followed by 3% in the following two years is assumed. The 2025-26 assumption is in line with the pay awards currently being settled within the wider UK public sector.

The 2025-26 staffing costs include the increase to employer pension contribution which is not within the 2024-25 comparative and is approximately £275,000. In addition, the baseline salaries for lower pay scales have been adjusted for the agreed uplift of £456,000. These two adjustments account for 2.28% of staff cost growth.

Establishment headcount for normal operational business has been held at the 2024-25 level with the exception of the addition of temporary clerking and support team for temporary Committees set up in year. This accounts for a 1.05% uplift of staff costs which will fall away in future years once the Committee has completed its work. All additional staff for programmes (as described above) and for the election transition are accounted for within those individual ringfenced budgets.

A ringfenced amount of £456,000 has been included in the Draft Budget to provide funds for a potential back payment of the agreed adjustment to Commission staff lower pay bands in order to settle the 2024-25 pay negotiations and to seek to settle the next pay deal. Funding was sought through the 1<sup>st</sup> supplementary budget request of 2024-25 which was delayed due to the UK general election. As the Commission is unable to fund this from in-year savings without significant impact to services to Members, this has been included on a use or return basis should the Supplementary Budget not proceed. This will allow the Commission to settle and complete negotiations on the pay deal due to commence from 2025-26 onwards. This request was scrutinised by the Finance Committee in May 2024.

The Senedd Commission's People Strategy is central to the delivery of our strategic aims and objectives, ensuring we have an agile workforce equipped with the right skills, knowledge and behaviours to deliver exceptional services to Senedd Business and Members. The strategy is underpinned by our organisational values of respect, passion, pride and working together as 'One Team'.

The Workforce Plan (within the Medium-Term Resourcing Framework) seeks to manage and adjust our staffing complement in the medium to longer term to match resource and skills to the areas required. This will require a sophisticated and mature approach to skills mapping and agility in our recruitment and deployment of staff. This will be particularly relevant as we move to a larger Senedd and evolve our staff requirements alongside developments in technology and in particular, the use of Artificial Intelligence to supplement our resource.

## 5. Non-staff budgets

The vast majority of non-staff related budgets within the Commission are contractual, including Rent, Rates, facilities management and ICT-related costs.

Contractual increases linked to CPI and RPI have driven increases in these budget lines which the Commission is unable to control or manage outside of contract negotiation points, i.e. when contracts end and can be re-tendered. Savings have been made where possible, but the scope to do so is limited.

The Commission uses contract cycles to negotiate the best possible contractual terms for the Senedd, in both financial and non-financial terms to provide the best possible value for money for the public purse. The budget is set based on the agreed assumption of insourcing services from mid-7<sup>th</sup> Senedd onwards. Any of those services currently outsourced and due for retender will be tendered on the basis of providing flexibility towards that goal.

Growth in non-staff budgets is 13.70%, moving from £11,683 in 2024-25 to £13,283 in 2025-26. This includes costs for external resource to begin the implementation of the recommendations from the thematic reviews that have been undertaken by the Independent Remuneration Board. These include reviews of Member Support Staff services. This change includes the increase in the Project Fund which is addressed on page 21 and accounts for 62% of this increase.

## 6. Senedd Reform

The Welsh Government's Bill to reform the Senedd received Royal Assent in June 2024. The reforms will see the size of the Senedd increase from 60 Members to 96. The Commission therefore needs to restructure its support for a larger Senedd in a way that does not simply expand by the same proportion as the percentage increase in the number of Members.

The Cardiff Bay estate will also require adaptation to accommodate the new Members and their Support staff. Work has commenced in 2024-25 to provide additional Member office space in Tŷ Hywel which will be completed during 2025-26, along with the expansion of the existing Siambr.

Decisions on the organisation of Senedd Business in the Seventh Senedd and, consequently, the support that the Commission will be required to provide may not be known until the start of the 7<sup>th</sup> Senedd. Whilst acknowledging this uncertainty, the Commission must prepare to respond flexibly to the needs of the 7<sup>th</sup> Senedd and provision has been made in this budget for that preparation.

On this basis, the Regulatory Impact Assessment (RIA) was initially used as the basis for preparing budget estimates as these were at that time best estimates. Since then, these cost estimates have been updated as the projects have moved through planning, engagement, procurement, design and into implementation. Initial assumptions have been superseded by known information in terms of design of space for Tŷ Hywel to enable all users of the building to fit in and staff budgets adjusted to match required start dates for the roles. The non-staff element of the budget is based on the latest estimates from our delivery partners allowing for a contingency provision for the continued unknowns at the time of presenting the Draft Budget.

A number of posts will need to be recruited to during 2025-26 either to support preparation workstreams or to give sufficient time for training ahead of the election in May 2026. The number of additional posts being created in 2025-26 is 47.9 FTEs at a cost of £1.776 million, reduced from the RIA estimate of 59.9 FTEs at an estimated cost of £2.106 million. The total staff budget for Senedd Reform also includes posts which have already been approved and already in place to prepare for, support and deliver the transition.

The budget is ring-fenced so that if as the assumptions evolve further and an element of the funding is not required, it will be returned to the Welsh

Consolidated Fund. This provides a transparent approach and separates funding for Senedd Reform from the day to day activities of the Commission.

RIA cost estimates were calculated in Spring 2022 using the Welsh Government's budgetary methodology, which does not take into consideration variables such as future pay awards and inflation. It set out in broad terms the expected additional expenditure as a result of the proposed Senedd Reform Bill over a 10 year period. In order to compare like-with-like, and so with the RIA adjusted for average pay awards and inflation based on the delivery of the "Greater " scenario, the expected outturn costs are largely in line with the original RIA overall estimate.

The revenue and capital costs for 2025-26 are set out in the table below. The capital costs relate to the completion of the Tŷ Hywel adaptations for new Member offices and the necessary adaptations to the Siambr to accommodate the enlarged Senedd. Siambr budget also includes an amount for replacement costs for lifecycle maintenance which is coming towards end of life which due to the extent of the work involved will be replaced during this period rather than disrupt Senedd Business over the next two to three years. This includes electric wiring replacement along with some heating and fan replacements.

<b>Description</b>	<b>Budget 2025-26 £million</b>	<b>Senedd Reform Adjusted RIA* £million</b>	<b>Senedd Reform RIA £million</b>
<b>Posts approved prior to 2025-26</b>	£0.387	£1.744	£1.570
<b>Additional staff (47.9 FTE)</b>	£1.776	£2.339	£2.106
<b>Non staff costs</b>	£0.445	£0.623	£0.549
<b>Capital costs</b>	£3.874	£2.027	£1.786
<b>Total</b>	£6.482	£6.733	£6.011

\*Staff costs adjusted by pay awards for 2023/24 (2.4%); 2024-25 (3%) 2025-26 (5%)

Non Staff adjusted by Inflation of 2023/24 (7%); 2024-25 (3%) 2025-26 (3%)

## 7. Ways of Working

The Ways of Working Programme was established by the Commission in March 2022 and is a single, cohesive programme structure through which the Commission is responding to the challenges and opportunities arising from its own changing environment, and the evolving needs of the Senedd and its Members.

The programme, now in its second year comprises two workstreams, reporting into a central Programme Board:

- Cardiff Bay Workstream: Will deliver a high quality, flexible and inclusive Cardiff Bay estate that provides value for public money and that meets the needs of the Senedd, its Members, their staff, Welsh Government, Citizens, media, and the Senedd Commission into the short, medium and long-term; and
- Regional Working Workstream: Will ensure an effective regional base for outreach, public information, education and translation services in North Wales; and to explore potential opportunities for developing the Senedd Commission's regional footprint over time and bringing forward proposals for doing so.

The Cardiff Bay workstream has moved at pace during late 2023-24 and into 2024-25, setting up project delivery teams, undertaking activities including engaging with stakeholders, planning, designing, procuring to deliver :

- the necessary estates projects to prepare for a larger Senedd including the expansion of the Senedd's Siambwr, relocation of Commission staff workspace to increase the capacity of Tŷ Hywel to accommodate 36 more Members and their staff) by February 2026. Whilst the WOW programme will manage delivery of these Senedd Reform related projects, for transparency purposes the funding for them lies within the Senedd Reform ring-fence discussed above.
- the Cardiff Bay 2032 project. This project will provide the Commission with long-term, secure accommodation beyond the 2032 end of the Tŷ Hywel lease (which currently accommodates Member offices and facilities, Commission staff and Welsh Government). This project is in its early stages but has a tight timetable to ensure accommodation is ready by 2032. The 2024-25 budget was based upon an assumption of a

single source procurement. The project has since moved through several stages of development during which legal advice has been taken. This has confirmed a full competitive procurement process is required which will involve the evaluation of a robust range of options as part of a full, three-stage business case process (as per HM Treasury / Welsh Government Green Book). The Draft Budget for Bay 32 includes funds to support the Business Case process, professional advisors and legal and procurement support. Through creating a wide range of options, a more competitive procurement process that will deliver demonstrable value for money to the Welsh Public Purse will be undertaken.

The Draft Budget for this programme of work for 2025-26 is, as with the Senedd Reform programme, ring-fenced so that costs are separate and transparent. This is of particular importance due to the number of decisions to be made about the Estate during 2025-26. Ringfencing will ensure unutilised funding will be returned to the Welsh Consolidated Fund should the Business Case for change support an option which requires a lower level of resource than requested. An analysis of the potential budget requirement for the next three financial years is shown below:

	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>Budget to date</b>
	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>	<b>£million</b>
<b>Bay 2032 project*</b>	£1.250	£2.055	£1.882	£1.600	£6.787
<b>Pierhead review project</b>	£0.130	£0.000	£0.000	£0.000	£0.130
<b>Legal costs</b>	£0.050	£0.075	£0.100	£0.050	£0.275
<b>WOW strategic delivery (budget moved to SR)</b>	£0.100	-	-	-	£0.100
<b>Programme Management</b>	£0.101	£0.266	£0.274	£0.283	£0.924
<b>Totals</b>	<b>£1.631</b>	<b>£2.396</b>	<b>£2.256</b>	<b>£1.933</b>	<b>£8.216</b>

## 8. The Project Fund

The Commission maintains a Project Fund in order to fund expenditure over and above the delegated service budgets including lifecycle replacement for ICT, broadcast and estate infrastructure.

The Project Fund is managed by the Project Management Group (PMG). Chaired by the Chief Financial Officer and supported by a panel from across the Commission, the Group is responsible for ensuring that the project portfolio for the financial year is aligned with Commission priorities, is appropriately resourced, provides value for money and that projects are delivered to agreed timescales and agreed specification. This approach will deliver:

- increased efficiency and effectiveness;
- reduced risk; and
- meeting our Sustainability strategic objective.

The PMG recommends to the Executive Board which projects should be prioritised, monitors delivery, and employs an agile approach to respond to changes and issues in-year.

The strategy for management of funds is set out in a Portfolio Strategy which sets:

- the vision and aims agreed for the project portfolio;
- the value drivers that are used to inform the prioritisation of the portfolio; and
- the headline risks, resourcing envelope, and timings.

This strategy will facilitate the allocation and where relevant, the re-purposing or re-prioritisation of funds to maximise use of resource to achieve value for money.

The MTRF process has identified a period of significant and sustained pressure on the Project Fund in 2025-26 to 2027-28 due to the number of life-cycle replacements with significant cost implications becoming due as well as the more usual cycle of works. The Commission undertake maintenance work to extend where possible the useful life of major plant and infrastructure and will undertake during the year feasibility study of plant and equipment coming towards the end of its operational life to assess whether this can be extended.

Notwithstanding this, due to the age of the buildings and the timings of the initial investments the current Project Fund is insufficient to sustain the necessary replacement programme and will need to be increased by £1.0 million to ensure the critical lifecycle maintenance can be undertaken and thereby prevent catastrophic failure. Key projects which will be considered for prioritisation during 2025-26 are:

- Building Management System which controls the facilities of the Senedd building;
- Lift upgrades for the Senedd building;
- Chiller unit end of life replacements;
- Air Handling system end of life replacement
- Police Body Armour;
- Senedd TV system end of life replacement
- ICT infrastructure update; along with
- Completion of multiyear projects started in 2024-25.

These are in addition to a schedule of priority items relating the forward work programme of maintenance / repair to ICT infrastructure and the estate which will be assessed in early 2025-26 for funding.

## 9. Sustainability

The financial and service delivery plans in the short, medium and longer term are all within the context of being a truly sustainable organisation.

The Senedd Commission was one of the first public organisations to produce a strategy detailing a proposed response to the Climate Emergency and a plan to become net carbon neutral. 2025-26 will be the mid-point in that Strategy and work is progressing well with the improvement measures highlighted within it.

The Ways of Working programme - bringing together the Commission's estate, people and sustainability strategies and its 'agile futures' plan - has seen the Commission install flexible working areas across the estate and more hybrid meeting facilities. Capitalising on these energy-efficiency savings have also created wellbeing benefits for staff.

The roll-out of LED lighting is now all but complete. Along with the introduction of numerous efficiency savings related to the building management system (BMS), and efforts to minimise the use of heating and air conditioning, energy demand has reduced. Whilst costs for gas and electricity rose significantly for the Commission in 2023 and 2024, a gradual reduction is taking place. Prices, however remain higher than in previous years and future prices remain uncertain.

The Commission believes in transparency as well as setting the highest standards for itself. For this reason an environment management system is maintained. It is externally audited for compliance with ISO14001. This management standard requires a range of measures to be demonstrated, including controls on key environmental impacts, compliance with legislation, and a programme of internal audits.

The Commission continues to work with other public sector bodies in Wales, as well as the other UK parliaments, to share best practice in continual environmental improvement.

## 10. Engagement

One of the Commission's Strategic goals is to have citizens at the heart of all we do. Our Communications and Engagement Strategy aims to achieve that, with a focus on reaching new audiences, particularly those who feel their voices have not traditionally been heard by the Senedd, and with the objectives of raising awareness, increasing understanding and increasing participation.

We've made good progress. Between April and June 2024, 83% of people with whom we had engagement had not previously engaged with the Senedd. 44% of the organisations which provided feedback had also not engaged with us before.

Our Citizens Engagement Team continues to gather invaluable experiences from people across Wales, whose stories inform the work of committees. Stories are also at the heart of our media work in raising awareness of the Senedd. A 16% increase in news coverage of committee work since 2022-23 has been achieved.

Visitor numbers to the Senedd and Pierhead are back to pre-pandemic levels. We've also developed our engagement work with the local community by collaborating with the Butetown Carnival and amplifying their stories in our Pierhead Exhibition.

Our ambition to reach new and younger audiences on social media is also making progress, with a shift in focus to Instagram, where 18-24-year-olds are our second highest reached audience, behind 25-34-year-olds.

These achievements have been supported by investment in greater audience insight, through polling, social media management and listening tools, and media monitoring tools. We've also placed a greater emphasis on evaluation, with improved capturing of audience feedback and robust evaluation of each engagement activity informing future plans, so we can continue to improve.

This year is the final year of our Communications and Engagement Strategy. Our focus will shift to preparing audiences for the changes to the Senedd and the election. We're already working with key partners to explore ways to collaborate to make sure we have the greatest impact, avoid duplication and provide value for money.

The Commission need to make sure clear and trusted information is available to people looking for it, while also making sure information is reaching communities who do not traditionally engage with us. We'll do this by refreshing content across

our channels and developing an engagement programme that focuses on our disengaged audiences.

To ensure the Commission are in the best position to continue our good progress in the Seventh Senedd we will require continued investment in two major projects: Customer Relationship Management (CRM) and Online Engagement Tools.

## **Welsh Youth Parliament**

The Welsh Youth Parliament will be electing Members for its third term in November 2024.

40 young people aged between 11 and 17 will be elected through an online, national democratic election to represent the current 40 electoral constituencies in Wales. A further 20 young people will be chosen through partner organisations. This will ensure diverse representation of young people in the youth parliament.

The 60 Welsh Youth Parliament Members will look to highlight and champion the issues most important to young people across Wales by gathering views, writing reports and making recommendations. These will be discussed in the Siambr with key decision makers in Wales. They will build upon the work done by young people in the previous two terms of the Youth Parliament and will continue to encourage and influence discussions on key issues.

## 11. Financial Governance and Control

The Senedd Commission Audit and Risk Assurance Committee (“ARAC”) supports the Commission and the Principal Accounting Officer regarding their responsibilities for risk management, internal control and corporate governance.

As part of its role, ARAC maintains a strong interest in, and oversight of, the internal financial control environment. Updates on accounting policies and the budgetary position are considered by ARAC and it takes a keen interest in the audit of the Annual Report and Accounts. Members of the Committee have also provided oversight and challenge of the assurance framework and governance statement.

External and Internal Audit provide important sources of assurance to ARAC and the Accounting Officer. The Auditor General for Wales (“AGW”) is the Commission’s external auditor, and he is supported in his work by Audit Wales. For the 2023-24 financial year an unqualified opinion was issued in relation to the financial statements.

In 2019, the Senedd’s Finance Committee issued a Statement of Principles for Directly Funded Bodies to consider when preparing their annual budget estimates. The Commission has kept these principles firmly in mind in the preparation of its budget estimate for 2025-26. The estimate is transparent and the evidence of the need for, and benefit from, the resources requested is provided in the narrative of this document.

The Executive Board (“EB”) has strategic responsibility for ensuring that the Commission’s resources are used effectively, provide challenge to service leaders to strive for continuous improvement and drive efforts at delivering efficiencies. The Board is responsible for approving the Commission’s annual investment plans and for prioritising investment to best effect. The Board ensures that resource capacity planning aligns with the Commission’s goals and priorities and provides governance and assurance to significant change projects.

## 12. Budget for the Remuneration Board's Determination

The Independent Remuneration Board ("the Board") is the body that determines the pay and remuneration of Members and their support staff; and the system of financial support needed for Members to fulfil their responsibilities as elected representatives.

The Board's Determination sets the available funding to cover the expenses associated with being a Member and discharging their parliamentary duties, for example:

- running an office and engaging with constituents;
- salaries and costs relating to support staff;
- residential accommodation in Cardiff for Members whose home is a significant distance from the Senedd (eligibility criteria apply); and
- support for the Party Groups and policy research.

The Determination sets the basic salary for Members and additional office holder salaries. The Determination also sets the mechanism for increases to these salaries; in 2025-26 it is expected that Member salaries will increase in line with the average earnings in Wales as measured by the Annual Survey of Hours and Earnings ("ASHE"), capped at 3%. The basic salary for Members at the start of 2025-26 is budgeted at £74,219 which assumes a 3% increase on the current salary level of £72,056 (the ASHE figure for October 2023 was 5.7%, the expectation is that will also exceed the 3% cap for March 2023 to March 2024)

The Board reviews elements of its Determination on an annual or periodic basis to ensure that they remain appropriate. The Board will be undertaking its annual review of the Determination during autumn 2024 - spring 2025. It is not possible to anticipate decisions which the Board may choose to make in future. For budgeting purposes, some assumptions have been made for 25-26 Determination costs including the rate of inflation.

Members are able to employ staff to support them in all aspects of their role. Political groups are also entitled to funding for group staff. The budget for support staff for 2025-26 is £11.6 million, which includes an uplift of 6% on salaries. The cap on support staff salaries was removed for the 2024-25 financial year. Given the

previous ASHE figure of 5.7%, the budget will provide coverage for a similar figure in October 2024.

The Determination sets out the range of costs and allowances which Members may claim to run their offices and fulfil their duties. The budget for office costs is £2.673 million. For budgeting purposes, the inflation factor used for 2025-26 is 3% for allowances (where relevant) with an inflationary uplift of 2% applied to the following two years. This reflects an expectation that it will return to the Bank of England target rate for financial years after 2025-26.

Provision has been made for an anticipated £0.5 million underspend against the total budget for the Determination. This is a prudent assumption based on historic trends. It is likely that an amount in excess of £0.5 million will be released from across both the support staff and the office costs budgets. This approach assists in budget management, allowing a moderate level of contingency, if the Board decides to implement unexpected changes. Should the total budget prove to be insufficient, a Supplementary Budget may be necessary.

The budget to fund the Determination for 2025-26 and the following two years is shown in Table 9.

The Commission also expects to be in a position make 'redress' payments during 2025-26 to those Members impacted by the McCloud judgement. HM Treasury is taking the necessary steps to enable this to happen by, among other things, making changes to legislation. The Member Pension Scheme will be responsible for any backdated pension payments. The Commission will be responsible for any compensation. The maximum total cost is expected to be in the region of £100k. No additional budget has been provided as it is expected that there will be sufficient underspend within the overall budget to cover this cost.

Direct support for the Board is provided by the Commission as required by the National Assembly for Wales (Remuneration) Measure 2010. Since 2022-23 the cost of this support has been ring-fenced within the total Senedd Commission budget to improve transparency and this continues to be the case. The budget provides for an unchanged secretariat. In addition, fees and travel expenses are paid to Board members. Other expenditure includes items such as the commissioning of external expertise. Detail is provided in Table 11.

## 13. Budget Ambit

This budget submission is laid in compliance with the Senedd Standing Order 20.13 to assist in the compilation of the Annual Budget Motion required by Section 125 of the Government of Wales Act 2006. The submission covers the resource and cash requirements of the Senedd Commission for the year ending 31 March 2026.

The Budget Motion will authorise the net resources to be used for the services and purposes of Members and Senedd Services. The motion includes the maximum income (or accruing resources) that may be retained for use on those services and purposes instead of being paid into the Welsh Consolidated Fund. It will also set out the cash amount that will be needed from the Welsh Consolidated Fund to meet the anticipated net amounts falling due for payment by the Commission.

The 2025-26 Budget for the Senedd addressing these requirements is set out in Table 1.

**Table 1: 2025-26 Budget for the Senedd against requirements**

Senedd Requirements	2025-26 £000
Resources other than accruing resources for use by the Senedd Commission ('the Commission') on resource and capital costs associated with the administration and operation of services to support the Senedd; promotion of the Senedd including payments to the Electoral Commission and others; payments in respect of the Commissioner for Standards and the Independent Remuneration Board; any other payments relating to the functions of the Senedd or functions of the Commission. Resources other than accruing resources for use by the Commission in respect of the decisions of the Independent Remuneration Board and expenditure in respect of Members of the Senedd Pension provision	£84,301 (Table 2)
Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the Commission from the disposal of fixed assets and other capital income for use on the purchase or acquisition of fixed assets, rental income, gifts, grants, cheques, recharges and income from commercial sales and other services provided to the public or others for use on administrative costs of the Senedd.	£61 (Table 8)
Amount to be issued from the Welsh Consolidated Fund to meet the anticipated amounts falling due for payment in the year and in respect of the above services and purposes less expected receipts and recoverable VAT	£80,031 (Table 3)

## Annex 1: Budget Overview

**Table 2: Budget overview**

<b>Budget Heading</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>
<b>Commission Related Expenditure</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Staff salaries and related costs (Table 4)</b>	£29,663	£32,351	£33,033	£34,281
<b>Accommodation and facilities (Table 5)</b>	£5,991	£6,229	£6,372	£6,520
<b>ICT costs (Table 6)</b>	£2,731	£2,944	£3,009	£3,047
<b>Other costs (Table 7)</b>	£2,061	£2,172	£2,108	£2,095
<b>Total Revenue Expenditure</b>	<b>£40,446</b>	<b>£43,696</b>	<b>£44,522</b>	<b>£45,943</b>
<b>Total Income (Table 8)</b>	(£100)	(£61)	(£61)	(£61)
<b>Capital Expenditure</b>	£500	£500	£500	£500
<b>Project Fund</b>	£1,000	£2,000	£1,000	£1,000
<b>Savings to be identified</b>	(£315)	£0	£0	£0
<b>Total Operational Resource</b>	<b>£41,531</b>	<b>£46,135</b>	<b>£45,961</b>	<b>£47,382</b>
<b>Interest Charges</b>	£610	£600	£590	£580
<b>Depreciation Charges</b>	£4,750	£5,000	£5,000	£5,000
<b>Ring-fenced project budgets</b>				
<b>Senedd Reform costs</b>	£2,065	£6,482	£6,830	£5,399
<b>Ways of Working</b>	£1,531	£2,396	£2,256	£1,933
<b>2024-25 Back pay provision</b>		£456		
<b>Total Commission Related Expenditure</b>	<b>£50,487</b>	<b>£61,069</b>	<b>£60,637</b>	<b>£60,294</b>
<b>Member Related Expenditure</b>				
<b>Members' salaries and related costs (Table 9) (as per the Remuneration Board's Determination)</b>	£19,180	£20,525	£21,129	£21,751
<b>Members' salaries and related costs arising from Senedd Reform</b>	£0	£0	£10,569	£10,569
<b>Budget for the Office of the Standards Commissioner (Table 10)</b>	£101	£105	£108	£110

Budget Heading	2024-25	2025-26	2026-27	2027-28
<b>Budget to support the Independent Remuneration Board (Table 11)</b>	£627	£602	£598	£614
<b>Election related expenditure</b>	£0	£1,000	£2,500	£0
<b>Members' pension finance costs</b>	£1,800	£1,000	£1,000	£1,000
<b>Total Senedd Commission Budget</b>	<b>£72,195</b>	<b>£84,301</b>	<b>£96,541</b>	<b>£94,338</b>

\*Reflects where £315k of savings were allocated as well as supplementary budget adjustment

**Table 3: Reconciliation of the new resource requirement to the cash drawing from the Welsh Consolidated Fund**

Net cash requirement	2025-26 £000
Members' net revenue requirement	£20,525
Office of the Standards Commissioner	£105
Independent Remuneration Board support costs	£602
Senedd Reform Costs revenue costs	£4,674
Ways of Working revenue costs	£2,130
Commission net revenue requirement	£52,501
2024-25 Back pay provision	£456
Net capital requirement (including Senedd Reform and Ways of Working)	£2,308
Annually managed expenditure	£1,000
<b>Subtotal</b>	<b>£84,301</b>
<b>Adjustments</b>	
Depreciation	(£5,000)
Interest charges / Capital adjustments relating to IFRS 16	(£600)
Rental payments relating to IFRS 16	£2,330
Movements in provisions	(£1000)
<b>Subtotal</b>	
<b>Net cash requirement from the Welsh Consolidated Fund</b>	<b>£80,031</b>

## Annex 2: Budget Detail

**Table 4: Analysis of staff salaries and related costs**

	2024-25	2025-26	2026-27	2027-28
	£000	£000	£000	£000
Commission staff costs	£30,663	£33,351	£34,033	£35,281
Vacant post estimate	(£1,000)	(£1,000)	(£1,000)	(£1,000)
<b>Total</b>	<b>£29,663</b>	<b>£32,351</b>	<b>£33,033</b>	<b>£34,281</b>

**Table 5: Analysis of Accommodation and Facilities costs**

	2024-25	2025-26	2026-27	2027-28
	£000	£000	£000	£000
Rent and rates incl. car parking (adjusted for IFRS 16)	£1,875	£1,930	£1,974	£2,018
Maintenance and works	£1,090	£1,110	£1,110	£1,110
Security	£923	£949	£985	£1,022
Utilities	£980	£1,039	£1,070	£1,102
Cleaning	£575	£643	£662	£682
Catering	£443	£453	£467	£481
Photocopier Rentals	£20	£40	£40	£40
Furniture and Fittings	£65	£65	£65	£65
<b>Total</b>	<b>£5,991</b>	<b>£6,229</b>	<b>£6,372</b>	<b>£6,520</b>

**Table 6: Analysis of ICT costs**

	2024-25	2025-26	2026-27	2027-28
	£000	£000	£000	£000
ICT Services	£739	£731	£710	£710
Broadcasting	£743	£870	£870	£870
Licences and Maintenance	£1,149	£1,243	£1,320	£1,357
Revenue and Consumables	£100	£100	£110	£110
<b>Total</b>	<b>£2,731</b>	<b>£2,944</b>	<b>£3,009</b>	<b>£3,047</b>

**Table 7: Analysis of other costs**

	2024-25	2025-26	2026-27	2027-28
	£000	£000	£000	£000
Training and development	£344	£312	£312	£312
Language contracted-out services	£305	£305	£305	£305
Promoting awareness and understanding	£305	£305	£305	£305
Other HR costs	£166	£172	£172	£172
Insurance and legal costs	£162	£162	£173	£185
Publications	£131	£146	£146	£146
Staff T&S	£113	£108	£108	£108
Other travel and subsistence	£95	£95	£95	£95
Audit	£95	£135	£135	£135
Printing, stationery and postage	£60	£58	£58	£58
Specialist advice	£46	£96	£96	£46
Academic Engagement	£30	£30	£30	£30
Consultancy	£45	£50	£50	£50
Hospitality	£28	£24	£24	£24
Accounting and financial services	£32	£32	£32	£32
Uniforms and clothing	£15	£15	£15	£15
Vetting	£22	£22	£22	£22
Other items <£20k	£67	£55	£55	£55
<b>Total</b>	<b>£2,061</b>	<b>£2,172</b>	<b>£2,108</b>	<b>£2,095</b>

**Table 8: Analysis of Income**

	2024-25	2025-26	2026-27	2027-28
	£000	£000	£000	£000
Sales - the Senedd shop	(£20)	(£20)	(£20)	(£20)
Accommodation - rental income	(£58)	(£19)	(£19)	(£19)
Other income	(£22)	(£22)	(£22)	(£22)
<b>Total</b>	<b>(£100)</b>	<b>(£61)</b>	<b>(£61)</b>	<b>(£61)</b>

**Table 9: Analysis of Members' salaries and related costs**

	2024-25	2025-26	2026-27	2027-28
	£000	£000	£000	£000
Senedd Members' salaries and on-costs	£6,645	£6,750	£6,953	£7,161
Members' Support Staff salaries and on-costs	£10,641	£11,601	£11,949	£12,308
Allowances and office costs	£2,394	£2,674	£2,727	£2,782
Anticipated underspend	(£500)	(£500)	(£500)	(£500)
<b>Total</b>	<b>£19,180</b>	<b>£20,525</b>	<b>£21,129</b>	<b>£21,751</b>

**Table 10: Budget for the Office of the Standards Commissioner**

	2024-25	2025-26	2026-27	2027-28
	£000	£000	£000	£000
Staff costs	£75	£80	£82	£84
Legal Advice	£26	£25	£26	£26
<b>Total</b>	<b>£101</b>	<b>£105</b>	<b>£108</b>	<b>£110</b>

**Table 11: Budget to support the Independent Remuneration Board**

	2024-25	2025-26	2026-27	2027-28
	£000	£000	£000	£000
Staff costs	£482	£504	£519	£535
Fees and Expenses	£47	£47	£47	£47
Other costs and expenses	£98	£51	£31	£31
<b>Total</b>	<b>£627</b>	<b>£602</b>	<b>£598</b>	<b>£614</b>



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