

Supplementary Budget 2025-26

Explanatory Memorandum

May 2025



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Background

The 2025-26 Commission Budget was included in the Annual Budget Motion under Standing Order 20.26 and was approved in Plenary on 20 November 2024, following scrutiny by the Senedd's Finance Committee.

The budget motion provided the Commission with £83.845 million of Resource Budget in relation to:

- 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; and
- Pre-Election preparatory work.
- 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).

This Explanatory Memorandum is laid in compliance with Standing Order 20.32, in support of changes to be proposed to the Commission's approved 2025-26 budget, via a Supplementary Budget Motion.

Explanatory memorandum

The effect of the Commission's supplementary budget will be to increase the overall Commission budget by £0.773 million with a corresponding increase in the net cash requirement. The following changes are proposed:

- **An increase to the Commission's budget of £0.475 million to reflect the increase in Employer NI contributions;**
- **An increase in the budget for Members' salaries and related costs of £0.298 million to reflect the increase in Employer NI contributions;**

Budget Amendments

Increase in Employer NI contributions – Commission Staff

The 2025-26 budget was laid on the 27 September 2024 and debated in Plenary on 20 November 2024. On 30 October 2024 the Chancellor of the Exchequer delivered the UK Government’s Autumn Budget in Parliament. The most significant tax decisions announced by the chancellor were changes to the National insurance contributions (NICs), effective from 6 April 2025:

- The rate of employers’ NICs will rise by 1.2 percentage points to 15%.
- The level at which employers start paying NICs for each employee will fall from £9,100 to £5,000.

The expectation is that funding will be made available by HM Treasury to mitigate the impact of the increase. It is not possible for the Commission to meet these additional costs from within existing resources due to the scale of project delivery during 2025-26 to deliver the change to a larger Senedd and support the on-going Ways of Working programme.

The Commission budget was laid before the Autumn budget was delivered and therefore the impact of the increase in Employer NICs was not included.

The increase in Employer NI contributions means that the Commission will incur additional employment taxes from 6 April 2025 to the value of £0.475 million.

Increase in Employer NI contributions – Budget for the Independent Remuneration Board’s Determination

The increase in Employer NI contributions has a corresponding increase in the amount required of £0.298 million to meet the cost of salaries for Members and their Support Staff.

Budget impact

The impact of the increase in Employer NI contributions will be:

- **An increase in the Commission’s budget of £0.475 million**
- **An increase in the budget for the Remuneration Board’s Determination of £0.298 million**

Budget Ambit

This supplementary budget submission is laid in compliance with Senedd Standing Order 20 to assist in the compilation of the Budget Motion required by Section 126 of the Government of Wales Act 2006. This submission seeks to amend the resource and annually managed expenditure requirements of the Senedd Commission for the year ending 31 March 2026.

The Supplementary Budget Motion authorises 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, and the cash amount that will need to be issued from the Welsh Consolidated Fund to meet the anticipated net amounts falling due for payment by the Commission.

The amended 2025-26 Budget for the Senedd Commission, addressing the revised requirements, is set out in Table 1 below.

Table 1: 2025-26 Budget for the Senedd Commission 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	£84,618
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
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	£80,348

Table 2 below reconciles the net resource requirement to the cash drawing requirement from the Welsh Consolidated Fund.

Table 2: Cash requirement	£'000 2025-26 Laid Budget	£'000 2025-26 Revised Budget
Members' net revenue requirement	20,525	20,823
Office of the Standards Commissioner	105	106
Independent Remuneration Board Costs	602	609
Senedd Reform	4,674	4,686
Ways of Working	2,130	2,135
Commission net revenue requirement	52,501	52,951
Net capital requirement	2,308	2,308
Annually Managed Expenditure	1,000	1,000
Subtotal	83,845	84,618
Adjustments		
Depreciation	(5,000)	(5,000)
Interest charges/Capital adjustments	(600)	(600)
Rental payments	2,330	2,330
Movements in provisions	(1,000)	(1,000)
Net cash requirement from the Welsh Consolidated Fund	79,575	80,348
Increase in cash requirement		773



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