



Cynulliad National
Cenedlaethol Assembly for
Cymru Wales

Panel on Financial Support for Assembly Members **RAMPPA(4)**

Assembly Member Allowances

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Purpose

1. This paper provides the Panel with details of the Allowances currently available to Assembly Members; outlines relevant recommendations made by the Senior Salaries Review Body in respect of Members of Parliament; and highlights some of the major issues attaching to these Allowances.

Background

2. The Panel has agreed to consider allowances issues which are urgent on the basis of evidence received. This paper gives an overall picture, to enable the Panel to have sufficient information to prioritise. The SSRB report was published on Wednesday 16 January 2008, shortly after the end of the second meeting of the Review Panel.

Office Costs Allowance

Outline

3. Members are entitled to claim an Office Costs Allowance of up to £14,400 to cover the costs to them of furnishing and maintaining an office where those costs are wholly, exclusively and necessarily incurred in connection with their duties as an Assembly Member.
4. Members may also claim an additional amount of Office Costs Allowance in respect of any expenditure of more than £2,000 in any financial year in respect of safety precautions and improved access for their offices.

SSRB Recommendations at House of Commons

5. The SSRB made a number of recommendations which may be relevant to the arrangements in place in the National Assembly,

Recommendation 23: We recommend that office and 'surgery' lease or rental costs should be met in full up to a maximum area of 800 square feet, this area to be reduced by 100 square feet for each member of an MP's staff who is based on the parliamentary estate. Before renting or leasing premises an MP must obtain a certificate from an independent chartered surveyor stating that the premises are suitable for the purpose and that the cost is reasonable in relation to typical office premises in the constituency.

Recommendation 24: We recommend that Incidental Expenses Provision should be renamed Other Office Expenditure and that the ceiling be reduced by £2,500 for each member of an MP's staff with a workstation on the parliamentary estate.

Recommendation 25: We recommend that the ceiling for Other Office Expenditure (before any reduction for staff based on the parliamentary estate) should be £13,839.

Issues

6. AMs have drawn attention in the oral evidence given to the Review Panel that the level of funding available is inadequate to fund accessible offices and that the level of support available to MPs is much higher even though the costs incurred in running an office in the constituency is the same in each case. The costs of adopting the approach advocated by the SSRB for AMs would be significant, but if the Panel felt that it was appropriate to recommend changes, it would be for the Commission to decide whether the cost was affordable.
7. Some AMs have expressed the need for a Start Up Allowance to reflect the heavier costs incurred in their first year of finding and establishing an office and this is an issue which might merit further consideration in a fuller review. The fact that there is a Winding Up allowance to close down an office may add weight to the need for such a provision. This proposal is unlikely to be put in place in any event before the 2011 elections.

Disability Allowance

Outline

8. A Member who, because of a disability, requires additional resources to perform their responsibilities as a Member, may claim an additional allowance calculated on the basis of an assessment of the nature and extent of that Member's disability and the consequential level of additional resources required.

SSRB Recommendations at House of Commons

9. The SSRB made no recommendations which are relevant to the arrangements in place in the National Assembly,

Issues

10. No issues have been identified in evidence received to date. This is an area which could be taken up as part of the more fundamental review.

House of Commons Communications Allowance

Outline

11. On Wednesday 28th March 2007, the House of Commons approved the establishment of a Communications Allowance, effective from 1st April 2007. This was in accordance with the recommendation of the Members Estimate Committee 2006-07 ([House of Commons Paper No. 319](#)).
12. The allowance is designed to assist MPs in communicating with the public on parliamentary business and will provide £10,000 per year for each Member, uprated annually in line with any increase in the Retail Price Index.
13. The Communications Allowance may be used to meet expenses for:
 - Regular reports and constituency newsletters
 - Questionnaires and surveys
 - Petitions
 - Targeted communications
 - Contact cards
 - Distribution costs including direct mailing and postage
 - Websites
 - Some capital purchases

SSRB Recommendations at House of Commons

14. The SSRB made one recommendation which may be relevant to the arrangements in place in the National Assembly,

Recommendation 26: We recommend that the Communications Allowance be renamed Communications Expenditure and be confirmed at £10,000 a year. It should be uprated in April each year in line with movement in RPIX.

Issues

15. Despite it being a fairly new Allowance, the House of Commons has experienced a number of difficulties in its operation resulting in a number of Standards Committee cases. ([Conduct of Mr Martin Salter and Mr Rob Wilson](#); [Conduct of Mr Elfyn Llwyd, Mr Adam Price, and Mr Hywel Williams](#); [Conduct of Mr Norman Baker, Mr Malcolm Bruce and Mr Sadiq Khan](#)) These resulted in a [report](#) being produced on publications produced and funded from the Communications Allowance.
16. The Westminster Standards Commissioner made a number of recommendations which should be considered if such an allowance were to be introduced in the National Assembly. These include recommending that:
 - a) a closed period should be introduced in respect to a European Parliament, devolved legislature or local government election (excluding elections to community and parish councils) during which Members would be prohibited from proactive written communication with constituents funded from the Communications Allowance;
 - b) the closed period should apply also in the case of by-elections to the afore-mentioned bodies;
 - c) the closed period should be defined by reference to the relevant regulatory period for candidate's election expenses; and
 - d) the prohibition on distribution of Communications Allowance-funded material by Members to constituents should embrace not only newsletters but all other written forms of publication (such as leaflets, circular letters and surveys) with the exception of purely factual material.
17. Other issues which would need to be considered would include the use of party colours or logos, the content of the publication and the means of distribution.
18. The cost of introducing such an allowance at the same level as that of the House of Commons would be around £600,000.

Additional Costs Allowance

Outline

19. The Additional Costs Allowance reimburses Members for expenses necessarily incurred in staying overnight away from their main home for the purpose of performing their duties as a Member.

20. Members whose main home is located within one of the following constituencies may claim up to £3,900 payable in respect of the costs of any overnight stay away from home.

| | | |
|---------------------------|-----------------|-------------------|
| Caerphilly | Cardiff Central | Cardiff North |
| Cardiff South and Penarth | Cardiff West | Newport East |
| Newport West | Pontypridd | Vale of Glamorgan |

21. Members whose main home is not located within one of these constituencies listed may claim up to £12,500 in respect of the costs of any overnight stay away from home. It is also payable in respect of costs to the Member of providing a second home in Cardiff covering items such as furniture, mortgage interest and rent.

SSRB Recommendations at House of Commons

22. The SSRB made one recommendation which may be relevant to the arrangements in place in the National Assembly,

Recommendation 28: We recommend that Additional Costs Allowance should remain at its current rate and should be renamed Personal Accommodation Expenditure.

Issues

23. Recent cases which have emerged at the House of Commons, together with evidence submitted both to this Review and to the corresponding review at the Scottish Parliament suggest that there are a number of issues arising from this allowance. In summary:-
- It is possible that Members could make a windfall gain if they buy a property which increases in value over the period they use it as an AM. There is also a risk (which the Member bears) if the property falls in value.
 - Members are able to claim the cost of food etc for nights spent away from home without the need to provide receipts (in Wales, the current limit is about £30 per night)
 - The reported Westminster case of a home having been purchased by means of the Additional Costs Allowance and Westminster and subsequently transferred to a trust and then rented from the trust by means of the Additional Costs Allowance would also need to be addressed.
 - The boundaries of qualifying and non-qualifying constituencies might be usefully be reviewed in order to ensure that they remain appropriate

Travel

Outline

24. Members are expected to travel by the most cost effective means, taking into account the actual cost of the travel and the cost of any overnight stay expenses on Assembly business by Assembly Members within Wales.
25. Members may also travel elsewhere in the UK at public expense on Assembly business provided that the reason for the journey has been approved in advance and meets one of the following criteria:
- It is for a stated Assembly reason
 - It is related to a matter currently before the Assembly or one of its Committees on which the Member serves
 - It is pertinent to a constituent or has relevance as a general constituency interest
26. In any year each Member is entitled to make a total of three return journeys between the United Kingdom and any of the European Community Institutions in Brussels and one return journey to any one of the European Community Institutions in Luxembourg or Strasbourg or the national parliament of another European Union member state. In either case, the principal purpose of the visit must be undertaken for purposes in connection with the responsibilities of the Member as an Assembly Member.
27. A Member may apply to the Presiding Officer for permission to visit a regional parliament, regional council or regional assembly within the European Union. The application must show clearly the likely benefits of the visit to the business or interests of the National Assembly for Wales and clearly indicate the people or organisations to be visited. Any visit made under this paragraph shall be in place of a visit that might otherwise be made to any one of the European Community Institutions in Luxembourg or Strasbourg or the national parliament of another European Union member state.
28. Travel by car, motor cycle and bicycle is paid at the HM Revenue & Customs Approved Mileage Rates as follows:

| | Up to 10,000 miles | Over 10,000 miles |
|-------------------------|--------------------|-------------------|
| Motor Mileage Allowance | 40 p per mile | 25 p per mile |
| Motor Cycle Allowance | 24 p per mile | 24 p per mile |
| Bicycle Allowance | 20 p per mile | 20 p per mile |

SSRB Recommendations at House of Commons

29. The SSRB made no recommendations which are relevant to the arrangements in place in the National Assembly,

Issues

30. No issues have been identified in evidence received to date.

Family Travel

Outline

31. A Member is entitled to claim for the cost of his/her partner and any child under the age of eighteen making a journey by public transport between Cardiff and the constituency, or Cardiff and the Member's registered home. Members do not need to travel with their family. However, a Member may only claim for 12 single journeys in each year for members of their family.
32. A partner is defined for the purposes of this allowance as:
- A legally married spouse
 - Civil Partners as defined in the Civil Partnership Act 2004
 - A person of either sex who is co-habiting with the Member and who has been nominated in writing to the Fees Office as the Member's partner

SSRB Recommendations at House of Commons

33. The SSRB made one recommendation which may be relevant to the arrangements in place in the National Assembly,

Recommendation 27: We recommend that partners of MPs who are named in the PCPF as sole beneficiaries should be entitled to the same travel arrangements available to spouses and civil partners.

34. However, this recommendation has been implemented in the National Assembly for some time.

Issues

35. No issues have been identified in evidence received to date.

Assembly Member Support Staff

Outline

36. A Member is entitled to claim a Staff Salaries Allowance to cover the costs to them of people employed by them in an administrative, clerical or secretarial capacity or to undertake research where those costs are wholly, exclusively and necessarily incurred in connection with their duties as a Member of the Assembly. This allowance covers the salary and related Employer's National Insurance Contributions for up to 3.0 full-time equivalent staff. No more than 1.0 full-time equivalent staff may come from Band 1 as defined below. No more than 1.0 full time equivalent staff may come from Band 2 and the remainder from Band 3.

| Band | Posts typically covered |
|------|---|
| 1 | Office Managers |
| 2 | Senior Secretaries Senior Caseworkers Research Assistant Press Officer |
| 3 | Caseworker Junior Secretary |

37. The full time equivalent salary scales for these posts are as follows:

| BAND | Point 1 | Point 2 | Point 3 | Point 4 | Point 5 |
|-------------|----------------|----------------|----------------|----------------|----------------|
| 1 | £19,761 | £21,578 | £23,562 | £25,728 | £28,094 |
| 2 | £16,805 | £18,534 | £20,441 | £22,545 | £24,865 |
| 3 | £15,171 | £16,383 | £17,692 | £19,104 | £20,630 |

38. Members may claim an additional amount not exceeding £5,400 to cover the costs of overtime, training, travel, bonuses etc (including the additional Employer's National Insurance Contributions relating to any such payments)
39. Members may also claim an allowance in respect of the cost to him/her of contributions made to the personal pension plan of any staff paid from the Staff Salaries Allowance or Office Costs Allowance in respect of directly employed cleaning staff of 10% of the salary paid to the relevant member of staff. The payment is made directly to the pension provider by the Assembly on behalf of the Member.
40. Members may also claim a Temporary Staffing Allowance to meet the costs of any additional expenses wholly, exclusively and necessarily incurred in respect of his/her Assembly duties in obtaining temporary secretarial or research assistance whilst a person to whom a salary is paid by them under the Staff Salaries Allowance is prevented through illness, maternity leave or adoptive leave from providing such assistance.

41. In addition, each Member is entitled to claim the cost to them of members of their staff making up to a total of 18 return journeys by public transport each year between Cardiff and the Member's constituency.

SSRB Recommendations at House of Commons

42. The SSRB made a number of recommendations which are relevant to the arrangements in place in the National Assembly,

Recommendation 19: We recommend that the Staffing Allowance be renamed Staffing Expenditure, and Temporary Secretarial Allowance be renamed Temporary Secretarial Expenditure.

Recommendation 20: We recommend that the Staffing Expenditure ceiling should increase to allow MPs to employ up to 3.5 full-time (or equivalent) members of staff.

Recommendation 21: We recommend that the ceiling on Staffing Expenditure for the equivalent of 3.5 full-time staff where all those staff are based outside London should be £96,630.

Recommendation 22: We recommend that the ceiling on Staffing Expenditure for the equivalent of 3.5 full-time staff should be increased by £1,720 for each full-time equivalent member of staff based in London, up to a maximum of £102,650 where all staff are based in London.

Issues

43. In June 2007, the Assembly Commission increased the level of staffing support available to AMs to 3.0 full time equivalents to match the level of support afforded to MPs. The SSRB recommendation if matched in the Assembly would result in a cost to the Assembly of up to £600,000 if AMs took up such an increased entitlement in full. The Labour AMSS have submitted evidence suggesting an increase to 4.0 full-time equivalent staff.
44. The Panel will also be aware of the concerns which have arisen as a consequence of the House of Commons Standards Committee Report into the [Conduct of Mr Derek Conway MP](#). The Assembly Commission will shortly be considering whether any restrictions need to be introduced in the National Assembly for Wales. This could have implications for the additional amount of Staff Salaries Allowance available for bonuses etc.

45. AMs have expressed some concerns about the levels of AMSS salaries. This is particularly marked in respect of caseworkers who are currently in Band 3 (£15,171 - £20,630) – it has been suggested that caseworkers should be re-categorised as Band 2. Evidence from the Labour AMSS would support this view.
46. This would mean adjusting the allowance so that no more than 1.0 full-time equivalent staff may come from Band 1 as defined below. No more than 2.0 full time equivalent staff may come from Band 2 and the remainder from Band 3. This would give AMs slightly more flexibility. The cost to the Assembly would be up to £300,000, depending upon how many AMSS were re-categorised and where on the salary scale they were situated.
47. The SSRB produced an analysis of typical support staff roles (though it should be noted that the House of Commons range includes an allowance for the additional cost of living in London at the higher end) benchmarked against both London and national market comparators. The national comparators are reproduced in the table below together with the AMSS equivalent salaries:

| Role | Benchmark roles | Current House of Commons range (£) | Current AMSS range | National market | |
|-------------------------------------|---|------------------------------------|---|-----------------|------------------|
| | | | | Market average | Market range |
| Office manager/ Executive Secretary | Office manager/ Senior Office Administrator/ Senior PA | 19,825 to 37,245 | 19,761 to 28,094 (AMSS Band 1) | 29,000 | 26,500 to 33,000 |
| Senior Secretary / PA | Director's Secretary/ Senior Secretary/ PA | 16,221 to 28,235 | 16,805 to 24,865 (AMSS Band 2) | 21,750 | 19,000 to 26,000 |
| Junior Secretary / Admin Assistant | Manager's Secretary/ Senior Clerk/ Clerical Assistant/ Receptionist | 13,216 to 23,429 | 15,171 to 20,630 (AMSS Band 3) | 18,000 | 15,000 to 21,000 |
| Senior research Assistant | Senior researchers in public sector organisations | 25,833 to 37,245 | 26,763 to 32,799 (AMSS Band 4 – group staff only) | 27,000 | 25,000 to 29,000 |

| Role | Benchmark roles | Current House of Commons range (£) | Current AMSS range | National market | |
|--|---|------------------------------------|--------------------------------|-----------------|------------------|
| | | | | Market average | Market range |
| Assistant Researcher, Parliamentary Assistant/Constituency Assistant | Researchers in public sector organisations/graduate level | 16,221 to 28,235 | 16,805 to 24,865 (AMSS Band 2) | 22,500 | 19,500 to 25,000 |
| Senior Caseworker | Senior Caseworkers in public sector organisations | 16,221 to 27,634 | 16,805 to 24,865 (AMSS Band 2) | 26,500 | 22,500 to 30,000 |
| Caseworker | Caseworkers in public sector organisations | 12,615 to 23,429 | 15,171 to 20,630 (AMSS Band 3) | 19,000 | 16,500 to 23,000 |

48. Some AMs have previously expressed concern at the low level of redundancy payment payable to AMSS when their employing AM retires, resigns, dies or is defeated. At present, this is limited to Statutory Redundancy Pay only.
49. Evidence from the Labour AMSS also suggests that instead of one additional amount of money to cover the costs of overtime, training, travel, bonuses etc there should be separate ring-fenced amounts available for these purposes. Their argument is that staff feel uncomfortable asking for overtime payment because such payments are made from the same pot as staff training and bonuses and any such claim may have the effect of denying other members of staff the opportunity for career development or a bonus at the end of the year.
50. The Labour AMSS also advocate increasing the amount available for overtime, training, travel, bonuses, temporary research work etc. but have suggested no appropriate level.

Party Leaders' Allowance

Outline

51. Groups of 3 or more Members are entitled to an allowance to assist them in the discharge of their work in the Assembly. The allowance is payable only in respect of costs which are incurred by them wholly, exclusively and necessarily for the purpose of discharging their responsibilities.

52. Groups may elect to have the allowance calculated by either of the following methods.

53. In the first option:

- (a) each group shall be entitled to an amount(the basic amount) not exceeding £104,400;
- (b) each group which is not represented by a Member in the Assembly Cabinet shall, in addition to the basic amount, receive an additional amount calculated in manner as follows :

For groups of 10 Members or less an amount of £64,400

For groups of more than 10 Members, the above amount plus for each additional 5 Members of the group (or part thereof) an additional amount of £25,150.

54. Staff employed under this option must be appointed to one of the following Bands and be subject to the following scale minima and maxima

| Band | Posts covered | Minimum | Maximum |
|------|---|---------|---------|
| 1 | Office Managers | £19,761 | £28,094 |
| 2 | Senior Secretaries Senior Caseworkers Research Assistant Press Officer | £16,805 | £24,865 |
| 3 | Caseworker Junior Secretary | £15,171 | £20,630 |
| 4 | Senior Researcher | £26,763 | £32,799 |

55. In the second option:

- (a) A party group may claim an allowance to cover the salary and related Employer's National Insurance Contributions for up to 4.0 full-time equivalent staff. No more than 1.0 full-time equivalent staff may come from Band 1 as defined below. No more than 3.0 full time equivalent staff may come from Band 2 and the remainder from Band 3.
- (b) A group of 10 Members or fewer which is not represented by a Member in the Assembly Cabinet may appoint in addition up to 2.0 full-time equivalent staff. No more than 1.0 full-time equivalent staff may come from Band 4 as defined above. No more than 1.0 full time equivalent staff may come from Band 2 and the remainder from Band 3.

- (c) A group of more than 10 Members which is not represented by a Member in the Assembly Cabinet for each additional 5 Members of the group (or part thereof) may appoint the staff set out in (b) and in addition up to 1.0 full-time equivalent staff. No more than 1.0 full-time equivalent staff may come from Band 2 as defined above and the remainder from Band 3.

56. The full time equivalent salary scales for these posts are as follows:

| BAND | Point 1 | Point 2 | Point 3 | Point 4 | Point 5 |
|-------------|----------------|----------------|----------------|----------------|----------------|
| 1 | £19,761 | £21,578 | £23,562 | £25,728 | £28,094 |
| 2 | £16,805 | £18,534 | £20,441 | £22,545 | £24,865 |
| 3 | £15,171 | £16,383 | £17,692 | £19,104 | £20,630 |
| 4 | £26,763 | £28,159 | £29,628 | £31,172 | £32,799 |

57. Party groups may claim an additional amount of Staff Salaries Allowance to cover the costs of overtime, training, travel, bonuses etc (including the additional Employer's National Insurance Contributions relating to any such payments), the purchase of necessary equipment and hire of facilities etc.

58. The additional amount shall be calculated as follows:

- (a) each group shall be entitled to an amount (the basic amount) not exceeding £9,500;
- (b) each group which is not represented by a Member in the Assembly Cabinet shall, in addition to the basic amount, receive an additional amount calculated in manner as follows :

For groups of 10 Members or fewer an amount of £5,600

For groups of more than 10 Members, the above amount plus for each additional 5 Members (or part thereof) an additional amount of £2,300.

SSRB Recommendations at House of Commons

59. The SSRB made no recommendations which are relevant to the arrangements in place in the National Assembly as the Party Leaders' Allowance does not exist in the House of Commons. The closest equivalent is the Short Money arrangement.

Issues

60. This allowance is subject to the same concerns as those identified in relation to the Staff Salaries Allowance.

Resettlement Grant

Outline

61. Former Members may claim a Resettlement Grant if they are serving as an AM immediately before an ordinary election of the Assembly is a Member of the Assembly and either
- is not a candidate for re-election; or
 - is a candidate for re-election but is not re-elected,
62. The amount of the grant is expressed as a percentage of yearly salary and is determined by age (at the election) and length of service as a Member of the Assembly before the election. Assembly Members who are also Members of Parliament or Members of the European Parliament and who have their Assembly salary reduced by two-thirds in accordance with the National Assembly for Wales (Assembly Members)(Salaries)(Limitation)Order 1999 (SI 1999 No 1083) will have their Resettlement Grant calculated by reference to the unabated salary level.
63. The relevant percentages are shown in the following Table.

| Age | Length of service | | | | | | |
|------------|-------------------|----|----|----|----|----|------------|
| | under 10 | 10 | 11 | 12 | 13 | 14 | 15 or over |
| Under 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| 50 | 50 | 50 | 52 | 54 | 56 | 58 | 60 |
| 51 | 50 | 52 | 55 | 58 | 62 | 65 | 68 |
| 52 | 50 | 54 | 58 | 63 | 67 | 72 | 76 |
| 53 | 50 | 56 | 62 | 67 | 73 | 78 | 84 |
| 54 | 50 | 58 | 65 | 72 | 78 | 85 | 92 |
| 55 to 64 | 50 | 60 | 68 | 76 | 84 | 92 | 100 |
| 65 | 50 | 58 | 65 | 72 | 78 | 85 | 92 |
| 66 | 50 | 56 | 62 | 67 | 73 | 78 | 84 |
| 67 | 50 | 54 | 58 | 63 | 67 | 72 | 76 |
| 68 | 50 | 52 | 55 | 58 | 62 | 65 | 68 |
| 69 | 50 | 50 | 52 | 54 | 56 | 58 | 60 |
| 70 or over | 50 | 50 | 50 | 50 | 50 | 50 | 50 |

64. Assembly Members who have at any time during their period of service held a salaried office (e.g. Presiding Officer or Committee Chair) receives an additional payment by way of Resettlement Grant. This additional payment is equal to the amount of salary payable as the holder of that office in the three months before they ceased to hold that office. If a Member held more than one office during that period, the amount of salary on which this payment is based will be the higher, or as the case may be, the highest amount payable for an office.

65. Any Member whose health precludes their continued participation as a Member of the Assembly is entitled to claim an Ill Health Retirement Grant on ceasing to be a Member. The level of grant payable is calculated on the same basis as a claim for a Resettlement Grant.

SSRB Recommendations at House of Commons

66. The SSRB made one recommendation which may be relevant to the arrangements in place in the National Assembly,

Recommendation 30: We recommend that, with effect from the general election after next, Resettlement Grant should be paid at a rate of one month's salary for each year of service as an MP, up to a maximum of nine months' salary, to MPs who lose their seats at a general election or whose seats disappear as a result of boundary changes.

Issues

67. AMs are not 'employed' but are elected office holders and as such the age discrimination legislation does not apply to them. However, the current arrangements for the grant are contrary to the principle of the legislation.
68. The grant is designed to assist with the costs of 'adjusting to non-Assembly life' and currently pays most to those aged between 55 and 64 who have been in the Assembly for 15 years or more (no AM will reach this length of service until the 2015 Election). The grant is thus designed to fulfil much the same purpose as redundancy payments. Such payments are not normally made to workers who retire or resign. Moreover, the level of payments varies according to length of service.
69. The SSRB believe the Resettlement Grant should be aligned with those principles and therefore that it should be paid at Westminster only to MPs who have stood unsuccessfully at a general election or whose seats have been abolished as a result of boundary changes. (MPs who are deselected by their parties, or whose constituencies are changed but not abolished would not be entitled to a Resettlement Grant unless they stood and were defeated at the next election.)
70. However, there would be a danger of AMs standing in constituencies where they have no chance of winning or seeking to be placed low on the regional list of their party to ensure that they qualified for the Grant which would make a mockery of the process. It would seem simpler to allow all retiring/defeated AMs to remain eligible for the Grant.
71. Adjusting the rules of the Grant to more closely align with redundancy arrangements as suggested by the SSRB would appear sensible as it would then be far easier for AMs to understand their entitlement.

Winding Up Allowance

Outline

72. A former AM (or the personal representative of a deceased AM) is entitled to claim an allowance in respect of the cost of bringing their Assembly affairs to a close. The amount that can be claimed shall not exceed one third of the total sum of the Office Costs Allowance, the other Staff Costs element of the Staff Salaries Allowance currently in force and the actual salaries in payment to staff employed by the former Member on the day he/she left the Assembly.
73. These payments will typically include the staff, office and travel costs necessarily incurred on Assembly duties that remain outstanding. It is used to pay for the orderly termination of staff contracts, office leases etc and covers expenditure which would previously have been met from the Staffing Allowance and Office Costs Allowance, together with specific expenses resulting from leaving the Assembly, such as removal expenses and the disposal of confidential waste.

SSRB Recommendations at House of Commons

74. The SSRB made one recommendation which may be relevant to the arrangements in place in the National Assembly,

Recommendation 31: We recommend that the Winding Up Allowance be renamed Winding Up Expenditure and that, after the next general election, the ceiling be calculated as one third of the relevant annual Staffing Expenditure, plus one third of the limit on Other Office Expenditure and one third of the actual annual office rent or lease claimed by each MP concerned.

Issues

75. One small issue arose after the 2007 Election when it was realised that the definition currently in force does not include the Employer's National Insurance Contributions which attach to the salaries of support staff of the defeated/retiring AM. This caused some slight difficulties in ensuring that all costs were covered and could usefully be incorporated into any revised definition of the Winding Up Allowance.

Summary of Recommendations

That the Panel:

- **notes the current allowances regime in place in the Assembly;**
- **notes the SSRB recommendations on Pay, Pensions and Allowances of Members of Parliament and their potential impact on the allowances if replicated in respect of Assembly Members;**

- **indicates its views on which allowances need to be adjusted immediately and which can await a fuller review, having considered the evidence given.**