

Supplementary Budget 2023-24: Explanatory Memorandum

June 2023



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Contents

Background	5
Explanatory memorandum	6
Budget Amendments	6
Budget impact.....	6
Budget Ambit	7

Background

The 2023-24 Commission Budget was included in the Annual Budget Motion under Standing Order 20.26 and was approved in Plenary on 23 November 2022, following scrutiny by the Senedd's Finance Committee.

The budget motion provided the Commission with £67.643 million of Resource Budget in relation to:

- **£41.089 million for Senedd services; and**
- **£17.834 million for the Remuneration Board's Determination for Members of the Senedd.**
- **£6.272 million for depreciation and interest charges relating to IFRS16 leases;**

A further £1.800 million was provided for non-cash accounting adjustments in respect of the Members of the Senedd Pension Scheme, through the Annually Managed Expenditure budget, £0.101 million was provided for costs associated with the office of the Standards Commissioner and £0.547 million for the Remuneration Board Support.

This Explanatory Memorandum is laid in compliance with Standing Order 20.32, in support of changes to be proposed to the Commission's approved 2023-24 budget, via a Supplementary Budget Motion.

Explanatory memorandum

The effect of the Commission's supplementary budget will be to reduce the overall Commission budget by £0.435 million with a corresponding reduction in the net cash requirement. The following changes are proposed:

- **A reduction in the ICT costs budget of £0.107 million;**
- **A reduction in the Accommodation and Facilities budget of £0.208 million**
- **A reduction in the Project Fund of £0.120 million**

Budget Amendments

The 2023-24 budget was debated in Plenary on 23 November 2022 with the result that the Commission was requested to reduce the overall estimate.

The original estimate provided a 4.06% increase compared to the 1st Supplementary Budget of 2022-23.

This revised budget, reduces the total budget to a 3.39% increase compared to 2022-23.

This has been achieved via contract negotiations, global reductions in energy prices and a corporate decision to reduce project expenditure.

Budget impact

The Supplementary Budget Motion proposes the following:

- **A decrease in the Commission's budget of £0.435 million.**
- **A decrease in the net cash requirement of £0.435 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 2024.

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 2023-24 Budget for the Senedd Commission, addressing the revised requirements, is set out in Table 1 below.

<p>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 Remuneration Board; any other payments relating to functions of the Senedd or the Commission.</p> <p>Resources other than accruing resources for use by the Commission in respect of decisions of the Remuneration Board and expenditure in respect of Members of the Senedd Pension provision.</p>	67,208
<p>Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the Commission:</p> <ul style="list-style-type: none"> from the disposal of fixed assets and other capital income for use on the purchase or acquisition of fixed assets; or rental income; gifts; grants; recharges and income from commercial sales and other services provided to the public or others for use on administrative costs of the Senedd. 	£170
Amount to be issued from the Welsh Consolidated Fund to meet the anticipated amounts falling due for payment in the year in respect of the above services and purposes less expected retainable receipts and recoverable VAT	61,536

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

Table 2: Cash requirement	£'000 2023-24 Laid	£'000 2023-24 Revised
Members' net revenue requirement	17,834	17,834
Office of the Standards Commissioner	101	101
Independent Remuneration Board Costs	547	547
Senedd Reform	571	571
Commission net revenue requirement	46,290	45,855
Net capital requirement	500	500
Annually Managed Expenditure	1,800	1,800
Subtotal	67,643	67,208
Adjustments		
Depreciation	(5,406)	(5,406)
Interest charges/Capital adjustments	(866)	(866)
Rental payments	2,300	2,300
Movements in provisions	(1,800)	(1,800)
Movement in debtors and creditors	100	100
Subtotal	(5,672)	(5,672)
Net cash requirement from the Welsh Consolidated Fund	61,971	61,536
Decrease		(435)