

The National Assembly for Wales Commission

BUDGET PROPOSALS 2008/9



Cynulliad National
Cenedlaethol Assembly for
Cymru Wales



THE NATIONAL ASSEMBLY FOR WALES COMMISSION

BUDGET FOR THE YEAR ENDING 31 MARCH 2009

Summary

1. The National Assembly for Wales is invited to consider this budget submission which has been prepared in compliance with Standing Order 27. It is also intended to assist 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 National Assembly for Wales Commission (the Assembly Commission) for the year ending 31 March 2009.
2. The Budget Motion will authorise the net resources to be used for the services and purposes of the Assembly Commission, 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 2008/9 Budget for the Commission, addressing these requirements, is set out below:

Table 1: The Assembly Commission 2008/9 Budget

	£000
Resources other than accruing resources for use by the National Assembly for Wales Commission on revenue and capital costs associated with the administration and operation of the National Assembly for Wales ("the Assembly"); promotion of the Assembly including payments to the Electoral Commission and others; payments in respect of the Commissioner for Standards; any other payments relating to functions of the Assembly or functions of the National Assembly for Wales Commission.	46,181 Plus liability in respect of recoverable VAT
Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the National Assembly for Wales Commission: <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;• Rental income; gifts; income from commercial sales and other services provided to the public or others for use on administrative costs of the Assembly.	160 Plus recoverable VAT
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.	40,757

3. The resource budget is analysed by subjective expense and income heading at Annex 2 and by objective functional or service heading at Annex 3. Annex 4 reconciles the net resource requirement to the cash drawing requirement from the Welsh Consolidated Fund. Annex 5 aligns new spend for 2008/9 with the Assembly Commission's Strategic Aims for the Third Term of the Assembly.

Analysis of budget changes

4. The approved net resource budget for the Commission in 2007/8 was £33.582m, and a supplementary budget request of £3.04m has been included in the Supplementary Budget Motion of the Minister for Finance & Public Service Delivery, due for debate 26 November 2007. This additional resource reflects costs that have arisen since approval of the 2007/8 budget in October 2006, consisting of developments such as: additional Assembly Members' Support Staff; improving education facilities for visiting children; funding costs linked to the departure of AMs following the 2007 Elections; and making a provisional allocation for the review of Assembly Members' pay and allowances. Additionally, in recognition of the new constitutional structure, an estimated £5.139m is to be repatriated from the Welsh Assembly Government's expenditure accounts to the Assembly Commission's to reflect capital charges, and provisions under Financial Reporting Standard 17 for the Members' Pension Fund. This is not a new cost, but an accounting transfer of existing costs. Some further adjustments are necessary to reflect movements from revenue funding to capital; and the removal of exceptional and one-off items totalling £1.39m, which will not carry forward into 2008/9.

5. Table 2, supported by Annex 1, presents an adjusted baseline budget for 2007/8 of £40.371m.

Table 2: Adjusted 2007/8 baseline budget

	Revenue £000	Capital £000	Total £000
Net 2007/8 approved budget for the Assembly Commission:	33,512	70	33,582
<i>Add new commitments arising during 2007/8, subject to in-year supplementary budget motion:</i>	2,640	400	3,040
<i>Add recurring costs transferring from the Welsh Assembly Government, subject to in-year supplementary budget motion:</i>	5,139	-	5,139
<i>Transfer of revenue funds to capital projects during 2007/8:</i>	-630	630	-
Revised 2007/8 baseline:	40,661	1,100	41,761
<i>Less exceptional and non-recurring items in the 2007/8 budget:</i>	-990	-400	-1,390
Adjusted 2007/8 baseline:	39,671	700	40,371

6. The movements from the adjusted 2007/8 baseline to the net resource request for 2008/9 of £46.181m are summarised in Table 3:

Table 3: Movements in budget from (adjusted) 2007/8 to 2008/9

	Revenue £000	Capital £000	Total £000
Adjusted 2007/8 baseline:	39,671	700	40,371
<i>Transfer of capital funding to revenue:</i>	650	-650	-
<i>Add pay and price inflation:</i>	1,400	-	1,400
Comparative 2008/9 budget:	41,721	50	41,771
<i>Add proposals to support the Assembly Commission's strategic priorities:</i>	2,910	1,500	4,410
Net 2008/9 resource request:	44,631	1,550	46,181

7. Price inflation at 2.5% (£700,000) on Members' pay & allowances and general running costs has been included in the comparative budget. Commission staff pay is linked to a three-year settlement, with the pay rise for 2008/9 adding on average 3.4% (£300,000), coupled with incremental movement of on average 4% (£400,000).
8. Under the overall purpose of making the Assembly an accessible and effective parliamentary body that inspires the confidence of the people of Wales, the Commission has agreed its strategic aims for the Assembly's Third Term:
- **To promote and widen engagement in devolution**
The next four years must demonstrate that the Assembly is working for all citizens and encouraging greater and more active participation in the democratic process. We will emphasise the positive impact of the Assembly upon the lives of people in Wales. There will be greater incremental devolution through the 2006 Act, and there may be a referendum for greater legislative competence, we will be ready to grasp these challenges enthusiastically.
 - **To show unity, leadership and a bold response to constitutional change**
The Assembly will show confidence and competence in embracing its new powers. We are united in securing scrutiny and legislation of the best quality, and in supporting Members in all that they do as elected representatives.
 - **To demonstrate respect, probity and good governance in all our work**
All that we do must be capable of intense external scrutiny, be transparent and should reflect the diverse nature of Wales and its languages in how it deals with and involves the citizen.

- **To work sustainably**
We will show leadership in how we manage our work and estate, and we aim to provide the highest achievable level of sustainability in both.
- **To ensure that the Assembly has the best service, provided in the most effective way**
We will take the services provided for Members and the people of Wales to a higher level, while demonstrating wise and effective use of its resources and value for money. The ethos of service, to Members and anyone who engages with the Assembly, drives everything that we do.

9. New spending proposals built into the budget to support these aims are set out in Annex 5, and encompass enhancing the services available to Members to ensure the Assembly can function effectively and meet the challenges of the Government of Wales Act 2006. The Commission is keen to provide Crèche facilities for visitors and staff; to enhance the use of the historic Pierhead building; and to widen engagement in devolution, but these proposals are too early in development to be able to accurately estimate resource implications at this time. The Commission has therefore included provisional allocations in the Budget, to provide flexibility for the proposals to proceed once the resource implications have been more accurately quantified. In view of this, and proposals to develop ICT shared services with the Welsh Assembly Government, the Commission flags that it may be necessary to consider a supplementary budget during the course of 2008/9, should the provisional allocations prove to be insufficient, or excessive.

Forward look

10. Indicative forward-look budgets are set out in the following table:

Table 4: Indicative resource and cash budgets for 2009/10 and 2010/11

	2009/10 £000	2010/11 £000
Indicative Resource Budget (excluding Accruing Resources)	47,566	48,993
Indicative Accruing Resources Budget	160	160
Indicative Cash Budget	41,974	43,227

11. The indicative resource and cash budgets are dependent on the developing service needs that will be determined by the Assembly Commission over the course of the year.

Annex 1**Adjusted 2007/8 Baseline Budget**

	Revenue £000	Capital £000	Total £000
APPROVED NET BASELINE BUDGET 2007/8	33,512	70	33,582
<i>New commitments, subject to supplementary budget</i>			
Elections 2007, costs arising for the Commission	880		
Budget adjustment for Assembly Member allowances, Deputy Ministers and the Counsel General (pro rata)	500		
Increase Assembly Members' Support Staff by 0.5fte (pro rata)	400		
Provisional allocation for the review of Assembly Members' pay and allowances	400		
Improving education facilities for visiting children and other groups	-	400	
Additional cost of Assembly Parliamentary Service staff pay settlement	350		
Operation Black Vote and support to the Electoral Commission	110		3,040
<i>Add - costs transferring from the Welsh Assembly Government</i>			
	5,139		5,139
<i>Transfer of revenue funds to capital projects during 2007/8</i>			
	- 630	630	-
REVISED 2007/8 BASELINE, subject to supplementary budget			
	40,661	1,100	41,761
<i>Less - exceptional and non-recurring items in the 2007/8 budget</i>			
Elections 2007, costs arising for the Commission	-880		
Improving education facilities for visiting children and other groups	-	-400	
Operation Black Vote and support to the Electoral Commission	-110		- 1,390
ADJUSTED 2007/8 BASELINE			
	39,671	700	40,371

Annex 2**Budget analysed by type of expense and income**

	2008-09 Budget £000	2007-08 Budget* £000	2006-07 Actual £000
<u>Revenue expenditure</u>			
Members' salaries, allowances and related costs	13,676	10,112	10,451
Staff salaries and related costs	12,659	9,786	9,605
Recruitment/other HR costs	159	133	119
Training & development costs	241	294	164
Staff travel and subsistence costs	218	207	168
Information and communications technology costs	3,373	4,342	3,367
Accommodation and facilities costs	5,798	5,625	6,323
Police services and other security costs	656	625	577
Catering services costs	310	288	360
Marketing and publicity costs	551	437	394
Outsourced translation costs	340	422	308
Publications and information services costs	251	235	103
Postage and stationery costs	247	297	277
Other administrative costs	670	660	230
Contingency reserve	867	-	-
Depreciation and notional interest charges	4,775	200	448
Gross Revenue Expenditure	44,791	33,663	32,894
<u>Revenue Income</u>			
Sales - the Assembly Shop	-31	-25	-32
Accommodation rental income	-104	-100	-145
Miscellaneous income	-25	-26	-
Gross Revenue Income	-160	-151	-177
NET REVENUE EXPENDITURE	44,631	33,512	32,717
Capital expenditure - creation of fixed assets	1,550	70	368
Capital income - disposal of fixed assets	-	-	-
NET CAPITAL EXPENDITURE	1,550	70	368
NET RESOURCE REQUIREMENT	46,181	33,582	33,085

* Originally approved budget - excluding the proposed supplementary budget.

Annex 3**Budget analysed by service/function**

2008/9	Revenue Expend £000	Revenue Income £000	Capital Expend £000	Capital Income £000
Corporate Unit	1,473	-	-	-
Legal Services	614	-	-	-
Assembly Business Directorate	6,041	-	-	-
Assembly Operations Directorate	17,357	-160	1,550	-
Assembly Parliamentary Service	25,485	-160	1,550	-
<i>Members' salaries, allowances and related costs</i>	13,664	-	-	-
<i>Depreciation & Notional Interest Charges</i>	4,775	-	-	-
<i>Contingency reserve</i>	867	-	-	-
TOTAL	44,791	-160	1,550	-

Revenue Expenditure	44,791
Revenue Income	-160
Capital Expenditure	1,550
Capital Income	-
NET BUDGET	46,181

Annex 4

Reconciliation of resource requirement to cash drawing requirement from the Welsh Consolidated Fund

	2008-09 £000	2009-10 £000	2010-11 £000
Net Resource Requirement	44,631	47,066	48,493
Net Capital Requirement	1,550	500	500
<i>Adjustments:</i>			
Non-cash charges (depreciation, notional interest)	-4,775	-4,923	-5,076
Impairments	-	-	-
Movements in provisions	-564	-581	-599
Profit/loss on sale of assets	-	-	-
Movements in stocks	-	-	-
Movement in debtors and creditors	-85	-88	-91
Use of provisions	-	-	-
Other	-	-	-
Net cash requirement for issue from the Welsh Consolidated Fund	40,757	41,974	43,227

Annex 5

Assembly Commission alignment of new spend plans with Strategic Aims

	To promote and widen engagement in devolution	To show unity, leadership and a bold response to constitutional change	To demonstrate respect, probity and good governance in all our work	To work sustainably	To ensure the Assembly has the best service, provided in the most effective way	Cost £000
Enhancing legal services available to the Assembly.		✓			✓	300
Improving capacity to support the new legislative processes and increased Committee work.	✓	✓			✓	685
Investment in support for the effective functioning of Assembly Business and the Assembly Commission.	✓	✓	✓	✓	✓	975
Adjustment for Assembly Member Support Staff salaries, Deputy Ministers and the Counsel General.		✓	✓			300
Provisional allocation for the review of AM Pay & Allowances.		✓	✓			1,100
Provisional allocations for improving and opening up the Pierhead; for crèche facilities; and widening engagement in devolution.	✓		✓			1,050
TOTAL						4,410