

National Assembly for Wales
Finance Committee

Scrutiny of the Assembly Commission
Draft Budget 2012–2013

20 October 2011



The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.

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Finance Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

Tel: 029 2089 8597
Fax: 029 2089 8021
email: FinanceCommittee@wales.gov.uk

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Finance Committee

The Finance Committee's functions include:

- considering and reporting on any report or other document laid before the Assembly by Welsh Ministers or the Commission containing proposals for the use of resources;
- considering and reporting on any other matter relating to or affecting expenditure out of the Welsh Consolidated Fund.

A reference to the use of resources is a reference to their expenditure, consumption or reduction in value and includes expenditure payable out of the Welsh Consolidated Fund and any other expenditure met out of taxes, charges and other sources of revenue.

Powers

The Committee was established on 22 June 2011. Its powers are set out in the National Assembly for Wales's Standing Orders, particularly SO 16. These are available at www.assemblywales.org

Committee Membership



Jocelyn Davies (Chair)
South Wales East
Plaid Cymru



Peter Black
South Wales West
Welsh Liberal Democrats



Christine Chapman
Cynon Valley
Welsh Labour



Paul Davies
Preseli Pembrokeshire
Welsh Conservative Party



Mike Hedges
Swansea East
Welsh Labour



Ann Jones
Vale of Clwyd
Welsh Labour



Julie Morgan
Cardiff North
Welsh Labour



Ieuan Wyn Jones
Anglesey
Plaid Cymru

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Chair's foreword

Our consideration of the Assembly Commission's draft budget has been a challenging process.

On the one hand, the Assembly Commission have sought to increase their budget by 6.4%. Though in comparative terms the Assembly Commission's budget is small, this is the largest percentage increase being sought by any organisation funded by the Welsh block. In the current economic climate, with front line public services under enormous pressure, we considered this to be a very difficult increase for the Commission to justify.

On the other hand, we recognise the vital work performed by the Assembly Commission in assisting Assembly Members in holding the Welsh Government to account, making laws, and representing and serving the people of Wales. In the current financial climate, this role is more critical than ever. In addition, the previous Assembly Commission cut its budget by 6% in the previous financial year, the largest cut of any organisation funded by the Welsh block. The Assembly Commission considered its predecessor had cut too deeply, and we have sympathy for this position.

Consequently, we support the Assembly Commission's proposals in its budget, but consider that these should be introduced on a phased basis over 2-3 years.

I would like to thank our witnesses, and my fellow Committee Members, for their contributions throughout our scrutiny of the Assembly Commission's draft budget.

The Committee's Recommendations

The Committee's recommendations to the Assembly Commission are listed below, in the order that they appear in this Report. Please refer to the relevant pages of the report to see the supporting evidence and conclusions:

Recommendation 1. We recommend that the Assembly Commission undertakes to only run a voluntary severance scheme if it has first exhausted all opportunity to redeploy any surplus staff to areas of business need (including retraining them as necessary).

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Recommendation 2. We recommend that the Assembly Commission reconsiders how the increase in its budget can be managed, in line with its original proposal, on a phased basis over 2-3 years.

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Introduction

Who are we?

1. The Finance Committee is a cross party committee of the National Assembly for Wales, made up of Members from all 4 political parties represented at the Assembly.
2. The Committee is not part of the Welsh Government. Rather, the Committee is responsible for reporting on proposals laid before the Assembly by Welsh Ministers relating to the use of resources. The committee can also consider and report on any other matter related to, or affecting, expenditure out of the Welsh Consolidated Fund.

What is the Assembly Commission?

3. The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.
4. The Assembly Commission:

“serves the Assembly to help make it a strong, accessible and forward looking democratic institution and legislature that delivers effectively for the people of Wales.”¹

What is the Assembly Commission's draft budget?

5. The National Assembly for Wales' Standing Order 20.13 sets out that:

“Not later than 1 October in each financial year, a member of the Commission must lay before the Assembly a draft budget for the Commission setting out the amounts of resources and cash which the Commission proposes to use for the following financial year and provisional amounts for the subsequent two years or for such other period as the Commission has agreed with the Welsh Ministers.”²

¹ National Assembly for Wales, Assembly Commission draft budget 2012-2013, page (p) 2.

² National Assembly for Wales, Standing Orders of the National Assembly for Wales, Standing Order 20.12

6. The Finance Committee is responsible for reporting on this draft budget. Standing Order 20.14 establishes the parameters of this report, detailing that:

“The responsible committee’s report may recommend variations in the amounts proposed in the draft budget provided that the net effect of those variations would not increase the aggregate amounts of resources or cash proposed in the draft budget for the Commission.”³

7. We therefore cannot make a recommendation to increase the overall amount of resources or cash proposed in the Commission’s draft budget. We are not, however, precluded from making a recommendation to decrease the amount of resources or cash proposed.

Why did we scrutinise this draft budget?

8. The Assembly Commission receives public money, and as such it is important that it delivers the best value for money possible. Rigorous scrutiny of the Commission’s budgetary proposals is a critical tool in establishing such.

9. As noted above, the Assembly Commission is also responsible for delivering parliamentary services to an excellent standard. It therefore plays an important role in ensuring the Welsh Government is democratically held to account.

10. Following our report, Standing Order 20.16 sets out that:

“A member of the Commission must table a motion that the budget laid under Standing Order 20.15 be agreed and incorporated in the annual budget motion under Standing Order 20.26(ii).”⁴

11. Subsequently, there will be a final budget motion (the annual budget motion), as required by Section 125 of the *Government of Wales Act 2006*. The Government of Wales Act 2006 provides that there must be at least one budget motion (the annual budget motion) moved in relation to each financial year.

³ National Assembly for Wales, Standing Orders of the National Assembly for Wales, Standing Order 20.14

⁴ National Assembly for Wales, Standing Orders of the National Assembly for Wales, Standing Order 20.16

12. Standing Order 20.29 sets out that no amendments can be tabled to the annual budget motion.

How did we scrutinise this draft budget?

13. We considered the National Assembly for Wales Commission Draft Budget for 2012-13 at our meeting of 6 October 2011.

14. At this meeting we took evidence from:

- Angela Burns AM, Assembly Commissioner for budget and governance
- Claire Clancy, Chief Executive and Clerk of the Assembly,
- Steve O' Donoghue, Head of Assembly Resources

15. Following the meeting, on 7 October 2011, the Chief Executive and Clerk of the Assembly provided further written evidence to the Committee on several issues that were raised at our meeting.

16. Our consideration of the key themes and issues arising from the Assembly Commission's evidence, is detailed over the following chapters:

- Strategic focus and priorities for the fourth assembly;
- The overall Assembly Commission budget;
- Sustainability;
- Funding the provision of bilingual services;
- Assembly Members costs;
- Potential implications of ambit changes in budget motions for Direct Funded Bodies.

1. Strategic focus and priorities for the Fourth Assembly

17. In the March 2011 referendum, the Welsh electorate voted “yes” to support greater law-making powers for the Assembly. The Assembly can now pass laws on all subjects in the 20 devolved areas without first needing the agreement of the UK Parliament.

18. Following this ‘yes’ vote, the Commission has stated that in the fourth Assembly it will:

- “strengthen specialist advice and services so that the scrutiny of Welsh Government policy, finance and legislation is sharper, more constructive and better informed;
- ensure that individual Members have the support they need to promote their own proposals for policy and legislative change;
- create an environment for the people of Wales to be increasingly engaged in the work of the Assembly, including the legislative process; and
- deliver all of this in the context of every pound being spent wisely.”⁵

19. In particular, the Commission stated that its strategic focus for the Fourth Assembly would be to:

- “Provide outstanding parliamentary support;
- Engage with the people of Wales;
- Promote Wales; and
- Use resources wisely.”⁶

Providing outstanding parliamentary support

20. One of the key roles of the Assembly Commission is to provide high quality, specialist staff and support services. These services assist the 60 Assembly Members in representing the interests of the people of Wales, scrutinising the actions and expenditure of the Welsh Government and making good law.

⁵ National Assembly for Wales, Assembly Commission draft budget 2012-2013, p5.

⁶ National Assembly for Wales, Assembly Commission draft budget 2012-2013, p2.

21. In their draft budget, the Commission stated that it is their intention to ensure Members continue to have access to expert advice, analytical capacity, logistical support and continuous professional development to enable them to provide outstanding representation for the people of Wales. The Commission also stated that while Members already benefit from a high level of such support, following the ‘yes’ vote there is a need to strengthen areas of support where increased demand is anticipated:

“There will be increased demand for legal, procedural and research advice flowing from the greater volume and complexity of Assembly legislation. Whilst much of that support will be focused on equipping Members to scrutinise government bills, the Commission will also ensure that similar parliamentary support is available to individual Members and committees seeking to develop and promote their own proposals for legislation.”⁷

22. We asked the Commission to provide us with further explanation of why they anticipated increased demand for legal, procedural and research advice and how they would deliver an improved service for Assembly Members. The Commission noted an increased volume of requests for support in the fourth Assembly, with the Chief Executive and Clerk to the National Assembly noting that:

“Chairs are already coming to us and asking to do more and to stretch what they are doing in terms of scrutiny. For example, they are asking for additional, or maybe original research, to complement the work that our research service can do, and for expert advisers.”⁸

23. In addition, the Assembly Commissioner for budget and governance noted that the new legislative competencies of the Assembly merited additional legal advice for Members. She commented that:

“in the third Assembly, the Commission stripped back the budget. That is what we asked it to do. We were on the edge of the recession and it pared the Assembly down to a fairly good level. We now operate in a different landscape. We need more

⁷ National Assembly for Wales, Assembly Commission draft budget 2012-2013, p8

⁸ RoP, Finance Committee, 6 October 2011, Para 11

parliamentary support, for example, more people in the Members' research service. We already have a couple of vacant posts for people with high levels of expertise, namely the kind of people who support you in this committee. The committees need to have a strong power behind them in terms of people who know the scrutiny and legislative processes. We need more lawyers... we are now talking about Bills as opposed to Measures and we also now have responsibility for subsidiarity issues from the European Union, so there is a lot of extra stuff that we need to do.”⁹

24. We consider there was a strong argument for the Assembly Commission seeking to provide greater support to Members. For example, one of our Members commented that:

“there should be more lawyers. It was silly to have just one lawyer, the head of the Legal Service, looking at all the Measures and all the legislative competence Orders in the last Assembly. As someone who has experience of taking an LCO forward and then a Measure—probably the only backbencher to have done so—I know the pressure that was put on the lawyers. People have to realise that Government lawyers are different to Assembly lawyers.”¹⁰

Engaging with the people of Wales and promoting Wales

25. The Commission advised us that they will build on the Assembly's track record in education, e-democracy and public engagement by being '*ground breaking and exemplary*.' The draft budget document states that the budget will enable the Commission to invest in:

- “innovative e-democracy;
- more widespread engagement with people across Wales;
- further activity with schools and young people;
- access for Members to relevant, expert thinking; and
- cost effective tools to provide enhanced bilingual services.”¹¹

26. The Commission detailed that these investments would assist the Commission in working towards its overarching objective that:

⁹ RoP, Finance Committee, 6 October 2011, Para 8 and 10

¹⁰ RoP, Finance Committee, 6 October 2011, Para 14

¹¹ National Assembly for Wales, Assembly Commission draft budget 2012-2013, p9

“by the end of the fourth Assembly, this parliamentary body will be cemented into the hearts and minds of the people of Wales.”¹²

27. For example, the Chief Executive and Clerk of the Assembly detailed that:

“Chairs... want to take committees out beyond Cardiff into other parts of Wales, to ensure that Members can listen to people in Wales, and, possibly, try out new ways of operating as committees with the reference groups and so forth.”¹³

28. We welcome the Commission’s intention to enable greater engagement with the people of Wales. However, we do not consider this to be a significant justification for seeking to increase the overall budget being sought by the Assembly Commission. As one of our Members commented:

“in the third Assembly, committees wanted to go out of the Senedd and did so and that was contained within the budget. So, I do not see why you are using that as an example now and saying that committees will go out in this Assembly. Committees have always gone out although the timetable sometimes makes it difficult... If you are asking for additional money, surely you are looking for additional money for an additional service, and that is not an additional service, because it has always existed and been provided for.”¹⁴

Using resources wisely

29. In their paper, the Commission highlighted £837k of operational savings during 2012-13. Of these:

- £397k were recurring savings gained through changes to processes and contract negotiations;
- £370k were through management of staff turnover and process improvements;
- and a further £70k were achieved through non-recurring savings.

¹² RoP, Finance Committee, 6 October 2011, Para 5

¹³ RoP, Finance Committee, 6 October 2011, Para 11

¹⁴ RoP, Finance Committee, 6 October 2011, Para 13 and 17

30. The non-recurring savings identified by the Commission related mainly to costs that were either unique to 2011-12 (such as the official opening of the 4th Assembly) or costs on which decisions were currently pending (such as car parking facilities).

31. We asked the Commission how robust they considered their projected savings in the draft budget for 2012-13 to be. We were pleased that the Assembly Commissioner for budget and governance responded to us that:

“They are all hard numbers. The budget that was put forward in the third Assembly was all about delivering strong savings, given the economic landscape that was prevalent at the time. To do that, we felt that it was important to identify and drag out the savings. These are hard and fast savings. For example, the savings on photocopier rental were achieved by renegotiating the contracts for the building. We saved on specialist advice on the environmental side as a number of consultants were coming in to give that advice. We have saved on the catering contract, as you know. We have achieved all sorts of other savings—some of which were not very popular, such as car parking. The savings are cast in stone.”¹⁵

32. Similarly, the Head of Assembly Resources commented that:

“One of the encouraging things to have come out of the external challenge sessions was the view from our advisers that we are already a lean organisation. That is exemplified in the proposed 2012-13 budget, which is still less than the budget that we had in 2009-10. The Commission has a good track record on delivering savings in every year.”¹⁶

33. We are pleased that the Commission has identified savings in the 2012-13 budget, and consider that it must continually seek to gain better value for public money.

34. In particular, we consider that a long term, joined-up view needs to be taken in rendering best value for money. We noted for example that the Assembly Commissioner for budget and governance acknowledged that:

¹⁵ RoP, Finance Committee, 6 October 2011, Para 63

¹⁶ RoP, Finance Committee, 6 October 2011, Para 64

“I know from my own experience that, under the old system, my computer at home was always on, and it was so easy—I could just sit down and log straight in. Now there is the hassle of trying to log in, so I find that I do less on my computer at home—it is far more about the reading now; it has fundamentally changed how I work. I know that that is reflected in the experiences of the other 59 Members. ... we need to get smarter and sharper, and one of the investments that we need to make is to have someone who understands how these systems work, has bought systems, has contracted them and scoped them, and then managed them. That will give us long-term savings, not just with regard to making sure that we are buying in the right technology—because we need new technology right across the Assembly estate—but also making the right savings in terms of your time, which is incredibly valuable.”¹⁷

35. Similarly, the Chief Executive and Clerk of the Assembly commented that while buying into shared services was often cheaper than procuring them independently:

“the biggest example that we have of where we are operating within a shared service-type arrangement is the Merlin contract for the current delivery of information technology. We know the frustrations that that causes in not having enough flexibility and control over the delivery of our services.”¹⁸

36. We consider that savings are only genuine savings, if they do not incur wider costs for the organisation, or for Members’ time. As an illustrative example, we consider that it would do little good for the Commission to purchase cheaper ink cartridges, if this ultimately leads to more expense on engineers fixing jammed printers, and Members having their time wasted.

37. In this context, we note that the Commission has sought to “have someone come to join us from the Environment Agency to head-up procurement services.”¹⁹ If such an appointment can render better value for money to the Commission in procuring or renegotiating contracts, we would consider this to be a valuable additional resource.

¹⁷ RoP, Finance Committee, 6 October 2011, Paras 20 and 31

¹⁸ RoP, Finance Committee, 6 October 2011, Para 72

¹⁹ RoP, Finance Committee, 6 October 2011, Para 71

2. The overall Assembly Commission budget

Unavoidable costs and Fourth Assembly Investment

38. In their presentation of the Draft Budget 2012-13, the Assembly Commission broke down the additional funding requested into cost increases to which they were already committed (which were referred to as ‘unavoidable increases’) and provisional allocations intended to strengthen services provided by the Commission (referred to as ‘Fourth Assembly Investment’).

Unavoidable increases

39. The Commission identified £2.27²⁰ million of ‘unavoidable increases’ in their draft budget 2012-13. Apart from depreciation, much of this was due to Assembly staff, support staff and Assembly Member costs, along with a £0.5 million increase in rent.

40. The Commission emphasised that it was largely committed to these increases already and expressed particular concern if the budget was not approved to meet these costs, as their predecessor Commission had already:

“stripped the Assembly to the bone, but, because we are back to the bone and we are that lean, we have very little else to go.”²¹

41. The Assembly Commissioner for budget and governance also noted that:

“of our 6.4 per cent, 5 per cent is for unavoidable costs that we have no ability to do anything about—they are contractual or rent-based costs. Our area of discretionary spend is actually very small... We can squeeze the odd pip here and there—we spoke earlier about pulling out of our apprenticeship programme, for example, which would save some money—but, in trying to deliver the investment that we need to move on and to achieve our outcome, because we have such little amount of wriggle room, there are not an awful lot of things that we can

²⁰ National Assembly for Wales, Assembly Commission Draft Budget 2012-2013, P15. Table 2 of the draft budget actually refers to £2.071 million of unavoidable increases, but this is understood to be a typographical error.

²¹ RoP, Finance Committee, 6 October 2011, Para 75

tackle. I will be absolutely candid with you: if we were to carry on in this Assembly with exactly the same programme of delivery as the third Assembly, we would be looking at losing 60 to 70 jobs within the Assembly Commission.”²²

42. The Commissioner also noted that if the budget was not approved to meet these unavoidable costs

“We would have to stop the investment programme in the IT systems, which means that we would not be able to bring the Chamber up to speed. We have a lot of other contractual matters that we cannot wriggle out of: for example, we know that our current IT system provider’s contract comes to an end in 2014. We may renew the contract with that provider or go elsewhere, but that is something we would have to spend on at the expense of other, softer areas. We took a view that we have to invest in achieving the outcome that we want. We have a small amount of wriggle room, because we are already an incredibly lean organisation.”²³

43. We consider there to be merit in seeking to meet many of these unavoidable costs. While the nature of these costs may be unavoidable, we also consider that the Assembly Commission should make every effort to minimise the scale of such costs.

44. For example, we concur with the Commission that its police contract is essential. However, the degree of police support to the Commission is more debatable. We support the Commission in:

“challenging them [the police on the level of support required]... and asking them to provide the evidence that that is so. We are also undertaking comparisons to see how much police operations in other areas cost.”²⁴

Fourth Assembly Investment

45. The Commission’s draft budget proposals for ‘Fourth Assembly investment’ totalled £1.449 million, including £0.5 million for a restructuring fund. The Commission’s paper stated that this

²² RoP, Finance Committee, 6 October 2011, Paras 74-75

²³ RoP, Finance Committee, 6 October 2011, Para 76

²⁴ RoP, Finance Committee, 6 October 2011, Para 104

restructuring fund would be used for a “potential voluntary severance scheme; organisational change and improving professional capacity.”²⁵

46. We asked the Assembly Commission to provide further information on the purpose of this fund. The Commissioner for budget and governance commented that the fund:

“encompasses such things as Assembly Member training and staff training. We are keen that we start to get skills into the organisation and into the people who work in the organisation. What we use that sum for can be training an Assembly Member staff member—I know this from my constituency office—how to deal with problematic cases, challenging behaviour or a constituent who behaves completely inappropriately. We offer all that and we need to do more than that. We recognise strongly the stress levels that ordinary constituency members of staff are put under because they are not trained. They are not social workers and they are not trained to deal with some of the harrowing things that they come across.”²⁶

47. We consider that there is value in enabling staff to move around an organisation, utilising transferrable and trainable skills to meet business critical needs.

48. However, the Clerk of the Assembly also advised us that the Commission was:

“currently considering whether we should run another severance scheme. As you know, we ran a severance scheme and 25 members of staff left.”²⁷

49. We appreciate that no decision has been taken by the Commission to run a second voluntary severance scheme. However, we are concerned that seeking funds for even the capacity to run a voluntary severance scheme is not compatible with the Commission’s efforts to strengthen its capacity to provide specialist advice and services. As one of our Members commented:

“Perhaps the restructuring fund could retrain staff to do a different job, rather than getting rid of them.”²⁸

²⁵ National Assembly for Wales, Assembly Commission draft budget 2012-2013, p17.

²⁶ RoP, Finance Committee, 6 October 2011, Para 108

²⁷ RoP, Finance Committee, 6 October 2011, Para 109

We recommend that the Assembly Commission undertakes to only run a voluntary severance scheme if it has first exhausted all opportunity to redeploy any surplus staff to areas of business need (including retraining them as necessary).

An increase significantly in excess of the change in the Welsh Block

50. As noted in the introduction of this report, standing order 20.14 determines that we cannot make a recommendation to increase the overall amount of resources or cash proposed in the Commission's draft budget. This does not, however, preclude us from suggesting a decrease in the Commission's overall budget.

51. The Assembly Commission's budget proposals for 2012-13 are for an allocation of £47.6 million. This is a £2.9 million (6.4 per cent) increase, representing a 3.9 per cent increase in real terms,²⁹ on 2011-12. The overall budget for 2012-13 is made up of the following:

- Assembly services - £34.1 million (a 7.6 per cent increase on 2011-12), representing a 5.0 per cent increase in real terms; and
- Assembly Members - £13.5million (a 3.6 per cent increase on 2011-12), representing a 1.0 per cent increase in real terms.

52. We asked the Assembly Commission to justify a rise in its total budget which was significantly in excess of those being sought by Welsh Government departments, and other bodies directly funded by the Welsh Block. As one of our Members commented:

"If we look at the Government's departments, we see an increase between 2011-12 and 2012-13 of 0.5 per cent on the revenue side. Taking the health service as an example, there is an increase there of 1.5 per cent. There is a 3 per cent reduction in the administration of central Government's services. However, the largest increase in any budget, by far, is the increase in the Commission's budget: its budget is increasing 6 per cent, while the Assembly's services budget is increasing 7.6 per cent. ... Will the public not think it a bit odd that the increase in the health service, for example, is four times less in percentage terms than the increase in Assembly

²⁸ RoP, Finance Committee, 6 October 2011, Para 114

²⁹ Real term figures are adjusted for inflation using HM Treasury GDP deflator estimates as at 28 September 2011, 2.5% for 2012-13 and 2.7% for 2013-14 and 2.7% for 2014-15.

services? How can you justify that the administration of the Assembly deserves a higher increase than front-line services?”³⁰

53. The Head of Assembly Resources argued in response that:

“It is probably more important than ever, in these difficult times, for the Assembly to have the best tools possible for Members to do their jobs. In the last budget document we set out the risk that there would be changes in the breadth, timing and quality of services that Members receive, and that there would be a notable change to such things as the contracts supporting the Assembly, and that that would impact on contractor staff. So, that goes almost to the core of what the Assembly does in holding others into account. What the Commission has done in this budget is to decide that rather than cut services and costs by upwards of £2 million—there are unavoidable costs that add nothing to the services we provide you with, but merely hold us level—it would propose a budget increase.”³¹

54. We recognise that the Assembly Commission has a key role in the development of Wales’ democracy, and must be adequately resourced to fulfil this purpose. At the same time it is critical that public money is used as efficiently and effectively as possible. The current financial climate only emphasises that the need for efficient public service delivery continues to be critical. We note that our predecessor committee, the third Assembly’s Finance Committee, commented last year on this issue that:

“The Committee agrees the importance of having regard to what is happening in the wider world. And, with an established organisation or an established methodology, it is often possible to see things that can be done differently or, with the experience one has, look to make cost savings in a different way. At the same time, the role of the Assembly, and its place in the governance of Wales, is developing. While upholding the principle of reflecting changes in the Welsh block, it is

³⁰ RoP, Finance Committee, 6 October 2011, Paras 73 and 78. Latest figures in the Welsh Government’s draft budget suggest an increase between 2011-12 and 2012-13 of 0.6% in revenue for Welsh Government departments, including a 1.21% increase for the Health Service.

³¹ RoP, Finance Committee, 6 October 2011, Para 79

important not to allow such considerations to risk strangling the democracy that is growing in Wales.”³²

55. The Assembly Commission acknowledged that it was pursuing a significantly different response to the current financial climate than that established by its predecessor, the 3rd Assembly Commission. The Commissioner for budget and governance noted that:

“the third Assembly Commission stripped everything right back. It had a different strategy and believed that we should continue to cut, cut, cut. At the end of the day, we are here to represent the people who put us here, and our view as the fourth Assembly Commission is that we must invest in order to deliver those parliamentary services, because we have to underpin what the National Assembly for Wales is all about... the previous Commission believed that we should continue with a programme of cuts. We do not believe that, if we were to cut any further, we would be able to maintain anything like the level of service that we currently provide.”³³

56. We consider that there is a strong argument that the 3rd Assembly Commission cut too far and too deep in its budget the 2011-2012 financial year. For this reason, we have sympathy for the Assembly Commission for seeking to address and rectify the impact of cuts made in the 2011-2012 financial year. One of our Members commented: “I like your budget; I am not unhappy with it.”³⁴

57. Nevertheless, in the current financial climate, we do not consider that the Assembly Commission has provided us with adequate justification for us to support it in seeking a percentage increase to its budget of 6.4% in a single year. We consider that it would be more appropriate for the Assembly Commission’s budget to be increased on a phased basis.

58. We consider that the Assembly Commission should reconsider its budgetary proposals, on the basis of enabling the increase it is seeking to be introduced on a phased basis, over 2-3 years.

³² Report on GEN-LD8272 - National Assembly for Wales - Assembly Commission Revised Draft Budget Proposals (post Spending Review 2010) 2011-12, Finance Committee (Third Assembly), November 2010, Para 20.

³³ RoP, Finance Committee, 6 October 2011, Para 95 and 81

³⁴ RoP, Finance Committee, 6 October 2011, Para 52

We recommend that the Assembly Commission reconsiders how the increase in its budget can be managed, in line with its original proposal, on a phased basis over 2-3 years.

3. Sustainability

59. The Commission advised us that it has set itself a target of reducing the estate's carbon emissions by 40 per cent by 2015. In the first two years up to April 2011, a 19 per cent reduction has been achieved, saving over £100 000 over two years. In their paper, the Commission stated to us that:

“We will need to continue to invest to sustain this progress and to continue to control our spending on energy costs.”³⁵

60. We asked the Commission what actions they were taking to ensure year on year savings in carbon emissions and energy consumption were maintained. The Head of Assembly Resources agreed that this would be challenging, commenting that:

“Having got rid of paper towels in the toilets, we have saved tons of paper from going to landfill, and we now use the energy-efficient hand dryers instead. It is probably fair to say that we have done all the easy stuff. Picking up Ann's point, it will require continuing, major investment if we are to achieve the Assembly's target of 40 per cent carbon emissions reductions by 2015.”³⁶

61. We welcome the Assembly Commission's continuing efforts to reduce its carbon emissions and energy consumption.

³⁵ National Assembly for Wales, Assembly Commission draft budget 2012-2013, p12

³⁶ RoP, Finance Committee, 6 October 2011, Para 128

4. Funding the provision of bilingual services

62. The Assembly Commission agreed on 14 July 2011 to introduce new legislation to clarify the duties of the National Assembly and of the Assembly Commission in relation to the provision of bilingual services on a sound statutory footing, and to bring forward a new bilingual Services Scheme under the proposed legislative framework.

63. At the time of this report's publication, a public consultation on these proposals was underway,³⁷ but there was no reference in the consultation to the legislation leading to any new costs or finance.

64. We asked whether this legislation would have any financial implication on the Assembly Commission, and if so whether the potential costs of these changes were included within the draft budget proposals. The Assembly Commissioner for business and governance clarified that:

“We have a sum included. We are looking to reinstate the bilingual Record; that seems to be the will of the Members. However, we also have a big programme of consultation going on, and the Welsh Language Board is doing a study to review the most cost-effective tools that we could use. We are looking at mechanical reporting methods as well, because there is an awful lot of new technology out there, but again, we are mindful of the cost. When we first looked at reinstating the Record to the level that we were hoping for, the cost was something like £600,000 a year. We have brought that down and down and we are now looking at circa £150,000, and probably slightly less than that.”³⁸

65. We welcome the Commission's efforts both to secure the provision of bilingual services, and to provide such with the best possible value for public money.

³⁷ National Assembly for Wales, [Pre-legislative public consultation on Bilingual Services](#)

³⁸ RoP, Finance Committee, 6 October 2011, Para 133

5. Assembly Members' costs

66. Decisions over the pay and other costs of Assembly Members are the responsibility of the National Assembly for Wales Remuneration Board, established by the National Assembly for Wales Remuneration Measure 2010. The Board is entirely independent of the Assembly and so Members have no direct role in setting their own pay, that of their staff, nor the amounts that can be reimbursed for office and other costs. The Board's decisions are published in its National Assembly for Wales Determination and, by statute it is the Commission's responsibility to secure the funding necessary to meet the costs arising from the Determination.

67. The Board has set the base salary of Assembly Members at £53,852 and frozen it at that level for the next four years together with office holder allowances. The Board has also reviewed and revised the eligibility of certain office and other costs. Over the next four years, the savings include:

- freezing of salaries	£1.500 million:
- freezing office holder allowances	£0.428 million;
- office and other costs	£0.160 million

68. In total, the draft budget states that the cost of Members' salary, support staff and office costs will be £13.5 million in 2012-13, an increase of £468,000 on 2011-12. This reflects the full twelve month pay and allowances available to each Assembly Member. In 2011-12 the Assembly was in dissolution for six weeks, resulting in a lower level of pay and allowances for that election year.

69. We asked the Assembly Commission whether there were any further potential Remuneration Board decisions pending that could affect the Assembly Members' ambit for 2012-13. The Assembly Commissioner for budget and governance responded:

“not to our knowledge, but of course the remuneration board is completely outwith our control and it is our task to provide it with the money to cover any determinations that it chooses to make. I know that it is constantly reviewing the determinations that it has made, and it is also very interested in ensuring that

Assembly Members get the right level of resource support in order to do their jobs. If there were any changes, we would just have to come back to the Government and ask for a supplementary budget.”³⁹

³⁹ RoP, Finance Committee, 6 October 2011, Para 135

6. Potential implications of ambit changes in budget motions for Direct Funded Bodies

70. At our meeting of 28 September 2011, the Minister for Finance outlined to us her plan to change the Welsh Government's budget motion, in order that individual ambit limits could legally be breached as long as the overall total was met.

71. The Minister assured us at this meeting that she intended to continue to produce two supplementary budgets each year. The Minister assured us that her officials had initiated discussions with the Commission in respect of this.

72. We asked the Assembly Commission whether they had a view on the Minister's proposals. The Head of Assembly Resources advised us that:

“There is a good level of trust between the officials of both organisations. It is entirely appropriate for the committee to ensure that there are safeguards in place, so that if the Commission ever does need a supplementary budget, there is a mechanism for us to get that. However, the proposals that I have seen set out from the Government do not appear to risk that being able to be done.”⁴⁰

73. We are grateful to the Assembly Commission for their comments on this issue. Our own consideration of the Welsh Government's proposals is detailed in our October 2011 Report: 'Finance Committee's consideration of a proposal to amend the Welsh Government's Annual Budget Motion.'⁴¹

⁴⁰ RoP, Finance Committee, 6 October 2011, Para 138

⁴¹ Finance Committee, Finance Committee's consideration of a proposal to amend the Welsh Government's Annual Budget Motion, October 2011

Witnesses

The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at

<http://www.senedd.assemblywales.org/mgCommitteeDetails.aspx?ID=229>

6 October 2011

Angela Burns AM	Assembly Commissioner for budget and governance
Claire Clancy	Chief Executive and Clerk of the Assembly
Steve O'Donoghue	Head of Assembly Resources

List of written evidence

The following people and organisations provided written evidence to the Committee. All written evidence can be viewed in full at <http://www.senedd.assemblywales.org/mgCommitteeDetails.aspx?ID=229>

<i>Organisation</i>	<i>Reference</i>
Angela Burns AM, Assembly Commissioner for budget and governance	FIN(4)-04-11 Paper 1