

Y Pwyllgor Cyllid

FIN(3)-05-10 : Papur 2

Cyllideb Comisiwn y Cynulliad - Ymateb i ohebiaeth

Ysgrifennodd Cadeirydd y Pwyllgor Cyllid at Glerc a Phrif Weithredwr Cynulliad Cenedlaethol Cymru ar 25 Chwefror ynglŷn â chyllideb Comisiwn y Cynulliad. Mae'r ymateb wedi'i hategi fel atodiad i'r papur yma.

Gwasanaeth y Pwyllgorau

Angela Burns AM
Chair, Finance Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

Assembly Commission Budget

Date: 2 March 2010

Dear Angela

I refer to your letter of 25 February to Claire Clancy, which has been passed to me to reply in her absence. I shall also address the points raised by the Finance Committee in your letter of 2 February, and my apologies for the delay in doing so.

Supplementary Budget 2009-10

The changes made by the Commission in this latest Supplementary Budget laid by the Welsh Government are simply to regularise the budgeted spend between the accounting definitions of Capital and Revenue. The Committee is aware that the approved budget - that is the control totals for net resource; accruing resource and cash - is not being adjusted.

The Commission's financial management process needs to reflect the changing priorities and work of the Assembly if we are to maximise our effectiveness. We have a flexible, responsive and robust process for managing demand and supply on the Commission's services and resources and a recent audit concluded that we can take "substantial assurance" from the process and its application.

In setting the 2009-10 budget, we advised that our capital budget changes according to the level of capital investment and that we liaise with Welsh Government colleagues who consider the wider issues of capital investment controls. In terms of this latest Supplementary Budget, specifically, £0.85million of the £1.161million increase in our capital budget will come from unallocated funds in our overall budget, with the remaining £0.311million coming from the ICT expenditure budget; both of these items lie within the revenue categorisation. 'Unallocated funds' are the result of changes in budget allocations through the year and the Committee has previously been advised of our arrangements for considering and approving such virements.

I attach at Annex A the Commission's revised budget as it would appear should this Supplementary Budget motion be agreed.

2010-11 Budget

Your letter of 2 February asked specifically whether the £334,000 contingency in the Commission's budget would be called upon to fund the £120,000 for the Pierhead and Remuneration Board. In the work we undertook in reviewing our estimates when re-presenting the 2010-11 budget, we concluded that these potential requirements could be accommodated within existing budgets, rather than from contingency. I would highlight though that the superb facility we have in The Pierhead is new and we expect to have to adjust opening times and operational support based on visitor demands. These demands will become clearer over time following The Pierhead's opening this week, and we will be considering resource levels further in light of this operational experience.

You also sought the information requested in the Committee's report, regarding the efficiencies and savings identified by the Commission as at 30 June 2009. I hope the following further analysis provides this:

Costs reduced as a result of a decision to change what was originally planned and budgeted amount to £111,000

Costs reduced as a result of demand-led activities being lower than anticipated amount to £115,000

Efficiency savings amount to £78,000

And budgets that were overestimated amount to £69,000

Additionally, we have now met with Wales Audit Office colleagues who helpfully outlined progress on efficiencies across the Welsh public sector. Their current programme of work to significantly improve their guidance this year is just starting. We have readily accepted their offer to be part of this process and are looking forward to working with them.

In the meantime, we continue to develop our system for identifying and recording efficiencies. We currently define efficiencies as delivering the same level of performance using less money, fewer people or fewer assets; or an improved performance through the same money, people or assets. I am happy to advise that our latest position identifies £274,000 predominantly through improved performance for the same resource. This £274,000 exceeds our £250,000 efficiency target for the year although it has not yet been subject to audit verification.

I trust this resolves all outstanding issues on the Commission's budget though I would be happy to provide any further information needed. I imagine the Chief Executive will also want to provide the Committee with an update at the close of the financial year.

Yours sincerely

Steven O'Donoghue
Pennaeth Adnoddau'r Cynulliad
Head of Assembly Resources

http://www.assemblywales.org/abthome/abt-nafw/abt-commission/about_us-commission-budget-guidance-2.htm - paragraph 12

Annex A

Assembly Commission Budget 2009-10	22 Oct 2008	8 Dec 2009	Latest
Summary of changes			
	£000	£000	£000
Net Resource Budget	47,751	49,701	49,701
Accruing Resources	160	160	160
Welsh Consolidated Fund (cash budget)	42,351	44,301	44,301
The Net Resource Budget comprised:			
Revenue	47,042	47,042	45,881
Capital	709	2,659	3,820
	47,751	49,701	49,701