

THE NATIONAL ASSEMBLY FOR WALES COMMISSION

DRAFT BUDGET FOR THE YEAR ENDING 31 MARCH 2009

Summary

1. The National Assembly for Wales is invited to consider this draft 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 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 Draft Budget for the Commission, addressing these requirements, is set out below:

Table 1: The Assembly Commission 2008/9 Draft 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; 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.

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 is currently in hand, reflecting costs that have arisen since approval of the 2007/8 budget in October 2006. This consists 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. Some further adjustments are necessary to reflect changes from revenue funding to capital; and exceptional and one-off items totalling £1.39m, which will not carry forward into 2008/9, are removed.
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 currently forms part of the three-year settlement negotiations being led by the Assembly Government. Increments in the Commission for 2008/9 will cost on average 4% (£400,000) with the estimated pay rise adding on average 3.4% (£300,000).
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. The proposals built into the draft budget to support these aims 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. Specifically, this includes increasing capacity in legal services; Members' research and committee services; chamber and legislation services; translation and reporting; accounting, procurement and sustainable development; ICT and broadcasting services and projects; and security. Full-year account is taken of the increase in Assembly Members' Support Staff and salary costs of Deputy Ministers and the Counsel General agreed during 2007/8, and a provisional allocation is included for the review of Members' pay and allowances due to be completed by March 2008.
10. 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 Draft 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

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

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

	2009/10 £000	2010/11 £000
Baseline	46,181	47,566
<i>Add pay and price inflation</i>	1,385	1,427
Net indicative resource request	47,566	48,993

12. The indicative resource request is dependent on the developing service needs that will be determined by the Assembly Commission over the course of the year.

Recommendation

That the National Assembly for Wales considers the draft budget as summarised in Table 1.

Date laid: 24th September 2007

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

	2008/9 Budget £000	<i>2007/8 Budget £000</i>	<i>2006/7 Actual £000</i>
<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
Travel and subsistence	£218	£207	£168
Training & development costs	£241	£294	£164
Information and communications technology	£3,373	£4,342	£3,367
Accommodation	£5,798	£5,625	£6,323
Catering	£310	£288	£360
Security	£656	£625	£577
Recruitment/Other HR costs	£159	£133	£119
Marketing & Publicity	£551	£437	£394
Translation	£340	£422	£308
Other	£2,035	£1,192	£610
<i>Total</i>	£40,016	£33,463	£32,446
<u>Capital charges</u>			
	£4,775	£200	£448
<i>Total Revenue Expenditure</i>	£44,791	£33,663	£32,894
<u>Revenue income</u>			
Shop	-£31	-£25	-£32
Rental income	-£104	-£100	-£145
Other	-£25	-£26	-
<i>Total income</i>	-£160	-£151	-£177
Net Revenue Expenditure	£44,631	£33,512	£32,717
<u>Capital expenditure</u>			
Purchase and acquisition of assets	£1,550	£70	£368
<i>Total</i>	£1,550	£70	£368
<u>Capital income</u>			
Disposal of fixed assets	-	-	-
<i>Total</i>	-	-	-
Net Capital expenditure	£1,550	£70	£368
Net resource requirement			
	£46,181	£33,582	£33,085

Annex 3

Budget analysed by function/service

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	18,224	-160	1,550	-
<i>Assembly Parliamentary Service</i>	26,352	-160	1,550	-
<i>Members' salaries, allowances and related costs</i>	13,664	-	-	-
<i>Depreciation & Capital Charges</i>	4,775	-	-	-
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

	2008/9 £000
Net expenditure	46,181
<i>Less non-cash charges (depreciation, notional interest)</i>	<i>-4,775</i>
Movement in provisions for liabilities and charges	-564
Movement in year-end debtors and creditors	-85
Use of provisions	-
Net cash requirement	40,757