



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Cyllid
The Finance Committee**

**Dydd Llun, 8 Tachwedd 2010
Monday, 8 November 2010**

Cynnwys
Contents

- 3 Ymddiheuriadau a Dirprwyon
Apologies and Substitutions
- 4 Cyllideb Ddrafft Comisiwn y Cynulliad
Assembly Commission Draft Budget
- 21 Cynnig Trefniadol
Procedural Motion

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau pwyllgor yn bresennol
Committee members in attendance

Angela Burns	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Rosemary Butler	Llafur (yn dirprwyo ar ran Ann Jones) Labour (substitute for Ann Jones)
Andrew Davies	Llafur Labour
Brian Gibbons	Llafur Labour
Nick Ramsay	Ceidwadwyr Cymreig Welsh Conservatives
Janet Ryder	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Yr Arglwydd/Lord Dafydd Elis-Thomas	Cadeirydd Comisiwn y Cynulliad Chair of the Assembly Commission
-------------------------------------	--

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Dianne Bevan	Prif Swyddog Gweithredol Chief Operating Officer
Claire Clancy	Prif Weithredwr a Chlerc y Cynulliad Chief Executive and Clerk of the Assembly
John Grimes	Clerc Clerk
Catherine Hunt	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 4.50 p.m.
The meeting began at 4.50 p.m.

Ymddiheuriadau a Dirprwyon
Apologies and Substitutions

[1] **Angela Burns:** Good afternoon. I welcome you all to this meeting of the Finance Committee. You are welcome to speak in Welsh or English, and headsets are available for translation. Please switch off all mobile phones and any other gadgety stuff—she says, as the Presiding Officer plugs his laptop in. We will make an exception for that. If the fire alarms go off, please follow the ushers. We have received apologies from Chris Franks, Lorraine Barrett and Peter Black. They are all Assembly Commissioners, and therefore it is only right and proper that they are not present today. We welcome Rosemary Butler as Ann Jones's substitute. Thank you for coming, Rosemary.

4.51 p.m.

Cyllideb Ddrafft Comisiwn y Cynulliad Assembly Commission Draft Budget

[2] **Angela Burns:** This afternoon, we are discussing the Assembly Commission's draft budget for 2011-12. I welcome the Presiding Officer to this meeting. Could you please introduce your colleagues, for the record?

[3] **The Presiding Officer (Dafydd Elis-Thomas):** I believe that they are the same colleagues who came with me last year. It is a delight to have them back, and to be with you as a committee. I am joined this afternoon by the Chief Executive and Clerk of the Assembly, Claire Clancy, and by the Assembly's Chief Operating Officer, Dianne Bevan. For the purposes of this meeting, Dianne is also the Assembly's director of finance.

[4] **Angela Burns:** Thank you all for coming today. Do you wish to make any opening comments, Presiding Officer? While doing so, you may care to give thought to how you have prioritised your key strategic objectives for this coming year, during the course of this budget process, and given our financial circumstances.

[5] **Y Llywydd:** Gwnaf y datganiad agoriadol yn Gymraeg, yn ôl fy arfer. Atebaf gwestiynau yn yr iaith y gofynnir hwy.

The Presiding Officer: I will make my opening statement in Welsh, as is my usual practice. I will answer questions in the language in which they are asked.

[6] Diolch yn fawr am y cyfle hwn. Cymerodd Comisiwn y Cynulliad ddau benderfyniad strategol. Yr oedd y cyntaf yn codi o'r cyngor a gawsom gennych fel pwyllgor y llynedd, sef ei bod yn bwysig ein bod yn gwahanu ein cyllidebau yn glir, yn enwedig gan fod rhan sylweddol o'n cyllideb erbyn hyn nad yw'n dod o fewn ein rheolaeth uniongyrchol ni, sef cyllideb y bwrdd taliadau annibynnol. Mae'r ffaith ein bod wedi gosod y gyllideb honno ar wahân yn glir yn adlewyrchu ein hawydd i dderbyn y cyngor a gawsom, ac yn enwedig i sicrhau bod gwahaniaeth clir rhwng cyllideb gwasanaethau'r Cynulliad, sef yr hyn a welwch yn rhan gyntaf yr adroddiad, sydd â'i chwmpas ei hun iddi, a'r gyllideb sy'n perthyn i'r bwrdd, sydd â'i chwmpas ei hun iddi hithau.

Thank you for this opportunity. The Assembly Commission took two strategic decisions, the first of which arose from the advice that we received from you as a committee last year, namely that it was important that we separate our budgets clearly, particularly as a significant part of our budget is no longer within our direct control, namely the budget of the independent remuneration board. The fact that we have set that budget apart clearly reflects our desire to accept the advice given to us, and also to ensure that there is a clear separation between the budget for Assembly services, which is what you will see in the first part of the report, which has its own ambit, and the budget available to the board, which also has its own ambit.

[7] Cymerwyd penderfyniad strategol clir gennym ynglŷn â chyllideb gwasanaethau'r Cynulliad, sef y byddem yn dod i mewn o dan ein canran o wariant yn y bloc Cymreig. Credwn bod honno'n egwyddor bwysig i'w gosod yn yr amgylchiadau cyllidol presennol, fel y cyfeiriasoch atynt, Gadeirydd. Gwnaed y penderfyniadau hynny yn gynnar yn nhrefodaethau'r Comisiwn, a hynny ar sail yr egwyddor a osodwyd yn ein cyflwyniad, sef

We took a clear strategic decision regarding our budget for Assembly services, namely that we would come in under our percentage of the Welsh block. We believe that that is an important principle to set out in the current financial situation, as you referred to, Chair. Those decisions were taken early on in the Commission's deliberations on the basis of the principle set out in our introduction, namely that it is a part of the Commission's function to ensure that the Assembly is an

ei bod yn rhan o swyddogaeth y Comisiwn i sicrhau bod y Cynulliad yn gorff seneddol hygrych ac effeithiol, ond un sydd hefyd yn ennyn hyder pobl Cymru. Credwn mai'r ffordd o ennyn hyder pobl yw dangos nad ydym yn gwario mwy arnom ein hunain, yn ychwanegol mewn unrhyw ffordd—yn wir yn llai—na'r hyn sy'n cael ei wario ar wasanaethau Cymru.

open and flexible parliamentary body, but also one that has the confidence of the people of Wales and that inspires their confidence. We believe that the way to do that is to show that we are not spending more on ourselves, additionally in any way—indeed, we are spending less—than is spent on services in Wales.

[8] **Angela Burns:** Members may ask questions as they wish. I see that you have a question, Andrew.

[9] **Andrew Davies:** Could you tell us some more about how you will approach this, Presiding Officer? I welcome your overall aspiration to deliver within the overall ambit that you mention. However, on reductions and efficiency savings, did you apply a flat rate across, or did you seek to prioritise within your overall budget? Can you give us some examples of how you prioritised?

[10] **The Presiding Officer:** Having taken the strategic decision that we would come in below our proportion of the Welsh block, from then on in, my colleagues took that through in their individual service budgets, bearing in mind that there are key aspects of our functions that must be delivered. Communication of what we do is part of the democratic process because you cannot have, as you well know, a democratic process that is not clear and intelligible to those who are represented in that process. So, there were difficult decisions about how we handled our communications budget, as well as our process budget, but all these areas were individually assessed for the value of what we did, and there was a clear invitation to the heads of service to find savings, not on the basis of crude percentages, but on the basis of what they could still deliver effectively. Perhaps on the detail of that, I should maybe ask you, Claire, because I am conscious of my governance position. Staffing is a matter for the chief executive. I am not involved in staffing, and I have no intention of being involved in it. That would be embarrassing because I am married to one of the staff. Similarly, on the finance side, the resource deployment follows on from the strategic approach. I emphasise that, because we do not micromanage, and I do not encourage any of my colleagues, who are your colleagues and are not here today, to micromanage either.

[11] **Mrs Clancy:** As the Presiding Officer said, we divided the budget into two: the Members' ambit and the services ambit. I will deal first with the Members' ambit—and you may want to come back later with some questions, because we took a different approach to the two different ambits. On the Members' ambit, in the draft budget as you have it now, we just applied the same percentage reduction as will happen to the Welsh block. We did some calculations to work out whether, once the remuneration board has made its decisions, the figures that we came to would make the situation affordable. Of course, if it comes to a decision that requires more money, we would have to have a supplementary budget, but we have done some calculations about what would be affordable within the budget, having just top-sliced it, equivalent to the Welsh block.

[12] We took a different approach on the Assembly services budget, where six or eight months ago we began looking, from the bottom up, at all the services that we provide and all the teams that we have, and prioritising within that the existing five strategic goals of the Assembly. We were looking for areas in which we could make savings, and not only in 2011-12. The more challenging thing about the spending review is to deliver recurring savings that will mean that we can deliver savings year on year. That is much more difficult. Given that, and because such a big proportion of our budget is made up of staffing costs, it meant that we had to look at how we were going to reduce staffing costs. One example is that we recently

had an early severance scheme and 25 people will be leaving the organisation by early December. That will deliver recurring savings. We looked at every single aspect of the budget on that basis. I am sure we will come on to specific examples.

[13] **Andrew Davies:** On the outturn, I know that there was an underspend of £2.1 million in 2008-09, as I understand it, which equates to 3.7 per cent, and the outturn in 2009-10 was £0.85 million, or 1.7 per cent. Obviously, the underspend had reduced. On a technical point, what happened to that underspend? Are you allowed to carry it forward?

[14] **Mrs Clancy:** No.

[15] **Andrew Davies:** Is there no incentive for you to do that?

5.00 p.m.

[16] **Mrs Clancy:** No. Indeed, last year, the committee made a number of recommendations about our approach, which we have taken on board to your satisfaction, I hope. One of which was the way in which we set our contingency level before and our treatment of two things: spend where we could not be certain about the figures, where the committee asked that we should include those in the budget lines, but make it clear where there was a degree of uncertainty; and, secondly, that we should not embark on a year deliberately looking to underspend, and if we knew that we could deliver with less, we should set out intending to deliver with less, not building extra into the budget—which we have not done anyway, but that is the way it could have looked—and then underspending. So, we aim to spend the budget that we plan for. Within the year, there is usually scope to reprioritise, so that if something is not coming along track—and there are all sorts of reasons why that might happen—we redeploy the resources so that we come in as close to budget as possible.

[17] In general, our approach to financial management and governance is exceptionally strong. This is one area in which it has been weaker, and it is about ensuring that we deploy, redeploy and reprioritise in-year. So, we set up a change board this year, and the management board also looks at the budget on a monthly basis to ensure that we are making early decisions. For this year, it is about ensuring that any projects, where we do not have a high level of confidence that they will be delivered to time and budget, will be replaced with something essential that can be delivered to time and budget within the financial year. So, we are working on that at the moment.

[18] For this year, we are projecting an underspend of less than 2 per cent, which is the tolerance that we like to work to, but that includes high levels of spend in the remainder of the year on projects, so there is a risk there.

[19] **The Presiding Officer:** It might also be helpful if I add that, when we discussed this in the Commission, there were not firm figures for some things, for example the potential spend of the remuneration board and the costs of the election. For example, we can budget for those of you who have indicated that you do not intend to be with us after the election, but we cannot budget for those who may not return on account of the decision of the electorate. We decided that we would not try to guess that but look for a realistic figure. If a situation arises in which we need to spend more in that area, we will have to seek more resource. That is the responsible way to manage. We are not service deliverers, in the sense that we are providing outcomes in the same way as public services. In democratic delivery, maintaining the confidence of the voters must be the main driver of what we do.

[20] **Brian Gibbons:** I will ask two questions, if I may. You mentioned the five strategic objectives, which you have listed as bullet points in paragraph 3 of your document. Is there a performance framework underpinning that, so that you know that the money that you are

spending is delivering against those five priorities? There is commendable detail in many aspects of the budgetary papers, but what I found difficult to calculate was how those service changes were reflected in the five priorities that you have there. In other words, the five priorities include promoting and widening engagement in devolution, showing unitary leadership, having a bold response and so on, but how did you decide to allocate the relative priorities to those five strategic objectives in financial terms?

[21] **Mrs Clancy:** We look at what is being delivered and at how that relates to the five strategic goals. We are quite used to working with the five strategic goals because we have had them since 2007, and, for the past couple of years in our annual report and accounts, we have been reporting spend against each of those strategic goals.

[22] **Brian Gibbons:** Do you have a performance framework by which you judge the outcomes for that?

[23] **Mrs Clancy:** Yes, we do, so—

[24] **Brian Gibbons:** Is that in the public domain?

[25] **Mrs Clancy:** It is, yes. The breakdown of the money against each of the goals is in annex B of the budget. Then, we have key performance indicators, key risks and key milestones, and we have a dashboard for those, so that we have a high level of monitoring against each of those strategic objectives. Our entire risk framework is linked to the five strategic goals; they are used in a practical and day-to-day way within the organisation, and everybody within the organisation is familiar with how the work that they do feeds towards those goals. So, it is very much outcome based and, in particular areas of activity, people carrying out those activities recognise where they fit within the strategic structure.

[26] **Brian Gibbons:** Annex B gives you the sums allocated to those areas of activity that you mention, but it does not state—or at least, I could not work out—how those five priorities were taking the various shares of the efficiencies and so forth. The figures are there, but I cannot comment further on what there might have been and why, because I do not know what relative weights, or otherwise, are attached to this. You need a trend, or something like that, to decide why you are spending; for all I know, that £5.5 million to promote and widen engagement in devolution could be a 20 per cent increase compared with last year.

[27] **Mrs Clancy:** We have those figures from last year's annual report, which we can use for a comparison. We can easily let the committee have those trends. I also come back to the process that we went through at the beginning of the summer. When we took a bottom-up look at everything that was going on, one of the key questions was around what contribution things made to each of the strategic goals. That is an absolutely key challenge. If the answer is that it is not clear or that it does not make a contribution, that is very strong grounds for not continuing to do something. It is a sort of iterative process, and we can certainly produce the evidence against each of them.

[28] **Brian Gibbons:** Where on the website is the performance framework?

[29] **Mrs Clancy:** It is in the annual report and in the section where all the papers for the Commission are published. I will send you the link.

[30] **Brian Gibbons:** Thank you.

[31] **The Presiding Officer:** If you have any other recommendations about how you would like us to improve the presentation of our information, we are certainly up for that. I am conscious that it is not always the case that the way in which we produce papers for each

Commission meeting provides you with the overview that you might require. However, the material is all there, so if you want us to rework it in some way for this committee, we can do that.

[32] **Janet Ryder:** On supporting committees and the committee structure that we have, the costings that you have given are presumably based on the committee system that we operate at the moment. However, this budget could lock an Assembly into that structure in a future year. What capacity is there to change that, should the structure, remit, or number of committees alter with an incoming Assembly?

[33] **The Presiding Officer:** The driver for that, of course, is the review of Standing Orders, and part of that, on the staffing side, is the strong leadership that is being presented by our senior management team for flexible working. Important recommendations in the original review chaired by Sir Roger Jones are in the process of being implemented, and will be implemented for the fourth Assembly. It is absolutely clear that it is for whoever will be the Commission in the fourth Assembly to determine the priority of resources. The fact that we set a particular figure in a budget does not mean that the spend will be as we have decided. Clearly, we would not anticipate an increased spend on committees; if anything, I would expect a decrease in spend or, at least, different priorities within committees, depending on the results of the referendum and various other issues. It is quite clear that, in the way that we plan our budget year on year, we are not prejudging any decisions taken on priorities in terms of process by the next Assembly Commission. We would not do that, just as the Standing Orders, if they are agreed by this Assembly, will be handed over to the next Assembly to accept or reject. It will be the same approach with the Commission budget. Clearly, we have to plan year on year, but that does not imply that we are able to legislate for what the fourth Assembly will want to do.

5.10 p.m.

[34] **Angela Burns:** I now call on Nick.

[35] **Nick Ramsay:** Thank you, Chair.

[36] **Angela Burns:** I am sorry, Nick. It is Rosemary next. I am sorry, Rosemary; I am skipping your questions with gay abandon. That is really bad of me. Please accept my apologies.

[37] **Rosemary Butler:** Good afternoon, Llywydd. In paragraph 9 of the draft budget, you state that priorities for 2011-12 are protecting the core business of legislation, transition to the fourth Assembly, changes following the referendum on further powers, and planning for reduced resources, which will mean fundamental changes. Therefore, my questions will be around those. First, what are the likely fundamental changes to services provided by the Commission due to the scale of cuts for 2011-12?

[38] **The Presiding Officer:** I do not think that we quite look at it in that way. Changes in service are not driven by the funding base; it is the other way about. What will drive us immediately for the next Assembly, as I indicated earlier, will be the review of Standing Orders. As you will know, this is the first time that we are in charge of our own Standing Orders without having to refer to any Secretary of State. There is nothing wrong with any Secretary of State, of course, but this is the first time that we are entirely in charge of our Standing Orders. As a result of that process, we hope that we will have a streamlined and cost-effective way of operating. Therefore, that is what will drive the consequences of this draft budget.

[39] **Mrs Clancy:** To build on that, the big changes are set out in paragraph 22 of the draft

budget. Basically, if you look at the figures, you will see that the biggest reductions will be in staffing where, because of the number of people who have now left us, the net saving will be £700,000 a year, information technology, accommodation and also on the engagement budget. They are the areas where you will see the biggest changes next year compared with this year.

[40] **Rosemary Butler:** Following on from that, do you believe that the Assembly has a sufficient budget to respond to the demands caused by the transition to the fourth Assembly and either a 'yes' or 'no' vote in the referendum?

[41] **The Presiding Officer:** The answer to that is 'yes', for two reasons. First, I stated quite clearly at the beginning that the principle is that we come within 0.3 per cent of the Welsh block grant, and that that must be our position. In a sense, that is the envelope that we have to spend. Therefore, we have to relate our expenditure to what we believe is ethically appropriate for an elected body to spend on itself as a proportion of what is spent in the rest of the block on delivered services. We start from that basic principle, which then informs our whole way of thinking. I am pleased to say that that way of thinking has been taken on board very strongly, not just by the chief executive and chief operating officer, who are here today, but also by other directors and heads of service. The thinking works on from that.

[42] When we come to looking at what we may have to do in the fourth Assembly, one thing on which we are currently working is to prepare for all eventualities. Clearly, in the event of a 'no' vote, we will continue with the present system of acquiring legislative powers, which, in my view, has been relatively successful in that we have created more than 20 pieces of Welsh law in the three and a half years that we have been operating. Therefore, we would build on that. In the eventuality of a 'yes' vote, we would clearly be able to redeploy our legislative committees, because we would not be undertaking scrutiny of Orders. However, there is also the issue of the deficit of scrutiny in other areas, which I know exercises the Chair of the Constitutional Affairs Committee, particularly on powers derived by Welsh Ministers from Westminster legislation rather than those that come to the Assembly, and also in the area of subordinate legislation and the increasing practice among Welsh Ministers of making law by declaring great principles and then putting everything in Orders. That is entirely a personal view, but it is a constitutional principle.

[43] **Angela Burns:** We are delighted to hear your views, Presiding Officer.

[44] **The Presiding Officer:** That has resource implications for scrutiny. We will be looking, in the fourth Assembly, in any eventuality, for ways of shifting resource in our budget in order to be more effective across those areas.

[45] **Rosemary Butler:** Andrew mentioned quality and you just mentioned outcomes. The quality of what we are delivering is important to everyone. You said that you will see what happens, but how will you monitor the impact of these cuts on the performance of quality services? What will you put in place to do that?

[46] **The Presiding Officer:** As you can see from the way that I am putting it, I am not looking at this in terms of cuts being imposed upon us. We have willingly stated the level of budget that we intend to come in on, because we think that that is a democratic principle. So, the whole way of thinking of the Commissioners who have taken that principled decision goes across to all the rest of the people who are implementing that on the finance and staffing sides. It is not a case of cutting our activity because of the amount of cloth that we have, but rather making a virtue of the fact that we are not spending more on ourselves than is available, proportionately, compared with our budget, for the people of Wales. That is where we are coming from. So, it is not the case that we have had cuts imposed upon us by the spending review. We have volunteered to behave in this way, because it is what we believe is

responsible. We do not think in those terms, if I may say so.

[47] **Mrs Clancy:** On working with less in the coming years, as I have already said, we have strong governance and performance management frameworks already in place. They will help us to ensure that crucial services are being delivered. So, we have the dashboard and the outcome indicators that we have talked about, a well-developed risk management framework, and the virement policies that the committee urged us to refresh last year.

[48] What is also incredibly important, and we need to redouble our efforts on this, is our dialogue with Members and the feedback that we look for to ensure that services are meeting needs on a day-to-day basis. We will be making some changes to the structure over the coming months in preparation for the fourth Assembly that will not only help us to work with less and to deliver more efficiently, but will bring together services to Members in a way that will improve them, ensuring that that dialogue is easier and more regular, and that we are catching problems early enough. Our job is to ensure that you can do your jobs—that is all that our job is. So, we need those feedback loops to ensure that we are doing that effectively. With less money, it is even more important that we do that actively and that we have a fast feedback loop to identify the times when we are not doing it.

[49] **Angela Burns:** The committee appreciates your stated objective of mirroring what is happening in the wider world. That is absolutely right and proper. The only thing that exercises us a little is that, if you have an established organisation or an established methodology, you can often see things that you can do differently and you have experiences behind you, so you can look to make cost savings and trim in a different way. What we are trying to express is that the Assembly is a child that will, hopefully, next year mature into an adult. In order to get that adult up and running and strong, we will have to put a lot of things into it. While upholding those principles of reflecting the Welsh block and so on, we do not want to risk strangling the democracy that is growing in Wales. Democracy is never cheap, and it is not as if this is established. I take on board your point, Presiding Officer, that, because we will not have the LCO process, we will save time, resources, and so on, in passing straightforward law. It is about ensuring that the money and the resources that were put aside for that would equate to the kind of resources that you would need on this side if the outcome of the referendum is positive, to ensure that equality is driven through. Would that be a fair summation, Rosemary? I believe that that is what is exercising us in all the questions to you on this part.

5.20 p.m.

[50] **The Presiding Officer:** As Commissioners, we regularly scrutinise any evidence of service failure in our democratic performance. We are advised on that by our senior management team, which is conscious of that. I cannot think of an example where it became an issue that there was an ineffective use of resource by either an Assembly committee or the Assembly operating in Plenary session. There has been no failure to legislate—au contraire, one might say. However, I have highlighted some areas where I believe we are not doing well enough, and that is because we have not given that area sufficient priority.

[51] **Ms Bevan:** May I follow up with a specific example? We have talked a little about the fact that we have had a voluntary severance scheme for staff. Voluntary severance schemes tend to be self-selecting, so there may be some cause for concern along the lines that you have discussed. However, we placed our priorities—in terms of skills, expertise, and the need for particular individuals—at the top of our criteria. So, it was partly about cost, but it was also about retaining the skills base that we need to be able to carry on. Although we are letting 25 people go, that was not the total number that applied—some were refused on the basis that we need to retain their skills in order to carry on with the work, in the next Assembly in particular.

[52] **Angela Burns:** How I wish that another part of the Government had applied that same logic to its recent redundancy policy. That is a sensible way of approaching the issue, because you retain your knowledge base. I believe that that probably deals with the questions that you wanted to raise, does it not, Nick?

[53] **Nick Ramsay:** Yes. Put simply, will you have enough qualified staff to do the job? We have the referendum coming up and the Assembly election a short time after that. I am playing devil's advocate here. In the run-up to those votes—and following whatever the result of that referendum is—and with the turnover of staff that you have, are you confident that the people who are in place have the ability and are flexible enough to respond to the demands that will be on them?

[54] **The Presiding Officer:** I will answer that by saying that it works the other way, in that we as Commissioners have a statutory duty under the Government of Wales Act 2006 to deliver resources to Members. That includes all the resources for all that you do. Therefore, if we have not ensured a sufficient complement of staff and staff skills to be able to deliver, then we are in dereliction of our duty, statutorily, and we would not want to be in that position.

[55] The way that we do it is very much the way that I have tried to emphasise, which is to take the overall strategic perspective. We were schooled early on by Ian Summers, who is one of the leading experts in Wales, if not the UK, on the question of governance. He has been a strong adviser to us as a Commission on good practice in these areas—I know that he advises you as well. Therefore, we are confident when we tell our senior management team that these are the resources that we have. We emphasise certain themes, and collaboration across the institution is one theme that we have emphasised all along, since 2007, namely that we wanted to see more people who are to do more than one thing. So, you would have a resource for committees, and a resource for the Chamber. This is evident, for example, through what we have done on the presiding desk during Plenary session. We now have the experience for presiding at Plenary, which probably about 20 members of staff have actively taken part in. That is because of the management approach that we have taken. Sorry, I am going on a bit.

[56] **Mrs Clancy:** These are all questions that any decent leadership will have to bear in mind every single day from here on in. They are the right questions, and you cannot just brush them aside and say, 'It will be okay'. Our staff will feel the pressure in different ways and at different times. We are blessed with members of staff who are hugely committed to the Assembly and to Assembly Members, and many see their work as a vocation. They are also very sensible about the context in which we are working; they understand the economic situation and the cuts that the public sector is facing. They come up to me to say how fortunate they are to have these jobs and to be working here. So, I think that we have their goodwill as well as their expertise and skills. It is our job as their leaders not to abuse that, not to ask too much of them and not to put pressure on them in unfair ways. We have a very flexible way of working, through such things as flexi-time and so on, but increasingly, we are also working with people flexibly. If we do that right, it will give people opportunities to broaden their skills. There is a restructuring fund in the budget for next year of nearly £600,000, which includes not only some money to be used should we need to let more people go, but also money for us to develop people's skills and give them a different range of capabilities, so that they can move into other roles if we need them to. The work that I talked about in changing the structure relates to exactly that, to bring people who have complementary roles and responsibilities together, so that we ensure that we have resilience and cover, because it is often when someone suddenly goes sick that you feel exposed. Again, my management board has talked about the fact that it is our responsibility to get communications right, to get the support staff right, and to make them feel valued during what will be a difficult time for all of us.

[57] **Angela Burns:** Janet, did you want to come in on that?

[58] **Janet Ryder:** If you are committed to making year-on-year savings and to reducing the budget annually, is it intended to do so through year-on-year voluntary redundancies? How would that impact on the staff base?

[59] **Mrs Clancy:** We have set a strategy of reducing staff numbers by 50 to 60 over the four-year period. That was the original strategy. We will keep that under review, but that includes natural turnover as well as potential voluntary schemes such as the one that we undertook this year. So, there is a possibility that there will be another small scheme next year, and there is some money in the budget for that. We are already managing vacancies actively and robustly. We have done the calculations based on a turnover rate of 3 per cent, whereas in the recent past the turnover rate has been more like 6 per cent or 7 per cent. So, those are quite prudent calculations. Each time there is a vacancy, we review whether the job is necessary, and if it is filled internally, we then review whether the job that is made vacant behind it is absolutely necessary. You are looking very critically each time at whether, in order to deliver the five strategic goals, you need those posts.

[60] We were asked a question by Alun Davies, I think, a couple of years ago about the cumulative effect of cost savings. It is right that you cannot go on making heavy cuts to budgets year on year and not see an effect. We know already that we will see an effect in some areas. It is our job as well to ensure that we do not take the staffing cuts beyond the level at which we can deliver the services effectively.

[61] **Janet Ryder:** You say that it is inevitable that you will eventually see an effect in some service areas. At what point does that have an effect on this body's ability to deliver democratically? How do you square your budget then?

5.30 p.m.

[62] **The Presiding Officer:** That is a continuing task, is it not? Let us take the area that we do not control, and which we have not yet talked about, namely the area that is now within the budget of the remuneration board. In this Assembly, we have decided—by statute—to make that the responsibility of an independent board. If and when it appears at some stage, as someone might start arguing, that we are not attracting the quality Members or candidates we want because we are not paying them enough—that is a very crude example—you could argue that it could lead to a democratic failure. Every decision taken about resources in a democratic body has potential implications of that kind. Therefore, all you can do—and I appreciate the way that my colleagues operate on this—is to make that part of the management culture, day in, day out. That includes, where they want, asking colleagues and discussing with Commissioners—they will ask, 'What's your take on that, as elected Members?', because we are, as it were, the non-executive members of the management. I know that colleagues will express, in given circumstances, their concerns, whether they reflect the concerns of group colleagues or their own observations. In the way that we function, the fact that we are delivering democratic services to the people of Wales has to be continually in our sights. However, we are here to deliver those services at a cost that the Welsh block grant can currently bear. That is the answer to the question, I think.

[63] **Rosemary Butler:** Can you remind us of the total number of staff at the moment? You are going to reduce that by 50 to 60 over four years. What percentage is that? It is here somewhere but I cannot find it.

[64] **Mrs Clancy:** The starting point was 370 staff members. I cannot do the percentages in my head.

[65] **Rosemary Butler:** Sorry?

[66] **Mrs Clancy:** I cannot do the percentages in my head.

[67] **Brian Gibbons:** It is a sixth.

[68] **Mrs Clancy:** Thank you.

[69] **Rosemary Butler:** That is a bigger percentage cut than required by the reduction.

[70] **The Presiding Officer:** With all due respect, that is not the way in which it is approached. There are references here to various changes taking place in the management of various services. I mentioned at the beginning a communication that was sent out on what we were doing. We can carry out our mission of engaging with the Welsh public in all sorts of different ways. So, multiskilling people so that they are able to do a range of things is central to what we do. The combination of security, reception, being a welcoming host and communicating messages about the Assembly is a very good example. I believe that the cultural change happening there is welcomed by our visitors, and that is without any diminution in the very sensitive area of security, of which I am very conscious.

[71] **Mrs Clancy:** We have the advantage of being a small organisation, which we hope allows us to identify more easily where jobs stop being necessary. In large bureaucracies, jobs can take on a life of their own. Here, we have had a couple of examples involving fairly senior posts where it has almost been like the growing up of a child, in that a role that was absolutely crucial during the first four years is now no longer necessary during the third Assembly, so we must take it out. We must not continue to spend money on things for which there is no longer a current need. The management board is good at identifying what currently needs to be resourced, regardless of what has gone before.

[72] **Angela Burns:** Brian, I believe that you had some questions on the restructuring fund.

[73] **Brian Gibbons:** Yes, though some of them have been answered. Judging by what has been said, the main purpose of the restructuring fund seems to have been to have a redundancy pot, a retraining pot and so forth. Are there instances in which that fund could be used for pump-priming or for creating headroom for other efficiencies? I am talking here about the invest-to-save fund.

[74] **Mrs Clancy:** Yes, it is possible, although we have not worked out what those costs might be. The principle reason for the budget was to fund a further voluntary scheme and to develop the skills of staff to allow us to redeploy them in different areas. We do an annual capability review, where I sit down with directors and look at each of the directorates and the staff within them, not in terms of individual performance, but to question whether we have the right staff in the right places, and whether we are still going to have the staff that we need in two or three years' time to allow for succession planning. I have been in organisations that have got a bit complacent about the staff that they have, that have not kept an eye on what they were going to need three or four years down the line; suddenly, those staff are gone, and the organisation struggles. The fund will be about preparing for the future; there may be ways that we can use the fund to invest to save, but we have not done the detailed work on that yet.

[75] **Brian Gibbons:** I know that Andrew is going to deal with other collaborative arrangements and so on, but I take it that you do not feel that you would be dipping into the reserves to deliver other efficiencies. Is this restructuring fund the total resource that will be available to you to deliver new ways of working, or do you imagine that you will have to dip into the contingency fund?

[76] **Mrs Clancy:** I do not imagine any such thing because, last year, the Finance Committee asked us not to deal with the contingency fund in that way and told us that it should be strictly for unforeseen circumstances. Therefore, I cannot possibly foresee anything that the contingency fund would be used for at this moment.

[77] **Brian Gibbons:** The answer, then, is that the restructuring fund, and any other efficiencies that you are able to generate, will be the way that broader initiatives, other than reducing the headcount, will be delivered. New ways of working will be delivered through the restructuring fund and any other efficiencies that you are able to extract from the system, not through the contingency fund.

[78] **Ms Bevan:** We also fund a change programme that will contain those sorts of defined projects, with the aim of improving our efficiency and saving money in due course.

[79] **Brian Gibbons:** What does it cover?

[80] **Ms Bevan:** It covers a range of things; it is a fairly recently established fund. Claire mentioned that we have a change board that looks at those projects. In the current year, the programme is covering an Assembly business management project that will improve our management of committees and membership and improve how we display documentation, which will save money in future. Further projects for next year are in development, so I cannot talk about them in any detail yet, but the intention behind the fund is that we will use the money to invest to save and to improve effectiveness. In due course, this might mean that we can do the same job with fewer people.

[81] **Brian Gibbons:** What are the pay assumptions? In paragraph 22, you have given the total outturn in the wage bill, and I suppose that it might be possible to work backwards from that, although I am not too sure about that. I know that the real-time increases are the Treasury's suggestion, and that you are working towards them for the purposes of real-time budgets, but what are your pay assumptions?

[82] **Mrs Clancy:** I believe that Dianne has those.

[83] **Ms Bevan:** Please give me a moment to find them.

[84] **Mrs Clancy:** We have an agreed position on salaries for staff for the coming financial year, so we have budgeted for all the money that we need to meet commitments under that agreed two-year settlement, which covers this year and next. I believe that the actual increase is 1 per cent.

[85] **Ms Bevan:** It is 1 per cent for the current year.

[86] **Mrs Clancy:** It is 1 per cent for staff up to director level, but not for the directors or me.

[87] **Brian Gibbons:** By 'this year', do you mean the current financial year?

[88] **Ms Bevan.** Yes, the current year. Next year, we have budgeted for incremental increases for staff. (1)

[89] **Brian Gibbons:** What would be the effect of that on the wage bill?

[90] **Ms Bevan:** I believe that it is about £700,000.

[91] **Brian Gibbons:** Is that £700,000 out of £32 million?

[92] **Ms Bevan:** Not all of the £32 million relates to staff costs.

[93] **Mrs Clancy:** Staff salaries amount to about £14.5 million.

5.40 p.m.

[94] **Brian Gibbons:** So, roughly speaking, it is about 5 per cent.

[95] One of the things that you mentioned is reduced staff absence, and Claire also mentioned that by working with staff, staff morale is good and will remain good, which is clearly a big influencing factor on staff absence. What is the current rate of staff absence and do you have an indicative figure that shows progress?

[96] **Mrs Clancy:** We have a target of seven days on average.

[97] **Brian Gibbons:** What is it currently?

[98] **Mrs Clancy:** It is just hovering around seven days. We have just recently been improving it and that is a big achievement, given that it used to be over 10 days. So, a lot of work has gone into managing sickness absence.

[99] **Brian Gibbons:** That is quite impressive.

[100] **Mrs Clancy:** It is not a saving as such, but, in cash terms, achieving that improvement in sickness absence is worth about £200,000. We must have good levels of productivity if we are going to reduce our staffing levels. So, ensuring that sickness absence does not deteriorate again is incredibly important.

[101] **Brian Gibbons:** Okay, that is very good. Finally, you mentioned in your budget statement that you want to have exemplar aspirations, but, given your financial situation, you feel that that may not always be achievable now, compared with previously. Are there any areas that you think are particularly more vulnerable than others?

[102] **Ms Bevan:** That is difficult to predict with any precision. I will first talk a little about staff. We currently have the Investors in People gold standard status. We are one of the few organisations in the country to have that status, but we may not be able to maintain that standard for the next three years. I hope that we will, and we will work to do so, but there are certain costly aspects to that that we will not be able to fund. We will try to focus on the things that will keep staff motivated and well developed, and invest to that extent.

[103] We are likely to change some contracts over the next few years. We may also look at the specification of some of those contracts, which could include contracts for catering, cleaning, maintenance and those sorts of areas. We have very high standards. There may be areas in which we can make efficiency savings, hopefully without reducing the service to much. We have already talked about staff numbers. We must also look at some fairly high-profile, showpiece events and glossy-types of communication; we have not gone into the fundamentals of those sorts of areas as of yet. That will all be done alongside the Commission and Members, when we get to the detail of it.

[104] **Brian Gibbons:** What priority are you giving to being an exemplar in trying to protect things like equality of opportunity and so on?

[105] **The Presiding Officer:** That is a difficult area already. We had the Step Up Cymru

programme last year, which we are not doing this year, partly because of the elections. However, I hope that we will be able to resume something of that kind next year with our colleagues in local government. We involved, I think, 36 mentees and mentors throughout Welsh local government and the National Assembly and it was a much admired programme. I would not want us to lose any of that engagement, because, in a sense, it is part of our core business. If you like, it was the cream of engagement with the Assembly. I was about to say that the programme involved having someone chasing after every Member; it was not quite as bad as that, but it did involve people in the daily activity of the Assembly and that was duplicated across Welsh local government. We will be looking at all those programmes.

[106] Our commitment to equality is very deep across all the equality strands, and given that we have an equalities remit for our committees as well, it is crucial that we are seen to be implementing what we expect other people to do.

[107] **Angela Burns:** I am conscious of the time, but, Nick, I believe that you have one more question on staffing that you want to ask.

[108] **Nick Ramsay:** Yes, it is a technical question on the early departure scheme in 2010. Forgive me if this is included somewhere in the memorandum. What were the costs of that scheme and in which year did the costs fall?

[109] **Mrs Clancy:** The cost was £900,000, and it will be in the 2010-11 accounts. That is the correct accounting procedure.

[110] **Nick Ramsay:** I did not doubt that.

[111] **Angela Burns:** Andrew, you have a question on shared services.

[112] **Andrew Davies:** There has been a lot of talk about collaboration across all parts of the public sector. Could you give us some examples of where you are either currently pursuing a collaborative or shared service through, for example, initiatives or projects, and secondly, any future ones that you are looking at? Also, what type of savings are you thinking of delivering through that collaborative approach?

[113] **The Presiding Officer:** Through our resilience programme for our meetings, and our use of technology, we have pursued the option of shared services. It is more difficult in the area of our direct business because, clearly, there are confidentiality issues. However, that is one area where we have developed a shared facility. Do you want to take that on, Dianne?

[114] **Ms Bevan:** Our new data centre is at Companies House. That is one area where we have made some savings.

[115] **Andrew Davies:** What level of savings?

[116] **Ms Bevan:** I do not have those figures with me, but I can supply them later.

[117] **Andrew Davies:** Are there any other areas that you will look at in the future? Is that the only example, or are there others?

[118] **Mrs Clancy:** At the moment, it tends to be more about benchmarking and working with others, particularly the other Parliaments, rather than what you would normally describe as 'shared services'. We want to look at that around procurement, for example, where, as a small organisation, it would be a good way of enhancing our capability. There are some interesting smaller examples where we swap the skills that we have—so, we have someone coaching in the Ministry of Justice, for example, and someone from the NHS has come in to

coach here. We are co-operating with the National Library of Wales, helping it with change management and some expertise on pensions, because we are good at that, and we are able to help. In return, the library has promised to help us with our bilingual services, and delivering in a bilingual environment. Those sorts of swaps of talent and expertise are not quite shared services, but they are an effective way to work and that does save us some money.

[119] **Andrew Davies:** Do you quantify that?

[120] **Mrs Clancy:** I do not know that we do.

[121] **The Presiding Officer:** We have not, actually. The trouble with coming to this committee is that we go away with a longer agenda of things that we need to take on board than the agenda that we brought with us.

[122] **Mrs Clancy:** And that can make us better.

[123] **The Presiding Officer:** We will look at that.

[124] **Andrew Davies:** It is called collaboration. [*Laughter.*]

[125] **The Presiding Officer:** It is because we are not a conventional service delivery institution that we have perhaps not looked at this in the round. I would emphasise what Claire has said about our work with other parliamentary and representative bodies. The benchmarking is a very good example: we look for excellence and the support of excellence across other democratic organisations, but I am sure that we could do more of that. We will look at that.

[126] **Andrew Davies:** If there is a cost saving to you, it should be quantified. Presumably your scope for income generation or cost recovery is fairly limited in terms of catering, car parking and so on.

[127] **The Presiding Officer:** That has created some waves, but the Commission was absolutely determined and, quite rightly, some of us who had felt over the years that we should not be benefitting in this way saw an opportunity in these circumstances to redress the subsidy culture that so many parliamentary institutions have suffered from—and not just parliamentary institutions, but across the public services. I will not mention the BBC particularly, but you know what I am talking about. We were able to do this and we have also listened as we did it, because we have made some adjustments in the transition from subsidy to there being no benefit for individuals. We have tried to implement it in an equal way across staff and Members, but it has not been easy.

5.50 p.m.

[128] **Mrs Clancy:** On income generation, we have to be careful to ensure that we always act within the legislation, so that we do not step outside the remit of the Assembly. So, we cannot invent good ways to earn money; we have to work within the Assembly's remit.

[129] **Angela Burns:** As you have raised the question of car parking, I ask for clarification on one point. In the 2010-11 budget, it is down as costing £75,000, but in the 2011-12 budget, it is down as £140,000. Why is there such an increase? Am I to assume that the revenue gained from it to offset it has come in under 'Miscellaneous'?

[130] **Mrs Clancy:** Yes. The £140,000 is the cost to us; the revenue that will be collected when we start to charge for car parking is shown elsewhere in the accounts. It was noted as £75,000 because we underestimated the cost. Part of the problem was that the cost of car

parking went up. So, from the time in September 2009 when we put the budget together to—no, I am sorry, I have got my years wrong. Anyway, we plan so far ahead that it was seriously underestimated, and the cost of car parking went up very sharply, very quickly.

[131] **Angela Burns:** I want to ask you one more question about the breakdown, namely the difference between 2010-11 and 2011-12 on consultancy costs, which go from £94,000 to £45,000. We have talked about the fact that there will be a reduction in the number of staff and that we will have to try to go further in our work with more limited resources, but I assume that consultancy includes special advisers et al.

[132] **Mrs Clancy:** The consultancy line—and Dianne will correct me if I am wrong—is more to do with facilities management, Green Dragon and energy management, where we have built up expertise over time and so can now do the work ourselves and therefore have to spend less money on consultants to do it for us. Is that right?

[133] **Ms Bevan:** That is quite right, yes.

[134] **The Presiding Officer:** This is not something that we have discussed yet, but we have achieved a significant improvement in the environmental performance. Obviously, it is easier on the other side of the estate than it is on this side—and come the day when we will be able to do more in this building. It is important for us, as an organisation that has sustainability within its constitution, to deliver that. However, we have been able to benefit, and much of that good practice has been internalised.

[135] **Andrew Davies:** On that specific point, Presiding Officer, you mentioned consultancy in annex D, but also expert advisers, for which there is a reduction from £55,000 to £25,000. There is also a category for independent advisers. What is the difference?

[136] **Mrs Clancy:** The expert advisers are advisers to committees, and the independent advisers are advisers to the Commission. As part of our governance framework, we have individuals who come to support the Commission and the Public Accounts Committee, and the remuneration committee that we have for senior pay is made up entirely of independent advisers.

[137] **Andrew Davies:** So, has the reduction in the cost of expert advisers been noted on the basis of use in the past?

[138] **Mrs Clancy:** Yes.

[139] **Andrew Davies:** I feel very strongly that they have added a huge amount of value to the work of committees. My concern is that, post what we hope will be a successful referendum, there may well be an increased demand for them. I think that the Members' research service still does an extremely good job, but expert advisers can add significantly to the process. I suppose that my concern is whether there is sufficient flexibility, as you have indicated there will be, if there is demand for such a service by committees.

[140] **Mrs Clancy:** If there is demand from a committee for something, we would do everything that we could to find a way to meet that demand.

[141] **Angela Burns:** I am conscious of the time. Andrew, do you have any other questions?

[142] **Andrew Davies:** I had a question on energy efficiency and savings. In the draft budget, you have clearly identified a 14.6 per cent reduction in 2009-10, which is commendable. How sustainable do you think those actions will be in the longer term, and

what sort of savings are you looking for over a period of time?

[143] **The Presiding Officer:** I will ask Dianne to respond, but the general principle is that it is easier to be sustainable at that end than it is at this end.

[144] **Ms Bevan:** However, we can improve this building so much more than we can the Senedd, which is a pretty high-performing building anyway. So, I think that a lot of the investment that we make in the future will be on improving this building. It depends on the costs of energy to some degree and on consumption, but we have left some money in the budget to improve the energy efficiency of the building. So, those figures are based on some fairly detailed calculations that have been done by advising engineers on that point.

[145] **Brian Gibbons:** Is the electricity purchased as part of a consortium? Do you just put a penny in the meter, effectively, or do you just pay the bill when it comes at the end of the month, or whenever it turns up? That seems to be an obvious area for collaborative working.

[146] **Ms Bevan:** I think that that is right. We will come back to you on that.

[147] **Janet Ryder:** The contingency fund has seen an increase equating to about 50 per cent, yet Claire has already said that you cannot foresee anything that the contingency fund will be used for, so how have you arrived at that figure?

[148] **The Presiding Officer:** It was a recommendation from last year.

[149] **Janet Ryder:** So, it is purely based on last year's recommendation.

[150] **Mrs Clancy:** The committee recommended between 1 and 1.5 per cent for the contingency fund. We have gone for the upper end of that scale because we are making reductions, and things will be very tight. It is a prudent approach, because there is a higher risk that there could be unforeseen circumstances that we will need to fund, and that we will not be able to find money from elsewhere in the budget to meet them. So, it seemed prudent in the current climate to go for the upper end of the recommended percentage.

[151] **Janet Ryder:** Can you explain what constitutes the increase in capital expenditure in the Assembly services ambit?

[152] **Mrs Clancy:** Capital expenditure comes up each year, because it is quite a volatile line in the budget. So, by its very nature, the amount that we spend year on year changes. In an election year in particular, capital expenditure tends to be higher. However, I cannot be precise. I am told that it is perfectly normal that I cannot be precise about that figure, because when a decision is made to purchase something, we have to work out whether it should be capitalised or whether it should come from the resource budget. We have a policy on what should be capital spend. There will be a lot going on in the coming year, partly because it is an election year, such as IT costs and other capital expenditure within the buildings.

[153] **Janet Ryder:** Will they be IT costs over and above the costs that have been incurred from changing the IT system?

[154] **Mrs Clancy:** Yes, this is capital expenditure, not the money that we have spent on the UNO project, which is completely separate.

[155] **Ms Bevan:** There are things that need to be replaced, such as some kit to do with broadcasting, and there is investment in the budget for that for next year because that is running out of steam. Some of the public IT kit in the Siambr and the Senedd is coming to the end of its useful life. That is the sort of work that is in the budget for next year.

[156] **Angela Burns:** We have just about reached the end, but we have a couple of questions on Assembly Members' costs, which I will ask quickly, if you can bear to stay a few more minutes. Could you describe to the committee the timing and processes for the remuneration board's reporting of recommendations on Assembly Members' pay and allowances after your budget is announced? I am going to roll all the questions up and you can answer them in one hit. When it comes to the £3.46 million for the election costs, on what basis have you made these estimates? You know that quite a lot of Assembly Members are not coming back anyway, so the question is about those who may not come back. Are the figures based on the experiences of 2007 and the third Assembly? Have they been increased to take account of inflation? Finally, if, by some miracle, at the end of all this, you end up with some spare money, do you intend to return it? You mention that in the budget.

6.00 p.m.

[157] **The Presiding Officer:** I think that I have already dealt with some of those issues.

[158] **Angela Burns:** You talked about the number of Members who might not come back.

[159] **The Presiding Officer:** I will ask Claire to comment, but I will make it quite clear that I have no intention of taking any interest whatsoever in the performance of the remuneration board for another year, which means that it will probably not be me doing it. I think that it is very important, having set up an arm's-length statutory body, that we allow it to perform. I have had informal discussions with the chair of the board, and so on, as have other Members, but it is not our intention to second-guess what it is doing. If there are implications to what it does, any additional spend in that area will have to be secured through a supplementary budget.

[160] As regards the election costs, as I said at the beginning, we did not attempt to calculate in this area. We are in totally new territory in every election, and that is why we have the figure that we have. The supplementary budget would again be the route for any additional funding, as that is our transparent way of operating.

[161] **Mrs Clancy:** On the remuneration board, timing, process and outcomes are entirely a matter for the board itself. However, as we understand it, it intends to publish its report in the spring. It has not yet confirmed the exact date, but it has said that it wants to make known the emerging conclusions as it goes, rather than having a big-bang report in which there are lots of surprises at the end. I know that it is mindful of the need to give as early an indication as possible of Assembly Members' pay, maybe even this side of Christmas. So, the emerging thinking of the remuneration board will be known fairly soon, we hope.

[162] How would we factor that in? As I said earlier, we have done some calculations to see what is affordable within the amount of money available, so we have a level of assurance about what is affordable. I can go into detail on that, if you want me to. It cuts both ways really: if the board came back with recommendations that cost more, we would go for a supplementary budget, and if it comes back with recommendations that mean that we do not require it all, it would be handed back, yes. The whole reason for having the two ambits separately is so that money cannot slosh from one to the other.

[163] **Nick Ramsey:** It needs to give you adequate time when returning the report, so that it is helpful to you.

[164] **Mrs Clancy:** Yes, indeed. We took a different approach this year to the election costs, and the calculations have been based on the possibility that we could see 30 new Members. It has been worked out using the average cost of the Members whom we know will

not be returning. It is their actual costs averaged and grossed up and multiplied by 30. We have done that for new equipment, additional spend for new Members in year one, the resettlement grant, the winding-up allowance, and redundancy.

[165] **Angela Burns:** Thank you very much indeed. I also generally thank you for the layout and format of the budget.

[166] **The Presiding Officer:** It is better than it was before, do you not think?

[167] **Angela Burns:** It has been much easier for us to dissect it and ask relevant questions. Do Members have any other questions to ask the Presiding Officer or his team? I see that you do not. Thank you very much indeed for your time this afternoon. I am sorry that it ran over a little, but this has been most helpful, and we will now be able to prepare our report in due course.

[168] **The Presiding Officer:** Thank you very much for the way in which you investigate us, because it is helpful to our way of developing our work for the future. I am very grateful.

6.05 p.m.

Cynnig Trefniadol Procedural Motion

[169] **Angela Burns:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37.

[170] I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 6.05 p.m.
The public part of the meeting ended at 6.05 p.m.*

(1) The witness has issued the following correction: the increase of 1 per cent for staff pay in fact relates to the financial year 2011-12, the year to which the draft budget relates. The costs in the budget of about £700,000 therefore cover both increments and the 1 per cent pay rise for 2011-12.