

Budget: 2020-21

November 2019



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

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1. Introduction

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

The budget for the Assembly Commission is used to meet the running costs of the National Assembly for Wales and the costs of Assembly Members' Salaries and Allowances as determined by the independent Remuneration Board.

The Assembly Commission ("the Commission") serves the National Assembly for Wales ("the Assembly") to help facilitate its long term success as a strong, accessible, inclusive and forward looking democratic institution and legislature that delivers effectively for the people of Wales.

Its function is to provide the Assembly with the staff, property and services required to fulfil this role.

Assembly Members carry a significant responsibility and privilege representing the interests of Wales and its people, making laws for Wales, agreeing Welsh taxes and holding the Welsh Government to account. It is the Commission's role to provide high quality specialist staff and support services to ensure Members are fully equipped to undertake their scrutiny, legislative and representational roles and meet the expectations of the people of Wales.

The Commission's strategic goals for the Fifth Assembly are to:

1. provide outstanding parliamentary support;
2. engage with all the people of Wales and champion the Assembly;
3. use resources wisely.

The Commission's 2018-19 Annual Report and Accounts document highlights the progress made during this Assembly and this budget document highlights the remaining areas of focus for this final year of the Fifth Assembly, 2020-21. Indicative figures are also included for the first two years of the Sixth Assembly.

2. Budget Approach

The budget approach for 2020-21 is consistent with that laid out in the 2019-20 budget document for non-pay and project fund budgets.

The direct link to movements in the Welsh Block has now been removed as per the guidelines provided in the Finance Committee's Statement of Principles. This budget is transparent, prudent and is set in the context of the long term financial funding situation in Wales.

It considers the budgetary requirement of the Commission for the upcoming three financial years and how the Commission prioritises its resources to ensure services are not compromised.

The Commission works to a three year planning cycle for projects in order to prioritise the allocation of the Project Fund. This is managed by the Executive Board who maintain oversight of all funding requests.

The budget for 2020-21 totals £61.411 million and provides for:

- expenditure under the Commission's direct control (the operational budget);
- a project fund;
- depreciation;
- the budget for the Remuneration Board's Determination for Members' Pay and Allowances; and
- the accounting provision for the Members' Pension Scheme under the HM Treasury's Annually Managed Expenditure (AME) heading.

This document includes financial projections for 2020-21 and the first two years of the Sixth Assembly. There are two significant projects on the horizon for the early years of the Sixth Assembly which may mean a deviation from the projected numbers. These projects are:

- the replacement of the windows in the Tŷ Hywel building which are 28 years old, are close to 'end of service life' and are now exhibiting signs of failure
- the replacement of the legislation support software which is expected to be a project run jointly with Welsh Government.

The indicative costs of both are significant and although the Commission will seek to fund as much of these projects as possible from the operational budget, but with existing and new priorities, delivering these projects without additional budget provision may not be possible.

Staff capacity and establishment

Reaching its 20 year anniversary, the Commission has seen consistent and steady growth in its staffing establishment in line with the increasing powers and influence of the Assembly since its inception in 1999.

During 2017, a comprehensive capacity review was undertaken and an establishment cap of 491 posts was introduced. This resulted in a significant number of vacated posts (through turnover) being reallocated to meet new priorities, primarily to recruit clerks and legal staff to support the work of Committees in considering the implications of Brexit. In 2019, the Commission agreed to increase the established post count from 491 to 501, again to meet the demands of Brexit preparations.

The Executive Board and Leadership Team regularly review the number of established posts against priority work. As vacancies arise, posts are considered for reallocation to reduce the pressure to seek a further overall establishment increase. The 2019 Voluntary Exit Scheme (VES) released 24 staff members and several posts have been released permanently for reallocation.

The Commission is committed to working proactively in order to manage resources and associated salary costs, for example, looking at how apprenticeships can be used to support services, by either providing support on a rotational basis or by recruiting an apprentice to a particular service which has been implemented in our ICT service.

Despite these pressures and changes, the budget for staff has been maintained as presented in the 2019-20 document. This builds in a 1.9% increase; the amount anticipated for an ASHE index-linked pay award. Given the additional posts, there will be even greater impetus for the Commission to manage staffing proactively and within budget.

Contributions to the Civil Service Pension scheme were increased by £965,000 in the 2019-20 first supplementary budget. This £965,000 is also included in the staffing costs for 2020-21. In addition, this pension increase has a knock-on effect on the costs of police staff based at Tŷ Hywel and as a result, the security budget has increased.

Standards Commissioner

The staffing budget for 2020-21 has been increased as a result of the expanding workload of the Standards Commissioner. Since 2018, two Commission staff have been designated as a dedicated staff resource for the Standards Commissioner. During 2019-20 these posts are being funded from vacancy savings as a result of the VES. These two posts are outside the 501 Commission establishment.

The costs relating to the dedicated staffing resource for the Standards Commissioner amount to £136,000 and are included within staffing costs (Table 4).

Contractor Pay

The Commission has decided to increase the minimum hourly pay for existing contracted staff (catering and cleaning staff) who are currently paid the current Living Wage Foundation rate of £9/hr. This will now be increased during 2019-20 to £10/hr. This matches the minimum rate paid to Commission staff. This has resulted in an increase to the catering and cleaning budget lines.

Election Budgets

The process of going through an Assembly election gives rise to one-off, exceptional costs which are incurred in relation to the transition between Assemblies.

Pre-Election Costs

During the build up to the election, these costs will relate to engagement and awareness raising, preparation for the official opening and accommodation costs. This budget has been set at £500,000, the same level as the 2015-16 pre-election costs.

Election costs

Following the election, the Commission will need to pay resettlement grants to those Members who are not re-elected and redundancy payments to their staff where they meet the criteria as set out in the Remuneration Board's Determination. A budget of £2.5 million is estimated for these costs and is included in the draft figures for 2021-22. This money is ring-fenced for costs wholly and exclusively incurred in relation to the election, including the provision of equipment and facilities for the new cohort of Members.

Given the unpredictable nature of the election results, it would negatively impact on the Commission's ability to plan expenditure leading up to and during an election year if the Commission had to meet these costs from the operational budget. For this reason, the budget identifies separate amounts to meet these costs in financial years 2020-21 and 2021-22, being £0.5 million and £2.5 million respectively. These budgets will be ring-fenced and any underspend will be returned to the Welsh Consolidated Fund.

International Financial Reporting Standard (IFRS) 16 – Leases

The Commission is required to adopt a new Accounting Standard, International Financial Reporting Standard (IFRS), 16 with effect from financial year 2020-21.

This new standard requires all leases to be accounted for on a consistent basis. Previously, leases classified as “operating leases” were not recognised and were reported “off-balance sheet”.

This change primarily affects the treatment of the lease of the Tŷ Hywel building in Cardiff Bay which houses the majority of Commission staff. Tŷ Hywel is not currently classified as an asset and is not depreciated. From April 2020, when it will be recognised as a right-of-use asset, it will be depreciated over the anticipated future lease period.

IFRS 16 will result in an increase to the depreciation and interest finance charges in the Commission’s budget. These charges will be partially offset by a decrease in the office rental cost shown in the budget.

The overall Commission budget will increase. However, these changes will not increase the cash requirement from the WCF. The same amount of cash rental cost will be incurred but the accounting presentation will be different. Additional columns have been added to the tables in Annex 1 to illustrate the movement in the Commission budget pre and post IFRS 16 adjustments.



3. A forward look

The areas of work dominating the agenda for the next few years are well rehearsed and are significant in terms of the level of resource.

The Commission continues to make progress with Assembly Reform and at the time of writing, Brexit is still very much a live and on-going issue.

Assembly Reform and Name change

Following the devolution of powers relating to constitutional matters under the Wales Act 2017, the Assembly Commission has initiated a programme of Assembly reform.

On 12 February 2019, the Llywydd, on behalf of the Commission, introduced the Senedd and Elections (Wales) Bill. The Bill was accompanied by an Explanatory Memorandum (EM) providing detailed costings. The Bill seeks to:

- Change the name of the Assembly;
- Extend the franchise to include 16 and 17 year olds;
- Place a duty on the Assembly to consider oversight of the Electoral Commission;
- Modify the rules around disqualification of standing for, and sitting as, an Assembly Member;
- Make other changes to the functioning of the Assembly, and of the Assembly Commission.

Should the Bill be passed, the majority of the costs falling on the Assembly Commission will be in relation to the first three of these areas, and will fall primarily in the 2019-20 and 2020-21 budget cycles. The final two elements are not expected to give rise to any implementation costs for the Commission.

Name change

The Bill states that the name of the Assembly will change on 6 May 2020. Planning has begun for the implementation of the name change, both throughout the Assembly and with external partners.

As the Llywydd explained during Stage 1 scrutiny of the Bill, it is intended that a phased approach to implementation will be used, with some changes to be implemented on the date of Royal Assent, some on the prescribed date for the name change and others to coincide with the 2021 Welsh general election. The costs are included in the Commission's project fund for 2019-20 and 2020-21.

As set out in the EM, the Commission intends to undertake a communications programme based around the name change, engaging with the people of Wales on the current constitutional arrangements, and the powers and responsibilities of the Assembly.

Extending the Franchise

The Bill also seeks to extend the franchise for Assembly elections to 16 and 17 year olds. As outlined in the EM, the Commission aims to engage in awareness-raising and educational work around this proposed change in the lead-up to the 2021 election. Increasing the engagement of the people of Wales with the democratic process is a key driver for the reform programme, and the changes proposed in the Bill would provide an opportunity to advance this aim. The bulk of these engagement costs will be incurred in 2020-21 and are included within the commission's ring-fenced pre-election costs.

The Commission is committed to co-ordinating its awareness-raising and education work with the Welsh Government, the Electoral Commission, local authorities, and other stakeholders through the Welsh Government's Democratic Renewal Steering Group. This group aims to facilitate planning and delivery of the respective awareness-raising and education campaigns, enabling co-ordination, where appropriate, between the individual campaigns. It will allow for more efficient use of resources, sharing research and the development of shared terminology. This will ensure consistent, cost-effective, and impactful engagement, with more effective outcomes whilst maintaining the distinct roles and responsibilities of the organisations.

Work undertaken by the Commission is likely to concentrate on:

- the creation of materials in the period following the passing of the Bill, and before other stakeholders' materials are expected to be available;
- the immediate run-up to the 2021 election;
- materials focussing on the role of the Assembly, and the Assembly elections.

The Commission will seek to engage with young people directly through its normal engagement activities; through advertising campaigns online and in the media; and indirectly through the creation of content and resources to be used by education professionals, youth workers, and others.

Electoral Commission

During the Stage 1 debate on the general principles of the Bill, the Counsel General expressed his intention to amend the Bill to make the Electoral Commission accountable to the Assembly in relation to Assembly and local government elections in Wales (including the 2021 Assembly election). The details of such amendments are subject to ongoing discussions, including on whether the Electoral Commission will be funded for its work in Wales via the Assembly Commission's budget, or directly from the Welsh Consolidated Fund. Any financial implications arising from such amendments will be set out in a revised version of the Explanatory Memorandum.

The figures included in this budget document do not include a budget for the Electoral Commission's work on devolved elections in Wales from 2021-22 or any other associated costs.

Disqualification

The Bill seeks to make changes to the rules around disqualification from membership of the Assembly. In most cases, if passed, the Bill will provide that disqualification arises at the point of taking the oath/affirmation, that is, after the Member has been elected. This is a change from the current rules which prohibit many individuals from standing for election. The current rules are a bar to encouraging more people to stand for election. A small number of office holders, such as the Auditor General for Wales will remain unable to stand for election. There is not anticipated to be any additional cost associated with this change.

Further reform

The Assembly reform programme is necessarily flexible and responsive to Assembly decisions.

The Llywydd wrote to Members on 10 June 2019 to inform them that the Commission no longer considered it possible to bring forward legislation in the Fifth Assembly in relation to the size of the Assembly and how Members are elected. This provides greater clarity in respect of the potential costs of the second phase of the reform programme for 2020-21.

The Assembly subsequently resolved on 10 July 2019 that an increase in the number of Members is required and called for further cross-party work to take these matters forward. The Assembly agreed on 18 September 2019 to establish the Committee on Assembly Electoral Reform, with a remit to examine the recommendations of the Expert Panel on Assembly Electoral Reform. The Committee will be dissolved following a Plenary debate on its final report. The Remuneration Board decided on 19 September that the Chair of the newly established Committee would be remunerated at the higher Chair's additional salary. The Committee will be supported through the reprioritisation of existing resources.

Brexit

The uncertainty around Brexit continues. Scenario planning is helping us to assess what different Brexit scenarios might mean for the business of the Assembly and the resources that support it, as well as for our corporate services. We have undertaken regular assessments of the impact of Brexit, which included an analysis of the impact of a no-deal Brexit on our large service and supply contracts, including issues relating to procurement, for example catering, IT hardware and facilities maintenance. While we do not anticipate problems in supply, costs are likely to increase.

Commission lawyers prepare reports for the Constitutional and Legislative Affairs Committee on statutory instruments made by the Welsh Ministers. The instruments are bilingual and lawyers review them in both of the Assembly's official languages. The instruments vary in length and complexity. In the Assembly year which ran from September 2018 to July 2019 Commission lawyers drafted reports on 137 'business as usual' statutory instruments. This number is fairly typical compared with most years. In addition, Commission lawyers scrutinised 190 statutory instruments relating to Brexit (some of which were produced by the UK Government and were, therefore, in English only). The 327 instruments scrutinised in this period is more than double the number usually reported on by the Assembly in a year. The UK's departure from the EU additionally required Committee briefing from lawyers across all areas. Support focussed on Brexit was delivered in particular to the External Affairs and Additional Legislation Committee.

Whatever the outcome of Brexit, the Commission expects to continue to see increased levels of activity around legislation. This could relate to scrutiny of Welsh Government legislation or UK legislation that impacts on the Assembly's competence. The Welsh Government will be pursuing its own programme of legislation. The Assembly's committees will need to respond to these pressures and the Executive Board will continue to review staffing capacity to manage peaks.



4. Delivering our strategic goals

The Project Fund is separately identified within the budget and the priority items which have been identified to utilise this budget are listed in Annex 3.

The projects have been selected based on the forward work plans maintained by ICT and EFM and those which are consistent with Commission priorities for the year.

The Commission no longer utilises any underspend from the budget for the Remuneration Board's Determination in order to fund projects. All expenditure is met from the identified Project Fund and the budget for capital expenditure plus any incidental underspend from the operational budget.

The projects identified for delivery in 2020-21 are consistent with the Commission's strategic goals and priorities.

Provide outstanding parliamentary support

Legislation

Supporting legislation is a highly specialist and demanding task that draws in expertise from across the Commission's teams, in particular clerking, research, legal and translation.

As well as having expert staff, the legislative process is supported by legislation software, which is a crucial component of the Assembly's business infrastructure. It enables the effective scrutiny of legislation.

The existing software has been in place since 2010 and the product has reached the end of its development lifecycle. It is becoming increasingly difficult and expensive to maintain. Due to its critical role in the work of the Assembly, replacement software is required to ensure that the legislative process continues to be supported to a high standard.

Procuring bespoke legislative software will be a significant investment. It is envisaged that any new system will be procured jointly between the Assembly and Welsh Government, with the costs being shared equally. A high-level market consultation exercise undertaken in 2017 indicated the cost of a new system to

range from £600,000 to £2 million. This will depend on requirements, with the cost split between both parties. An accurate cost will only be revealed through detailed market testing.

The estimated cost of the project to the Commission could, therefore, be in the region of £1 million, phased over two financial years. The costs per financial year will be finalised once a project plan and associated timescales have been agreed. This excludes annual support costs which are estimated at an additional £100,000 per year.

Plenary and Petitions

The Commission provides extensive, tailored and high quality support to Plenary and committees. Many Commission services are directly involved in this provision including clerking, procedural, research, media, legal, security, visitor services, simultaneous interpretation and translation, production of verbatim records, IT and broadcasting.

Two projects, focused on Petitions and Plenary, are currently in train, earmarked for completion during 2020-21. The Petitions system is the most direct way that the public can raise their concerns and is viewed as an important gateway for engagement with the Assembly. Improvements to petitions systems made by other parliaments have led to a significant increase in public engagement. There is, therefore, great potential for a new Petitions system to do the same.

Plenary systems use outputs from both Record of Proceedings and Table Office systems. The Plenary project is looking at how those systems could integrate with efficiencies made in both processes and creating better outputs for Members and the public. This could release a significant amount of staff time which is currently spent on transferring data from other systems, and eliminating human errors.

The project in future developments will look at an enhanced function for Members to request to speak in Plenary, potentially building on the Table Office portal which Members and their staff use successfully.

Archiving

The Commission has been working closely with the National Library of Wales to design an archiving strategy and develop a catalogue and web archive.

2020-21 will see the completion of the 'project' element of this work, whereby the conversion of beta tapes to digital will be completed with support from National Library for Wales staff.

Engage with all the people of Wales and champion the Assembly

Website

During 2019-20, the Commission gave approval for the re-design of the Assembly's website with the ultimate aim of improving its online presence and delivering a better public service and user experience for both internal and external customers.

The majority of the work to upgrade the website will have been undertaken during 2019-20, with the project being finished during 2020-21.

Engagement and Outreach Activities

The Commission is considering a range of proposals to further engagement from communities across Wales.

The Project Fund includes an indicative provision of £250,000.

Use Resources Wisely

The Commission's Estates and Facilities Management and ICT service areas both maintain forward work plans in order to plan for large scale items of expenditure and maintain the physical and technical infrastructure of its estate. As lease holders of Tŷ Hywel, where the majority of its staff are based, the Commission has obligations with regards to maintenance of the fabric of the building. These are included in the forward work plan.

Window replacement

The windows in Tŷ Hywel are 28 years old. Windows of this type have an expected operational life of 25-35 years. However, the building's location in a coastal environment has led to a reduced operational life observed through several independent surveys which have been undertaken since 2015. The surveys have identified that the windows are in poor physical condition and that thermal performance is likewise poor. An increasing number of windows have faults and replacement parts can no longer be obtained to carry out repairs.

As part of a full repairing and insuring lease agreement for Tŷ Hywel, the Commission is required to maintain the building in a good state of repair, including replacing any end of life items such as boilers, doors and windows. The increasing level of faults and failures together with deteriorating performance has highlighted the need to develop and prioritise a phased programme of window replacement. This will require a significant financial investment and presents some major logistical challenges.

It remains a long-term objective of the Commission to secure ownership of Tŷ Hywel at some stage in the future and such an investment would be consistent with that objective. A detailed feasibility study was commissioned in 2019-20. An indicative cost for the entire programme is £4 million and funding options are being considered. This cost is not currently reflected within this budget.

The indicative cost to fully replace the windows is significant and would be hard to accommodate within the Commission's operational budget. Feasibility studies will be carried out in 2020-21 to further consider the options and costs and look at how this project could either be phased, or funded as a one-off exceptional item within the Commission's Budget in the Sixth Assembly.

Fire door replacements – phase 2

Following recent fire risk assessments and building audits, a number of fire doors in Tŷ Hywel have been identified as needing replacement and a phased programme to complete these works over the next three years has been developed. Phase 2 will be undertaken during 2020-21.

Security Delay Project

The threat from international terrorism remains as ‘Severe’ with concerns about marauding firearms style attacks also a relevant consideration. There is, therefore, a strong business case to alter the layout of our two public entrances in order to enhance our chance of preventing or coping with such an attack by adding layers of security which would delay would-be attackers.

Work on the Senedd public entrance will be completed during 2020-21. Work on Tŷ Hywel public entrance is scheduled to span two financial years, 2020-21 and 2021-22.



5. Financial governance and control

The Assembly Commission Audit and Risk Assurance Committee (ACARAC) supports the Commission and the Principal Accounting Officer with regard to their responsibilities for risk management, internal control and corporate governance. As part of its role, ACARAC maintains a strong interest in and oversight of the internal financial control environment.

Updates on accounting policies and the budgetary position are considered by ACARAC and it also takes a keen interest in the audit of the Annual Report and Accounts. Members of the Committee have also provided oversight and challenge of the assurance framework and governance statement.

External and Internal Audit provide important sources of assurance to ACARAC and the Accounting Officer. The Auditor General for Wales (AGW) is the Commission's external auditor and he is supported in his work by the Wales Audit Office (WAO). For the 2018-19 financial year the AGW issued an unqualified opinion on the financial statements and there were no recommendations made or significant issues raised in the Audit of Financial Statements Report or Management Letter completed by the WAO engagement team.

The Executive Board has strategic responsibility for ensuring that the Commission's Project Fund is used effectively and efficiently. The Board is responsible for approving the Commission's annual investment plans and for prioritising investment to best effect. The Board ensures that resource capacity planning aligns with the Commission's goals and priorities and provides governance and assurance to significant change projects.

Leadership Team is an advisory body to the Executive Board and an enabler for effective delivery of operational plans. It acts collectively in the corporate interest of the Commission.

Budgetary control was audited during 2018. The audit report stated that:

- there are appropriate delegations in place for budget holders;
- there are appropriate controls in place for procurement;
- there are appropriate controls in place for managing the use of purchasing cards;
- there is a high level of assurance over the effectiveness of financial management within the organisation.

The Financial Services team works to ensure that it meets a number of targets and report on its performance as part of the Commission's Corporate Key Performance Indicator Report. These targets provide a means of focus and ensure that performance is regularly monitored and engagement maintained between the finance team and the wider organisation. The finance team has consistently managed to meet the targets on the areas of payment of suppliers and Members and value for money savings targets.

The Commission has completed a review of the existing Key Performance Indicators (last reviewed in 2014) and a new approach has been agreed. A new set of strategic measures of overall corporate performance, which are closely linked to the Commission's goals and priorities, will be reported. These will be static indicators for at least the remainder of the Fifth Assembly.

In addition, a set of measures that provide 'stretch' to develop performance in areas identified for performance improvement will be reported. This set of indicators will be reviewed annually. This new approach will be reported next year in the 2019-20 Annual Report and Accounts.

6. The Remuneration Board's Determination

The Remuneration Board is the independent body that determines the pay and remuneration of Members and their staff and the system of financial support needed for Members to fulfil their responsibilities as elected representatives.

The Remuneration Board's Determination provides funds to cover the expenses associated with being a Member and / or an Office Holder, for example:

- running an office and engaging with constituents;
- salaries and travel expenses of the support staff;
- residential accommodation in Cardiff for Members whose home is a significant distance from the Senedd (eligibility criteria apply); and
- support for the Party Groups and policy research.

At the start of this Assembly, the basic salary for Assembly Members was set at £64,000, to be updated each year in line with average earnings in Wales as measured in the Annual Survey of Hours and Earnings (ASHE). Assembly Member salaries were increased by 2.3% in 2018-19 and again by 1.2% in 2019-20. An increase of 4.4% per annum has been assumed to apply for the final year of this Assembly and the first two years of the Sixth Assembly. Additional salaries are paid to Members holding offices carrying significant extra responsibilities, such as Ministers, Commissioners, the Llywydd and committee chairs.

At the start of the Assembly, the Remuneration Board put in place funding (up to £95,000 per Member per annum) for Members to employ up to three full-time equivalent staff (up to 111 hours per week) to support them in all aspects of their role. This was increased by 2.3% in 2018-19 and again by 1.2% in 2019-20. An increase of 4.4% per annum has been assumed to apply for the final year of this Assembly and the first two years of the Sixth Assembly. The 111 hour limit on staff that may be employed by Members was removed in 2018.

The Remuneration Board concluded its review of the support provided to Members and Political Parties during 2019. In addition to previous changes around calculating staffing budget at actual cost, and the introduction of more flexibility about how budgets are spent by Members and Political Parties, the

Board has also agreed that support staff salaries will be automatically adjusted in April of each year by the change in the ASHE index.

The level of staff turnover/churn (i.e. budget released due to staff vacancies) has been increased to £1 million to reflect the fact that in the final year of the Assembly, staffing levels are unlikely to be maintained at the same levels as during the rest of the Assembly period.

The Remuneration Board is now undertaking a review of its Determination for the Sixth Assembly and is expected to conclude its deliberations in 2020. It is not expected that there will be additional changes as a result of this review affecting the 2020-21 budget period as the decisions for the Board to make are primarily focused on the Sixth Assembly.

The Board reviews the other elements of its Determination on an annual or periodic basis to ensure that they remain appropriate. The Office Costs and Residential Accommodation Expenditure budgets are reviewed annually and adjusted as necessary. For the purpose of providing indicative figures for future years, an inflationary uplift only has been assumed.

The budget to fund the Remuneration Board's Determination for 2020-21 and the first two years of the Sixth Assembly is shown in Table 9.

7. Budget Ambit

This budget submission is laid in compliance with the National Assembly Standing Order 20.13 to assist in 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 Assembly Commission for the year ending 31 March 2021.

The Budget Motion will authorise the net resources to be used for the services and purposes of Members and Assembly Services. The motion includes 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. It will also set out the cash amount that will be needed from the Welsh Consolidated Fund to meet the anticipated net amounts falling due for payment by the Commission.

The 2020-21 Budget for the Assembly Commission addressing these requirements is set out in Table 1.

Table 1: 2020-21 Budget for the Assembly Commission against requirements

| Assembly Commission Requirements | 2020-21 £'000 |
|---|----------------------------|
| <p>Resources other than accruing resources for use by the National Assembly for Wales Commission ('the Commission') on resource and capital costs associated with the administration and operation of services to support the National Assembly for Wales ('the Assembly'); promotion of the Assembly including payments to the Electoral Commission and others; payments in respect of the Commissioner for Standards and Remuneration Board; any other payments relating to functions of the Assembly or functions of the Commission.</p> <p>Resources other than accruing resources for use by the Commission in respect of decisions of the Remuneration Board and expenditure in respect of Assembly Members' Pension provision.</p> | <p>£61,411 Table 2</p> |
| <p>Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the Commission from the disposal of fixed assets and other capital income for use on the purchase or acquisition of fixed assets; rental income, gifts, grants, cheques, recharges and income from commercial sales and other services provided to the public or others for use on administrative costs of the Assembly.</p> | <p>£220 Table 8</p> |
| <p>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 and recoverable VAT</p> | <p>£56,075 Table 3</p> |

Annex 1: Budget overview

Table 2: Budget overview

| Budget Heading | 2019-20* £'000 | 2020-21 £'000 | 2020-21 £'000 | 2021-22 £'000 | 2022-23 £'000 |
|---|-------------------|--------------------|------------------|------------------|------------------|
| Commission Related Expenditure | | Pre IFRS 16 | IFRS 16 | IFRS 16 | IFRS 16 |
| Staff salaries and related costs (Table 4) | £24,749 | £25,358 | £25,358 | £26,051 | £26,757 |
| Accommodation and facilities (Table 5) | £7,525 | £7,727 | £4,952 | £4,999 | £5,047 |
| ICT costs (Table 6) | £2,220 | £2,310 | £2,310 | £2,310 | £2,310 |
| Other costs (Table 7) | £2,267 | £2,363 | £2,359 | £2,344 | £2,359 |
| Total Revenue Expenditure | £36,761 | £37,758 | £34,979 | £35,704 | £36,473 |
| Total Income (Table 8) | (£220) | (£220) | (£220) | (£220) | (£220) |
| Capital Expenditure - creation of fixed assets | £500 | £500 | £500 | £500 | £500 |
| Total Operational Resource | £37,041 | £38,038 | £35,259 | £35,984 | £36,753 |
| Project Fund | £1,000 | £1,015 | £1,015 | £1,055 | £1,076 |
| Commission related expenditure excluding Depreciation and interest charges | £38,041 | £39,053 | £36,274 | £37,039 | £37,829 |
| Interest charges | - | - | £1,850 | £1,830 | £1,815 |
| Depreciation and amortisation charges | £2,250 | £2,250 | £5,015 | £5,015 | £5,015 |
| Total Commission Related Expenditure | £40,291 | £41,303 | £43,139 | £43,884 | £44,659 |
| Member Related Expenditure | | | | | |
| Members' salaries and related costs (Table 9) | £16,197 | £16,172 | £16,172 | £16,881 | £18,120 |
| Election related expenditure | £0 | £500 | £500 | £2,500 | £0 |
| Members' Pension finance costs | £1,500 | £1,600 | £1,600 | £1,500 | £1,500 |
| Total Member Related Expenditure | £17,697 | £18,272 | £18,272 | £20,881 | £19,620 |
| Total Commission Budget | £57,988 | £59,575 | £61,411 | £64,765 | £64,279 |

*2019-20 figures include the first supplementary budget

Table 3: Reconciliation of the new resource requirement to the cash drawing requirement from the Welsh Consolidated Fund

| Net Cash Requirement | 2019-20* £'000 | 2020-21 £'000 | 2020-21 £'000 |
|--|---------------------------------|--------------------------------|--------------------------------|
| | | Pre IFRS 16 | IFRS 16 |
| Members' net revenue requirement | £16,197 | £16,172 | £16,172 |
| Election related expenditure | £0 | £500 | £500 |
| Commission net revenue requirement | £39,791 | £40,803 | £42,639 |
| Net capital requirement | £500 | £500 | £500 |
| Annually Managed Expenditure | £1,500 | £1,600 | £1,600 |
| Subtotal | £57,988 | £59,575 | £61,411 |
| Adjustments | | | |
| Depreciation | (£2,250) | (£2,250) | (£5,015) |
| Movements in provisions | (£1,500) | (£1,600) | (£1,600) |
| Movement in debtors and creditors | £350 | £350 | £1,279 |
| Subtotal | (£3,400) | (£3,500) | (£5,336) |
| Net cash requirement from the Welsh Consolidated Fund | £54,588 | £56,075 | £56,075 |

*2019-20 figures include the first supplementary budget

Annex 2: Budget Detail

Table 4: Analysis of Staff salaries and related costs

| | 2019-20 £000 | 2020-21 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | Pre IFRS 16 | IFRS 16 | | |
| Commission Staff costs | £25,249 | £26,222 | £26,222 | £26,912 | £27,616 |
| Standards Commissioner staff costs | £0 | £136 | £136 | £139 | £141 |
| Vacancy / Churn provision | (£500) | (£1,000) | (£1,000) | (£1,000) | (£1,000) |
| Total | £24,749 | £25,358 | £25,358 | £26,051 | £26,757 |

Table 5: Analysis of Accommodation and Facilities Costs

| | 2019-20 £000 | 2020-21 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | Pre IFRS 16 | IFRS 16 | | |
| Rent and rates incl. car parking | £4,265 | £4,255 | £1,495 | £1,495 | £1,495 |
| Maintenance and works | £980 | £980 | £980 | £980 | £980 |
| Security | £691 | £793 | £793 | £812 | £831 |
| Utilities | £550 | £570 | £570 | £581 | £592 |
| Cleaning | £488 | £533 | £533 | £543 | £553 |
| Catering | £346 | £391 | £391 | £398 | £406 |
| Photocopier rentals | £145 | £145 | £130 | £130 | £130 |
| Furniture and fittings | £60 | £60 | £60 | £60 | £60 |
| Total | £7,525 | £7,727 | £4,952 | £4,999 | £5,047 |

Table 6: Analysis of ICT Costs

| | 2019-20 £000 | 2020-21 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | Pre IFRS 16 | IFRS 16 | | |
| Contracted out services incl. telephone | £528 | £519 | £519 | £519 | £519 |
| Broadcasting | £580 | £643 | £643 | £643 | £643 |
| Licences and maintenance | £1,012 | £1,033 | £1,033 | £1,033 | £1,033 |
| Revenue and consumables | £100 | £115 | £115 | £115 | £115 |
| Total | £2,220 | £2,310 | £2,310 | £2,310 | £2,310 |

Table 7: Analysis of Other Costs

| | 2019-20 £000 | 2020-21 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | Pre IFRS 16 | IFRS 16 | | |
| Training and development | £344 | £355 | £355 | £355 | £355 |
| Promoting awareness and understanding | £311 | £333 | £333 | £318 | £333 |
| Language contracted-out services | £260 | £300 | £300 | £300 | £300 |
| Printing, stationery and postage | £242 | £242 | £242 | £242 | £242 |
| Other HR costs | £153 | £166 | £166 | £166 | £166 |
| Staff travel and subsistence | £144 | £144 | £144 | £144 | £144 |
| Publications | £127 | £127 | £127 | £127 | £127 |
| Other travel and subsistence | £115 | £115 | £115 | £115 | £115 |
| Insurance and legal costs | £113 | £147 | £147 | £147 | £147 |
| Audit | £75 | £75 | £75 | £75 | £75 |
| Remuneration Board related costs | £62 | £62 | £62 | £62 | £62 |
| Hospitality | £48 | £48 | £48 | £48 | £48 |
| Specialist advice | £48 | £51 | £51 | £51 | £51 |
| Academic Engagement | £40 | £40 | £40 | £40 | £40 |
| Accounting and financial services | £36 | £21 | £21 | £21 | £21 |
| Consultancy | £30 | £30 | £30 | £30 | £30 |
| Vetting | £17 | £17 | £17 | £17 | £17 |
| Uniforms and clothing | £15 | £15 | £15 | £15 | £15 |
| Other items <£20k | £87 | £75 | £71 | £71 | £71 |
| Total | £2,267 | £2,363 | £2,359 | £2,344 | £2,359 |

Table 8: Analysis of 'Income'

| | 2019-20 | 2020-21 | 2020-21 | 2021-22 | 2022-23 |
|----------------------------------|----------------|--------------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | Pre IFRS 16 | IFRS 16 | | |
| Sales - the Assembly Shop | £30 | £20 | £20 | £20 | £20 |
| Accommodation - rental income | £60 | £58 | £58 | £58 | £58 |
| Car park income and other income | £130 | £142 | £142 | £142 | £142 |
| Total | £220 | £220 | £220 | £220 | £220 |

Table 9: Analysis of 'Members' salaries and related costs'

| | 2019-20 | 2020-21 | 2020-21 | 2021-22 | 2022-23 |
|---|----------------|--------------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | Pre IFRS 16 | IFRS 16 | | |
| Assembly Members' Salary and on-costs | £6,320 | £6,544 | £6,544 | £6,832 | £7,133 |
| Assembly Members' Support Staff Salaries and on-costs | £8,568 | £8,797 | £8,797 | £9,184 | £9,588 |
| Allowances and Office Costs | £1,809 | £1,831 | £1,831 | £1,864 | £1,899 |
| Vacancy / Churn Provision | (£500) | (£1,000) | (£1,000) | (£1,000) | (£500) |
| Total | £16,197 | £16,172 | £16,172 | £16,881 | £18,120 |

Annex 3: Projects

Table 10: Priority projects for 2020-21

| Project Fund 2020-21 | Amount £'000 |
|--|-------------------------|
| Legislative Workbench Software | £600 |
| Assembly Commission Senedd and Elections (Wales) Bill - Name Change | £45 |
| Archiving | £65 |
| Plenary and Petitions | £50 |
| Website | £80 |
| Engagement and Outreach Activities | £250 |
| Window replacement - feasibility review | £50 |
| Fire door replacements | £80 |
| Physical Security - delay project - Senedd | £225 |
| Physical Security - delay project - Tŷ Hywel | £70 |
| Total | £1,515 |

