

Supplementary Budget 2019-20: Explanatory Memorandum

May 2019



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Supplementary Budget 2019-20: Explanatory Memorandum

May 2019



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Welcome
to the
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1. Background

The Commission's **2019-20 Budget** was included in the Annual Budget Motion under Standing Order 20.26 and was approved in Plenary on 14 November 2018, following scrutiny by the Assembly's Finance Committee.

The budget motion provided the Commission with £57.023million of Resource Budget in relation to:

- £39.326million for Assembly services; and
- £16.197million for the Remuneration Board's Determination for Assembly Members.

A further £1.500million was provided for non-cash accounting adjustments in respect of the Assembly Members' Pension Scheme, through the Annually Managed Expenditure budget.

This Explanatory Memorandum is laid in compliance with Standing Order 20.32, in support of changes to be proposed to the Commission's approved budget, via Supplementary Budget Motion.

1.1. Explanatory memorandum

The effect of the Commission's supplementary budget will be to increase the Assembly Services budget in line with projections.

1.2. Assembly Services

The Assembly Services requirement within the Commission's budget provides resources for use by 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 and any other payments relating to functions of the Assembly or the Commission.

The Assembly Services budget mainly comprises funds to cover the Commission's operational budget, for example:

- Staff salaries and related costs;
- Accommodation and facilities costs;

- ICT Costs; and
- Other costs e.g. audit fee, translation, training and travel costs.

As noted within the Commission's 2019-20 budget, laid in November 2018, the final costs associated with the employer contributions to the Civil Service Pension Scheme (CSPS) could not be calculated accurately until confirmation of the anticipated increase had been received from Cabinet Office. An estimate was included within the narrative of the laid budget document. This was based on the current expectation at that time and estimated to be in the region of £1million.

Confirmation of this increase has now been received and the current estimate of the impact of the increase in employer pension contribution increases to the CSPS, is £0.965million. This supplementary budget increases the Assembly services budget line requirement by £0.965million to fund the expected increase in employer contribution impacting on the Commission's budget during 2019-20.

The Commission is therefore proposing a supplementary budget for Assembly Services of £40.291million.

1.3. Budget impact

The Supplementary Budget Motion proposes the following:

- an increase to the Assembly Services budget of £0.965 million to £40.291 million.

2. Budget Ambit

This supplementary budget submission is laid in compliance with National Assembly Standing Order 20 to assist in the compilation of the Budget Motion required by Section 126 of the Government of Wales Act 2006. This submission seeks to amend the resource and annually managed expenditure requirements of the Assembly Commission for the year ending 31 March 2020.

The Supplementary Budget Motion authorises 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, and the cash amount that will need to be issued from the Welsh Consolidated Fund to meet the anticipated net amounts falling due for payment by the Commission.

The amended 2019-20 Budget for the Assembly Commission, addressing the revised requirements, is set out in Table 1 below.

Table 1	Revised £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 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>	57,988
<p>Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the Commission:</p> <ul style="list-style-type: none"> ▪ from the disposal of fixed assets and other capital income for use on the purchase or acquisition of fixed assets; or ▪ rental income; gifts; grants; recharges and income from commercial sales and other services provided to the public or others for use on administrative costs of the Assembly. 	220
<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>	54,588

Table 2 below reconciles the net resource requirement to the cash drawing requirement from the Welsh Consolidated Fund.

Table 2: Cash requirement	£000
	2019-20 Revised
Members' Revenue Requirement	16,197
Commission Revenue Requirement	39,791
Capital Requirement	500
Assembly Members' Pension Provision (AME)	1,500
Subtotal	57,988
<i>Adjustments:</i>	
Depreciation (Non cash)	(2,250)
Movements in provisions	(1,500)
Movement in debtors and creditors	350
Subtotal	(3,400)
Net cash requirement for issue from the Welsh Consolidated Fund	54,588