

# **Finance Committee**

## **FIN(3)-01-10 Paper 7**

### **Financial Implications of the proposed National Assembly for Wales Remuneration Measure**

#### **Background**

The Committee Chair has written to the Presiding Officer as the member in charge of the proposed Measure to request information in relation to the financial implications of the proposed Measure.

The response from the Presiding Officer is attached as an annex to this paper.

#### **Action**

The Committee is invited to consider the response and how it should proceed with its consideration of the proposed Measure.

Committee Service

04 DEC 2009

PO 364

**Pwyllgor Cyllid  
Finance Committee**

Dafydd Elis Thomas AM  
Y Llywydd  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

Bae Caerdydd / Cardiff Bay  
Caerdydd / Cardiff CF99 1NA

3 December 2009

Dear Llywydd

**Proposed National Assembly for Wales Remuneration Measure**

The Finance Committee is planning to consider the proposed National Assembly for Wales Remuneration Measure at its meeting on the morning of Wednesday 20 January 2010. I am writing to ask if you would be available to join us for this discussion which will focus particularly on financial aspects of the proposed Measure. Given the very tight timetable for Stage 1 we feel your direct input will be a vital element in ensuring the Committee fully understands the financial position.

The Committee's support team are currently carefully studying the financial information in the Explanatory Memorandum and will also be considering the responses to the consultation being carried out by the Measure Committee which does ask specifically about the financial implications of the proposed Measure. These will obviously form a key element of the Committee's examination.



I am not sure if you are aware that the Finance Committee recently issued guidance on the information it requires in order to make a reliable assessment of the administrative, compliance and other costs to which the provisions of the proposed Measure would give rise. I sent this on 3 February 2009 to the Leader of the House and all members. I attach a copy as an annex to this letter.

If, having considered this, you feel it would be helpful in any way to supplement the information in the Explanatory Memorandum, perhaps your officials would contact John Grimes, the Committee's Clerk, as soon as possible.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'A Burns', with a stylized flourish at the end.

**Angela Burns,  
Chair, Finance Committee**



## Finance Committee

### Guidance on information to support a proposed Assembly Measure

1. Standing order 23.18 states in the section “Documentation to Accompany a Proposed Measure”

*23.18 At the same time as a Member introduces a proposed Measure, he or she must also lay an Explanatory Memorandum which must: .....*

*(vi) set out the best estimates of:*

- (a) any administrative, compliance and other costs to which the provisions of the proposed Measure would give rise;*
- (b) the timescales over which such costs would be expected to arise; and*
- (c) where the costs would fall;*

2. The Finance Committee needs to be able to assess whether the potential financial implications of the proposed measure, and the assumptions on which they are based, are reasonable and realistic. In order to do this, the Committee needs to be able to understand the basis on which the Government or Member responsible for the proposed Measure has assessed the potential financial implications of the proposed Measure.

3. The Committee accepts that in some cases it will not be possible to provide detailed figures but, in all cases, it should be possible to present the fullest information available to provide transparency and clarity to the process of costing the potential financial implications of the proposed Measure.

4. This information should include clear statements of the estimated potential financial impact of the Measure, for at least the next 3 years; and set out in detail;

- the sources and dates of the data used;
- the calculations or financial models used;
- the estimates and/or assumptions that have been made; and
- an indication of the accuracy and robustness of the figures, estimates and assumptions that have been used in the calculations and of the final costings.

5. If it is not possible to give an accurate estimate, a range of costs (minimum and maximum) might be given.

6. In order to smooth the process of legislation the Committee Clerk is always available to discuss with officials the information that might be made available to the Committee.

**Angela Burns**  
**Chair, Finance Committee**

**January 2009**

**From:** Elis-Thomas, Dafydd [mailto:Elis-ThomasD@wales.gov.uk]

**Sent:** 04 December 2009 17:28

**To:** Burns, Angela (Assembly Member)

**Subject:** PO 364 (2).pdf

Thank you for your letter Angela. I have nothing to add to the information contained in the explanatory memorandum to the proposed measure, which will be scrutinised by the legislation committee. Clearly your Committee is able to consider and report on financial information in explanatory memoranda as you see fit, under SO 14.2. But I have no further information I can usefully add.

Dafydd