



Assembly Commission Comisiwn y Cynulliad

NAFWC 2007 (Paper 1A)

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BUDGET REVIEW 2007/8 & BUDGET PLANNING 2008/9

1. Purpose and summary of issues

The Commission will soon consider its strategic approach to the next four years and detailed resource planning will be informed by this. This paper introduces budget matters which will need to be taken into account in our strategic planning. It reviews the approved budget for 2007/8, the agreement for a supplementary budget during the course of the year and the impact of additional proposals on both the supplementary budget and planning for the 2008/9 budget.

2. Recommendations

- 2.1 The Commission agrees the elements making up the likely additional resource requirement for the supplementary budget motion, noting the uncertainties which cannot be resolved for some weeks.
- 2.2 The Commission sets its priorities for the 2008/9 budget when determining its strategy, and notes that work on the detail will be completed over the summer recess and uncertain costs quantified as soon as possible.

3. Discussion

REVIEW OF 2007/8 BUDGET



- 3.1 As a result of reviewing and restricting the level of funding released to service managers at the beginning of April '07, it was possible to create *Unallocated Reserves* of some £1.6m within the approved budget. These reserves were a contingency to help meet emerging issues during the course of the year. They have been almost fully allocated or earmarked, a number of cost pressures that were originally listed as potential for supplementary budget have now been absorbed by the reserves and the restructuring and recruitment of additional staff, and necessary works in the Assembly Office. In view of this, I do not anticipate significant further resources being made available within the 2007/8 budget, although opportunities to improve the effective use of resources will be explored and taken.

SUPPLEMENTARY BUDGET MOTION 2007/8

- 3.2 Members will recall the need for a Supplementary Budget Motion in the order of £2m was accepted at the time the 2007/8 budget was approved. This was in recognition of expenditure that would be incurred, but could not be reasonably estimated at the time the budget was prepared, broadly consisting of:

Purpose	Original Indicative Resource	Updated Position
AM departure/ICT related costs arising from Elections 2007	£700,000	£930,000
New responsibilities, ways of working and extra functions for the Commission.	£540,000	Extra costs funded through unallocated reserves
Salary costs for Deputy Ministers and the Counsel General	Included above	£200,000
ICT costs for shared services	£100,000	£nil
Updating publications and exhibitions	£410,000	Much reduced cost met by APS budget.
Additional business rate demand for the Senedd	£250,000	£nil.
	£2,000,000	£1,130,000



3.3 Proposals and cost pressures that have arisen subsequent to the budget being set, which were not included in the estimated £2m, consist of:

Purpose	Resource	Impact
Operation Black Vote and support to the Electoral Commission	£110,000	One-off
Increase for each AM of 0.5fte AMSS (costings requested by the Commission, full year costs estimated at £650,000)	£400,000	Recurring
Possible ICT implications of extra numbers of AMSS (linked to above)	£100,000	Recurring
Relocation of the education suite from Pierhead to Assembly Office (Siambwr Fach)	£350,000 plus ICT costs	One-off
Estimated cost of APS staff pay settlement, over and above what had been budgeted (circa 7% against a 2.5% budget) ¹	£500,000	Recurring
Budget correction for AM Allowances to reflect higher than anticipated expenditure on this reactive budget during 2006/7	£350,000	Recurring
	£1,810,000	

3.4 Cost pressures that remain unknown at this time, but should be quantified in time for a Supplementary Budget Motion in the autumn, consist of:

Purpose	Resource	Impact
Impact of review of MPs' pay and link to AMs.	Not yet known	Recurring
Further additional resources to meet the needs of Committees, translation etc.	Not yet known	Recurring
Budget transfer for capital charges and Members' Pension Fund provision (to be matched by savings in the Assembly Government's budget) ² .	Non-cash, accounting entries	Recurring

¹ The pay settlement is in the course of negotiation through Welsh Assembly Government and the estimated outcome reflects the possible maximum impact, although it is very broad brush at present.

² This is an accounting transfer from Welsh Assembly Government budget to the Commission, with no net impact on public funds. It is likely to be in the order of £4m



3.5 The summary position is thus:

Purpose	Original Indicative Resource	Updated Position
Original cost pressures envisaged for funding through Supplementary Budget Motion	£2,000,000	£1,130,000
Proposals and cost pressures that have arisen since the 2007/8 budget was approved:	-	£1,810,000
	£2,000,000	£2,940,000 <i>Plus costs not yet quantified</i>

DRAFT BUDGET 2008/9

3.6 The detail of the 2008/9-2010/11 budget proposals will depend upon the strategic priorities set by the Commission. We have done some initial work which has identified the following ongoing commitments and options for the draft budget:-

Possible Priorities for 2008/9	Resource Estimates
AM Pay & Allowances review	Not yet known
Provision of Crèche facilities – set up and 1 st year running cost (estimate)	£450,000
Develop a democratic engagement capability, for example through enhancing a Petitions capacity, and working with the Electoral Commission	Not yet known
Potential further increase in legal, procedural, translation/reporting and research staff. ³	Not yet known
ICT improvement projects & asset additions/replacement programme	£250,000
Office refurbishment rolling programme	£300,000
Travel Plan provision	£50,000
TOTAL	£1,050,000

³ The sum cannot yet be quantified due to the uncertainty of the impact of the legislative workload and the pattern of committee work, but is likely to be in the order of £300,000 to £500,000 for a full year (salaries and on costs)



3.7 Based on this, an early estimate of the indicative draft budget for 2008/9 is as follows:

	£000
2007/8 Resource Budget	£33,582
2007/8 Estimated Supplementary Budget (<i>transfer from the Assembly Government for capital charges etc. to be added at a later date</i>)	£2,940
Revised 2007/8 Budget	£36,522
Plus full-year impact of part-year additions (in Supplementary Budget)	£310
Less one-off costs 2007/8	-£1,390
Adjusted Baseline Budget 2007/8	£35,442
Plus inflation provision	£900
Comparative Budget 2008/9	£36,342
Plus possible priorities	£1,050
Indicative Draft Budget 2008/9	£37,392 <i>Plus costs not yet quantified</i>

Governance Matters

4. Financial implications

4.1 2007/8 Budget:

	£000
2007/8 Approved Resource Budget	£33,582
2007/8 Estimated Supplementary Budget (to include transfers)	£2,940
Estimated Revised 2007/8 Budget	£36,522

4.2 2008/9 Draft Budget:

An indicative budget of £37.4m at this stage, excluding non-cash transfers and costs not yet quantified. This will be an increase of circa 3% in comparative terms on 2007/8.

5. Risk Assessment



- 5.1 The Shadow Commission set the Commission's budget for 2007/8 on the basis that significant costs would be met through a Supplementary Budget during the year. If a sufficient Supplementary Budget is not approved by the Assembly, the Commission will overspend during the current year.

6. Compliance

- 6.1 Under SO 27.7, the draft 2008/9 budget for the Assembly Commission is to be laid by 24 September.
- 6.2 Under SO 27.9, the 2008/9 budget for the Assembly Commission is to be laid by 30 October, with a motion that the budget be agreed and incorporated in the Annual Budget Motion.
- 6.3 Under SO 27.21, a Welsh Minister may table a supplementary budget motion at any time after the annual budget resolution has been passed.

7. Publication

7.1 This paper contains advice to the Assembly Commission on its budget for the current year and future years. This information is exempt from publication if in the reasonable opinion of a qualified person disclosure of information under the Act would, or would be likely to, inhibit

- (i) the free and frank provision of advice, or
- (ii) the free and frank exchange of views for the purposes of deliberation.

The balance of the public interest must also be against publication.

The Presiding Officer is the qualified person.