

Peredur Owen Griffiths MS
Chair of the Finance Committee
Senedd Cymru

Via email

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Dear Peredur

Travel and Subsistence Review

Further to our letter of 25th November 2021, we are now able to provide the further detail promised on the actual costs and savings associated with the removal of Travel Allowance from eligible staff from 2024-25 and the transitional impact of the savings.

In January 2022, the Committee approved a Supplementary Estimate for 2021-22 providing additional resource funding of £1.48m which was the maximum that we would have required to provide an upfront payment to all eligible staff with no contribution being made from our core funding.

Following the successful completion of a staff consultation exercise, all staff were issued with letters in February 2022 asking them to agree to new terms and conditions, and which all staff have now agreed to. The letters also provided eligible staff with the option to receive an up-front payment, continue to receive Travel Allowance until March 2024 or, for our trainees and apprentices, to move onto new benchmarked salary scales.

As a result of this exercise, 67% of eligible staff opted for an upfront payment at a total cost of £1.086m in 2021-22 - £394,000 less than allowed for in the Supplementary Estimate. In addition, Audit Wales were able to fund £378,000 from savings on other budgets hence utilising £708,000 of the additional funding provided.

In our letter of 25th November, we set out 3 options for the return of this additional funding:

- We could return the funding to WCF as an underspend in our 2022-23 accounts (both unused cash and resource savings);
- We could lay a Supplementary Estimate to return the full saving to WCF in the year; or

- We could lay a Supplementary Estimate and a revised Fee Scheme to share the savings between WCF and fees.

As described when we met the Committee on 11th May 2022, we intend to reduce our call on WCF in 2022-23 and 2023-24 by £354,000 to 'repay' the £708,000 funding utilised in 2021-22. We have submitted a Supplementary Estimate for 2022-23 accordingly and will reflect the balance in our Estimate for 2023-24 which will be laid before the Committee this autumn.

Our Estimate for 2022-23, considered by the Committee on 10th November 2021 also provided £750,000 for movements in working capital in the year – including the release of the provision for the upfront payment set aside in 2021-22. We are reducing this requirement by £40,000 due to the lower than allowed for take up of the upfront payment as set out below

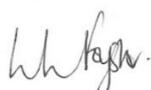
Movements in working capital 2022-23

	Approved Estimate 2022-23 £'000	Supplementary Estimate 2022-23 £'000	Net change £'000
Release of provision for upfront payment	1,480	1,086	(394)
Available in-year funding for travel allowance	(746)	(392)	354
Other movements in working capital	16	16	-
Total movements in working capital	750	710	(40)

From 2023-24, after allowing for a £900 salary uplift for all staff, as agreed in compensation for the removal of the travel allowance, we estimate on-going savings of £200,000 per year which will be reflected in future Estimates and Fee Schemes.

Please do not hesitate to contact us if there is any further clarification we can helpfully provide.

Yours sincerely



LINDSAY FOYSTER
Chair, Wales Audit Office



ADRIAN CROMPTON
Auditor General for Wales