

**National Assembly for Wales**  
Assembly Commission

## Supplementary Budget 2013-14



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Wales

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## 01. Background

The Commission's **2013-14 Budget** was included in the Annual Budget Motion under Standing Order 20.26 and was approved in Plenary on 14 November 2012, following scrutiny by the Assembly's Finance Committee.

The budget motion provided the Commission with £49.450 million of Resource Budget in relation to:

- £35.750 million for Assembly services; and
- £13.700 million for the Remuneration Board's Determination for Assembly Members.

A further £0.500 million 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. The Supplementary Budget Motion will not seek additional funding from the Welsh Block; its purpose will be to realign the Commission's approved budget in order to reflect two significant factors that have arisen during the financial year.

## 02. Explanatory memorandum

The effect of the Commission's supplementary budget will be to return Resource Budget to the Welsh Block and to regularise its budget for Annually Managed Expenditure in line with projections.

### Resource Budget

As part of the Commission's value for money programme, during this financial year a review of the rateable value of the Assembly estate was initiated.

The review and negotiations have resulted in a reduction in the rateable value of the estate, leading to the Commission benefitting from a significant backdated rebate, in the order of £0.700 million. The benefit will flow through to following years too, with a rates' bill reduction in the order of £0.200 million annually.

The backdated credit was not anticipated and does not form part of the investment plans for the current year or the three year investment plan approved by the Commission in 2011. The Commission is unable to carry-forward any underspend into the following financial year. It therefore considers it appropriate and effective stewardship in the wider public interest, to make the funds available to the Welsh Block via a (negative) supplementary budget proposal.

## Annually Managed Expenditure (AME)

The purpose of the Commission's AME budget is for the non-cash accounting adjustment in respect of the Assembly Members' Pension Scheme. The purpose of the adjustment is to ensure a true and fair view of the Scheme liability is recorded in the balance sheet of the Commission; it does not reflect the monetary sums paid by the Commission into the Scheme.

The actual figure to be accounted for against this budget is not known until after year-end, as the valuation has to be based on the position as at 31 March annually. This means that for the purposes of budgeting, the figure must be estimated, which the Commission does at the point of laying the original budget and then updates it in the third quarter of the year. The updated estimate indicates a potential figure of £1.045million for 2013-14 against the original estimate of £0.500 million. The final figure could be higher or lower depending on factors as at 31 March. Controls on AME budgets recognise the variable, reactive nature of charges made against them.

The Commission will therefore propose a supplementary AME budget of £0.700 million to cover the higher estimated figure for the adjustment and to provide some additional contingency. The figure is coincidentally the same as the rates rebate value; the two are not linked.

## Budget impact

This Supplementary Budget Motion will therefore propose the following:

- A decrease to the Resource Budget of £0.700 million
- An increase to the AME budget of £0.700 million

Table 1 below shows the change to the approved budget for each of the main expenditure lines in the Commission's approved budget.

**Table 1**

Cost of the National Assembly for Wales

Resources	Approved Budget	Proposed Supplementary Budget	Proposed Revised Budget
	£m	£m	£m
Commission staff	16.3	-	16.3
Remuneration Board's Determination for Assembly	13.7	-	13.7
Fixed costs (includes depreciation)	12.6	-0.7	11.9
Variable costs	4.6	-	4.6
Investment Programme	2.3	0	2.3
	49.5	-0.7	48.8
Annually Managed Expenditure (AME)	0.5	0.7	1.2

## 03. 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 2014.

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 2013-14 Budget for the Assembly Commission, addressing the revised requirements, is set out in Table 2 below.

<b>Table 2</b>	<b>£000</b>
Resources other than accruing resources for use by the National Assembly for Wales Commission on revenue and capital costs associated with the administration and operation of Assembly 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 National Assembly for Wales Commission.	35,050
Resources other than accruing resources for use by the National Assembly for Wales Commission in respect of decisions of the Remuneration Board.	<u>13,700</u>
<i>Total resources, other than accruing resources</i>	<i>48,750</i>
Annually Managed Expenditure for use by the National Assembly for Wales Commission in respect of Assembly Members' Pension provision.	1,200
Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the National Assembly for Wales Commission: from the disposal of fixed assets and other capital income for use on the purchase or acquisition of fixed assets; or rental income; gifts; grant support; recharges and income from commercial sales and other services provided to the public or others for use on administrative costs of the Assembly.	250
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.	45,850

Table 3 below reconciles the net resource requirement to the cash drawing requirement from the Welsh Consolidated Fund.

<b>Table 3</b>	<b>CASH REQUIREMENT</b>	<b>£000s</b>
		<b>2013-14 Revised</b>
	Members Net Revenue Requirement	13,700
	Commission Net Revenue Requirement <sup>1</sup>	34,300
	Net Capital Requirement	750
	Assembly Members' Pension Provision (AME)	1,200
	<i>Adjustments:</i>	
	Depreciation	(4,000)
	Movements in provisions	(1,200)
	Movement in debtors and creditors	1,000
	Use of provisions	100
	<b>Net cash requirement for issue from the Welsh Consolidated Fund</b>	<b>45,850</b>

<sup>1</sup> Assumes Accruing Income of £0.250 million year on year.