

Llyr Gruffydd AM
Chair of Finance Committee
National Assembly for Wales
Tŷ Hywel
Cardiff Bay
CF99 1NA

3 May 2019

Dear Llyr

I am writing to bring to the Committee's attention the Commission's proposed change to its approved 2019-20 budget through the Supplementary budget process. The Commission is proposing to increase its resource budget by £0.750million.

The Resource Budget

The Commission's operational budget is for the funding of resource and capital costs associated with the administration and operation of services to support the National Assembly for Wales; 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.

This budget is mainly used to fund the following items:

- Staff salaries and related costs, including pension contributions;
- Accommodation and facilities costs;
- ICT Costs; and
- Other costs e.g. audit fee, translation, training and travel costs.

Employer Pension Contributions to the Civil Service Pension Scheme

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. An estimate was included within the narrative of the 2019-20 budget document. This was based on the expectation at that time and was estimated to be in the region of £1million.

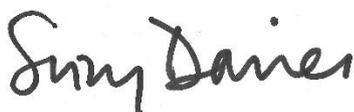
Confirmation of this increase has now been received and the current estimate of the impact of the increase in employer pension contribution increases to the CSPA, is £0.98million. This supplementary budget increases the Assembly Services budget requirement by £0.750million or 76.5% of the expected increase in employer contributions impacting on the Commission's budget during 2019-20. With careful management of the budget, efficiencies and prioritisation, it is anticipated that the shortfall can be absorbed within the existing Commission budget.

The Commission is therefore proposing a Supplementary budget for its Resource Budget of £40.076million. The effect on the overall Commission budget for 2019-20 will be as shown in the table below:

	Approved Budget £m	Proposed Supplementary Budget £m	Proposed revised Budget £m
Resource Budget	£39.326	£0.750	£40.076
Members' budget	£16.197	-	£16.197
AME Budget	£1.500	-	£1.500
Total	£57.023	£0.750	£57.773

In accordance with Standing Order 20.32 the Commission will be laying an explanatory memorandum with this Supplementary Budget request. A copy of this document is attached for your convenience. If you need further information, please let me know.

Yours sincerely



Suzy Davies

cc Manon Antoniazzi, Nia Morgan



Supplementary Budget 2019-20: Explanatory Memorandum

May 2019



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Supplementary Budget 2019-20: Explanatory Memorandum

May 2019



Croeso
i'r Senedd

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Welcome
to the
Senedd

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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 £0.980million. This supplementary budget increases the Assembly services budget line requirement by £0.750million or 76.5% of 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 £40.076million.

1.3. Budget impact

The Supplementary Budget Motion proposes the following:

- an increase to the Assembly Services budget of £0.750 million to £40.076 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>	57,773
<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>	54,373

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	39,576
Capital Requirement	500
Assembly Members' Pension Provision (AME)	1,500
Subtotal	57,773
<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	54,373