

Finance Committee

# Scrutiny of the Assembly Commission Draft Budget 2018-19

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October 2017



**National Assembly for Wales**  
Finance Committee

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Finance Committee

# **Scrutiny of the Assembly Commission Draft Budget 2018-19**

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October 2017



**National Assembly for Wales**  
Finance Committee

# Finance Committee

To carry out the functions of the responsible committee set out in Standing Order 19; the functions of the responsible committee set out in Standing Orders 18.10 and 18.11; and consider any other matter relating to the Welsh Consolidated Fund.

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## Current Committee membership:



**Simon Thomas AM (Chair)**  
Plaid Cymru  
Mid and West Wales



**Neil Hamilton AM**  
UKIP Wales  
Mid and West Wales



**Mike Hedges AM**  
Welsh Labour  
Swansea East



**Steffan Lewis AM**  
Plaid Cymru  
South Wales East



**Eluned Morgan AM**  
Welsh Labour  
Mid and West Wales



**Nick Ramsay AM**  
Welsh Conservative  
Monmouth



**David Rees AM**  
Welsh Labour  
Aberavon



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## Recommendations and Conclusions

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**Recommendation 2.** The Committee recommends that the final budget is amended to remove the ring-fenced £700,000 requested to progress a planning application for a new building. It believes that should there be a need to progress this application, the Commission should request the funding via a supplementary budget, or budget for future years.....Page 9

**Recommendation 3.** Should the Commission chose to utilise the supplementary budget route to commence planning on a possible new building, the Committee recommends that prior to the a supplementary budget motion being tabled, the Commission should submit the Explanatory Memorandum required by Standing Order 20.32 to the Committee for consideration prior to being laid. The Committee would expect to see detailed information as to why the new building is required in terms of the needs of the Commission and the Welsh Government, including statutory obligations, and how it would accommodate a possible increase in the number of Assembly Members. ....Page 9

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**Recommendation 8.** The Committee recommends that the outcome of the Capacity Review currently being undertaken is provided as a paper to the Committee. At this stage the Committee would like to see details on the increase in staff numbers over the past 10 years, including details as to which services has an increased head count and the reasoning behind these increases.. .... Page 18

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**Recommendation 10.** The Committee recommends that the number of full-time equivalent posts in the Assembly should remain static for the financial year 2018-19, to prevent additional increases in staffing resources and to allow the new Chief Executive and Clerk the opportunity to consider the outcome of the Capacity Review and how existing staff can be effectively utilised to meet the priorities of the Assembly and the Commission. .... Page 18

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# 01. Introduction

## Background

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1. The National Assembly for Wales' Standing Order 20.13 sets out that:

“Not later than 1 October in each financial year, a member of the Commission must lay before the Assembly a draft budget for the Commission setting out the amounts of resources and cash which the Commission proposes to use for the following financial year and provisional amounts for the subsequent two years or for such other period as the Commission has agreed with the Welsh Ministers.”<sup>1</sup>

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2. The Finance Committee (the Committee) is responsible for reporting on this draft budget. Standing Order 20.14 details that:

“The responsible committee's report may recommend variations in the amounts proposed in the draft budget provided that the net effect of those variations would not increase the aggregate amounts of resources or cash proposed in the draft budget for the Commission.”<sup>2</sup>

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3. The Committee considered the **National Assembly for Wales Commission Draft Budget for 2018-19** at its meeting on **5 October 2017** and took evidence from:

- Suzy Davies AM, Commissioner for Budget and Governance;
- Manon Antoniazzi, Chief Executive and Clerk of the Assembly; and
- Nia Morgan, Director of Finance.

## Historic increases in Assembly budgets

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4. The Finance Committee of the Fourth Assembly agreed that the Assembly Commission (the Commission) Final Budget 2012-13 would include a three year investment programme of above inflationary increases to support capacity building in relation to the devolution of additional powers, but it highlighted an expectation that in 2015-16 and subsequent years any increase should not be in excess of any changes in the Welsh block.

5. The Assembly Commission's proposed total budget for 2018-19 of £56.8 million, includes:
  - Commission Services budget, excluding ring-fenced budget, depreciation and annually managed expenditure, of £35.5 million, up on £34.4 million, an increase of 3.1 per cent;
  - Commission Services budget including ring-fenced budget, depreciation and annually managed expenditure, of £40.6 million, up on £38.2 million, an increase of 6.2 per cent; and
  - budget for the **Remuneration Board's Determination**<sup>3</sup> for Assembly Members, of £16.2 million, an increase of 4.3 per cent compared to the 2017-18 budget.

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<sup>1</sup> National Assembly for Wales, **Standing Orders of the National Assembly for Wales**, Standing Order 20.13

<sup>2</sup> National Assembly for Wales, **Standing Orders of the National Assembly for Wales**, Standing Order 20.14

<sup>3</sup> National Assembly for Wales, The Independent Remuneration Board for the National Assembly for Wales, Determination

6. The Budget for Members’ salaries and related costs is calculated in line with the independent Remuneration Board determination and are not set by the Commission, however, the Commission chooses to draw down the maximum allowance for each Member/Party to meet to maximum required by the determination.

7. Ring fenced and non-cash expenditure is budgeted to increase by £1.3 million. While depreciation and amortisation charges are estimated to be £200,000 lower this year (compared with a decrease of £400,000 for 2017-18). The draft budget includes £700,000 for new Assembly accommodation and an increase of £800,000 since last year for Members’ pension fund costs to £2 million.

8. In support of the request for increased funding Suzy Davies AM explained:

“Our starting position is always the strategic goals of the Assembly, which you’ll remember from before: providing outstanding parliamentary support to engage with all the people of Wales and champion the Assembly, and, of course, to use resources wisely. We’re also mindful, of course, of the statutory duty of the Commission to provide staff, property and services to do the work that the Assembly has decided it wants to do. Of course, what it’s doing in the fifth Assembly is considerably wider than that even in the fourth Assembly, wasn’t it?

... There are a number of things. The responsibilities that are kind of thrust upon us, if you like, include whatever Brexit is going to show—we’re already seeing increasing costs on the back of that. The reserved-powers model—of course, that’s going to oblige us to take certain activities. Then there are the opportunities that are presented to us by the Wales Act 2017 ... The strategic goals—if you consider things like the youth parliament, the Assembly’s already instructed the Commission to conduct feasibility work on the youth parliament. The opportunities that the digital changes could present for us.”<sup>4</sup>

### Three year financial planning

9. As required under standing order 20.13 the draft budget includes the cash and resources the Commission proposes to use for 2018-19 and the provisional amounts proposed for the subsequent two years.<sup>5</sup>

	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
Total Commission Budget	£53,742	£56,788	£57,114	£58,640

Source: Assembly Commission Draft Budget 2018-19

10. The provisional amounts for 2019-20 and 2020-21 for the Commission Services budget has been set to be flat in real terms, based on GDP deflator estimates at March 2017. There are no sufficiently detailed figures for Welsh Block increases over this period to make comparisons.

11. In relation to planning for future years Suzy Davies AM said:

<sup>4</sup> National Assembly for Wales, Finance Committee, Record of Proceedings, 5 October 2017, paragraphs 12 and 14

<sup>5</sup> National Assembly for Wales, Standing Orders of the National Assembly for Wales, Standing Order 20.13

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“While we’ve managed to come in with the figure that we’ve indicated for this year, that may not be the case for future years.”<sup>6</sup>

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## Committee view

**12.** The Committee is aware that the UK Budget is not due to be published until November 2017, however, the Welsh Government Draft Budget Narrative states that revenue budget allocations increase by 1.1 per cent from June Supplementary Budget 2017, to 2018-19 plans.<sup>7</sup> Additionally, the previous UK Government made a commitment to cut public spending by £3.5bn by 2019-20,<sup>8</sup> whilst it is yet to be confirmed whether this will be actioned in the Autumn Statement by the Chancellor of the Exchequer, the Committee does recognise that the Commission’s draft budget is above the latest estimate of change to the Welsh Block for 2018-19.

**13.** The Committee recognises that the Commission has a number of ambitious plans for the remainder of the Fifth Assembly, however, it believes that at a time when many other public services in Wales are facing extensive and continuing real terms cuts, it is hard to justify any increase in the Assembly’s spending. The Commission’s priorities are covered in detail in Chapter 2 of this report, but in relation to a possible new building the Committee finds the evidence presented to date in support of this priority particularly weak.

**14.** In considering this draft budget, it has become apparent that the decisions taken by the Assembly Commissioners are sometimes not conveyed to party groups and this has resulted in a situation whereby an all-party Assembly Committee view does not necessarily equate with an all-party Commission view. The Committee believes that further work should be undertaken to address this in future.

**Recommendation 1.** The budget requested for Assembly Commission Services for 2018-19 is 3.1 per cent, which is above both inflation and increases in the Welsh Block Grant. Given the continued and expected cuts across the public service in Wales and based on the indicative figures provided in the draft Budget documentation, the Committee recommends that in the remaining years of this Assembly, the Commission’s budget should not be in excess of any changes to the Welsh Block Grant.

**Recommendation 2.** The Committee recommends that the final budget is amended to remove the ring-fenced £700,000 requested to progress a planning application for a new building. It believes that should there be a need to progress this application, the Commission should request the funding via a supplementary budget, or budget for future years.

**Recommendation 3.** Should the Commission chose to utilise the supplementary budget route to commence planning on a possible new building, the Committee recommends that prior to the a supplementary budget motion being tabled, the Commission should submit the Explanatory Memorandum required by Standing Order 20.32 to the Committee for consideration prior to being laid. The Committee would expect to see detailed information as to why the new building is required in terms of the needs of

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<sup>6</sup> National Assembly for Wales, Finance Committee, Record of Proceedings, 5 October 2017, paragraph 10

<sup>7</sup> [Letter from the Cabinet Secretary for Finance and Local Government to the Finance Committee, 5 October 2017](#)

<sup>8</sup> [Cabinet Secretary for Finance and Local Government, Written Statement, Provisional Local Government Settlement 2018-19](#)

the Commission and the Welsh Government, including statutory obligations, and how it would accommodate a possible increase in the number of Assembly Members.

**Recommendation 4.** The Committee recommends that the Assembly Commission takes steps to ensure that its spending decisions are properly discussed with, and conveyed to, party groups.

## 02. Investment priorities, underspends and Remuneration decisions

### Remuneration Board underspend

15. In 2016-17 there was an underspend of £1.7 million in resources in respect of the Remuneration Board decisions.<sup>9</sup> In June 2017, the Assembly Commission told the Committee it estimated that there would be an underspend of £1.050 million for 2017-18.<sup>10</sup>

16. Table 2<sup>11</sup> outlines the underspend in resources in respect of Remuneration Board decisions for every year since 2011-12 (figures for 2017-18 and 2018-19 are forecasts).

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 <sup>12</sup>	2018-19 <sup>13</sup>
Year of Assembly	1st	2nd	3rd	4th	5th	1st	2nd	3rd
Budget compared to outturn	881	562	439	775	1,047	1,705	1,050	600

17. In relation to the estimated underspend for 2018-19, the draft budget notes:

“Historically, the budget for the Remuneration Board’s Determination has also released unused resources, which are available to the Commission to invest in Member or other services. It is not possible to predict accurately what this redeployed amount is; a prudent estimate, based on historic trends, would suggest £600k may become available.”<sup>14</sup>

18. In explaining the forecasted underspend, Manon Antoniazzi said:

“... the remuneration board determination figure is based on historical trends. So, if you look at expenditure during the last Assembly, the third year was the year in which most spending was scored against that budget... So, that, we believe, is an appropriate estimate.”<sup>15</sup>

### Funding investment priorities

19. The Draft Budget estimates that funding of £1.9 million may be made available for investment priorities, which would comprise £600,000 from the Remuneration Board underspend, £800,000 from operational budgets (staffing), and £500,000 capital budget.

20. The Draft Budget includes details of the investment priorities which may be funded should this funding become available, this includes priority areas in:

<sup>9</sup> Annual Report and Statement of Accounts – National Assembly for Wales 2016-17

<sup>10</sup> Letter from the Assembly Commission to the Chair of the Finance Committee, 16 June 2017

<sup>11</sup> National Assembly for Wales, Annual reports and Accounts 2011-12 to 2016-17, Letter from the Assembly Commission to the Chair of the Finance Committee, 16 June 2017 and Budget 2018-19

<sup>12</sup> Letter from the Assembly Commission to the Chair of the Finance Committee, 16 June 2017

<sup>13</sup> National Assembly for Wales, Draft Budget 2018-19, September 2017

<sup>14</sup> National Assembly for Wales, Draft Budget 2018-19, September 2017

<sup>15</sup> National Assembly for Wales, Finance Committee, Record of Proceedings, 5 October 2017, paragraph 149

- estates and facilities management;
- off site main delivery and scanning facilities;
- ICT;
- Youth Parliament;
- My Senedd Programme; and
- enhancement of digital news and public information.<sup>16</sup>

**21.** Manon Antoniazzi explained to the Committee how the Commission envisaged these priorities being funded:

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“...What we are doing is anticipating savings that we’ll be making through the staffing budget [correction: the budget set], through churn and so forth, and that is the money that we will be using to address the spending priorities in the course of the year. So, it’s going to have to be very, very tightly managed to undertake all the work that we need to do in the course of the year.”<sup>17</sup>

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**22.** In response to questions from members of the Committee, Suzy Davies AM explained how investment priorities are decided :

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“All decisions ... are measured against a number of things: firstly, the strategic goals and secondly, those that are obligatory, and then opportunities that have arisen and decisions that have been made for, I don’t know, a more digital assembly or a youth parliament. But the process it’s gone through is quite considerable. The ideas have to come from the individual directorates to say, ‘This is what our programme needs in order to develop’.... a really, really strong and clear business case has to be made. One of the changes that’s been made since we were with you last is that, as Commissioners, we’ve asked for a sort of closer oversight—not oversight, but a clearer reporting mechanism between the IRB and the Commission, so we can see the trend of the decisions that they’re making. I can tell, with another hat on, that the auditing of that process proves that it is indeed a very strong process. You don’t just get through the IRB. You really, really have to fight your corner. Then the bigger decisions come before the Commission anyway, where they’re given another run through the wringer.”<sup>18</sup>

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### **Future challenges**

**23.** The draft budget outlines a number of challenges ahead for the Assembly Commission, including:

- Brexit and constitutional change;
- building for the future;
- assembly reform;

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<sup>16</sup> National Assembly for Wales, Draft Budget 2018-19, September 2017

<sup>17</sup> National Assembly for Wales, Finance Committee, Record of Proceedings, 5 October 2017, paragraph 39

<sup>18</sup> National Assembly for Wales, Finance Committee, Record of Proceedings, 5 October 2017, paragraph 132

- a new name; and
- exploiting technology to transform service delivery.

**24.** In relation to “building for the future”, the draft budget includes a provision of a ring-fenced budget of £700,000 to progress with planning applications for a possible new building. The draft budget states Tŷ Hywel is “coming close to full capacity” and:

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“With greater devolved powers and as we move into a post-Brexit world, there is a greater need than ever to have an estate that delivers the required capacity, enhances the profile of Wales internationally, encourages public engagement and makes the work of Parliament more accessible to the citizens of Wales.”<sup>19</sup>

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**25.** In evidence, the Commission representatives explained that the Tŷ Hywel building is at capacity and additional space is needed based on the current circumstances. They went on to provide further explanation as to why a new building may be needed in future years, which included the possible need to accommodate:

- an archive facility;
- additional space for the Welsh Government; and
- more Assembly Members.<sup>20</sup>

**26.** In explaining the funding requested for a possible new building, Manon Antoniazzi told the Committee:

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“This is a substantial sum—£700,000—but we may not need it. We know that we may need it because if the Commission makes a decision to go ahead with the new building, that money will need to be invested in the coming financial year to prepare the planning application. However, if there’s a decision not to proceed, we won’t need it. So, I’m sorry if that hasn’t been explained fully in the budget document. What we were trying to do was explain that if there were a decision to move ahead, we would draw that money down. Otherwise, we will not draw it down, so it won’t be money that will be available for us to reallocate to anything else.”<sup>21</sup>

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**27.** Additionally, Manon Antoniazzi continued to explain the reasoning behind a possible new building:

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“I’m confident that the Commission will only take this decision to proceed if it is the most effective [correction: most cost-effective] option for the Assembly in the long term to look at. So far, the analysis is consistently showing that coming to this kind of deal is the most cost-effective solution in the long term, as opposed to leasing additional building space and so forth. It has to be borne in mind that Tŷ Hywel doesn’t revert to Assembly ownership at the end of its lease term, and so, there’s a responsibility on us to look ahead in that way. Yes, this is a cost related to planning permission. Then there will, a few years after

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<sup>19</sup> National Assembly for Wales, Draft Budget 2018-19, September 2017

<sup>20</sup> National Assembly for Wales, Finance Committee, Record of Proceedings, 5 October 2017, paragraph 59

<sup>21</sup> National Assembly for Wales, Finance Committee, Record of Proceedings, 5 October 2017, paragraph 52

that, be a fit-out cost, and then, there'll probably be an annual rental charge. That probably takes us well into the next Assembly, but as I say, we are flagging it at this point because, if we are to proceed, and if we are to get the most favourable deal for the public purse, we may need to move in the next financial year, and we wish to give ourselves as much time to spend that money as responsibly and effectively as possible.”<sup>22</sup>

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## Committee view

**28.** Previously the Committee has sought advice from the Auditor General for Wales on the treatment of the Remuneration Board underspend, as a result of this advice and the in-year scrutiny which took place in June, the Committee made a number of recommendations to the Commission. The Committee recognises that the Commission has taken on board these recommendations, and the draft budget includes an underspend forecast for the year and details how the remuneration underspend and other savings may be allocated in year. However, the Committee still has the view that the inclusion of this forecasted underspend does reduce the transparency of the total funding available to the Commission.

**29.** In relation to funding these investment priorities, the Committee is still not comfortable with the principle of the Commission's budget relying on a projected underspend to fund priority areas of work, particularly as some of these areas are classed as "obligatory". The Committee questions why obligatory requirements are being funded from a possible underspend and are not given certainty in the main budget, and remains concerned that this approach to budgeting lacks transparency and clarity. The Committee intends to undertake a short inquiry to firmly establish how this issue is dealt with in other parliaments, within the UK and more widely, to satisfy itself as to whether the way the Commission prepares its budget is the most transparent and effective way of budgeting.

**30.** Additionally, the Committee has considered the underspend from corresponding years in the Fourth Assembly and notes that the forecast amount of underspend available in 2018-19 is likely to be considerably lower than in recent years, this may mean that there is less additional funding available to the Commission for investment priorities than in 2016-17 and 2017-18.

**31.** The Committee notes from the evidence it heard, that the Commission believes that a new building is needed, regardless of the outcome of the work being undertaken by the Expert Panel set up at the start of 2017 to advise of issues of Assembly reform, including the number of Assembly Members. Members are unclear as to how the work of the Expert Panel, particularly in view of any possible increase in the number of Assembly Members, will inform the plans for a proposed new building.

**32.** Additionally, the Committee is unclear as to how the Commission is planning ahead in terms of future changes. The Committee has noted that £1.9 million was spent over 2016-17 and 2017-18<sup>23</sup> to refurbish the ground floor of Tŷ Hywel, including the provision of an additional committee room, when it is now apparent that a new building may be built. The Committee questions why a short term, less expensive solution was not implemented, prior to a new building potentially being built, which could have accommodated additional committee rooms.

**33.** The Committee believes that the evidence it received around the plans for a new building lacked clarity. Whilst it was apparent that space in Tŷ Hywel is currently at capacity, it is difficult for

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<sup>22</sup> National Assembly for Wales, Finance Committee, Record of Proceedings, 5 October 2017, paragraph 71

<sup>23</sup> [Letter from the Assembly Commission to the Chair of the Finance Committee, 16 June 2017](#)



Members to identify how future changes impact on a decision for a new building. Furthermore, the evidence presented referred to the Welsh Government's need for accommodation within the Cardiff Bay estate, but again it lacked clarity and the Committee was unsure how the Welsh Government's requirements impacted on the plans for a new building, and what statutory obligations the Commission has to provide accommodation for the Welsh Government.

**Conclusion 1.** The Committee intends to undertake a short inquiry to firmly establish how other parliaments, within the UK and more widely, budget for expenditure related to Members pay and allowances.

**Recommendation 5.** The Committee recommends that the Commission provides an in-year update (before the end of each calendar year) on likely Remuneration Board underspend along with any significant changes to planned projects to be funded using these underspends.

**Recommendation 6.** The Committee recommends that the Commission gives consideration to the priorities associated with the Remuneration Board underspend to ensure that the priorities directly reflect services which provide support to Members.

**Recommendation 7.** The Committee remains concerned as to the transparency associated with budgeting for forecasted underspends, however, it is recognised that there is a new Chief Executive and Clerk to the Assembly and the 2018/19 budget will be her first as Accounting Officer, as such the Committee recommends that serious consideration is given to how the budget is determined.

### 03. Staffing changes

**34.** The Assembly Commission’s budget for 2017-18 stated that it provided funding for 446 posts.<sup>24</sup> The Draft Budget 2018-19 states that there are currently 452 full time equivalent staff in post and 18 vacancies.<sup>25</sup> The Commission is currently negotiating a pay deal for 2018-19. The Draft Budget 2018-19 describes how staff capacity is planned and provides the rationale for recent growth:

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“A bi-annual capacity planning exercise requires services to assess their current staffing and skills against the work priorities they need to deliver, as well as identify where resources can be re-directed to emerging needs and maximising the productive output of our staff.

In recent years, there has been a steady growth in the staff complement of the Commission needed to meet the increasing demands of the Assembly. This process has been thoroughly scrutinised each year by the Finance Committee, Public Accounts Committee and the Assembly itself. That degree of scrutiny, coupled with the day to day transparency and proximity of so many Commission services to all Members and committees, means that the Commission is confident that any expansion has been understood by Members and delivered with their support.”<sup>26</sup>

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**35.** During the Committee’s scrutiny session with the Commission in June 2017, the Commission noted that staffing numbers were increased during 2017-18, of which the full impact would be reflected in the 2018-19 budget:

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“But the increase in staff that we’ve seen ... hits us for a part of the year this year and part of the year last year, but, next year, the budget that will be coming to you in October will be reflecting a full year of additional staff in 2018-19. So, there are expectations that our budget request now for 2018-19 will reflect the additional pressures on us and the additional staffing numbers that we require.”<sup>27</sup>

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**36.** The draft budget document outlines that the Commission has asked the Chief Executive to undertake a review of capacity to inform future discussions about the resources needed to deliver the Commission’s priorities, it details:

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“The review will help establish a shared understanding of how staff resources are currently deployed, the pressures faced by various teams and what efficiencies might be achieved whilst maintaining effectiveness. The review will take place in parallel with the budget setting process for 2018-19, help inform how spending is prioritised in that year and establish a baseline for future years. Its findings will be considered by the Commission towards the end of 2017.”<sup>28</sup>

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<sup>24</sup> National Assembly for Wales, Budget 2017-18, November 2016

<sup>25</sup> National Assembly for Wales, Draft Budget 2018-19, September 2017

<sup>26</sup> National Assembly for Wales, Draft Budget 2018-19, September 2017

<sup>27</sup> National Assembly for Wales, Finance Committee, Record of Proceedings, 29 June 2017, paragraph 102

<sup>28</sup> National Assembly for Wales, Assembly Commission Draft Budget 2018-19, September 2017

**37.** In relation to the capacity review and her role as a new Chief Executive, Manon Antoniazzi said:

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“What happened when I arrived was that it became clear that we needed to take a bit of a step back and review the capacity plans that had happened in the previous year. This felt like the right thing to do, and, indeed, the Commission [correction: the Presiding Officer] actually commissioned me to do that in a formal way. So, as is mentioned in the budget document, we have a time-limited but thorough staff review taking place at the moment. We’re engaging with all the staff to try and establish a shared understanding of how we’ve reached the resource allocation to staff that we have, and to look at ways in which we could possibly do things differently, so that we can manage within what is now quite a tight financial envelope, and continue to provide excellent services to the Assembly as it faces these significant new challenges. So, there is a review under way.”<sup>29</sup>

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**38.** In addition to requesting an increase in the staffing budget, the draft budget also refers to estimated in-year savings of £800,000 to be made from the operational budget, which Manon Antoniazzi provided clarification on:

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“...£800,000 is our best estimate at the moment of savings on our operational budget. So, that’s not just commission staffing, but other projects and contracts and so forth as well.”<sup>30</sup>

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## Committee view

**39.** Whilst the draft budget provides for a considerable increase in staffing compared to 2017-18, the Committee feels there is not much detail relating to where additional posts would be invested, or whether total numbers of staff will increase. Evidence from in-year scrutiny suggests that a proportion of the increase will be due to additional staffing recruited during this financial year, however the Committee considers that more information is required to clarify what additional staffing is being requested on top of current establishment.

**40.** While the Commission’s budget includes £1.9 million more for staffing than was in the 2017-18 budget, there is a forecast in-year saving of £800,000 in the operational budget. The Committee is supportive of the capacity review, but notes that reporting will be taking place after the budget had been voted on, and is therefore unsure whether this review was linked to the significant operational in-year savings estimated in the budget.

**41.** In considering the staffing aspects of the draft Budget, the Committee notes that the Assembly Annual Report and Accounts 2016-17<sup>31</sup> stated that on 31 March 2017, 448 full time equivalent staff were employed, including seconded and agency staff. The Committee considered this in comparison with the Scottish Parliament, whose 2016-17 Accounts stated that it employed 501 full time equivalent staff.

**42.** The Committee would like to see more benchmarking of staffing levels with other organisations, including with other parliaments to consider the core staffing that needs be provided

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<sup>29</sup> National Assembly for Wales, Finance Committee, Record of Proceedings, 5 October 2017, paragraph 20

<sup>30</sup> National Assembly for Wales, Finance Committee, Record of Proceedings, 5 October 2017, paragraph 149

<sup>31</sup> [National Assembly for Wales, Annual report and accounts 2016-17](#)

regardless of a legislature's size, such as security and additional pressures of providing services in a bilingual legislature.

**Recommendation 8.** The Committee recommends that the outcome of the Capacity Review currently being undertaken is provided as a paper to the Committee. At this stage the Committee would like to see details on the increase in staff numbers over the past 10 years, including details as to which services has an increased head count and the reasoning behind these increases.

**Recommendation 9.** The Committee recommends that the Capacity Review is considered alongside a benchmarking exercise with other parliaments, including parliaments with a bilingual function.

**Recommendation 10.** The Committee recommends that the number of full-time equivalent posts in the Assembly should remain static for the financial year 2018-19, to prevent additional increases in staffing resources and to allow the new Chief Executive and Clerk the opportunity to consider the outcome of the Capacity Review and how existing staff can be effectively utilised to meet the priorities of the Assembly and the Commission.