

Scrutiny of the Assembly Commission Draft Budget 2020-21

October 2019



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Finance Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

Tel: **0300 200 6565**

Email: **SeneddFinance@assembly.wales**

Twitter: **@SeneddFinance**

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About the Committee

The Committee was established on 22 June 2016. Its remit can be found at:
www.assembly.wales/SeneddFinance

Committee Chair:



Llyr Gruffydd AM
Plaid Cymru

Current Committee membership:



Rhun ap Iorwerth AM
Plaid Cymru



Alun Davies AM
Welsh Labour



Mike Hedges AM
Welsh Labour



Rhianon Passmore AM
Welsh Labour



Nick Ramsay AM
Welsh Conservatives



Mark Reckless AM
Brexit Party

The following Member attended as a substitute during this inquiry.



Mick Antoniw AM
Welsh Labour

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Recommendations

Recommendation 1. The Committee recommends further details are provided on the legislation software project in June 2020 when more specifics, including costs, of the project are known and the contract has been awarded. Page 15

Recommendation 2. The Committee recommends that the Assembly Commission provides details to the Committee, around June 2020, of the long term project planning being undertaken. Page 15

Recommendation 3. The Committee recommends that an annual financial report on the long term benefits, including ongoing savings, of the Voluntary Exit Scheme is provided to the Committee identifying how the scheme has met the stated aims, specifically “Delivering long-term savings where possible and/or avoiding additional costs in meeting skill shortages”.Page 20

Recommendation 4. As the Assembly Commission considers the Standards Commissioner’s staffing support should be outside the Assembly Commission’s establishment cap, the Committee recommends that work needs to be undertaken to ensure that this draft Budget and future draft Budgets identify resources for the Standards Commissioner.Page 20

Recommendation 5. The Committee recommends that where the Commission is requesting the Assembly to authorise policies, then there needs to be more transparent detail provided to Members at the time regarding the financial costs and future accountability arrangements around these policies, this should include the mechanism for calculating staffing increases and the justification for this.Page 20

Recommendation 6. The Committee recommends that the Commission prioritises funding for awareness raising of voting at 16 and works proactively with the Electoral Commission, the Welsh Government and local authorities to ensure a comprehensive awareness raising campaign. Page 23

1. Introduction

Background

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.”¹

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.”²

3. The Committee considered the National Assembly for Wales Commission Draft Budget for 2020-21 (the draft Budget) at its meeting on 3 October 2019 and took evidence from:

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

¹ Standing Orders of the National Assembly for Wales

² Standing Orders of the National Assembly for Wales

2. Assembly Commission Draft Budget 2020-21

Context

4. In May 2019, the Committee issued a **Statement of Principles** to bodies directly funded from the Welsh Consolidated Fund (directly funded bodies (DFB)) to consider when formulating budget requests:

Statement of Principles for directly funded bodies:

- Budget requests should be set in the context of the long term financial funding situation in Wales and funding pressures in the wider public sector.
- Requests should show how annual and multi-annual objectives will be prioritised, monitored and achieved.
- DFBs should not assume an increase in funding, regardless of the block grant change as any increase to their funding reduces resources available to other devolved public bodies.
- DFBs should continually seek to improve processes and accrue efficiencies.
- Where any increases in funding are requested, these should be backed by evidence both of the need, benefit and attempts that have been made to reduce such costs. Also, the consequences of not obtaining the requested increase in resource should be made clear and quantified.³

5. The draft Budget for 2020-21 totals £61.052 million after the International Financial Reporting Standards (IFRS) adjustment. The Assembly Commission (the Commission) presents the budget of £39.1 million, a 2.7 per cent cash increase in Commission related expenditure or £1 million, pre-IFRS adjustment, excluding depreciation.⁴

6. The total draft Budget the Commission is requesting, including Remuneration Board determination and non-cash budgets, is £59.2 million

³ Statement of Principles that the Finance Committee of the National Assembly for Wales expects Directly Funded Bodies to have regard to when making budget proposals, May 2019

⁴ [National Assembly for Wales, Assembly Commission Draft Budget 2020-21, pages 7 and 31](#)

compared to £58.0 million in 2019-20, pre-IFRS adjustment. This is a cash increase of £1.2 million or 2.1 per cent.⁵

Budget presentation 2020-21

Remuneration Board underspend and the Project Fund

7. Following the Committee's report on the Assembly Commission's use of the Remuneration Board's Determination⁶, the Commission now returns any underspend from the determination to the Welsh Consolidated Fund (WCF).

8. The 2020-21 budget states that "the Commission no longer utilises any underspend from the budget for the Remuneration Board's Determination in order to fund projects".⁷

9. The Commission's Project Fund is now funded by the capital expenditure budget plus any incidental underspend from the operational budget.

Vacancy / Churn

10. In the 2019-20 Commission budget a vacancy/churn provision (i.e. budget released due to staff vacancies) of £500,000 was included for Commission staffing and £500,000 for Assembly Member salaries and related costs.⁸

11. The 2020-21 draft Budget includes the vacancy/churn provision, which has been increased to £1 million (for both Commission staffing and Assembly Member salaries and related costs) to reflect the fact that in the final year of the Assembly, staffing levels are unlikely to be maintained at the same levels as during the rest of the Assembly period.⁹

12. The Commissioner explained that the £1 million vacancy/churn relating to the Assembly Member salaries and related costs is a more accurate estimate, and if this figure is not correct the Commission would submit a supplementary budget for additional funds from the WCF.¹⁰

⁵ National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 31

⁶ Finance Committee, The Assembly Commission's use of the Remuneration Board's Determination underspend, May 2018

⁷ National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 19

⁸ National Assembly for Wales, Assembly Commission Draft Budget 2019-20, pages 38 and 40

⁹ National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 33

¹⁰ Finance Committee, Record of Proceedings, 3 October 2019, Paragraph 70

13. In relation to Commission staffing, the Chief Executive explained that the Voluntary Exit Scheme (VES) had caused a peak churn but it expected that churn will stabilise at 10 per cent. However, the Chief Executive later stated in terms of staffing establishment that “if we go beyond that 497, we will have to deal with affordability issues in other ways and find savings to fund those”.¹¹

14. The draft Budget includes a paragraph “Engagement and Outreach Activities”. The Project fund includes an indicative provision of £250,000 for “Engagement and Outreach activities”. The draft Budget states that “the Commission is considering a range of proposals to further engagement from communities across Wales”.¹²

15. The Commissioner discussed how the Commission is evaluating the impact of previous initiatives to improve engagement with the people of Wales. At present the projects that the £250,000 will fund have not been decided and they will be looking to the new Director of Communications to help with these decisions.¹³

Committee view

16. The Commission no longer utilises any underspend from the budget for the Remuneration Board’s Determination in order to fund projects. The Committee welcomes the separation of the Remuneration Board and Commission budgets, as recommended by the Committee. The Committee welcomes the transparency this provides for the Assembly when asked to approve the funding for the Commission.

17. The Committee notes the Commission’s estimate of additional turnover relating to funding to meet the requirements of the Determination leading up to an election and how a more accurate estimate will avoid unnecessary calls on the WCF that may be returned at year end.

18. However, the inclusion of churn in relation to the Commission’s staffing is less clear, particularly as the Chief Executive stated that the budget relates to 497 establishment posts and savings will need to be found if they sought to expand towards the stated 501 cap. The Committee would envisage that staffing churn for the Commission should primarily result in savings as posts remain vacant whilst being filled. It is not clear why the draft Budget doesn’t include a more accurate

¹¹ Finance Committee, Record of Proceedings, 3 October 2019, paragraph 154

¹² [National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 21](#)

¹³ Finance Committee, Record of Proceedings, 3 October 2019, paragraph 218-222

estimate of staff costs for the year, without the need for an estimate of churn. The Committee would welcome an update from the Commission on the churn provision.

19. The Committee is surprised that the draft Budget does not include specific references to the Youth Parliament, Citizens Assembly or other initiatives that improve engagement. However, the Committee welcomes the commitment of the £250,000 engagement fund and the Chief Executive's openness on how this could be best spent.

20. The Committee considers it a priority to ensure that the Assembly improves engagement with all the people of Wales and that engagement is not all centred in Cardiff. The Committee's view is that it is for the Commission and its staff to recommend how best to engage with the public, whilst making sure that limited resources are used to the best effect. However, the Committee would want to ensure that engagement is meaningful and not merely tokenistic.

3. Overall Assembly Commission budget

Project Fund

21. The draft Budget includes a “Project Fund” of £1.015 million revenue and £500,000 capital in 2020-21. Projects totalling £1,515,000 currently intended for investment are highlighted in Annex 3 of the Draft Budget.

22. Table 1 shows the projects to be funded by the Project Fund from the 2020-21 draft Budget.

Table 1: Project Fund 2020-21

Project fund 2020-21	Amount £'000
Legislative Workbench Software	£600
Assembly Commission Senedd and Elections (Wales) Bill - Name change	£45
Archiving	£65
Plenary and Petitions	£50
Website	£80
Engagement and Outreach Activity	£250
Window replacement -feasibility review	£50
Fire door replacements	£80
Physical Security - delay project - Senedd	£225
Physical Security - delay project - Ty Hywel	£70
Total	£1,515¹⁴

Providing outstanding parliamentary support: Legislation software

23. The draft Budget details the procurement of new legislation software as a key project that is being jointly (and equally) funded with the Welsh Government. The Committee discussed this with the Commission during its scrutiny of last year’s budget¹⁵. At the time, there was a budget of £100,000 a year for 2019-20

¹⁴ [National Assembly for Wales Commission Draft Budget 2020-21, Annex 3, page 36](#)

¹⁵ [Finance Committee, Record of Proceedings, 3 October 2018, paragraphs 49-55](#)

and 2020-21 to maintain the existing system, until the Commission and Welsh Government could agree on the specification of the new software.

24. The draft Budget states that the cost of the new software is likely to be in the region of £600,000 to £2 million, and the cost of the project to the Commission could be £1 million, along with £100,000 annual support costs.¹⁶

25. The Commissioner provided further details on the scoping work required for the new legislation software. She explained that a wide range of costs had been provided as work needed to be completed on the overall requirements in order to determine the costs, and it was expected a contract would be issued in June 2020.¹⁷

Using resources wisely: Tŷ Hywel

26. As part of the lease agreement for Tŷ Hywel, the Commission is required to maintain the building in a good state of repair.

27. The draft Budget states that:

“It remains a long-term objective of the Commission to secure ownership of Tŷ Hywel at some stage in the future and such an investment would be consistent with that objective.”¹⁸

28. During scrutiny of the Commission’s 2015-16 Draft Budget, the Finance Committee of the Fourth Assembly discussed with the Commission the value for money case around purchase of the freehold of Tŷ Hywel. The Commission stated that it had previously submitted costed proposals to the Welsh Government setting out the value for money case for purchasing Tŷ Hywel, but these had not been taken forward.

29. The previous Finance Committee considered, based on statements made by Commission officials in the scrutiny session, that the Commission had a strong case for purchasing Tŷ Hywel under an invest-to-save model. In its report on the Commission’s 2015-16 draft budget, the Committee recommended that:

“the Assembly Commission continues to pursue opportunities to purchase the freehold of Tŷ Hywel, and in the absence of the Assembly Commission having the required borrowing powers, we recommend

¹⁶ National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 20

¹⁷ Finance Committee, Record of Proceedings, 3 October 2019, paragraph 92

¹⁸ National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 22

that the Welsh Government should give serious consideration to facilitating the purchase.”¹⁹

30. The Commission undertook a feasibility study in 2019-20 that identified an indicative cost for the window replacement programme of £4 million. The draft Budget states:

“The indicative cost to fully replace the windows is significant and would be hard to accommodate within the Commission’s operational budget.”²⁰

31. The draft Budget details that “feasibility studies will be carried out in 2020-21 to further consider the options and costs and look at how this project could either be phased, or funded as a one-off exceptional item within the Commission’s Budget in the Sixth Assembly”.²¹

32. The 2019-20 budget project fund included an indicative figure of £345,000 for window replacement – Phase 1. The Director of Finance stated that, as it became clear that a full feasibility study was needed, this £345,000 was taken out of the 2019-20 budget.²²

33. The Commissioner said that all project decisions stem from the three strategic priorities of the Commission²³, whilst the Chief Executive detailed the internal processes for project planning:

“One of the things we looked at during our capacity review, which is now complete, was how to streamline service planning. We’ve now got a pretty robust annual cycle that involves the wider leadership team, the executive board, and certain control points with the Commission. This year, the important themes that have been coming out include, obviously, Brexit planning, and we do a lot of scenario-planning exercises to try and foresee the different outcomes and the different stresses there will be on the system, depending on how that works out. We also keep a close eye on our rolling programme of estate maintenance and ICT infrastructure to see whether there are elements

¹⁹ Finance Committee Report on the Assembly Commission Draft Budget 2015-16, October 2014, page 14

²⁰ National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 22

²¹ National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 22

²² Finance Committee, Record of Proceedings, 3 October 2019, paragraph 136

²³ Finance Committee, Record of Proceedings, 3 October 2019, paragraph 88

of that that are becoming more or less important and bringing forward those, because there are quite often large items of expenditure that sometimes need to be spread over several years. So, we need to keep those very much in focus to make sure that Assembly Members are well-supported in doing their work and our ICT systems in particular are as robust and flexible as you need them to be.”²⁴

34. During evidence, further detail was provided on the possible window replacement scheme, and the terms and length of the Tŷ Hywel lease:

“we have the option to extend the lease on this building for 25 years, beyond the 13 years still to run on the lease—and it is a full repairing lease—that is one of the larger items of infrastructure spending that is best done in a planned and prudent way.”²⁵

Committee view

35. The Committee is pleased that the legislation software project is being progressed with joint funding from the Welsh Government. The Committee appreciates the reasoning behind the wide range of costings, but would welcome an update on costs once the project contract has been awarded.

36. The Commission allocated £345,000 towards the new window replacement project in 2019-20. This funding has not been used, although the budget documentation refers to a detailed feasibility study being commissioned in 2019-20 and a further £50,000 is requested for 2020-21 to undertake additional feasibility studies. It is not clear why the Commission requested £345,000 in 2019-20 if feasibility studies had not been undertaken.

37. The draft Budget provides indicative figures for the first two years of the Sixth Assembly, as required by Standing Order 20.13²⁶. Initial investigations have highlighted a need for a phased programme of window replacement with an indicative cost estimate of £4 million, yet this indicative cost is not included in the budget for 2020-21 or indicative budgets for future years. The Committee considers it important that a decision to proceed with a project of this magnitude is scrutinised as part of consideration of medium and longer term planning and as

²⁴ Finance Committee, Record of Proceedings, 3 October, paragraph 89

²⁵ Finance Committee, Record of Proceedings, 3 October, paragraph 115

²⁶ [Standing Orders of the National Assembly for Wales](#)

such it would be helpful if this known expenditure had been included in the indicative figures for future years.

38. If the window replacement project is progressed, the Committee urges the Commission to do all it can to ensure that Welsh businesses have the best opportunity to be successful in bidding for work relating to the project, to ensure that value for money is achieved both in procurement and also investment in Welsh businesses.

39. The Committee appreciates the identification of potential longer term projects, such as the window replacement project and options around the Tŷ Hywel lease. However, the Committee recognises the annual nature of its draft Budget scrutiny, which does not afford Members the opportunity to scrutinise the long term project planning and spending undertaken by the Commission. The Committee believes that such medium to long term investment projects justify periodic scrutiny sessions with the Commission. The Committee will look to undertake a scrutiny session of the Commission's medium to long term planning at a designated scrutiny session next year and would also recommend a future Finance Committee undertakes a similar exercise early in the next Assembly.

40. Additionally, the Committee would welcome an update from the Commission on any discussions with the Welsh Government as to how the purchase of Tŷ Hywel could be facilitated.

Recommendation 1. The Committee recommends further details are provided on the legislation software project in June 2020 when more specifics, including costs, of the project are known and the contract has been awarded.

Recommendation 2. The Committee recommends that the Assembly Commission provides details to the Committee, around June 2020, of the long term project planning being undertaken.

4. Voluntary Exit Scheme and staffing

Staff numbers

41. The draft Budget 2019-20 committed to:

“managing its staffing resources robustly to meet the needs of the Assembly, within its fixed establishment of 491 posts, until the next election.”²⁷

42. In its report on the draft Budget 2019-20, the Committee recommended:

“Recommendation 5: The Committee recommends that any staffing decisions are given serious consideration by the Commission, including any Voluntary Exit Scheme, and any such scheme should be closely linked with the findings of the recent Capacity Review.”²⁸

43. In May 2019, the Commission wrote to the Committee stating:

“At its meeting on 4 March 2019 the Commission considered proposals to relax the establishment cap of 491 posts, to provide additional resources, principally to meet the challenges of Brexit. The Commission recognised the pressures and were supportive in principle, but asked for further detail about the expected number of additional posts and reassurance that they could be managed within the existing budget.”²⁹

44. This letter detailed that the Commission had agreed an increase to the establishment cap of six posts, from 491 to 497.³⁰ However, the draft Budget 2020-21 states:

“In 2019, the Commission agreed to increase the established post count from 491 to 501, again to meet the demands of Brexit preparations.”³¹

²⁷ [National Assembly for Wales, Assembly Commission Draft Budget 2019-20, September 2018, page 15](#)

²⁸ [Finance Committee, Scrutiny of the Assembly Commission’s Draft Budget 2019-20, October 2018](#)

²⁹ [Letter from the Assembly Commission to Chair of the Finance Committee, 3 May 2019](#)

³⁰ [Letter from the Assembly Commission to Chair of the Finance Committee, 3 May 2019](#)

³¹ [National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 8](#)

45. The draft Budget also references two staff who have been “designated as a dedicated staff resource for the Standards Commissioner” who were “funded from vacancy savings as a result of the VES” in 2019-20. The budget document states that “these two posts are outside the 501 Commission establishment”.³²

46. The budget for the VES was initially set at £800,000, then increased at Executive Board to £950,000 and subsequently increased further to £1.016 million.³³

47. The aims of the VES were stated as:

- “Allowing the organisation to respond to shifts in its skill requirements;
- Improving workforce efficiency;
- Facilitating organisational change; and
- Delivering long-term savings where possible and/or avoiding additional costs in meeting skill shortages.”³⁴

48. The WAO published a report on Managing early departures across Welsh public bodies³⁵ in 2015. This report recommended that “Public bodies should use business cases to support all individual early departures. Business cases should identify the cost and service delivery implications of the individual leaving and take account of relevant wider workforce planning”.

49. While the 24 staff leaving under the VES did so after 31 March 2019, costs are included within the 2018-19 Assembly Commission accounts.³⁶ An approved budget was sought from the Cabinet Office and approval was given for up to £1.5 million. The accounts show a cost of £1.016m for the VES (page 61). This was funded from “Staff salaries and related costs” underspend, which came about from a higher than usual level of staff turnover. Costs associated with the VES are included within “non-staff costs”.

³² [National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 9](#)

³³ [Letter from the Assembly Commission to Chair of the Finance Committee, 3 May 2019](#)

³⁴ [Letter from the Assembly Commission to Chair of the Finance Committee, 3 May 2019](#)

³⁵ [Wales Audit Office, Managing early departures across Welsh public bodies, February 2015](#)

³⁶ [National Assembly for Wales, Assembly Commission Annual Report and Accounts 2018-19, July 2019](#)

50. Two directors left under the VES at a cost of £115-130,000 for each director. Both payments are provided for within the 2018-19 accounts and paid in 2019-20.

51. Explaining the staffing levels, the Chief Executive said:

“...we focused on the posts, and the number of posts that we had in that year was 491, and so we undertook to keep that stable for a year, which we did. Beyond that, we started to encounter the drawbacks of just focusing on establishment numbers, as opposed to affordability in the budget, because there was a danger that there would be grade inflation in the staff numbers, because we were encountering new, higher needs, and needing to respond to that without increasing the sheer numbers of staff. So, even though we did our best to restrain numbers by putting forward the voluntary exit scheme, we still felt, beyond that, we needed a little bit of headroom again.

So, from 491, we asked the Commission whether we could increase by up to 10, which they agreed to, which would be 501. In the event, we only took permission to recruit six of those posts, which put us up to 497. So, 497 is what we have budgeted for next year. If we go beyond that 497, we will have to deal with affordability issues in other ways and find savings to fund those.

The two posts for the standards commissioner are probably worth mentioning particularly. There is an important principle that the staff who work for the standards commissioner are separate and independent, so that the separation of his duties is respected. The standards commissioner's most recent annual report shows that his workload has doubled, and whereas the work supporting the standards commissioner used to, years ago, be deliverable with just part of one member of staff—so, the most practical solution was for a member of staff to be partially working for us and partially working for the standards commissioner; that was enough and it was a practical and prudent solution to providing that staff resource—now, we need two full-time members of staff working for him. So although we found the budget, we then run up against the staff numbers. So that is a new and separate function that we consider to be outside the 497 establishment number.”³⁷

³⁷ Finance Committee, Record of Proceedings, 3 October 2019, paragraphs 153-155

Committee view

52. The Committee notes the evidence on Commission staff levels. Previously the Committee recommended that staff increases should be controlled and the Commission committed to remaining within the 491 cap for the duration of this Assembly. In May 2019, the Commission notified³⁸ the Committee that the “establishment cap” had been raised from 491 to 497. Therefore, the Committee is surprised that the draft Budget details a cap of 501 with the addition of two further commission staff who have been included as staff outside of this “cap”, taking the “establishment cap” to 503.

53. The Committee is disappointed that there is not more transparency in decision making around staff numbers, particularly in light of the recent VES that released 24 staff.

54. The Committee’s view is that a VES scheme that releases 24 staff and includes significant voluntary severance payments, such as the two payments in excess of £100,000, should only be used where substantial restructure or change is evidenced. As yet, the Committee has not seen sufficient evidence of this type of change and it is disappointing that the VES will not result in any savings, particularly in staff numbers.

55. In May 2019 the Committee wrote to the Commission outlining expectations for the VES:

“we would expect such schemes to provide clear information on the expected savings from the related expenditure and provide an indication of the payback period over which the organisation is expecting to realise these savings.”³⁹

56. The Committee expects regular updates on outcomes from the VES, given the substantial public funds involved. For example, a financial report on the long term costs and benefits should be standard practice. The Committee notes the Commission’s suggestion that, due to the increasing call on resources by the Standards Commissioner, it was considered that the two Commission staff currently supporting the work of the Standards Commissioner were above the establishment cap. Whilst recognising the increase in resources required by the Standards Commissioner, this is the first time there has been any indication that

³⁸ [Letter from the Assembly Commission to Chair of the Finance Committee, 3 May 2019](#)

³⁹ [Letter to the Assembly Commission from the Chair of the Finance Committee, 24 May 2019](#)

posts which support the Standards Commissioner are viewed as outside the Commission's core posts.

57. In light of the changes to how the Standards Commissioner's support is viewed by the Commission, the Committee believes there is a need for increased transparency and accountability, in terms of how the Standards Commissioner is funded from the Commission's budget and how this impacts on Commission staffing levels. The Committee recognises that there is an increasing call on the Standards Commissioner and there is a statutory requirement to support the Standards Commissioner.

58. The Committee believes that when the Assembly is asked to approve Commission policies, that are likely to have an impact on either the Commission's own resources or the resources that the Standards Commissioner will need to carry out his role in the future, it would be helpful if these requests were accompanied by a breakdown of expected activity and costs. This information should then be reflected in budgets which request resources to meet the requirements of new policies.

Recommendation 3. The Committee recommends that an annual financial report on the long term benefits, including ongoing savings, of the Voluntary Exit Scheme is provided to the Committee identifying how the scheme has met the stated aims, specifically "Delivering long-term savings where possible and/or avoiding additional costs in meeting skill shortages".

Recommendation 4. As the Assembly Commission considers the Standards Commissioner's staffing support should be outside the Assembly Commission's establishment cap, the Committee recommends that work needs to be undertaken to ensure that this draft Budget and future draft Budgets identify resources for the Standards Commissioner.

Recommendation 5. The Committee recommends that where the Commission is requesting the Assembly to authorise policies, then there needs to be more transparent detail provided to Members at the time regarding the financial costs and future accountability arrangements around these policies, this should include the mechanism for calculating staffing increases and the justification for this.

5. Assembly Reform

59. The draft Budget includes £500,000 for elections or pre-election expenditure. This is a separate ring-fenced budget and any underspends will be returned to the WCF.⁴⁰

Communication / Engagement

60. As set out in the Explanatory Memorandum⁴¹ to the Senedd and Elections (Wales) Bill (the Bill), the Commission intends to undertake a communications programme based around the name change, engaging with the people of Wales on the current constitutional arrangements, and the powers and responsibilities of the Assembly. The Project Fund includes £45,000 specifically in relation to the name change activities.⁴²

61. In relation to votes for 16 and 17 year olds, the bulk of these engagement costs will be incurred in 2020-21 and are included within the Commission's ring-fenced, pre-election costs. The budget for 2020-21 "election related costs" is the same as that in 2015-16.⁴³ The **2015-16 accounts**⁴⁴ report that £427,000 of this elections funding was spent.

62. The draft Budget states that work undertaken by the Commission is likely to concentrate on:

- "the creation of materials in the period following the passing of the Bill, and before other stakeholders' materials are expected to be available;
- the immediate run-up to the 2021 election; and
- materials focussing on the role of the Assembly, and the Assembly elections."⁴⁵

⁴⁰ National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 10

⁴¹ Senedd and Elections (Wales) Bill, Explanatory Memorandum, February 2019

⁴² National Assembly for Wales, Assembly Commission Draft Budget 2020-21, Annex 3, page 10

⁴³ National Assembly for Wales, Assembly Commission Draft Budget 2020-21, pages 10 and 14

⁴⁴ National Assembly for Wales, Delivery and transition: Annual report and accounts 2015-16, July 2016

⁴⁵ National Assembly for Wales Commission Draft Budget 2020-21, page 15

Electoral Commission

63. Due to the uncertainty around potential amendments to the Bill, no budget is included in the draft Budget for the Electoral Commission's work on devolved elections in Wales from 2021-22, or any other associated costs.

"The figures included in this budget document do not include a budget for the Electoral Commission's work on devolved elections in Wales from 2021-22 or any other associated costs."⁴⁶

64. Any costs to meet the Electoral Commission's funding are likely to be met from the £500,000 requested in the draft Budget for elections, or pre-election expenditure.

65. When asked whether the £500,000 for election related expenditure was sufficient, the Chief Executive said it was an estimate based on the 2015-16 election cost.⁴⁷

66. The Committee asked about costs to fund the Electoral Commission's work in Wales. The Commissioner said there was no budget included for this and the Chief Executive said initial considerations show one extra member of staff would be needed to deal with Electoral Commission arrangements.⁴⁸

Committee view

67. The Committee notes that the ring-fenced budget for elections expenditure is not considerably higher than the spend in previous elections⁴⁹, which is surprising considering the proposed additional work raising awareness for votes at 16 and 17. (Recommendation 6 below is dependent on the passing of the Senedd and Elections (Wales) Bill).

68. Whilst recognising that the costs associated with the Electoral Commission's work in Wales are not yet known, based on the figures that are already in the public domain, it is surprising that the draft budget does not include any funding for this work.

⁴⁶ [National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 15](#)

⁴⁷ Finance Committee, Record of Proceedings, 3 October 2019, paragraph 193

⁴⁸ Finance Committee, Record of Proceedings, 3 October 2019, paragraphs 200-201

⁴⁹ £442,000 in 2011-12 and £427,000 in 2015-16

Recommendation 6. The Committee recommends that the Commission prioritises funding for awareness raising of voting at 16 and works proactively with the Electoral Commission, the Welsh Government and local authorities to ensure a comprehensive awareness raising campaign.

6. Brexit

69. The draft Budget sets out how scenario planning has helped to assess what different Brexit scenarios might mean for the business of the Assembly and the resources that support it.

70. The draft Budget identifies that a no-deal Brexit would mean that large service and supply contract costs “are likely to increase”.⁵⁰

71. Additionally, Commission staff have seen significant increases in workloads for Committees considering Brexit related issues. The draft Budget details that, whatever the outcome of Brexit, the Commission expects increased levels of activity around legislation to continue.⁵¹

72. The draft Budget document states that:

“The Assembly’s committees will need to respond to these pressures and the Executive Board will continue to review staffing capacity to manage peaks.”⁵²

73. The Chief Executive outlined some of the issues facing the Commission in preparing for Brexit, she said:

“Over and above the impact on our statutory processes, and the issue of the work of lawyers and clerks, then we have been working on a weekly basis as a staff team to forward plan, and to ensure that we know what the implications of various developments would be. We do feel that any impact in terms of procurement is something that we will be able to cope with within this budget. We've estimated that £50,000 to £100,000 in additional costs may arise if exchange rates change, if certain elements of our information technology become more expensive. We do have a very small number of staff who will be directly impacted because they are European citizens; that is again something we are monitoring. But we do keep a very close eye, as you would expect, on those implications. But the main one would be one that we

⁵⁰ [National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 17](#)

⁵¹ [National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 17](#)

⁵² [National Assembly for Wales, Assembly Commission Draft Budget 2020-21, page 17](#)

have been coping with over the past few years, which is a substantial increase in business.”⁵³

Committee view

74. The Committee would like to acknowledge the work of Commission staff in terms of processing work in relation to Brexit, particularly the high volumes of statutory instruments. The Committee would welcome a note on the Commission’s planning for Brexit “worse case scenarios”.

⁵³ Finance Committee, Record of Proceedings, 3 October 2019, paragraph 208