



Jocelyn Davies AM
Chair, Finance Committee
National Assembly for Wales
Tŷ Hywel
Cardiff Bay
Cardiff

4 November 2015

Dear Jocelyn

Thank you for your Committee's Report on the Scrutiny of the Assembly Commission Draft Budget 2016-2017, published on 16 October 2015. The Commission agrees with all the Finance Committee recommendations; our detailed response is set out in the attached annex.

I look forward to the debate on the Commission's budget motion next week. In the meantime, if there is any further information your Committee would like, please do not hesitate to let me know.

Yours sincerely

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Deputy Presiding Officer

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Croesewir gohebiaeth yn y Gymraeg a'r Saesneg/We welcome correspondence in both English and Welsh

Finance Committee Recommendations

Recommendation 1. The Committee recommends that the Assembly Commission provide an update on the work undertaken in relation to preparing the Assembly for the new fiscal and legislative powers, including what new posts have been created to take this forward as identified in the draft budget documentation.

Agreed.

A vital part of the Commission's business planning cycle is an exercise to match staffing resource against need. This annual capacity planning assessment informs decisions on the creation of any new posts and ensures that we have the right staff in the right areas. Clearly, the arrival of fiscal responsibilities in the next Assembly, along with the implications of the forthcoming Wales Bill and the reality of a demanding legislative programme, have been, and remain, central to that capacity planning. We are currently in the middle of this year's review of our capacity plans. It is possible, therefore, that the staffing additions described below (for which staff have already been recruited) may be adjusted further.

The budget for 2016-17 currently funds 13 additional posts compared to 2015-16. Of these, posts relevant to the Committee's recommendation have been put in place to enhance:

- clerking support across a range of policy/legislative committees and the Finance, Public Accounts and Standards committees;
- bilingual service delivery in the Table Office;
- Research Service expertise in respect of financial scrutiny; and
- legal expertise to support legislative scrutiny.

The other additional posts will be seen in the Members' Business Support Service, in Human Resources (specifically to enhance staff training and support) and in the team responsible for the administration of the Members' pension scheme.

In addition to staffing enhancement, the Commission is prioritising the development of relevant skills and knowledge. A programme of briefing on the implications of new fiscal responsibilities and the forthcoming Wales Bill is already underway for current Members, their staff and those of the Commission. The bulk of this briefing work is being delivered by a specialist team, which acts as a centre of staff expertise and to drive up the Commission's internal capacity in respect of constitutional change. This constitutional change team has itself been enhanced with additional staffing in 2015. We are also strengthening links with the Scottish Parliament to learn from their experience of exercising new fiscal powers.

Also relevant to the Committee's recommendation is the Continuous Professional Development programme for Members and their staff. A key part of the programme next year will focus on ensuring Members elected in

May are ready to operate under the arrangements that will arise from the new financial powers of the Assembly which are expected over the next 1-2 years. The support available will build on the financial scrutiny programme delivered in the Fourth Assembly and will include providing specialist, targeted training and briefings.

Recommendation 2. The Committee recommends that the Assembly Commission provide clarity as to what happens to the funds which are not accessed by Assembly Members in relation to the Remuneration Board's determination.

Agreed.

Decisions over the pay and other costs of Assembly Members are the responsibility of the National Assembly for Wales Remuneration Board, established by Assembly legislation in 2010. The Board is entirely independent of the Assembly in order that Members have no direct role in setting their own pay, that of their staff nor the amounts that can be reimbursed for office and other costs. The Board's decisions are published in its National Assembly for Wales' Determination and, by statute, it is the Commission's responsibility to secure the funding necessary to meet the costs arising from the Determination.

The budget for 2016-17 has therefore been set in two distinct parts:

- £36.5million for the provision of Commission services which has been subject to a 1.5% real terms cut compared to 2015-16;
- £15.5million for the costs associated with the Remuneration Board's determination for Assembly Members' pay and allowances.

In our Annual Report and Accounts each year, we set out details of actual expenditure. This includes information on underspends as well as outcomes delivered. In future, in order to increase transparency and accountability, and as recommended by the Committee, we will set out what has happened to any funds not drawn down by Assembly Members in relation to the Remuneration Board's Determination. This will reflect expenditure decisions taken by the Commission's Investment and Resourcing Board, which has responsibility for ensuring that the Commission's budgets are used as effectively as possible to deliver the Commission's priorities and achieve value for money. Any funds that are identified as surplus to the Commission's requirements would be returned to the Welsh Block via a Supplementary Budget.

Recommendation 3. The Committee recommends that the Commission publishes a detailed breakdown on the estimate of the pre-election costs, specifying how it is expected the requested £2.5 million will be used.

Agreed.

For 2016-17 we are seeking a £2.5million budget for election related costs to cover the costs of our statutory obligations to Members who do not retain their seats, either because they are stepping down or because they are defeated. It also includes funds to cover the cost of providing ICT equipment and support for incoming Members, any accommodation requirements that need to be met and the costs associated with managing these processes.

We have no way of knowing what the outcome of the next election will be, but with a number of Members having already announced their intention to step down and the UK elections indicating there may be a large scale change to the political make up, we have set the budget on the assumption that there will be a 50% turnover to ensure there is adequate coverage for potential costs.

The breakdown is:

Members' Resettlement Grants	£ 900,000
AMSS – Redundancy	£ 450,000
Salary and other costs associated with winding up period	£ 650,000
Services for incoming Members (ICT, accommodation etc)	<u>£ 500,000</u>
Total	£2,500,000

This budget is strictly ring-fenced for election costs and any unused funds will be returned to the Welsh Block via a Supplementary Budget. Details of the breakdown of actual spend will be set out in full for Assembly Members when they consider that Supplementary Budget and in our Annual Report and Accounts for 2016-17.

Recommendation 4. The Committee recommends that the issues associated with the Assembly website are reviewed as a matter of priority, and would like to receive an update on progress in this area before the end of the Assembly.

Agreed.

Making improvements to the Assembly's website has been a priority for us since we brought the Commission's ICT services in-house in July 2014. The Commission is undertaking a major revision of the website and has completed the first phase to provide a new content management system to deliver information and improve the search capability.

The current phase of change will see the delivery of other short term improvements including:

- a new website homepage to make Assembly Business more prominent and to make access to news and topical information easier;
- new layouts for committee information, including embedded video and imagery;
- further improvements to general search capability; and
- more data and information available online and in a reusable format.

The third phase will require us to make organisational changes to how we produce, manage and publish information as well as changing how data is stored. This is a significant undertaking for the Commission but the planning work is under way for this. Our aim is to transform the way we produce, use and make available all Assembly information in order to make looking for and using what we publish much easier for everyone.

We want to be recognised as a parliament that is open, accessible and easy to engage with. The website is an important part of that so the Commission is committed to ensuring that the website delivers what Members and the public need.

We will update the Finance Committee on progress with the website improvements before the end of this Assembly.

Recommendation 5. The Committee recommends the review of the pilot looks to ensure that any changes made do not impact on the quality of the Record of Proceedings.

Agreed.

The Finance Committee will be aware that the Commission initiated a review in 2014 to explore any new opportunities for our approach to reporting on proceedings, including how it could be used to increase engagement and understanding of the work of the Assembly. The Review was completed earlier this year and proposals for the future are now in the development phase. Our aim is to make the Record available:

- earlier, rather than publish after 24 hours;
- in an accessible format so that it is more searchable; and
- in a format that allows re-use by users as the current software does not allow copying and pasting.

An important improvement introduced in January was a change to the editing style so that the written record and the audio visual record on Senedd TV are more closely aligned. Along with other improvements, we want to make the Record of Proceedings an integral part of our communications strategy to make our proceedings more transparent so that the people of Wales understand what is being debated and decided by the Assembly. With this in mind, the Assembly Commission will be asked to consider options for the future at its December meeting.

Throughout the project we have been mindful of efficiencies and, where savings have been made, they have been reinvested to improve services for users. The pilot suspension of Plenary logging took place during the half term which ended on 23 October. Initial indications are that the time savings produced, reinvested to make more bilingual text available earlier, have not been detrimental to the quality of the Record (although there has been a small increase in the number of times “inaudible” is used when sedentary

remarks are made and the Member cannot be identified). The Commission will continue to ensure that any efficiencies proposed do not compromise the quality of the Record of Proceedings.

Recommendation 6. The Committee recommends that the current Commission and the Fifth Assembly Commission continue to prioritise working towards challenging sustainability targets leading up to 2021.

Agreed.

We are grateful for the Finance Committee's support for our ambitious sustainability targets. Our updated Carbon Management Plan sets challenging targets to reduce the carbon footprint of the Commission by a further 30% (compared to a 2012/13 baseline) by 2021.

Through the ten year Estates Forward Work plan we plan and prioritise work to improve the Estate and invest in the fabric of our buildings using affordable new technologies and renewable energy. These investment choices contribute to greater sustainability and reduce our carbon footprint.

Achieving the further 30% reduction will indeed be challenging given that a 35% reduction in energy emissions since 2008-09 has already been achieved and many of the 'quick wins' have been realised. To achieve this target, the Commission is committed to investigating and adopting innovative and effective solutions to improving our sustainability performance.