

Our ref: NB/mm

Ask for: Matthew Aplin

Your ref:

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Date: 30 October 2018

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Llyr Gruffydd AM
Chair, Finance Committee
National Assembly for Wales
Cardiff Bay
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**By Email Only:
SeneddFinance@Assembly.Wales**

Dear Llyr

Financial Estimates – 2019/20 – Letter of Representation

Thank you for your letter of 25 October, indicating that the Committee has decided to limit increases in the funding of directly funded bodies to 1.67%. I attach a revised estimates submission that reflects this limit. I have added brief comments (which broadly reflect what was said in response to questions at Finance Committee on 11 October) on the implications of this limit.

As explained at Committee, I have tried to increase resources for staff to manage the growing workload, and other budgets have been reduced to achieve this. I am mindful of the Committee's recommendations last year that a three to five year IT plan be developed and that improvement work should be extended to other bodies. I will ensure that the IT plan is revised to minimise risk and impact arising from the lower level of funding. I am conscious that the 1.67% limit does significantly reduce my ability to undertake improvement work, which will be reduced rather than increased.

The Finance Committee last year recommended that future estimates submissions should not increase by more than the Welsh Block. My initial submission took account of that recommendation (and the increase sought was below that in the Welsh Block). However, the submission was developed from the bottom up (by looking at spending needs) rather than the top down. I did not simply seek to match the increase in the Block. In any event, as indicated in my previous letter, the original submission sought an increase of 3.8%, substantially lower than the 5.8% and 7.8% figures for the increase in the Block referred to in that letter. It is also very substantially lower than the 8.2% increase in the Welsh Block following the Chancellor's budget statement yesterday.

I have added information on the costs of new powers as requested. I understand that Royal Assent may be possible within one month of Stage 4, and a Supplementary Budget submission will take account of timing of this and commencement order(s) for the elements of the new powers. I hope that the revised submission reflects the Committee's wishes. Please let me know if you need any further information or clarification.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick Bennett', with a stylized flourish at the end.

Nick Bennett
Ombudsman