

<b>Title:</b> Length of Term for the National Assembly for Wales <b>IA No:</b> <b>Lead department or agency:</b> Wales Office <b>Other departments or agencies:</b> Cabinet Office, Scotland Office, Northern Ireland Office	Impact Assessment (IA)				
	<b>Date:</b> 05/04/2012				
	<b>Stage:</b> Consultation				
	<b>Source of intervention:</b> Domestic				
	<b>Type of measure:</b> Primary legislation				
	<b>Contact for enquiries:</b> Peter Newbitt, 029 2092 4205				
<b>Summary: Intervention and Options</b>					<b>RPC Opinion:</b> RPC Opinion Status

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, One-Out?	Measure qualifies as Zero Net Cost
£4.4m	NA	NA	No	Zero Net Cost

**What is the problem under consideration? Why is government intervention necessary?**

From 2016 the Assembly will revert to terms of four years. As a result of legislation fixing the term of the Westminster Parliament, scheduled Assembly and Parliamentary elections will coincide in 2020, and every twenty years thereafter. This coincidence could mean one poll overshadowing the other, and electors being unclear about the difference between them as a result. The Government therefore is consulting on whether to make legislative provision for elections to the Assembly to be held every five years rather than every four.

**What are the policy objectives and the intended effects?**

The Government wants electors to be clear about the election in which they are casting their ballot thus giving both MPs representing Welsh constituencies and Assembly constituency members the clearest possible mandate. The Government is consulting to establish whether moving to a five year election cycle is the best way of achieving this objective.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

Option 0: Do nothing. The Assembly will remain on four-year fixed terms, meaning that Assembly elections could coincide with Parliamentary elections every twenty years.

Option 1: Introduce primary legislation to amend the Government of Wales Act 2006 to move the Assembly to five-year fixed terms, making it less likely that ordinary Assembly elections and Parliamentary elections would coincide in future.

**Will the policy be reviewed? It will be reviewed. If applicable, set review date:** 08/2012

Does implementation go beyond minimum EU requirements?			N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro No	< 20 No	Small No	Medium No	Large No
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)			Traded: N/A	Non-traded: N/A	

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister: \_\_\_\_\_

Date: \_\_\_\_\_

# Summary: Analysis & Evidence

## Policy Option 1

### Description:

#### FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2012	Time Period Years 35	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: £4.4m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	£-	£0.9m	£26.7m

#### Description and scale of key monetised costs by 'main affected groups'

As a result of moving to five-year fixed Assembly terms, elections will be held in 2021, 2026, 2031, 2036 and every five years thereafter. These election years will incur two key monetised costs: the government is expected to incur a £5.0m (in 2012/13 price terms) administrative cost of running elections and a £0.2m cost in redundancy pay. Parties are expected to incur a further cost of £1.1m. Because elections are rarer however this will be less costly than maintaining the four year terms.

#### Other key non-monetised costs by 'main affected groups'

None.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	£-	£1.0m	£31.1m

#### Description and scale of key monetised benefits by 'main affected groups'

Under this option elections will no longer be held in 2020, 2024, 2028 or 2032. These election years thus incur two key monetised savings: a £5.0m administrative saving from not of running elections and £0.2m redundancy payouts (2012/13 price terms). Parties are expected to incur a combined cost of £1.1m. Where Assembly elections running concurrently with Westminster elections (in 2020 and every 20 years thereafter) the saving will be a lower £4.0m as concurrent elections are cheaper.

#### Other key non-monetised benefits by 'main affected groups'

None.

#### Key assumptions/sensitivities/risks

#### Discount rate (%)

3.5%

Assumes that no extraordinary Assembly or Parliamentary elections are called.

Assumes all costs rise in line with inflation.

Assumes that political party expenditure at all Assembly elections is an average of total real party expenditure in four previous Assembly elections.

Assumes that all Assembly members who lose their seats are entitled to a full 6 months redundancy pay the number of Assembly members at each Assembly election is an average of the last three elections.

#### BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs:	Benefits:	Net:	No	NA

# Evidence Base (for summary sheets)

## Problem under consideration

From 2016 the Assembly will revert to terms of four years. As a result of legislation fixing the term of the Westminster Parliament, scheduled Assembly and Parliamentary elections will coincide in 2020, and every twenty years thereafter. This coincidence could mean one poll overshadowing the other, and electors being unclear about the difference between them as a result.

## Rationale for intervention

The Government therefore is consulting on whether to make legislative provision for elections to the Assembly to be held every five years rather than every four.

## Policy objective

The Government wants electors to be clear about the election in which they are casting their ballot thus giving both MPs representing Welsh constituencies and Assembly constituency members the clearest possible mandate. The Government is consulting to establish whether moving to a five year election cycle is the best way of achieving this objective.

## Description of options considered (including do nothing)

Option 0: Do nothing. The Assembly will remain on four-year fixed terms, meaning that Assembly elections could coincide with Parliamentary elections every twenty years.

Option 1: Introduce primary legislation to amend the Government of Wales Act 2006 to move the Assembly to five-year fixed terms, making it less likely that ordinary Assembly elections and Parliamentary elections would coincide in future.

## Monetised and non-monetised costs and benefits of each option (including administrative burden)

As a result of moving to a five year Assembly term, elections would be held less frequently. Because election administration costs £5.0m in 2012/13 price terms at each election and the political parties a further £1.1m in 2012/13 price terms at each election this will yield a small saving of £4.4m in Net Present Value terms.

As there could be less frequent elections under five-year terms, the Assembly would potentially have to pay less in severance to those Assembly members who either chose not to contest their seat at an election or who lose their seat at an election. This may yield further small savings.

## Rationale and evidence that justify the level of analysis used in the IA (proportionality approach)

The Government is consulting on these options and is yet to decide in favour a particular option. In this impact assessment we have described who will be affected, the impacts on these groups, the quantitative effect and as far as possible at this stage, the monetisation of the effect.

## Risks and assumptions

Assumes that no extraordinary Assembly or Parliamentary elections are called.

Assumes all costs rise in line with inflation.

Assumes that political party expenditure at all Assembly elections is an average of total real party expenditure in four previous Assembly elections.

Assumes that all Assembly members who lose their seats are entitled to a full 6 months redundancy pay (the number of Assembly members at each Assembly election is an average of the last three elections).

## Direct costs and benefits to business calculations (following OIOO methodology)

There are no specific costs or benefits to business.

#### Wider impacts

There are no specific impacts on business, competition, innovation or the wider economy.

There are no specific social impacts, including human rights.

There are no specific environmental impacts.

#### Summary and preferred option with description of implementation plan

The Government does not have a preferred option and is seeking the views of interested parties on the options.

# Y Sail Dystiolaeth (ar gyfer taflenni crynhoi)

## Y broblem sy'n cael ei hystyried

Ar ôl 2016 bydd y Cynulliad yn dychwelyd at dymhorau o bedair blynedd. O ganlyniad i ddeddfwriaeth sy'n sicrhau tymor sefydlog i Senedd San Steffan, bydd etholiadau arfaethedig y Cynulliad a'r Senedd yn digwydd yr un pryd yn 2020, a phob ugain mlynedd wedi hynny. Gallai'r cyd-ddigwyddiad hwn olygu bod un etholiad yn cael mwy o sylw na'r llall, ac y gallai etholwyr fod yn ansicr ynghylch y gwahaniaeth rhyngddynt.

## Sail resymegol dros ymyrryd

Mae'r Llywodraeth felly'n ymgynghori a ddylid gwneud darpariaeth ddeddfwriaethol i gynnal etholiadau'r Cynulliad bob pum mlynedd yn hytrach na phob pedair.

## Amcan y polisi

Mae'r Llywodraeth am wneud yn siŵr bod etholwyr yn eglur ynghylch yr etholiad maent yn bwrw pleidlais ynddo a thrwy hynny roi i ASau sy'n cynrychioli etholaethau Cymreig ac aelodau etholaethol y Cynulliad y mandad cliraf posibl. Mae'r Llywodraeth yn ymgynghori i ganfod ai symud i gylch etholiad pum mlynedd fyddai'r ffordd orau o gyflawni'r amcan hwn.

## Disgrifiad o'r opsiynau a ystyriwyd (gan gynnwys gwneud dim)

Opsiwn 0: Gwneud dim. Bydd y Cynulliad yn parhau i ddilyn tymhorau sefydlog o bedair blynedd, sy'n golygu y gallai etholiadau'r Cynulliad gael eu cynnal ar yr un pryd ag etholiadau Seneddol pob ugain mlynedd.

Opsiwn 1: Cyflwyno deddfwriaeth sylfaenol i ddiwygio Deddf Llywodraeth Cymru 2006 i newid y Cynulliad i dymhorau sefydlog o bum mlynedd, gan ei gwneud yn llai tebygol y byddai etholiadau cyffredin y Cynulliad ac etholiadau Seneddol yn cael eu cynnal ar yr un pryd yn y dyfodol.

## Costau a buddiannau ariannol ac anariannol pob opsiwn (gan gynnwys y baich gweinyddol)

O ganlyniad i symud at dymor Cynulliad o bum mlynedd, byddai etholiadau'n cael eu cynnal yn llai aml. Gan fod costau gweinyddu etholiadau yn £5.0m ar sail prisiau 2012/13 ym mhob etholiad ac yn £1.1m arall i bob plaid wleidyddol ym mhob etholiad ar sail prisiau 2012/13 bydd hyn yn golygu arbediad bach o £4.4m ar sail Gwerthoedd Presennol Net.

Gan y byddai llai o etholiadau o dan dymhorau pum mlynedd, mae'n bosibl y byddai'n rhaid i'r Cynulliad dalu llai o dal diswyddo i'r Aelodau Cynulliad hynny sy'n dewis peidio â sefyll yn eu hetholaeth neu sy'n colli eu sedd mewn etholiad. Gallai hyn hefyd arwain at arbedion bychan.

## Sail resymegol a thystiolaeth sy'n cyfiawnhau lefel y dadansoddi a ddefnyddir yn yr IA (dull cymesuredd)

Mae'r Llywodraeth yn ymgynghori ar yr opsiynau hyn ond nid yw eto'n ffafrio un opsiwn yn benodol. Yn yr asesiad effaith hwn rydym wedi disgrifio pwy gaiff eu heffeithio, yr effeithiau ar y grwpiau hynny, yr effaith feintiol ag i'r graddau posibl ar hyn o bryd, effaith ariannol yr hynny.

## Risgiau a thybiaethau

Tybir na fyddai dim etholiadau Cynulliad na Seneddol annisgwyl yn cael eu galw.

Tybir fod y costau i gyd yn codi'n unol â chwyddiant.

Tybir fod gwariant y pleidiau gwleidyddol yn holl etholiadau'r Cynulliad yn seiliedig ar gyfartaledd cyfanswm gwariant real y pleidiau ym mhedwar etholiad diwethaf y Cynulliad.

Tybir fod gan bob Aelod Cynulliad sy'n colli ei sedd yr hawl i gael chwe mis o dâl diswyddo (mae nifer yr Aelodau Cynulliad ym mhob etholiad Cynulliad yn gyfartaledd o'r tri ar etholiad diwethaf).

## Costau a buddiannau uniongyrchol i gyfrifiadau busnes (gan ddefnyddio methodoleg OIOO)

Nid oes dim costau a buddiannau penodol i fusnes.

#### Effeithiau ehangach

Nid oes dim effeithiau penodol ar fusnes, cystadleuaeth, arloesi na'r economi ehangach.

Nid oes dim effeithiau cymdeithasol penodol, gan gynnwys hawliau dynol.

Nid oes dim effeithiau amgylcheddol penodol.

#### Crynodeb a'r opsiwn a ffefrir ynghyd â disgrifiad o gynllun cyflawni

Nid yw'r Llywodraeth yn ffafrio un opsiwn ac mae'n gwahodd sylwadau gan bartïon â diddordeb ar yr opsiynau.