Agenda – Public Accounts and Public Administration Committee

Meeting Venue:

Video Conference via Zoom

Meeting date: 6 October 2021

Meeting time: 08.45

For further information contact:

Fay Bowen

Committee Clerk

0300 200 6565

SeneddPAPA@senedd.wales

(Private Pre-meeting)

(08.45 – 09.00)

In accordance with Standing Order 34.19, the Chair has determined that the public are excluded from the Committee's meeting in order to protect public health. This meeting will be broadcast live on www.senedd.tv

1 Introductions, apologies and substitutions – Public Accounts and Public Administration Committee

(09.00)

2 Scrutiny of Accounts – Senedd Commission 2020-21

(09.05 – 10.30) (Pages 1 – 403)

Manon Antoniazzi – Chief Executive and Clerk of the Senedd

Nia Morgan – Director of Finance

Ken Skates MS – Commissioner with responsibility for Budget and Governance

(Break)

(10.30 – 10.35)

Senedd Cymru
Welsh Parliament

3 **Barriers to the successful Implementation of the Well-Being of Future Generations (Wales) Act 2015**

(10.35 - 11.05) (Pages 404 - 439)

4 **Financial Reporting Advisory Board Annual Report 2020-21**

(11.05 - 11.15) (Pages 440 - 475)

5 **Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**

(11.15)

Items 6 - 10

6 **Scrutiny of Accounts - Senedd Commission 2020-21: Consideration of evidence received**

(11.15 - 11.30)

7 **Auditor General for Wales Report: Picture of Public Services 2021**

(11.30 - 11.45) (Pages 476 - 527)

8 **Auditor General for Wales Report: Student Finances**

(11.45 - 12.00) (Pages 528 - 578)

9 **Auditor General for Wales Report: Regenerating town centres in Wales**

(12.00 - 12.15) (Pages 579 - 641)

10 **Auditor General for Wales Report: NHS Wales Finances Data Tool - up to March 2021**

(12.15 - 12.30) (Pages 642 - 645)

Auditor General for Wales Report: NHS Wales Finances Data Tool - up to March 2021

Agenda Item 2

Document is Restricted

Welsh Parliament
Senedd Commission

Annual Report and Accounts: 2020-2021

June 2021

The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

An electronic copy of this document can be found on the Senedd website: www.senedd.wales

Copies of this document can also be obtained in accessible formats including Braille, large print, audio or hard copy from:

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Welsh Parliament
Senedd Commission

Annual Report and Accounts:
2020 — 2021

June 2021

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Overview

This Overview section provides information on the purpose, structure and strategic goals of the Commission and some key activities which have taken place over the past year.

Foreword

Elin Jones MS
Llywydd, Welsh Parliament

It gives me great pleasure to introduce my fifth Annual Report as Llywydd; the final report of the 5th Senedd.

The past year has continued to challenge our ways of working as the Covid pandemic has endured, impacting every aspect of our lives. The way the Senedd held Ministers to account has evolved over the past 12 months. From virtual to hybrid Plenary and Committee meetings, we have developed greater flexibility to react to changing restrictions and continue to engage with all parts of society.

As we look to the future, our challenge is to embed the positive aspects of changing our way of working. Members who wish to contribute virtually will be able to do so, and those who wish to contribute to our Committee inquiries from all corners of Wales will find it easier. As a result, our ability to reach every part of Wales, and all our communities will be greatly enhanced.

The final report of the 5th Senedd also gives me an opportunity to reflect on the many significant moments we've experienced since the election of May 5th 2016. Brexit has led to far-reaching changes which have required thorough scrutiny by Members and Commission staff. At the same time, the Assembly became a Parliament which has allowed 16 and 17 year olds to vote.

Our emphasis on empowering the next generation also led to the creation of the Youth Parliament, whose Members have done such excellent work in representing the interests of their peers.

As this remarkable five year term draws to a close, our thoughts remain with those whose lives have been forever changed by Covid. The pandemic has shone a spotlight on our work like never before and the public have a greater understanding than ever of what we do.

As always, I would like to thank Commission staff for continuing to so effectively support the delivery of Senedd business and for their enthusiasm and energy in providing outstanding parliamentary support in such challenging circumstances.

Introduction

Manon Antoniazzi
Chief Executive and Clerk of the Senedd

In writing my introduction for last year's Annual Report, I noted that it was difficult to look too far beyond the Covid-19 pandemic.

I am sure that very few of us expected the worst public health crisis in decades to still be dominating our lives twelve months on, and that temporary arrangements would become the basis of wide-ranging discussions on our future work.

The pandemic has brought with it unprecedented challenges for the Senedd as an institution, and I could not be prouder of the manner in which we have responded with resilience and resolve in order to continue to provide outstanding parliamentary support for Members.

Thanks to the extraordinary efforts of teams across the organisation, Senedd Business has continued uninterrupted, moving with ease between hybrid and fully virtual proceedings. Committees have pressed ahead with their work in a similar vein, with the Petitions Committee in particular providing a digital platform through which people could continue to engage with their democracy, reaching the one million signatures mark in March.

We successfully navigated the latter stages of legislation with full virtual voting for the first time, and officials in the Business Directorate must be commended for going the extra mile to ensure that the emergency Welsh Elections (Coronavirus) Bill which provided for moving the date of the election should public health guidelines require received Royal Assent in a timely manner.

As the public health situation continues to improve, detailed work has been undertaken to enable us to return to a safe and Covid-secure Estate, whilst the Accommodation Pilot led by the Resources Directorate gives us a valuable blueprint for ensuring that our flexible working arrangements are underpinned by equality and inclusivity whilst not compromising our duty to provide outstanding parliamentary support.

We continue to build on our reputation as a sustainable Parliament, and the recently finalised Carbon Neutral Strategy for 2021-2030 sets out the next steps we will take to become an even greener organisation. Throughout the pandemic we have acted to ensure maximum energy efficiency across the Estate whilst it has been largely unoccupied.

The Communications and Engagement Directorate has adapted and innovated by hosting virtual events over the last twelve months, reaching new audiences and reflecting our commitment to diversity and inclusion. The Welsh Youth Parliament's hugely successful first term drew to a close with plans already underway for the election to decide the new cohort of young parliamentarians.

With a new Senedd on the way and possibly a new Government and Commission too, I know we will summon all our energies as one team to continue serving our Welsh Parliament to the best of our abilities so that, in turn, it can serve the people of Wales as effectively as possible.

Statement of Purpose

The Welsh Parliament

The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

The Senedd Commission

The Senedd Commission serves the Senedd to help facilitate its long-term success as a strong, accessible, inclusive and forward looking democratic institution and legislature that delivers effectively for the people of Wales.

Senedd Commission Strategic Goals for the Fifth Senedd

To provide outstanding parliamentary support

To engage with all the people of Wales and champion the Assembly

To use resources wisely

OUR VALUES

RESPECT

We are inclusive, kind, and value each other's contributions in delivering excellent services

PASSION

We are purposeful in our support of democracy and pull together to make a difference for the people of Wales

Priorities for the Senedd Commission for the Fifth Senedd

- Members are able to excel in their parliamentary roles, supported by responsive and innovative services.
- The Senedd has the necessary resources and expertise to represent Wales's interests, as the UK withdraws from the EU.
- Support the Senedd to deliver constitutional reform to create a parliament that works for Wales.
- An ambitious and engaging Youth Parliament that enhances the Senedd and inspires young people to participate in the democratic process.
- There is greater understanding of the role of the Senedd and how to get involved, evidenced by higher levels of engagement.
- The Senedd's work and reputation are enhanced by developing and improving our connections with parliaments across the world.
- Commission staff are one team and everyone understands their contribution to achieving the Commission's goals.
- All Members, staff and visitors can work in a safe environment where dignity and diversity is respected.
- Financial, project and other controls enable the Commission to deliver, and we evidence value for money in everything we do.

PRIDE

We embrace innovation and celebrate our achievements together as a team

WE ARE
ONE TEAM

Commissioners

The Government of Wales Act 2006 prescribes that the Welsh Parliament (Senedd) appoints Commissioners who are responsible for providing the Senedd with the staff and resources it needs to carry out its role effectively for the people of Wales.

Elin Jones MS (Plaid Cymru)

The Llywydd is Chair of the Commission and also has responsibility as a Commissioner for communications and engagement.

Elin Jones attended 9 out of 9 Commission meetings.

Suzy Davies MS (Welsh Conservatives)

Commissioner with responsibility for budget and governance, including Audit and Risk Assurance Committee membership.

Suzy Davies attended 8 out of 9 Commission meetings.

Joyce Watson MS (Welsh Labour)

Commissioner with responsibility for equalities, and the Commission as the employer of Senedd staff.

Joyce Watson attended 9 out of 9 Commission meetings.

The Commission is chaired by the Llywydd and is made up of four Members of the Senedd who have been appointed by the Senedd. Each member of the Commission holds a specific portfolio of responsibilities.

The Commission has continued to meet virtually for the duration of the pandemic period. The Commissioners oversaw the activities described in this report.

David Rowlands MS (Brexit Party)

Commissioner with responsibility for security and Senedd resources.

David Rowlands attended 9 out of 9 Commission meetings.

Rhun ap Iorwerth MS (Plaid Cymru)

Commissioner with responsibility for official languages, and delivery and transformation of services to Members.

Rhun ap Iorwerth attended 9 out of 9 Commission meetings.

Following the Senedd Election in May 2021 Commissioners for the Sixth Senedd will be elected in June / July.

Independent Advisers

The Commission appoints Independent Advisers to ensure that Commissioners and the Commission's executive team are provided with constructive challenge and assurance that governance arrangements are correct, effective and appropriate.

Ann Beynon (November 2018 - Present)

Ann took up her appointment as an Independent Adviser in November 2018 and she is a member of the Audit and Risk Assurance Committee (ARAC) and the Remuneration, Engagement and Workforce Advisory Committee (REWAC).

Ann Beynon attended 5 out of 5 ARAC meetings and 4 out of 4 REWAC meetings.

Robert (Bob) Evans (November 2018 - Present)

Bob took up his appointment as an Independent Adviser and a member of ARAC in November 2018. In February 2019, he was appointed Chair of ARAC.

Bob Evans attended 5 out of 5 ARAC meetings.

Ceri Hughes (November 2018 - Present)

Ceri took up her appointment as an Independent Adviser in November 2018 and serves as a member of REWAC.

Ceri Hughes attended 4 out of 4 REWAC meetings.

Sarah Pinch (November 2018 - Present)

Sarah took up her appointment as an Independent Adviser in November 2018 and has been appointed as Chair of REWAC.

Sarah Pinch attended 4 out of 4 REWAC meetings.

Dr Aled Eirug (April 2019 - Present)

Aled took up his appointment as an Independent Adviser in April 2019 and serves as a member of ARAC.

Aled Eirug attended 5 out of 5 ARAC meetings.

The Independent Advisers' primary role is to act as members of the Audit and Risk Assurance Committee (ARAC) or the Remuneration, Engagement and Workforce Advisory Committee (REWAC) and help to ensure that Commissioners and the Commission's senior management team are supported and constructively challenged in their roles. They are individuals with a wealth of boardroom, government, public and private sector experience, at the highest levels, to help the Commission meet its own high standards of good governance and efficient use of public money.

The Independent Advisers are involved in a number of the activities and service areas of the Commission, acting as critical friends on projects and sometimes participating in the meetings of the Commission.

The variation in the number of meetings is due to their respective terms of office. The Independent Advisors have continued to meet virtually for the duration of the pandemic period.

Remuneration

Independent Advisers receive non pensionable pay of £5,000 per annum, with £7,000 per annum for the Chairs.

Commission Senior Leadership

Manon Antoniazzi
Chief Executive and Clerk of the Senedd

In accordance with the Government of Wales Act 2006, the Senedd Commission delegates its functions, including responsibility for the management of staff, to the Chief Executive and Clerk, subject to a number of exceptions and conditions. The Chief Executive is also the Principal Accounting Officer for the Commission. To support her, the Chief Executive has a team of Directors who share the responsibility for strategic corporate management in addition to the specific responsibilities outlined below.

Siwan Davies
Director of Business

Provision of specialist parliamentary, legal, constitutional and research services to the Senedd, ensuring the efficient and effective delivery of Senedd business including the passing of legislation through the Senedd and providing impartial expert advice to Members of the Senedd.

David Tosh
Director of Resources

Provision of ICT, Estates and Facilities, Human Resources functions, Programme and Change Office, Security, Procurement and Corporate Governance and Assurance. The Director of Finance/Head of Financial Services, Nia Morgan, responsible for corporate financial strategy, planning, budget management, payments and pensions reports to David Tosh.

Arwyn Jones
Director of Communications and Engagement

Provision of Commission and Members' support services, including support to the office of the Llywydd and the senior management team, secretariat services to the corporate Boards and Commission, as well as managing translation and reporting and official languages scheme. Ensures efficient and effective delivery of our corporate communications, visitor engagement and public information services.

Commission Management

The Executive Board is responsible for ensuring that the Commission's financial and staffing resources are planned to meet known requirements. Specifically, in accordance with the Commission's strategic aims, it is responsible for planning and prioritising the Commission's project fund which is focussed on the maintenance of the estate, the delivery of effective ICT services and the delivery of new projects to improve the performance and effectiveness of services.

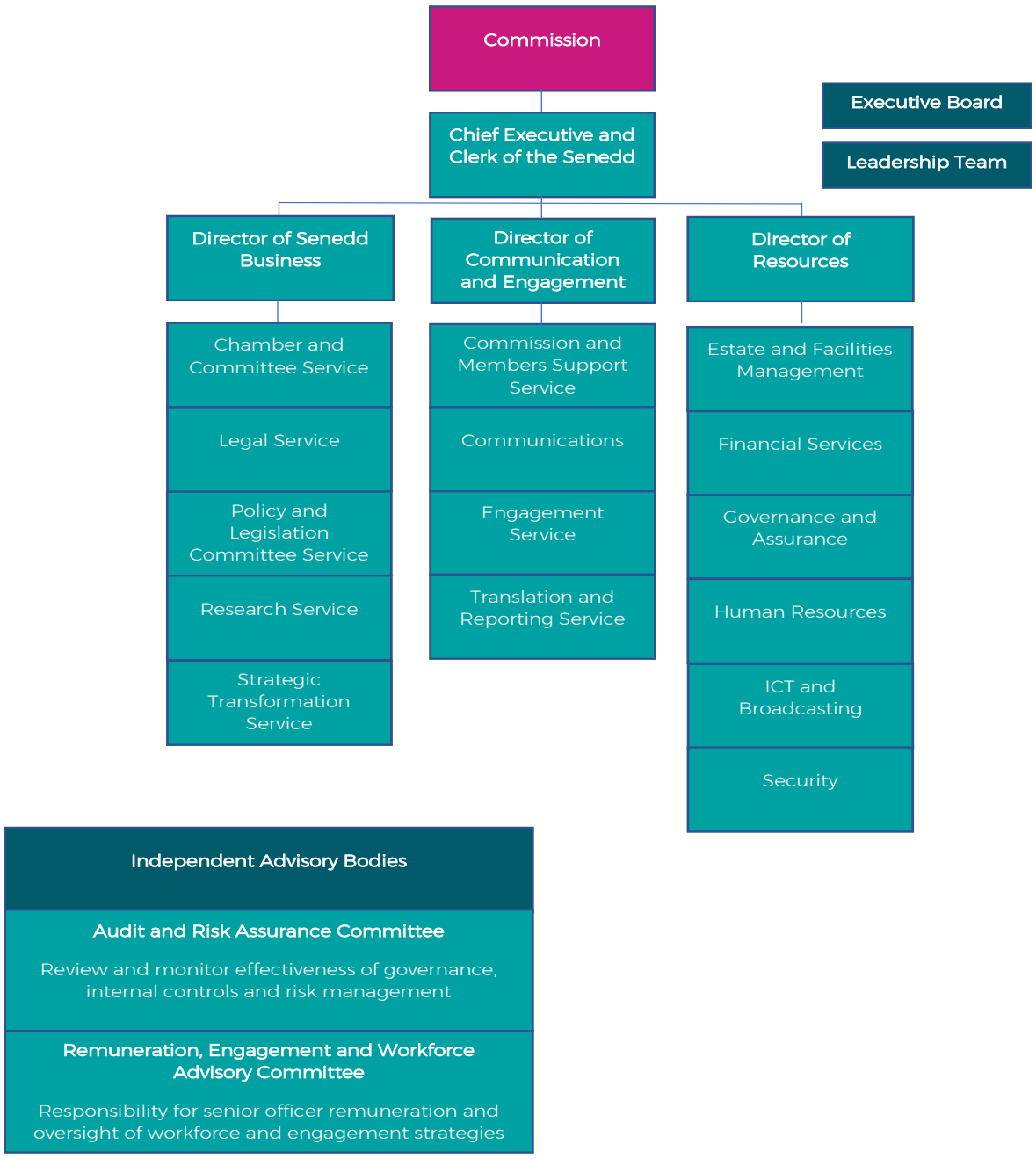
A significant element of the Executive Board's responsibility is to provide strategic oversight and leadership of the Commission's change programme. The Executive Board is chaired by the Chief Executive and includes the Directors, Director of Finance/Head of Financial Services, Head of Human Resources and Inclusion, and Head of Legal Services. It is the strategic decision-making body for all matters delegated by the Commission. It is also an advisory body to the Commission, in setting the Commission's Strategy, goals and priorities, the budget, and managing corporate risks.

The Leadership Team includes the members of the Executive Board and all 15 Heads of Service. The Leadership Team's primary responsibility is to ensure the effective delivery of operational plans and priorities.

During the pandemic, Executive Board thrice-weekly and Leadership Team bi-weekly sessions have been introduced, in addition to the continuation of formal meetings, to ensure that decision making and governance arrangements are timely and dynamic.

[1] The Commission's Change Programme includes a number of projects and initiatives, which are managed by various teams across the Senedd. The Programme and Change Office has overall responsibility for reporting progress, exceptions, risks and issues to the Executive Board on a regular basis.

Governance Structure



Planning for a Return to the Estate (RTE)

The Commission, like every other organisation in the UK and worldwide, has been affected by Covid-19.

In the immediate days following lockdown in March 2020 it was clear that the Commission would not be able to just 'go back' to the way things were, and so a carefully planned and co-ordinated return to the estate was needed. Executive Board quickly appointed an RTE Programme Manager, Advisor and Senior Responsible Officer, from within the existing workforce. Working with leaders from each part of the organisation, a new delivery team was established, from within the existing workforce, comprising of six workstreams covering:

- Senedd Business and the technology needed to support essential parliamentary business.
- Senedd Estate - ensuring safe and managed access and use of the estate in line with Covid regulations.
- Senedd People – supporting health and wellbeing, policies, and training for Commission staff.
- Communications and Engagement - ensuring the needs of Members and Commission staff were understood, and communications regarding the plans for returning to the estate were made on a regular basis.
- Governance and Assurance - ensuring good governance in programme coordination, decisions, and regular reflections.
- Senedd Futures – learning from our experiences and understanding of opportunities to plan for longer term changes (further information on the Senedd Futures work can be found on page 92).

Initial tasks included setting and agreeing with the Commission, the principles that would underpin plans. These were:

- Safety is paramount and risk levels will be reduced to as low as reasonably practical.

- Open parts of the estate, only where it is necessary and safe, and only for as long as needed.
- Keep numbers on the estate to a reasonable minimum.
- Support the health and wellbeing of Commission staff.
- Prepare and induct Commission staff, Members and Member Support Staff for their return to the estate.
- Engage and communicate with Members, Member Support Staff and Commission staff throughout.

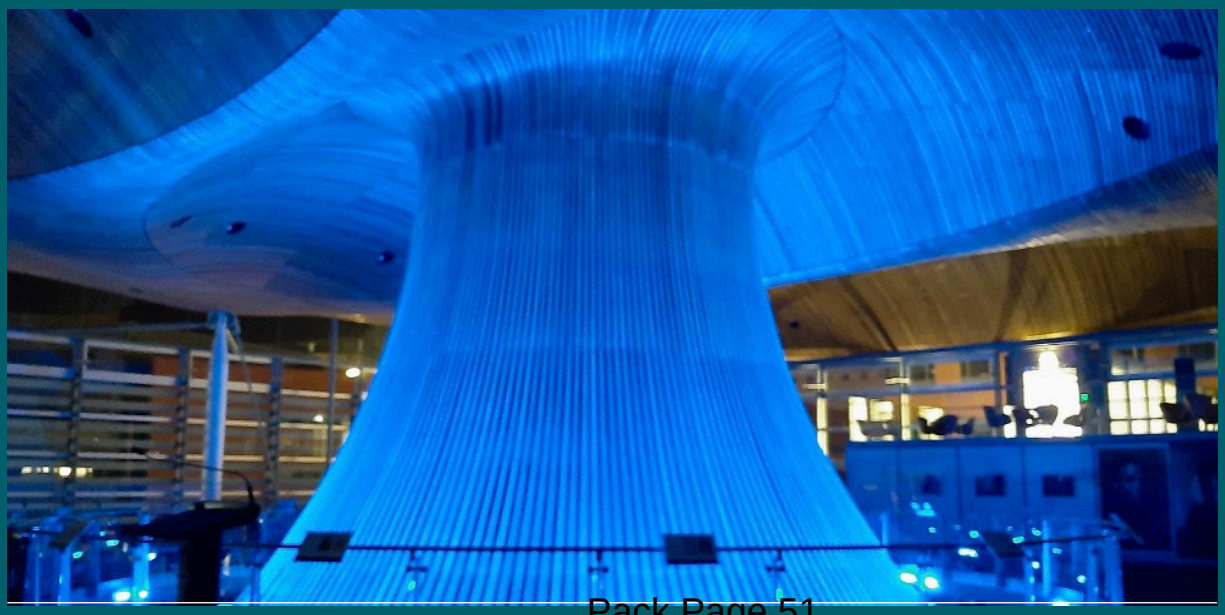
The RTE programme needed to be flexible and responsive to sustain and shape evolving Senedd virtual business. The only way to do this was to start planning based on a number of assumptions, including:

1. The programme would need to prepare scenarios for a phased return to the Senedd estate, including the possibility of holding hybrid plenary sessions.

2. We expected an increased and more varied business, particularly from Government legislation and EU transition in the autumn 2020.

These assumptions were used to model scenarios, prioritise activities, test thinking and enable us to 'forward plan' the decisions that would need to be made to underpin changes.

Further information on the work done as part of the Return to the Estate programme can be found in the Performance Analysis section.



Summary of Activity

Commission Strategic Goal	Commission Priorities	Identified Corporate Risks	Areas identified for focus and development during 2020-21	Progress made during 2020-21	Looking forward to 2021-22
To provide outstanding parliamentary support	Members are able to excel in their parliamentary roles, supported by responsive and innovative services. ❶ ❷ ❸ ❹ ❺		Planning effectively for the start of the Sixth Senedd Accelerating the review of support to Committees	To coordinate planning for transition to the Sixth Senedd, among other things, a working group, a Scenarios Group and Election Planning Board have been established which discuss a wide range of issues in relation to the transition to the Sixth Senedd, including closely monitoring the associated risks. The review of support to Committees has been incorporated into planning for the Sixth Senedd. We will take on board learning from the pandemic and the views and decisions made by the new Commission, Business Committee and Committee Chairs. A review of structures within the Business Directorate will be undertaken alongside a wider capacity review.	Evaluating lessons learned from the transition to the Sixth Senedd, including effectiveness of Members induction and training, advice and guidance
	The Senedd has the necessary resources and expertise to represent Wales's interests, as the UK withdraws from the EU.	UK constitutional change		Efficient forward planning by Service Areas ensured the Commission supported the Senedd to influence, scrutinise and engage with the evolving constitutional landscape of the UK leading up to the end of the EU transition period.	
	Support the Senedd to deliver constitutional reform to create a parliament that works for Wales.	Constitutional reform		Some key provisions of the Senedd and Elections (Wales) Act 2020 came into force, which included voter registration opening for the introduction of Votes at 16 in Senedd elections and the renaming of the Senedd to better reflect its changed powers and responsibilities.	

Commission Strategic Goal	Commission Priorities	Identified Corporate Risks	Areas identified for focus and development during 2020-21	Progress made during 2020-21	Looking forward to 2021-22
To engage with all the people of Wales and champion the Senedd	An ambitious and engaging Youth Parliament that enhances the Senedd and inspires young people to participate in the democratic process.	Safeguarding		The first two-year term of the Welsh Youth Parliament (WYP) drew to a close, with a joint session with Members of the Senedd.	
	There is greater understanding of the role of the Senedd and how to get involved, evidenced by higher levels of engagement. ❼ ❽ ❾ ❿		Refocusing of services around public engagement with clear outcomes	During the pandemic, the Commission strategy to improve how the Senedd communicates and engages with the people of Wales has been adapted to focus on digital content, social media and engagement. In addition, a new Senedd website, petitions website and recruitment system have been launched making it easier for people to engage with us.	
	The Senedd's work and reputation are enhanced by developing and improving our connections with parliaments across the world. ❻			During the pandemic we have regularly engaged with the other UK Parliaments, and various parliaments overseas, to determine what we could learn from each other.	

Commission Strategic Goal	Commission Priorities	Identified Corporate Risks	Areas identified for focus and development during 2020-21	Progress made during 2020-21	Looking forward to 2021-22
	Commission staff are one team and everyone understands their contribution to achieving the Commission's goals. ⓬		Refreshing governance awareness across the organisation	Governance meetings with each Head of Service have continued. The Head of Governance and Assurance has attended Executive Board meetings during the pandemic and led on an Assurance Workstream as part of the wider Return to the Estate programme.	Ensuring effective governance around changes to ways of working
To use resources wisely	All Members, staff and visitors can work in a safe environment where dignity and diversity is respected. ⓭ ⓮ ⓯	Impact of Covid-19 - Breach of OLS during virtual meetings - Senedd Election 2021 Transition - Corporate Capacity Dignity and respect	Evaluating lessons learned and the long term impacts of the Covid-19 pandemic	Many innovative changes have been introduced in order to support the Senedd during the pandemic, including remote working, virtual and hybrid Plenary and Committee meetings, and online events and engagement. A 'Futures' workstream was initiated to capture the learning and opportunities for the future. We will draw on these experiences and learning to develop new ways of working that maximise the opportunity for flexibility, efficiency and sustainability. A new Code of Conduct for the Senedd has been agreed, which includes an overarching principle of respect.	Evaluating lessons learned and the long term impacts of the Covid-19 pandemic

Commission Strategic Goal	Commission Priorities	Identified Corporate Risks	Areas identified for focus and development during 2020-21	Progress made during 2020-21	Looking forward to 2021-22
		Cyber security	On-going work around cyber-security and reviewing physical security to keep pace with change	We have continued to strengthen our cyber resilience arrangements and continue to introduce improvements, carry out vigorous testing and measure ourselves against recognised best practice industry standards. In terms of physical security, the Security Service's focus has been on ensuring adherence to social distancing rules by all building users during the pandemic.	On-going work around cyber-resilience
To use resources wisely	Financial, project and other controls enable the Commission to deliver, and we evidence value for money in everything we do. ⓫ ⓰ ⓱	Compliance with Data Protection legislation	Re-energising our efforts around Data Protection / GDPR compliance	A Data Governance Working Group has been established which discusses significant data protection issues and any emerging themes. Issues are then escalated to the Senior Information Risk Officer (SIRO) as necessary. A permanent Deputy Data Protection Officer (DPO) has been appointed.	
		Support contract for Legislative Workbench software	Evaluating our approach to project and programme management, including the effectiveness of the Programme and Change Office	An internal audit carried out in April 2020 evaluated the effectiveness of programme and project governance arrangements following the creation of the Programme and Change Office (PCO) in 2019. Improvements in the consistency of business cases and project reporting have been made. Recommendations from the audit are being implement to further strengthen governance. The PCO provides visibility of progress on delivery of projects and has been heavily involved in the Return to the Estate programme.	

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Commission Strategic Goal	Commission Priorities	Identified Corporate Risks	Areas identified for focus and development during 2020-21	Progress made during 2020-21	Looking forward to 2021-22
To use resources wisely					Concluding the capacity review and starting to implement the recommendations in the context of potential budget constraints/tighter budget for 2022-23

Our KPIs – Further information on our KPIs can be found on page 35.

❶ Parliamentary Business taken place as scheduled
❷ RoP published to deadline
❸ MS/MSS satisfaction for parliamentary support
❹ MS/MSS satisfaction for working in language of choice
❺ Provision of bilingual papers
❻ International engagement
❼ Citizen engagement
❽ Followers of Senedd corporate media channels
❾ Reach of committee inquiry and report launches
❿ Engagement with media distribution platforms
⓫ Operational outturn
⓬ Staff survey
⓭ Welsh language learners
⓮ Job applications from BAME individuals
⓯ Staff sickness rate
⓰ Carbon emissions
⓱ Spend with Welsh suppliers

Further detail on how the risk profile has changed during the year, including specific risks added relating to Covid-19, is included in the Performance Analysis section on page 44. Further information on the process and mitigation for these risks and the progress made on the areas identified for focus and development during 2020-21 can be found in the Governance Statement on page 127.

Senedd Cymru
Welsh Parliament

Performance Analysis

This Performance Analysis section provides details on how we have progressed work on the Commission's priorities under our strategic goals.

Corporate Key Performance Indicator Report

Our Corporate Key Performance Indicator Report looks at how the Senedd Commission performed against its strategic goals for the period April 2020 to March 2021.

Some of our indicators are static, and report year on year, some indicators provide 'stretch' to improve performance in a number of identified areas, and these indicators are reviewed annually.

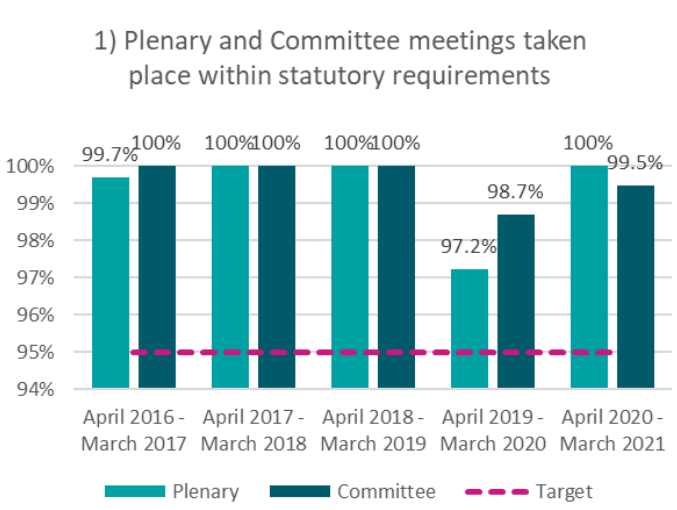
The Covid-19 pandemic has required the Senedd Commission to adapt to the changing situation and some of our ways of working have adjusted as a result. This has had a knock on effect to the recording of some of our key performance indicators. This should be borne in mind when using previous years data for direct comparison.

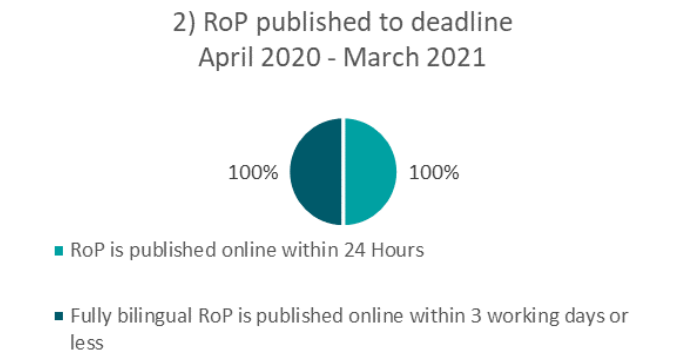
To provide outstanding parliamentary support

Progress during the year:

Due to the pandemic, the timetables for Plenary and committee meetings were reviewed, agreed or amended on a more frequent basis by the Business Committee. Therefore, some meetings which would have ordinarily been scheduled, were not. All of the 63 Plenary meetings scheduled took place within statutory requirements. This included 37 meetings being held as fully virtual and 26 of the meetings being held as hybrid meetings. This also included 3 emergency Plenary meetings. Of the 370 scheduled committee meetings 368 took place as planned, 1 extra meeting was held and 3 were cancelled due to the pandemic. All committee meetings were held virtually.

All targets with regard to the Record of Proceedings (RoP) were met 100% throughout the year.





To provide outstanding parliamentary support

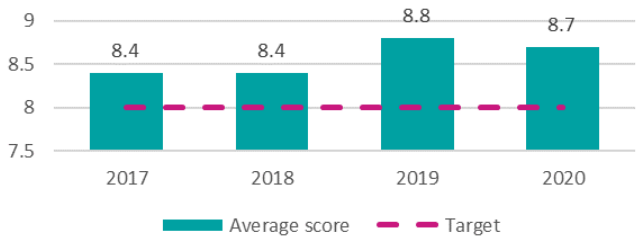
Progress during the year:

The Members of the Senedd (MS) and Members support staff (MSS) satisfaction survey was conducted between September and October 2020. The knock on effect the pandemic had to some services may have affected the scores given.

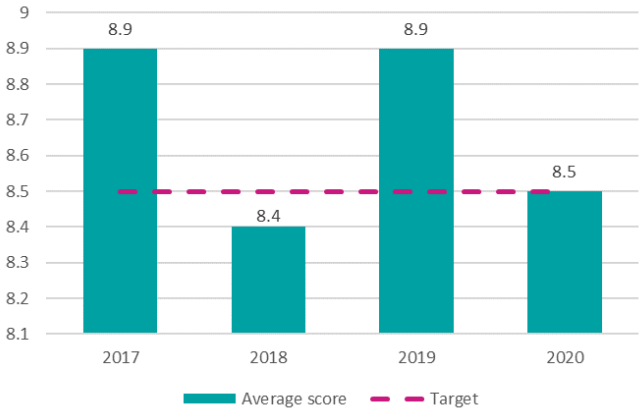
There was a slight decrease in the average score for providing outstanding parliamentary support compared to 2019, however, the score is still above the 8.0 target. The average score for supporting Members to work in their preferred language, although still on target, did see a decrease.

All papers produced for Plenary meetings were produced bilingually. Within individual committees, the Chair and the Members may decide to not have all internally prepared papers produced bilingually. Of the 1,768 internally prepared committee papers, 1,352 were produced bilingually in accordance with individual committee agreements.

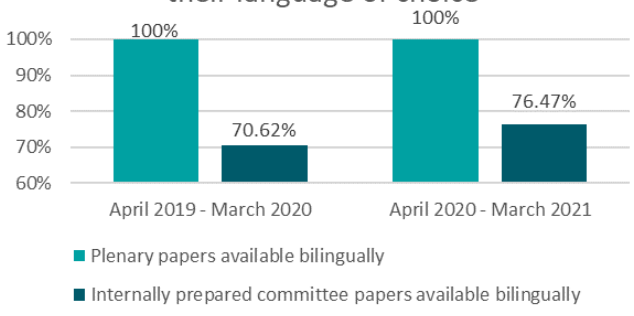
3) MS/MSS satisfaction survey for providing outstanding parliamentary support



4) Stretch indicator - MS/MSS satisfaction survey for supporting Members to work in their preferred language



5) Stretch indicator - Services provided to facilitate Members' ability to work in their language of choice



To engage with all the people of Wales and champion the Senedd

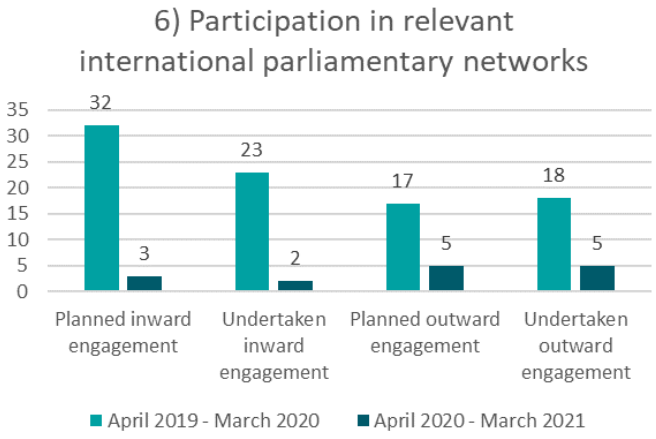
Progress during the year:

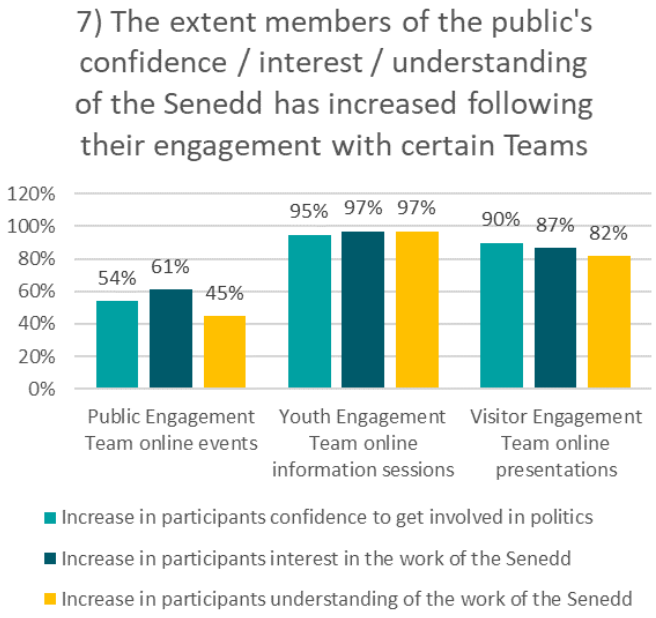
The restrictions and regulations of the pandemic have resulted in very few physical inward and outward engagements during this reporting period.

The estate closure meant no tours, events or educational visits could take place. We therefore had to adapt to new ways of engaging with the public.

- Online events to mark key dates and campaigns – 1,566 participants.
- Online information sessions, including educational sessions with young people, workshops and presentations – 8,709 participants
- An online learning experience presented to groups online by our Tour Guides – 435 participants.

We also launched a 360 degree virtual tour of the Senedd and developed online galleries for exhibitions, which received a lot of interest on the estate social media accounts.





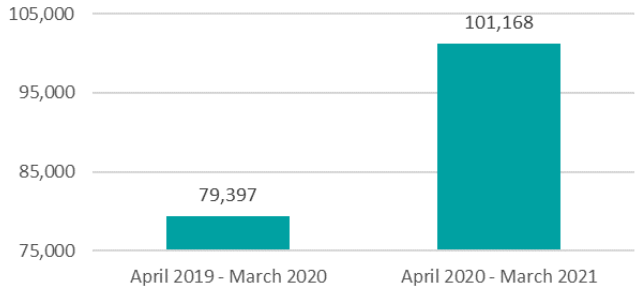
To engage with all the people of Wales and champion the Senedd

Progress during the year:

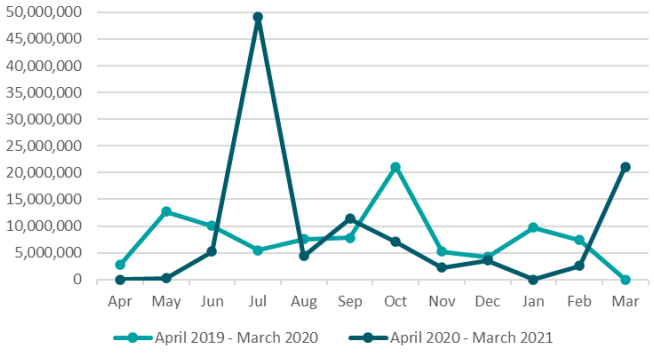
Interest in the Name Change where we became the Welsh Parliament, the scrutiny of decisions around the pandemic, and our promotion of trusted sources of information, saw people increasingly turn to our social channels, resulting in a 27% increase in our followers across the main Senedd social media accounts (main Senedd Wales / Senedd Cymru Facebook pages, Twitter channels, LinkedIn, Instagram and YouTube). Responding to public interest, we introduced greater coverage of Plenary sessions, sharing topical and explanatory information in a concise and clear way around main scrutiny areas.

Following the pandemic outbreak, committee work was suspended in March until the end of April 2020 and therefore, there was no Committee activity to promote. Instead we focused on proactively ensuring the media were fully updated on the Senedd's response to the pandemic with weekly briefings and overviews issued about forthcoming Covid scrutiny. This resulted in increased media interest in watching and drawing stories directly from Committee and Plenary sessions and new media organisations and journalists engaged in our work. We experienced a peak in July 2020 largely due to several Committee reports having been delayed because of Covid, as well as the publication of reports relating to Covid.

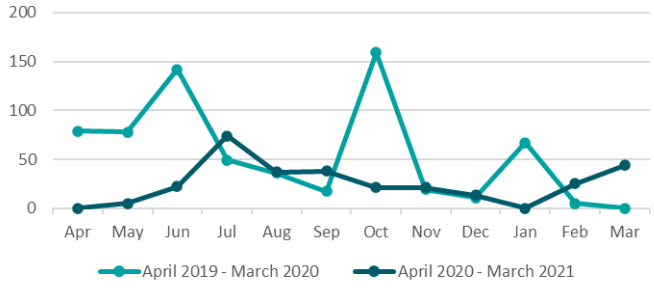
8) Increase in the number of followers on our main corporate social media channels



9) Reach as a result of promotion of committee inquiry and report launches



10) Media distribution platforms engaged with as a result of promotion of committee inquiry and report launches



To use resources wisely

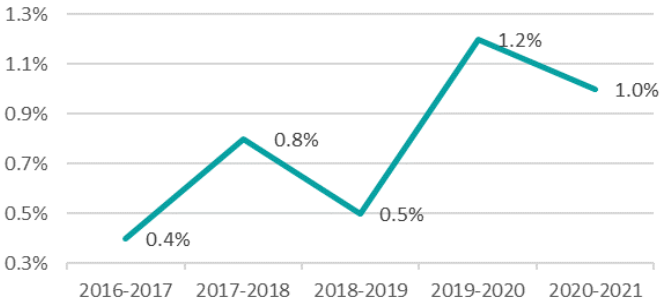
Progress during the year:

The end of year operational outturn is within target of the approved Commission's operational budget for the financial year. Our unqualified accounts have been certified by the Auditor General for Wales.

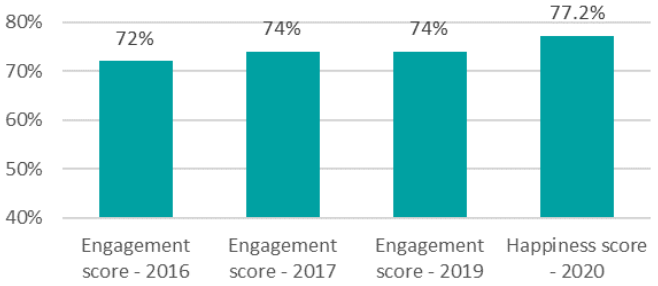
The 2020 annual Commission staff survey was delivered through an independent survey specialist. We, along with the Scottish Parliament, have replaced the Engagement Score with the Workplace Happiness Score which is a framework which measures the following: employee engagement, happiness and well-being, reward and recognition, information sharing, empowerment, instilling pride and job satisfaction. Whilst not directly comparable, previous years Engagement scores for the Commission, together with the benchmark Civil Service Median Score of Engagement (63% reported March 2020), are included here to provide continuity.

Through the pandemic Welsh language classes have continued to be delivered, albeit virtually. However, due to the personal circumstances of individual learners, for example, with home schooling and working different hours, there has been a decrease in the number of Welsh learners.

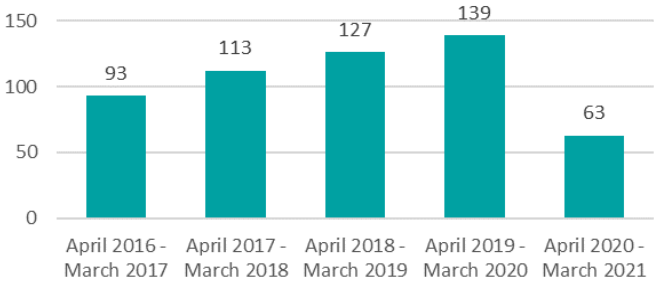
11) End of year operational outturn is within the range 0% to 1.5% of the approved operational budget



12) The happiness score from the staff survey is at, or above, the Civil Service Median score



13) Average number of Welsh language learners enrolled across all levels is maintained or increased

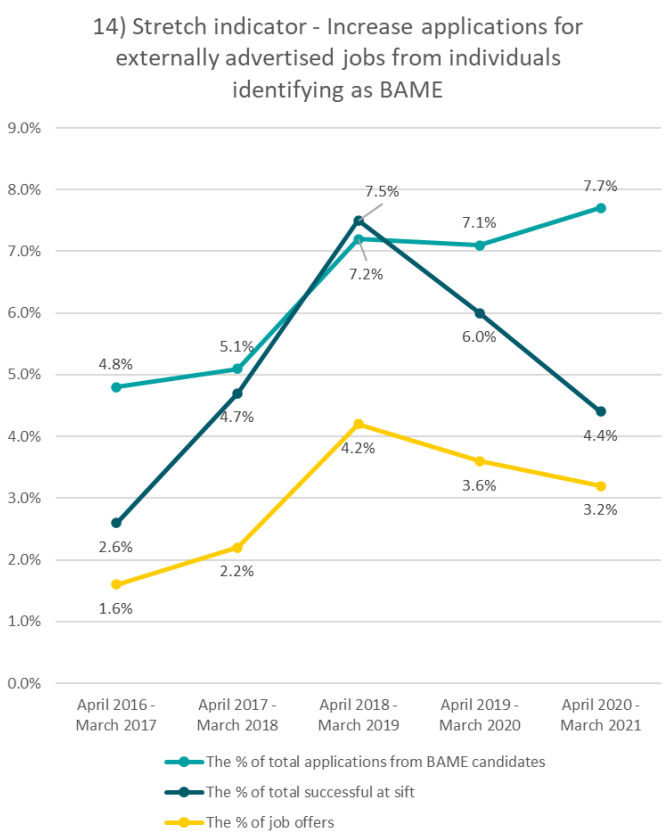


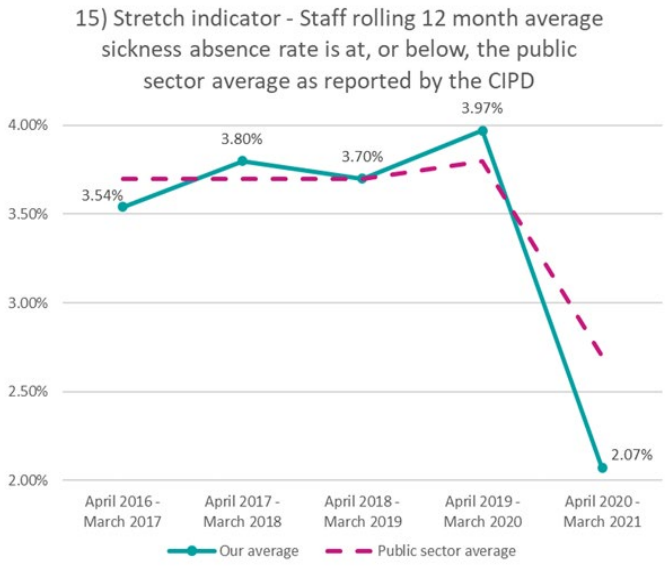
To use resources wisely

Progress during the year:

Our target is to increase the number of applications for externally advertised jobs from individuals identifying as Black, Asian and Minority Ethnic (BAME) year on year. Over the Fifth Senedd, we have doubled the number of applications from candidates that identify as BAME, from 32 (4.8%) in 2016 to 64 (7.7%) in 2021.

The pandemic has affected the sickness absence rates within the Commission, mirroring the trend seen by organisations across the UK. While the virus may have led to additional sickness absence within the Commission, measures such as covid secure working, to support essential hybrid work activities, and significant levels of homeworking appear to have helped reduce other causes of absence, which now stands below the public sector average.

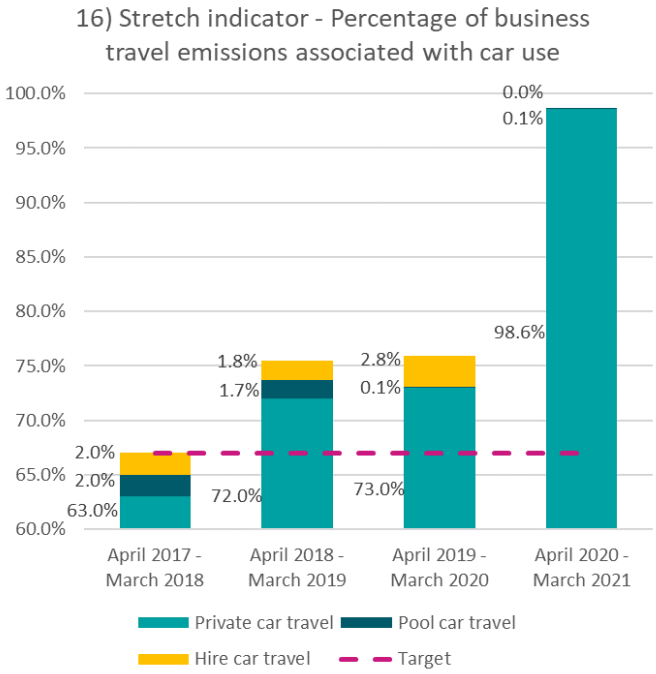




To use resources wisely

Progress during the year:

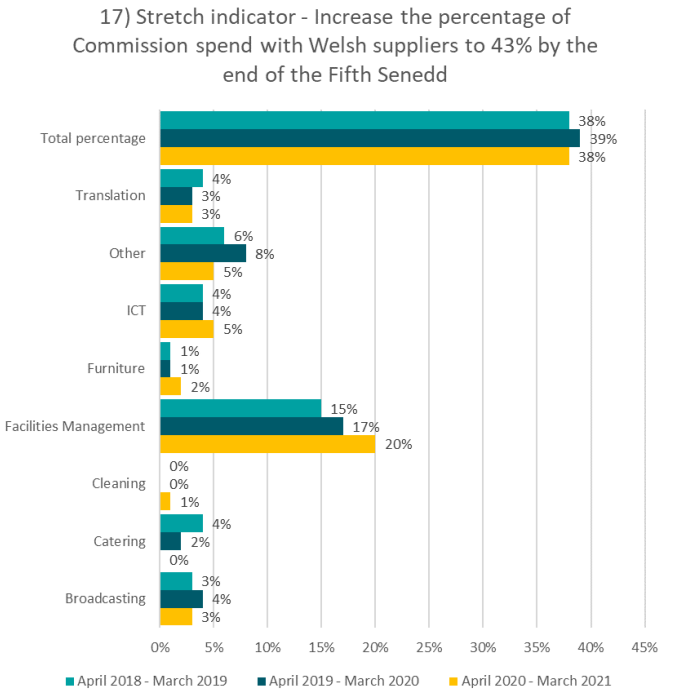
Our target is to reduce our total level of carbon emissions associated with business car travel to below the 2017-2018 baseline of 67%. In an extraordinary year due to the pandemic restrictions and regulations, business travel claims dropped by 90%. However, given public transport has been actively discouraged for covid safety, the percentage of those claims which were for private car use increased significantly.

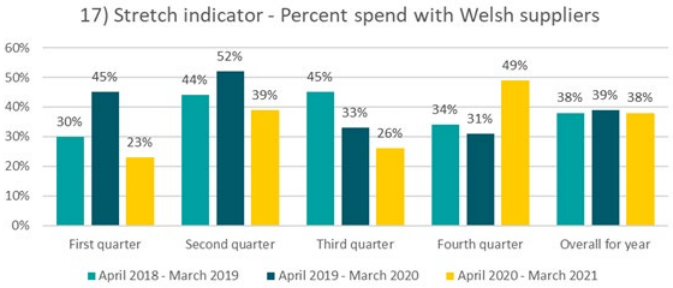


To use resources wisely

Progress during the year:

The pandemic has impacted some of our spend with Welsh suppliers. Due to the estate closure, there has been virtually no spend through the catering contract, or through our Broadcasting contractor. However, Welsh spend through the Facilities Management contract has increased as Welsh suppliers have been successful in securing supply chain opportunities and we have had success in awarding other contracts to Welsh suppliers. This has resulted in a strong Q4 and has helped to minimise the overall impact





Risk Profile

The most significant risks the Commission faces are captured in a Corporate Risk Register, which is regularly reviewed and monitored by the Commission's Executive Board and is a standing agenda item in the Audit and Risk Assurance Committee meetings. Details of the processes for identification, monitoring and reporting on risks are included in the Governance Statement on page 127.

At the start of 2020-21, the Corporate Risk Register contained some significant risks. Despite a sharp focus on mitigating actions, these risks have remained on the Register because of their ongoing severity (particularly due to their potential impact) and largely due to external influences over which we have little or no control.

- Impact of Covid-19

  In March 2020 an overarching corporate risk[2] was created to map out the impact of Covid-19. This provided visibility of the mitigating actions that were being taken forward to minimise the impact as far as possible and keep Senedd business running. This risk covered a myriad of related risks, including those around increased risk of cyber-attacks and fraud.
  Other corporate and service level[3] risks were also reviewed and updated to reflect the impact of the pandemic, cross-referencing to the Covid-19 corporate risk. As other significant Covid-related risks emerged, separate assessments were carried out and documented. These included: the potential for a breach of the Official Language Scheme during virtual meetings; allowing for the possibility of moving the date of the Senedd 2021 Elections; and the impact of extended lockdown restrictions on our corporate capacity to meet objectives and deliver services.
  The management of the risk was a key factor in decision-making around safety and wellbeing and keeping critical Senedd business running.

[2] Corporate risks – identify key events that could prevent or hinder the achievement of the goals and priorities of the Senedd Commission, or any key objectives which have a cross-cutting impact across the organisation.

[3] Service level risks – identify key events that could prevent or hinder the achievement of service level objectives.

- Dignity and respect and Members' standards of conduct

The Commission's Dignity and Respect policies have been reviewed and actions resulting from awareness surveys among Commission staff are being taken forward. A new Code of Conduct for the Senedd has been agreed. It includes a principle of respect, which puts the need to treat everybody with respect as a key requirement for Members of the Senedd, and that they should set an example in public life.

- UK constitutional change

The focus of this risk changed from the UK exit from the EU into wider constitutional changes within the UK. The continuous management of the risk was key to ensuring the Commission could provide the required support to the Senedd.

- Cyber security

Cyber-security remains one of the Commission's most significant risks and is subject to constant management, awareness raising, improvement, and monitoring, with regular detailed updates on mitigation provided to Executive Board. It is also an area which is subject to regular independent audit and scrutiny, including by the Commission's Audit and Risk Assurance Committee.

- Compliance with the Data Protection legislation

The reprioritisation of resources strengthened the mitigation of this risk. This has proved vital during the pandemic with radical changes in our approaches to gathering and using information.

Other changes to the risk profile during the year included removal of the following risks from the Corporate Risk Register as projects and objectives have been delivered or controls have been strengthened. Each of these risks were successfully mitigated. Any remaining risks continue to be managed and monitored at service level.

- Constitutional reform

Reform objectives, specifically around the name change and lowering the voting age to 16, were successfully delivered through the adoption of effective governance structures and risk management.

- Safeguarding

Controls had been strengthened during the year, through prioritisation of resources, to mitigate the risks around safeguarding young people who engage with Senedd business, both in person and remotely.

- Support contract arrangements for Legislative Workbench software

Controls put in place improved the security of the system and the contract for a replacement system has been awarded.

Financial Review

Under the terms of the Government of Wales Act 2006 the Commission must ensure that the Senedd is provided with the staff, property and services required to fulfil its role as a strong, accessible and forward-looking democratic legislature that delivers effectively for the people of Wales.

The Commission presents its budget in a transparent format to show the different expenditure types. The Commission's budget is used to meet the running costs of the Senedd as well as the costs of Senedd Members' salaries and allowances, as determined by the independent Remuneration Board.

Every five years an additional spend heading is included for the Senedd elections.

The term 'Annually Managed Expenditure' relates to the accounting provision for the Members of the Senedd Pension Scheme under HM Treasury rules and is a non-cash spend heading.

Total Commission Budget					
	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Operational budget (Note 1)	36	37	38	40	42
Remuneration Board's Determination	15	16	16	16	16
Annually Managed Expenditure	2	2	2	2	2
Election related expenditure	3	0	0	0	1
	56	54	55	58	61

Note 1 - The operational budget can be broken down into its key elements (as provided)

Operational Budget Analysis					
Operational budget breakdown:	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Staff related costs (Note 2)	20	21	23	25	26
Non staff related costs	13	13	12	12	13
Project fund	0	0	0	1	1
Depreciation (non cash)	3	3	2	2	2
	36	37	38	40	42

Note 2 – The change between 2018-19 and 2019-20 in Staff related costs is predominantly due to an increase in the employer pension contribution rate set by HM Treasury.

The Commission's budget aims to be transparent, prudent and set in the context of the long term financial funding situation in Wales. The Commission has continued to refine the way it presents its budget based upon the scrutiny and feedback it has received from both the Public Accounts and Finance Committees. Since 2019-20 the budget has included a designated Project Fund. The Commission follows the guidelines provided in the Finance Committee's 'Statement of Principles'.

Total Commission Expenditure – Fifth Senedd					
	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Operational spend	38	38	38	40	42
Remuneration Board's Determination	14	14	15	15	16
Annually Managed Expenditure	1	2	1	2	2
Election related expenditure	2	0	0	0	0
	55	54	54	56	60
Total expenditure vs total budget – under/(over)	1.0	-	1.0	2.0	1.0

The Commission manages its financial budget closely. The higher underspend in 2019-20 was occasioned in part by the onset of the Covid-19 pandemic which meant that a number of projects planned for the 4th quarter of that year did not proceed.

Operational Expenditure Analysis					
Operational spend breakdown:	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Staff related costs (Note 2)	20	22	24	24	25
Non staff related costs	16	13	12	13	14
Project fund	0	0	1	1	1
Depreciation (non cash)	3	3	2	2	2
	38	38	39	40	42
Operational expenditure vs operational budget – under/(over)	(2)	(1)	(1)	-	-

The Commission aims to achieve an end of year operational outturn within the range of 0% to 1.5% of the operational budget.

The operational outturn for 2020-21 is 1.0% and is within the target range.

Prior to 2019-20 the Commission did not have a dedicated Project Fund. Instead underspends generated from other budget headings were used to supplement the operational resource fund.

2020-21 Outturn				
	Budget £m	Outturn £m	Variance £m	Variance %
Staff related costs	26	25	1	1.0%
Non staff related costs	13	14	(1)	(1.1%)
Project fund	1	1	0	-
Election costs	1	0	1	-
Depreciation (non cash)	2	2	0	-
Total operational activity	**43**	**42**	**1**	**1.0%**
Remuneration Board's Determination	16	16	0	-
Annually Managed Expenditure	2	2	0	-
	61	**60**	**1**	**1.0%**

In 2020-21 detailed and prudent management of finances meant unanticipated costs were offset by Covid 19 related savings. These savings also enabled priority work to continue ensuring that the 10 year Estates plan remains on track.

SUPPORTING PLENARY

10 Individual Member debates

63 Plenary sessions

QUESTIONS ASKED IN PLENARY

23 Topical Questions

701 Oral Questions

2,544 Written Questions

2 Emergency Questions

Provide Outstanding Parliamentary Support

In this section of the Annual Report we describe how we have delivered Senedd business.

SUPPORTING LEGISLATION

2 new Bills introduced

4 Bills passed to become Acts

SUPPORTING COMMITTEES

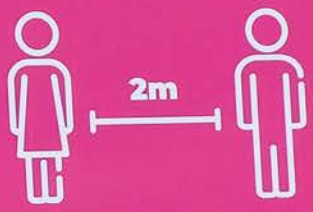
368 Committee meetings

122 Committee reports

Cofiwch chwarae'ch rhan a chadw pawb yn ddiogel

—

Play your part and keep everyone safe



Cadwch bellter diogel

—

Keep a safe distance

Golchwch eich dwylo'n rheolaidd

—

Wash your hands regularly

Peidiwch â chyffwrdd â'ch wyneb

—

Avoid touching your face

Ceisiwch osgoi lleoedd llawn pobl

—

Avoid crowded areas

Senedd Cymru

Conducting Senedd Business during the pandemic

Investment in technology, coupled with a 'digital by default' approach to business since 1999, enabled the Commission to adapt quickly and effectively to new ways of working. The focus was on timely and effective decision-making, clear communication, efficient use of digital capabilities, and the safety, health and well-being of all.

In last year's annual report we outlined how the Commission had responded to the Covid-19 pandemic delivering online plenary meetings, enabling the Senedd to continue its work and to be the first Parliament in the UK to meet virtually when we were all advised to work from home. This year the priority has been to return to 'business as usual' as much as we could, although the focus for all formal business has inevitably been around the pandemic. This has meant expanding the business taken in plenary and enabling virtual committee meetings to allow scrutiny to continue.

Plenary meetings

Emergency standing orders, for the continuity of Parliament during the public health emergency, by facilitating virtual and hybrid plenary sittings, were turned around in two days, and agreed and tested at a physical meeting on 24 March 2020. These emergency standing orders provided for new recall provisions, a reduced quorum, flexibility around public access, and weighted voting. That meeting on 24 March, with reduced numbers of Members attending, was to be the last time Members met physically in the Chamber for almost four months. With just five days' notice, Commission officials delivered a virtual meeting of the Senedd the following Wednesday 1 April.

April and May saw changes to the operation of virtual plenary as Members and officials learned from experience and adapted accordingly. The Senedd's Business Committee, which considers the organisation of business, agreed a gradual increase in the number of Members able to attend virtual plenary meetings and, from 1 June, any Member who wished to attend could do so.

A pattern was established of one virtual plenary meeting each week. Core business comprised of Government statements on Covid-19, with questions from party leaders and other Members, and consideration of legislation to approve Covid-19 regulations.

Over time the range of business was expanded to include issues beyond Covid-19:

- Topical Questions, enabling Members to question Ministers on matters not otherwise on the agenda, were reintroduced on 4 May;
- one hour of non-government time per week – usually opposition debates – scheduled from 3 June, with the stipulation by Business Committee initially that they must be Covid-19 related; and
- the Llywydd decided, having consulted with Business Committee as required by the emergency standing orders, to reintroduce oral questions to all Ministers from 24 June after a three-month absence.

Hybrid meetings

In July, came a tentative emergence into a 'new normal': the Senedd meeting in hybrid format with remote electronic voting, and committees meeting virtually.

Careful thought was needed to ensure that the technology allowed for the seamless running of proceedings, linking Members from all corners of the country with those in the Chamber. It was essential that meetings continued to be broadcast on Senedd TV and the parliamentary YouTube channel.

Thorough testing was carried out of various platforms and applications to develop a system to support a bilingual audio feed in English or Welsh, allowing Members to contribute, and for viewers to watch, in their language of choice, and which allowed the contributors to move smoothly from one language to the other without impacting on the flow of proceedings.

This prompted many public and private organisations to approach the Senedd Commission for advice and guidance on conducting their own bilingual meetings.

From April to July the Senedd operated 'weighted voting' which meant that one Member of each party voted on behalf of all their Members.

Independent Members were able to cast their own votes too. Although this was a stopgap measure, there was early recognition among the Business Committee and Members that we should return to individual voting as soon as possible, especially once the Senedd returned to considering primary legislation. Officials started working on a new system to enable Members to vote individually and remotely. By mid-June, progress was advanced enough for the Business Committee to agree in principle to its introduction and to propose further temporary standing order changes to allow Members to 'vote electronically from any location'.

One of the main challenges with the development was to safeguard the integrity of the vote. It was essential to ensure that only those who are entitled to vote could do so and that a vote would only be recorded once. Using existing technologies an online application was created. This allowed Members to vote securely, using their choice of device at their preferred location.

By the end of June, the Government was scheduling more non-Covid-19 business. As business expanded beyond an emergency programme the Llywydd was keen that the Senedd trial hybrid meetings before summer recess, so that some Members had the option of attending the Senedd as the lockdown restrictions eased.

Business Committee agreed that the last two scheduled plenary meetings before recess, 8 and 15 July, should be held in a hybrid format. It was agreed that 20 Members could be physically present in the Chamber. All other Members would be able to participate virtually via Zoom. Remote electronic voting was used for the first time on 8 July.

On 13 July, the Business Committee decided that as of September, the Senedd would return to its usual pattern of two plenary meetings per week and a 'normal' schedule of business, and anticipated that plenary meetings would be in a hybrid format for the foreseeable future. Business Committee endorsed principles that the Llywydd would use in deciding the format of plenary meetings during periods of local and national restrictions, ranging from physical, through various models of hybrid, to fully virtual meetings.

Committees: virtual working

Before the pandemic, Senedd committees had, from time to time, met in a hybrid format with some Members and witnesses participating via video or teleconference. However, the complete relocation of all committee proceedings into the virtual space during the pandemic was unprecedented.

To help support this change, on 17 March 2020, the Business Committee took the view that 'for the foreseeable future committees should focus on essential business'.

While committees are autonomous entities that decide their own work programmes, the view of the Business Committee, coupled with an awareness among Committee Chairs, Members and officials that Wales' public services' immediate focus would be on managing the pandemic, led the vast majority of committees to pause all non-Covid-19 related work. Shortly after the beginning of lockdown, the committee timetable was revised in response to the closure of the estate and the need to prioritise technical resources to supporting plenary business.

During this period, Committee Chairs worked together to co-ordinate scrutiny across committees, in particular agreeing an approach for the Scrutiny of the First Minister on Covid-19 recovery plans and to make best use of Members' and Ministers' time.

Each committee adopted its own approach to scrutiny to reflect its portfolio responsibilities. The majority of committees launched overarching Covid-19 inquiries to cover all issues in their remit, including rolling calls for written evidence and oral evidence from Ministers and relevant stakeholders. However, until mid-June, technological and capacity constraints of remote working prevented more than one public meeting taking place at a time. This reduced the meeting time available, leading to difficult choices about evidence taking and witness time.

By September 2020, committees were able to return to a weekly pattern of meetings and a broader range of business, although the scrutiny of matters relating to Covid-19 and legislation remained a priority.

Facilities were put in place to enable hybrid committee meetings. However, the reintroduction of Covid-19 restrictions from September 2020 onwards, in tandem with Members' general satisfaction with the virtual format, has meant that the hybrid format has not been used so far for committees. Where appropriate this model is expected to become one of the normal options available to committees for the Sixth Senedd.

Mohammad Asghar MS

On 16 June 2020 we sadly lost one of our Members of the Senedd, Mohammad Asghar MS.

Mohammad Asghar (Oscar) MS was first elected as a Member for South Wales East in 2007, making him the first ethnic minority and Muslim Member.

Among the tributes made in Plenary on 17 June, Paul Davies MS, stated:

> *Mohammad Asghar, or Oscar, as we all knew him, was a man of immense warmth and kindness, a man who embraced us all with such profound respect, a man whose life was dedicated to enriching and supporting those around him, and a man who, so full of life himself, did so much to help people across Wales.*

The Llywydd, Elin Jones MS, stated:

> *His death came as a cruelly unexpected blow. Oscar was a proud representative of his party, his region and his country.*
>
> *[...]*
>
> *Oscar was an internationalist, and made the most of opportunities to build bridges with other countries, faiths and cultures and to promote Wales on the world stage.*

Mohammad Asghar (second right) with other members of the Enterprise, Innovation and Skills Committee visiting British Airways Maintenance Cardiff, September 2018.

The Senedd's legislative role during the Covid-19 pandemic

Supporting the Senedd and its committees in their scrutiny of legislation is a key role for Commission staff. As such, significant efforts are made to ensure that Service Areas plan carefully to ensure that capacity and expertise are available when required to facilitate scrutiny of the Welsh Government's legislative programme.

When Wales went into its initial lockdown in March 2020, there were just over 12 months remaining until the end of the parliamentary session. At the time there were four Welsh Government Bills before the Senedd, and several more expected to be introduced before summer recess as part of the Welsh Government's legislative programme.

In addition, it was expected that a significant volume of legislation arising from the EU Exit process would need to be considered during the transition period (and immediately following its expiry), although the form of that legislation was still uncertain and dependent on the outcome of a number of potential Deal/ No Deal scenarios.

However, due to Covid-19, it was necessary for Service Areas to adapt very quickly, not only to a new way of working, but also to a new legislative agenda to ensure that outstanding parliamentary support was maintained.

Work relating to the legislative framework for the EU Exit - which had its own hard deadlines – continued throughout the period, albeit to an unpredictable timetable. This work lived up to expectations, not only in terms of volume and complexity, but also the uncertainty of the timetable to which committees were required to work.

Further information on the EU Transition can be found on page 64.

Legislation relating to Covid-19

During April 2020 the Welsh Government revised its approach to legislation in the context of the pandemic, with the result that consideration of some Bills were pushed back to later in the year, and other Bills were not taken forward. Throughout this period, committee work programmes adapted accordingly, and Commission resources were deployed flexibly to ensure the necessary levels of staff support were available to committees at all times.

Legislative measures have been introduced by the Welsh Government in relation to Covid-19 through subordinate legislation. These have largely come into force at short notice, with some subject to Senedd approval within 28 days.

Scrutiny of all such 'subordinate legislation' is undertaken by the Legislation, Justice and Constitution (LJC) Committee. Up until 31 March 2021, the LJC Committee had scrutinised Covid-related SIs as follows:

- 144 Statutory Instruments (SIs) reported upon;
- resulting in 383 reporting points (61 technical and 322 merits);
- the Welsh Government has provided a response to 144 of the reporting points in line with requests made by the Committee.

The size and difficulty of this task, particularly when it must be undertaken alongside EU Exit work and regular business (the scrutiny of Bills, Legislative Consent Memoranda (LCMs), non-Covid SIs), coupled with being in an unfamiliar virtual environment, cannot be overstated. The volume, complexity and frequency of Covid-related SIs have required the Commission to redeploy resources from other Service Areas to support the LJC Committee, not to mention considerable dedication and hard work from expert staff and the Committee's Members.

In the context of a rapidly developing national public health emergency, in which legislation needs to be drafted in difficult and contentious areas to very tight deadlines, the value of such detailed committee scrutiny has regularly been recognised by the Welsh Ministers and Members of the Senedd.

EU Transition

The Commission supported the Senedd to influence, scrutinise and engage with the processes leading up to the end of the EU transition period in December 2020. Efficient forward planning by Service Areas ensured the Commission was well-prepared for the full range of potential UK-EU negotiation outcomes.

A large part of the Senedd committee's legislative work focused on scrutinising Welsh Government Legislative Consent Memoranda (LCMs) in areas relating to the UK's exit from the EU. The LCMs all related to contentious Brexit-related Bills, and required detailed and expert consideration by a series of committees – the Legislation, Justice and Constitution Committee, the Climate Change, Environment and Rural Affairs Committee and the External Affairs and Additional Legislation Committee – in order to inform debates on relevant legislative consent motions in plenary.

The UK Government's Trade Bill and the Internal Market Act 2020 were major pieces of legislation brought forward during this time and Commission staff responded quickly to amendments made to these Bills as they progressed through Parliament in order to fully support Members, providing both written and oral briefings. The External Affairs and Additional Legislation Committee made strong representations on the devolution settlement and Welsh interests when considering the UK Internal Market Bill.

External expertise from academics and experts through the Commission's Brexit Academic Framework were also utilised to help support the work of Senedd committees and Members. This included expert analysis of the legal basis for the UK-EU future relationship, the UK Internal Market Act, Common Frameworks, international trade agreements, digital trade and equivalency post-Brexit and UK engagement with EU agencies post-Brexit.

The Commission took measures to refresh the governance and oversight of EU transition activity, and to ensure it could continue supporting the Senedd despite any impact of the outcome of the UKs exit. As part of this, the Commission reviewed its ICT and estates supply chains, and gave its Leadership Team a central role in monitoring preparations for the end of the transition period. These arrangements were scrutinised by both the Commission's Audit and Risk Assurance Committee and its Independent Advisers.

This activity meant the Commission was well prepared for the end of the transition period, with plans put into action between Christmas and New Year to support a recall of the Senedd to scrutinise and debate the outcome of the UK-EU negotiations.

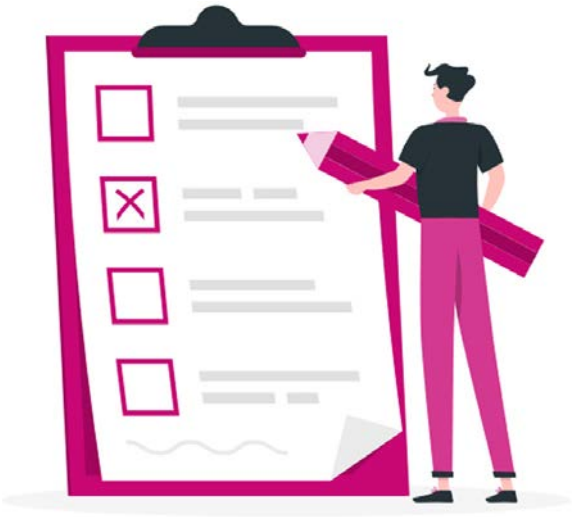
Constitutional reform

This year saw some key provisions of the Senedd and Elections (Wales) Act 2020 come into force. These included voter registration opening for the introduction of Votes at 16 in Senedd elections – the largest increase to the franchise in half a century - and the renaming of the Senedd to better reflect its changed powers and responsibilities.

Voting age

The 2021 Senedd election will see 16 and 17 year olds able to vote for the first time. Electoral registration opened for younger people for the first time in July 2020. To promote this, the Commission produced and published a range of educational resources and promoted voter registration to the newly-enfranchised with the aim of creating better awareness and understanding of their right to vote.

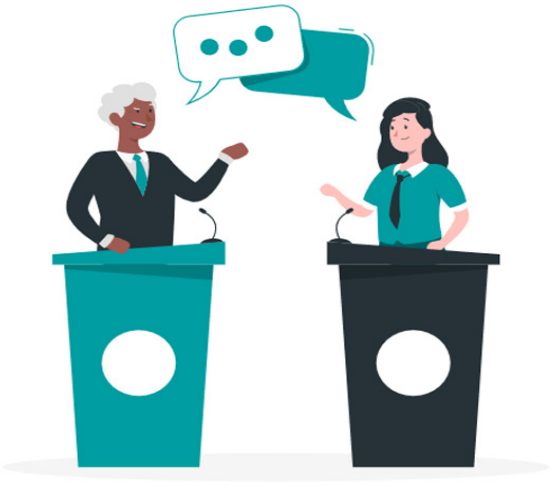
This work underwent a re-think due to the Covid-19 restrictions, shifting rapidly to a suite of online resources, including resources for teachers and students made available through the pan-Wales educational resources site, Hwb.



Pleidlais 16
Vote

We also worked closely with partners in the electoral community, including the Electoral Commission, as well as with local government and Welsh Government colleagues. This helped to maximise exposure to the resources, and to ensure a more co-ordinated approach to informing younger people of their new rights, reducing overlap of resources and voter confusion.

A 'Vote16' week was held in February 2021 to further promote the resources and help develop young people's understanding ahead of the election.



Pleidlais Vote 16

Name Change

On 6 May 2020 the National Assembly for Wales became the Welsh Parliament, commonly known as the Senedd. Name change implementation was a Senedd wide project, requiring the engagement and active participation of staff across all Commission Service Areas.

As the Covid-19 pandemic struck, the approach to delivery required substantial adjustment to account for the change in circumstances - from the media's understanding and reporting of the name change, to the comprehensive updates to the Senedd's website and signage, domains, and software systems. The changes were delivered effectively, and at the appropriate time.

By working closely with partners, the Commission has ensured a clear and shared understanding of the implications of the change to Senedd. Uptake of the new name has been widespread across media at national and UK levels, as well as by the wider public.

The Senedd and Elections (Wales) Act 2020 also made the Electoral Commission accountable to, and financed by, the Senedd in relation to devolved elections and referendums. The Senedd established the Llywydd's Committee to scrutinise financial estimates and plans submitted by the Electoral Commission in discharging their functions relating to devolved Welsh elections and devolved Welsh referendums.

Senedd reform

The Committee Senedd Electoral Reform was established in September 2019 to examine the recommendations of the Expert Panel on Assembly Electoral Reform. The Committee was dissolved in October 2020 following a debate on its report, 'Senedd Reform: the next steps', which recommended that legislation should be introduced soon after the 2021 election to:

- Increase the size of the Senedd to between 80 and 90 Members (from the current 60) with effect from the 2026 election;
- Introduce the Single Transferable Vote electoral system; and
- Establish arrangements for reviewing the Senedd's constituency boundaries.

The Committee did not draw its membership from every party group of the Fifth Senedd. The Welsh Conservative group in the Senedd decided not to participate in the Committee and the Brexit Party group decided to withdraw from it before the Committee concluded its work.

Welsh Elections (Coronavirus) Act

On 10 February 2021, the Senedd passed the Welsh Government's Welsh Elections (Coronavirus) Act.

Its purpose was to mitigate the potential risks to the 2021 Senedd Election arising from Covid-19, to ensure a safe and fair election. The Government stated that its overriding objective was that the election proceed on 6 May 2021 as planned. However, the Act introduced a series of contingency measures if the public health circumstances required it, these included:

- The shortening of the dissolution period to begin one week before the election;
- The power to vary the date of the election by up to 6 months; and
- The extension of the period within which the Senedd must hold its first Meeting.

These provisions required decisions to be made to address the issue of some Members remaining Members while also being election candidates during the election period (which normally coincides with dissolution), respecting the need to ensure a level playing field for all candidates.

The Senedd Commission agreed a series of decisions based on the principle that during the pre-dissolution period (the three week period preceding the shortened dissolution, when the Senedd would normally have been dissolved), Members should only be provided with those resources necessary to carry out Senedd business related to the purpose of shortening dissolution; that is:

- To be able to postpone the election for a reason relating to coronavirus; and
- To enable the Senedd to respond, if required, to the unfolding public health issues leading up to the election.

Bilingual Services

Due to business continuity planning we were in a strong position to be able to continue to provide our bilingual services and were able to switch to virtual provision both smoothly and swiftly.

The Senedd was one of the first legislatures in the world to migrate to virtual Plenary meetings incorporating interpretation in our provision from the outset. We were used as a case study in the Welsh Language Commissioner's Advice Note on Holding Bilingual Video Meetings and we continue to provide practical advice to organisations across Wales on delivering interpretation as part of virtual proceedings. There have been occasions when we have been unable to provide interpretation at certain meetings or events due to the confidential nature of the discussions and security concerns regarding the platforms used. However, this has been addressed by a recent upgrade which provides more assurance in terms of security and allows us to provide interpretation upon request. The Senedd Commission's Risk and Assurance system has been used to identify actions and mitigations, and to monitor and provide assurance on this issue at all levels.

In accordance with the Official Languages Scheme, new and adapted services over the past year have been developed bilingually in order to ensure that language choice is offered proactively. Where it has not been possible to ensure a bilingual provision, every effort has been made to offer users the choice of proceeding either in Welsh or in English. The Official Languages Team have been monitoring our bilingual services and advising colleagues across the Senedd. The few occasions when it was impossible to reach the standards set out in the Official Languages Scheme have been recorded and steps taken to avoid these issues in the future.

Alongside this work, the Official Languages Team has also been working on preparations for the Sixth Senedd. Discussions have taken place in order to establish the areas of bilingual service provision that currently work well, and areas for possible improvement. A draft Official Languages Scheme for the Sixth Senedd is being developed and this will be consulted upon, and agreed as soon as possible after the election. Our language skills training support has also been reviewed in order to ensure provision remains flexible and bespoke. This work will continue over the coming months.

OUTREACH AND ENGAGEMENT

748

Number of views of the **360 degree Virtual Tour of the Senedd**

435 people have attended our online Introduction to the Senedd presentations

GWLAD

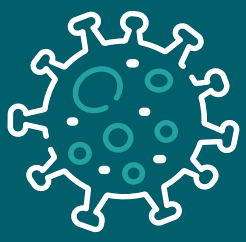
Online GWLAD events attracted **282** people who had not engaged with the Senedd previously

PETITIONS COMMITTEE

ONE MILLION

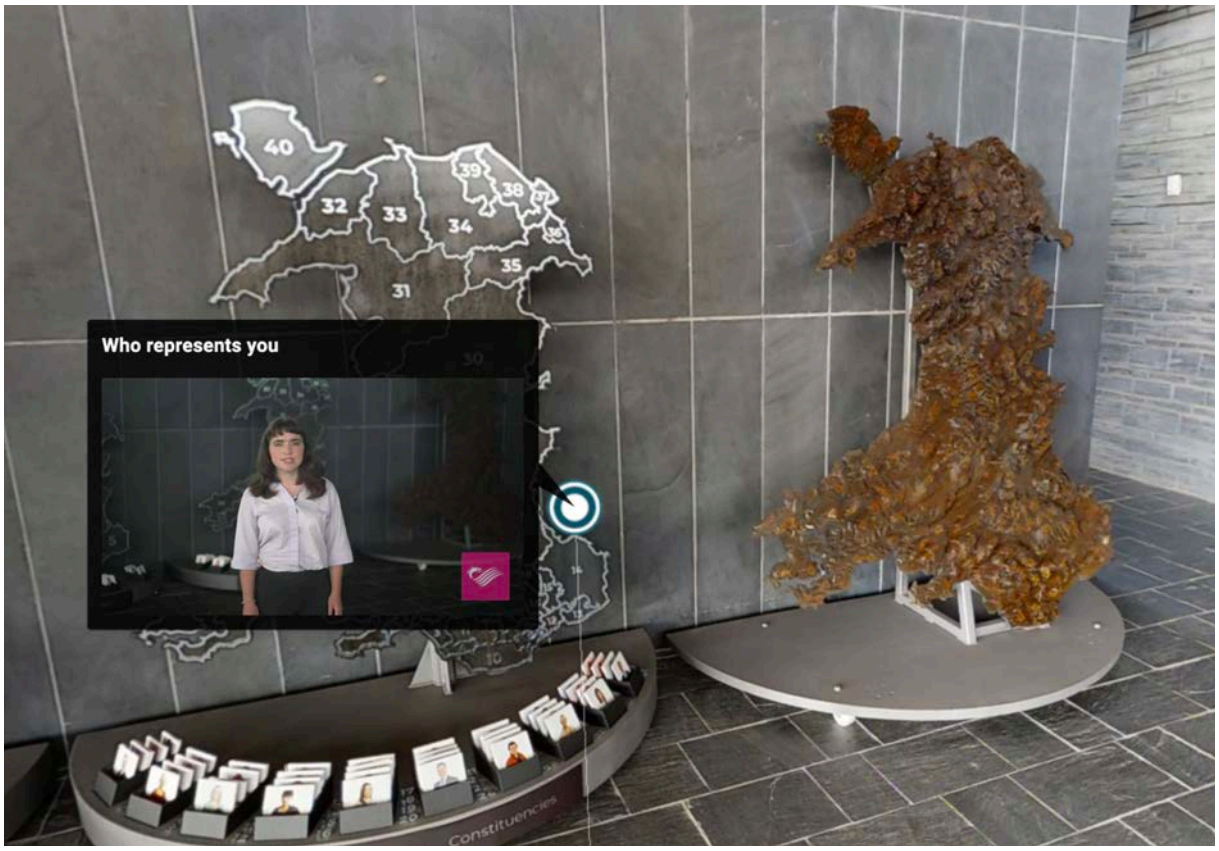
Total number of signatures on petitions during the Fifth Senedd

The **largest petition** was related to Covid-19 and reached **67,940** signatures



Engage with All the People of Wales and Champion the Senedd

This section of the Annual Report highlights the work we have done to raise awareness of the Senedd and its work and to make it more accessible to all the people of Wales.



New Senedd Website

After two years of development, including consultations, surveys, requirements gathering, workshops, development of 12 personas, creation of 4 initial designs, 27 weeks of development sprints, and lots of testing, the Senedd's new website went live on 17 December 2020.

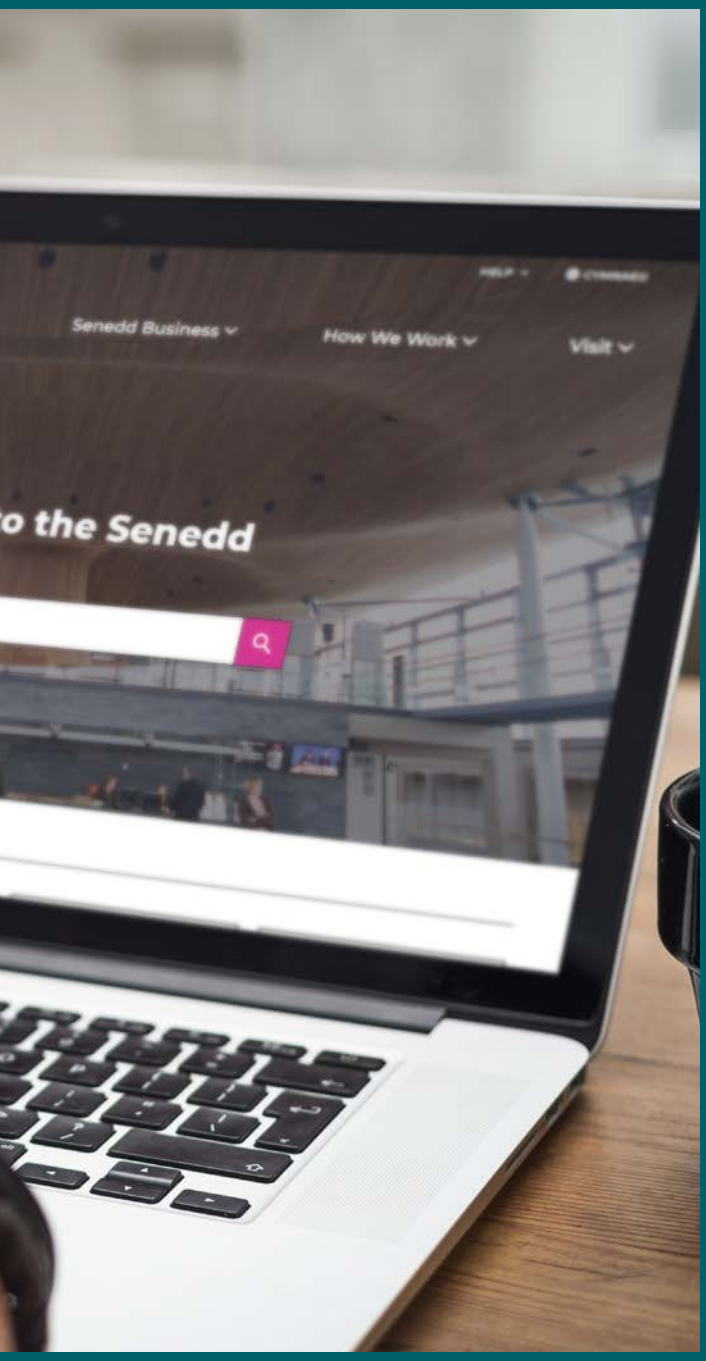
On the old site, users found it difficult to find what they were looking for, so the new website puts search front and centre, and has been built with the user's journey in mind. It has also been built with mobile in mind – with nearly 50% of visits now being made on mobile devices.

The website project team migrated over 350,000 documents (including PDFs, media items, images, and meeting outputs) to the new website and trained over 150 Commission staff as editors to ensure that all parts of the organisation have the skills to build and update pages. At the end of January the project team handed over the responsibility for the site to a new Editorial Board to deliver future priorities and ensure the benefits of the new site continue to be measured and realised.

Early feedback has been really positive, with users reporting that they like the new look, describing it as 'fresh' and 'clean', and

commenting on how much easier it is to navigate and find things.

The main website wasn't the only new launch this year, as the Commission strives to make engaging with the work of the Senedd easier for everyone. A new petitions website, launched in April 2020, has made it easier for everyone to create and sign petitions. Since it was launched, the average number of signatures per petition has increased by 45%, with a Covid-19 petition achieving the most signatures on a petition to the Senedd (67,940). There has also been a substantial increase in the number of petitions submitted, partly driven by Covid-19 regulations, with nearly as many admissible petitions submitted in 2020 (222) as during the first four years of the Fifth Senedd combined (236). During the Fifth Senedd, the petitions have collectively received more than 1 million signatures.



A new recruitment system also came online in October, making it easier for people to apply for jobs with the Commission, and easier for those involved in recruitment to manage the process.

You can visit the new website at https://senedd.wales and https://senedd.cymru.

WELSH YOUTH PARLIAMENT

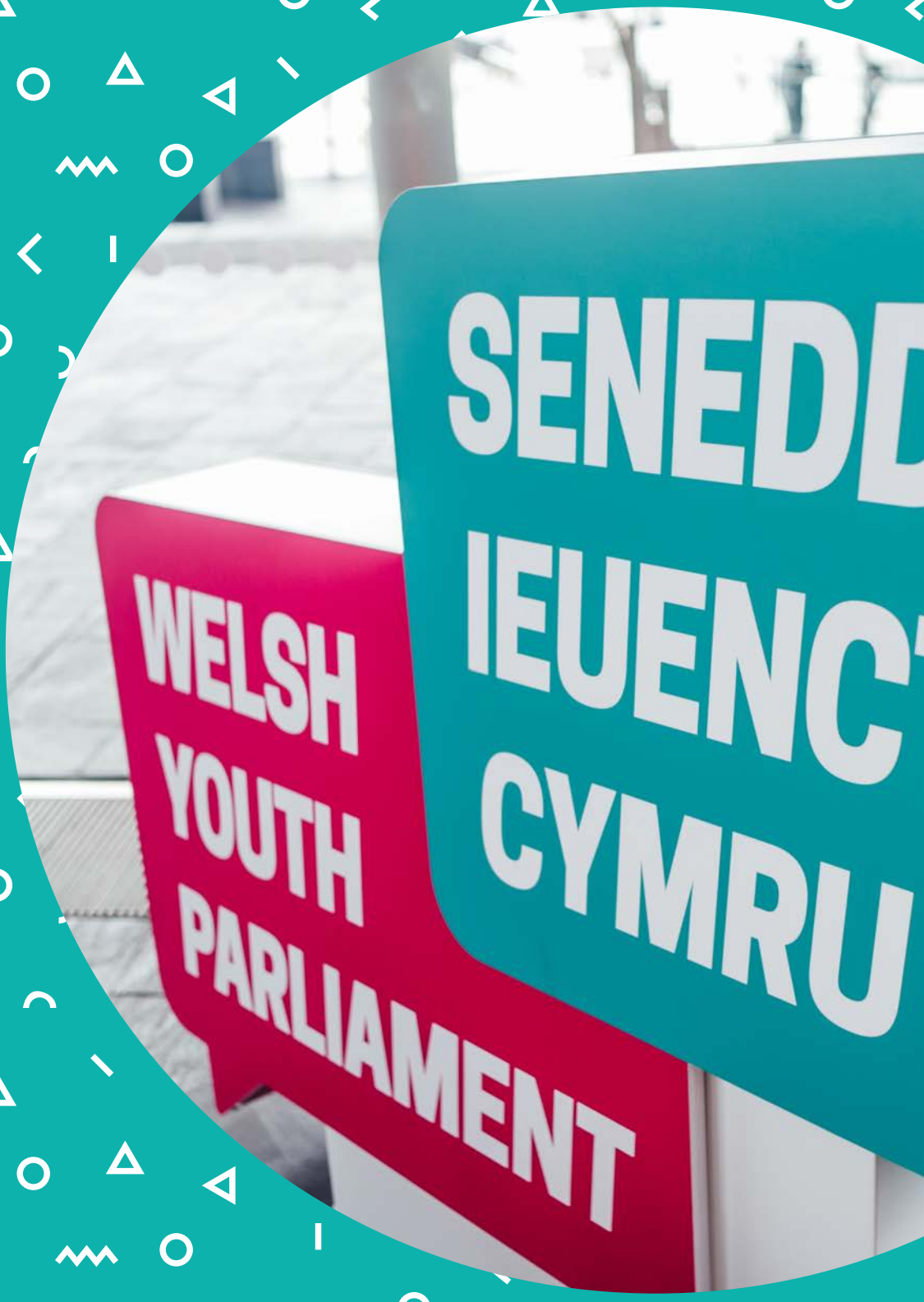
The first two-year term of the Welsh Youth Parliament (WYP) drew to a close on 24 February 2021, with a joint session with Members of the Senedd. During the Session the Llywydd commented that the work of the young parliamentarians was one of the standout successes of the Fifth Senedd.

The ceremony marked the end of an eventful year which included:

- Moving all meetings and events online in response to the pandemic;
- Hosting WYP week – a programme of virtual engagement events for young people on key issues;
- Producing and publishing a report on Littering and Plastic Waste;
- Producing and publishing a report on Emotional and Mental Health Support;
- Reviewing and updating previously published work on Life Skills in the Curriculum;
- Holding regular sessions with Welsh Ministers to ask questions from young people for young people – especially around Covid-19 and exams; and
- Collaboration with the Children's Commissioner on surveying the impact of Covid-19 on young people.

The work now starts to review what has worked well, and what could be improved in readiness for the second Welsh Youth Parliament. We are working with experts from Bangor University to complete this work.

Over the summer, we plan to open nominations for the next 60 Welsh Youth Parliament members, with elections in the autumn and a first meeting early in 2022.

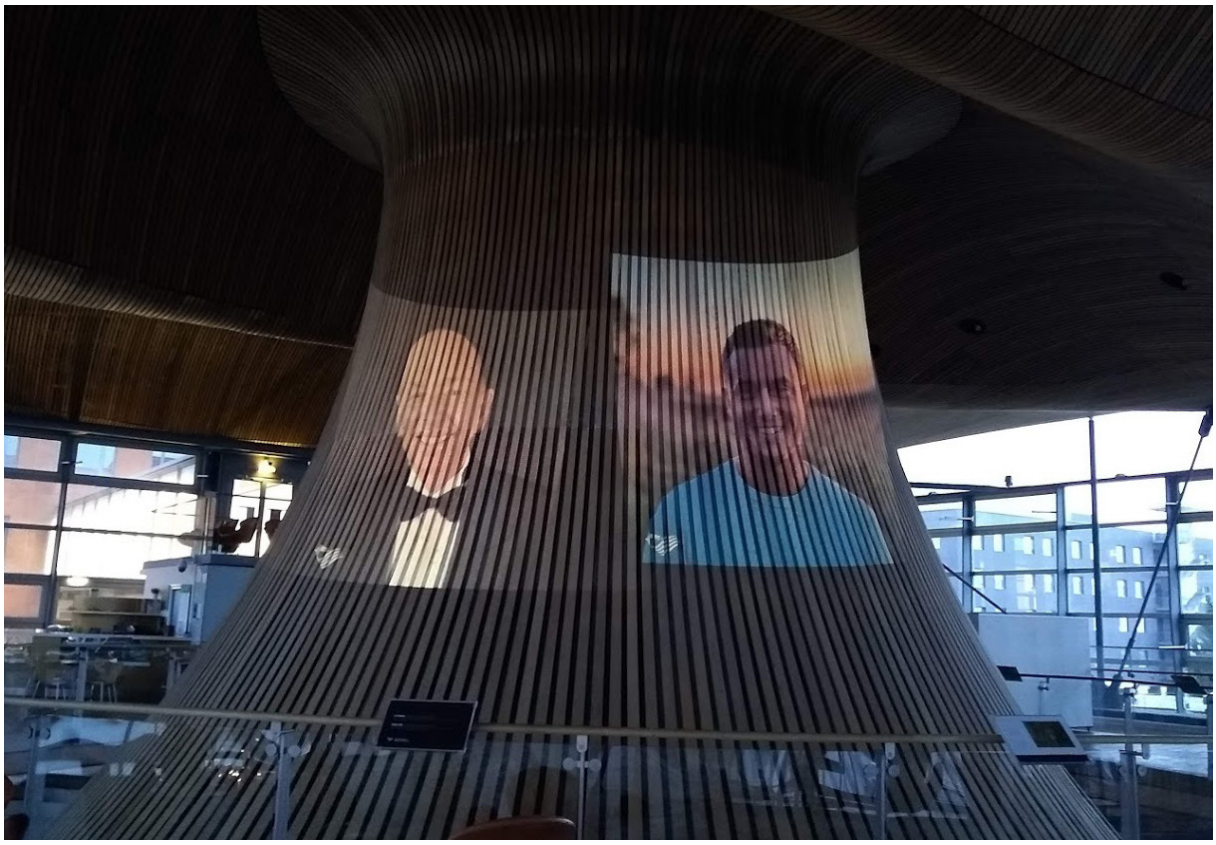

WELSH
YOUTH
PARLIAMENT

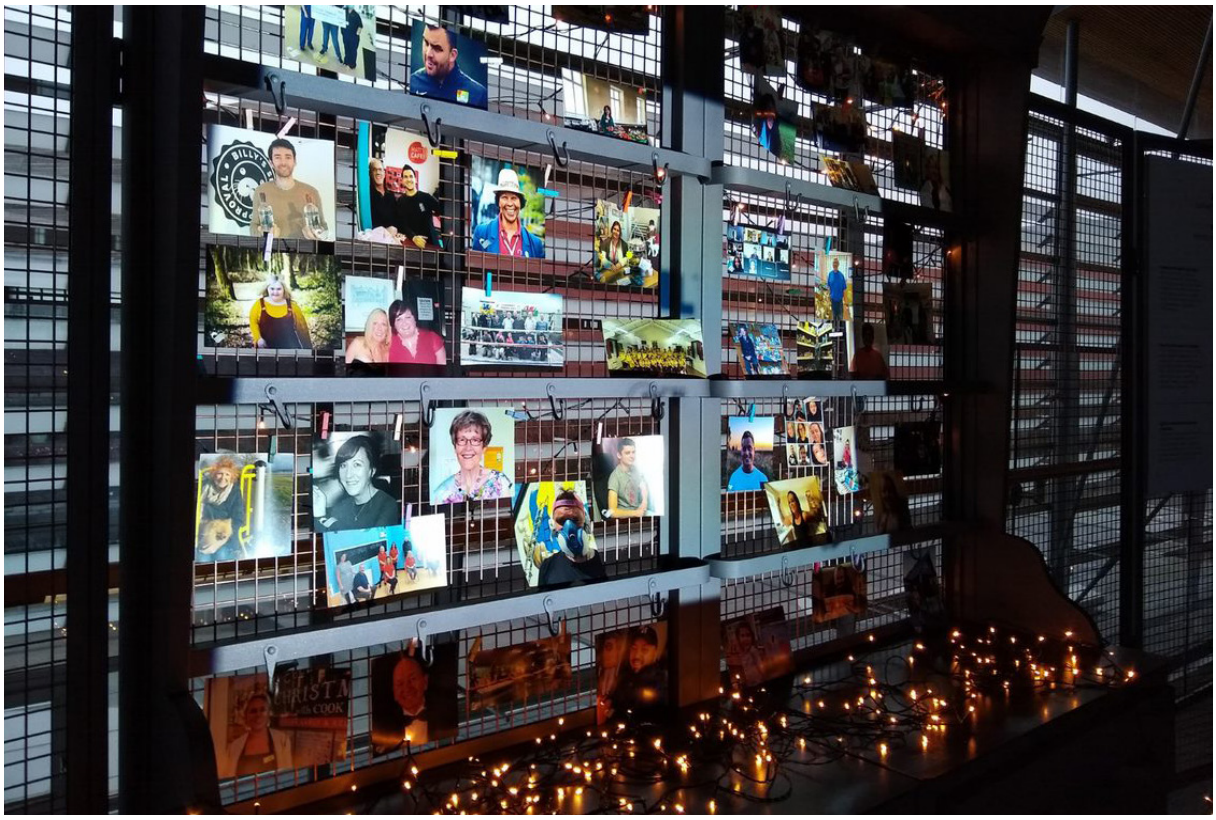
Outreach and Engagement

Restrictions due to Covid-19 brought radical changes to the way the Senedd engages with the people of Wales.

Due to the Senedd building being closed to the public we adapted our outreach and engagement work to ensure that we could still engage with people and they could still learn about the work of the Senedd, even while the doors have to be closed. For example, the Children, Young People and Education Committee included worksheets with free school meal packs for children and young people (to return by prepaid envelopes), in order for them to draw pictures or write short stories about their experiences. A 360 degree Virtual Tour of the Senedd was developed, regular online presentations giving an introduction to the Senedd were delivered, and exhibitions which would have taken place inside the Senedd, moved to Instagram and to our website. There have been almost 750 unique visits to the Virtual Tour and over 400 have attended the online presentations. One of the exhibitions developed highlighted the contributions that Member nominated Community Champions made during the past year – it gained more than 850,000 (this is 5 times higher than the average post) views on the Visit social media platforms.

Community champions at the Senedd





The new communications and engagement strategy sought to include the lived experience of members of the public for Committee inquiries as part of our social media and communications work. While physical interviews presented challenges during the pandemic, virtual engagement offered new opportunities.

The first GWLAD festival in 2019, marked the 20th anniversary of devolution in Wales with a series of events showcasing the Senedd building, and inviting speakers, comedians and musicians to perform.

For 2020 a straight repeat was impossible. As with so much of our engagement activity, we embraced online meetings in order to bring people into the work of the Senedd.

The second GWLAD festival saw us partner with a range of organisations, in an attempt to reach new audiences. The programme provided a platform for a diverse mix of people – young people, business owners, politicians, entertainers, activists, and key workers to discuss experiences, and share thoughts and ideas on ways to build a resilient, more equal Wales for the future.

The programme of 8 events attracted more than 563 people to register, including 282 who had not engaged with the Senedd previously. The events covered a range of topics including the environment, youth homelessness, rural communities, business, and the arts and worked in partnership with stakeholders across Wales including Llamau, Arts Council for Wales and Sports Wales.

GWLAD 2019

- 30% hadn't engaged with Senedd before
- 22% identified as politically apathetic / political observers

GWLAD 2020

- 50% hadn't engaged with Senedd before
- 61% identified as politically apathetic / political observers

We also worked with partners at the National and Urdd Eisteddfodau to offer online events and opportunities as part of their move to online events, and will be working to develop similar offerings in the coming months, as these national events will again not be held in the traditional way.

FINANCIAL RESPONSIBILITY

Operational outturn at year end is **1%**

RESEARCH SERVICE

Our Research Service blog sites received **over 130,000 views** between March and July 2020

OUR STAFF

This year we achieved **Investors in People Platinum Standard**

Wellbeing Pulse Surveys

95% of respondents said they felt well informed

ENVIRONMENTAL RESPONSILITY

100% diversion of waste from landfill for the **third consecutive year**

Our bees have doubled their honey production this year. The Pierhead is now home to **three** hives and around **100,000** bees

Use Resources Wisely

This section of the Annual Report highlights how we use our resources to support the business of the Senedd and how we ensure we use them efficiently and effectively.

AWARDS AND ACCREDITATION

INVESTORS IN PEOPLE™
We invest in people Platinum
Rydym yn buddsoddi mewn pobl Platinwm

Stonewall 100 CYFLOGWR GORAU 2020

Stonewall 100 CYFLOGWR GORAU TOP 100 EMPLOYERS CYMRU 2020

Stonewall CANMOLIAETH PERFFORMWYR DISGLAIR STAR PERFORMER COMMENDATION 2019

Stonewall PRIF GYFLOGWR CYNHWYSOLTRAWS TOP TRANS INCLUSIVE EMPLOYER 2019

disability confident EMPLOYER

LOUDER THAN WORDS

ACTION ON HEARING LOSS
A national charity since 1911

TOP 10 EMPLOYER for Working Families 2020

working families
changing the way we live and work

autism friendly awtistiaeth gyfeillgar
The National Autistic Society Cymru | Cymdeithas Genedlaethol Awtistiaeth Cymru

Y Siambr
Sgrin prawf safyddiog
Peidiwch a defnyddio'r sleid yma ar gyfer graddnodi
Main Chamber
Static test screen
Do not use for calibration

Sustaining business during the pandemic

To ensure an efficient and informed response to changing demands on our resources, effective planning and preparation have been important characteristics of our approach during this trying period. Commission staff are the most important resource in supporting Members and helping the people of Wales engage with their Parliament.

In advance of lockdown we were keeping abreast of the latest developments in relation to the virus. During this period, we:

- engaged with the other UK Parliaments and began to have regular conference calls to determine what we could learn from each other and compare notes;
- reprioritised resources to ensure that our cleaning contractors increased their cleaning regimen with additional focus on deep cleaning of high contact/high touch areas and getting assurances that sufficient supplies of sanitiser could continue to be made available;
- established a sub group of Leadership Team to spearhead our approach to the pandemic in the short term;
- ensured that every Service Area had updated their Business Continuity plans;
- introduced daily briefings for staff, developed a Covid micro intranet site and produced FAQs;
- put together a decision making matrix with a number of triggers which identified what decisions needed to be taken when and by whom;
- held a meeting of the Executive Board on Monday 16 March which made a number of recommendations to the Commission and, subsequently, the Commission made a number of decisions at their meeting held on the same day; and
- earmarked the 20 March as a day all staff should work at home to test capability.

Decision making and governance

From 23 March 2020, the vast majority of staff have continued to work at home and through this period we have continued to maintain consistent and strong governance arrangements. Thrice weekly Executive Board catch ups have been introduced and bi-weekly Leadership Team sessions in addition to the continuation of formal meetings. The Commission, the Audit and Risk Assurance Committee and the Remuneration, Engagement and Workforce Advisory Committee have also continued to meet virtually for the duration of the pandemic period and have been kept abreast of our continuing approach.

Business continuity planning, management and delivery

Commission business continuity planning quickly kicked in at the start of the pandemic to facilitate a managed lockdown and transition to virtual working. Significant planning has continued across a range of different areas, including our approach to staff and Member engagement, how we modify HR policies and evaluating how we best deploy our financial, human and technological resources through the period.

The ICT Strategy, agreed in 2018, has at its core, the principles of agility and flexibility. The adoption of cloud services, together with the hardware and software needed to access these services securely, meant that the Senedd was well placed to react quickly to the changes in working practices demanded by the pandemic. It has ensured that we are well equipped to support home working for staff, with most staff now having laptops which can easily connect to our network and access the Microsoft Office 365 suite of packages.

Commission staff have been highly adaptable and flexible during the period, working at high pace and consistently delivering results. The period has helped to drive real innovation in areas such as broadcasting, delivering plenary, providing virtual Table Office (by utilising the portal which had already been introduced) and offering virtual library facilities to Members.

Extensive workforce planning and the identification of critical staff and activities have supported the development of business continuity measures. Where necessary, we have prioritised Covid-related activity and supporting plenary and committee activity. Due to the nature of their work, some Service Areas have seen their workloads increase and, inevitably, some other Service Areas have seen their workloads reduce. We have redeployed staff to provide support and resilience to those areas experiencing higher volumes of work.

Lockdown has also provided a great opportunity to drive the adoption of Microsoft Office 365. The mainstreaming of the use of Teams, SharePoint and similar platforms greatly improved our ability and willingness to work collaboratively. Support services adapted quickly to ensure the right level of training and support was available for Commission staff and Members.

Wellbeing

Commission staff's welfare has been at the core of the Commission's approach to the pandemic, whether people are working on the premises or remotely.

- Appropriate arrangements have been implemented to protect people working on the premises, including increased cleaning of high risk/high contact areas, the introduction of hand sanitiser and wipes at all building entrances, the introduction of one way systems and social distancing regimes within buildings and the use of an electronic booking and occupancy tracker to ensure that building occupancy limits are effectively managed.
- The HR and Estates Teams have worked closely to ensure that staff working remotely have appropriate display screen equipment (DSE).
- The risks of staff working from home relating to isolation, mental and physical health and work/life balance have been recognised. Guidance has been provided to staff, such as, training and staff welfare sessions that have included mental and physical health tips; guidance including office yoga and exercise videos; links to MIND resources and the Senedd mental health toolkit; tips for maintaining mental health during isolation; as well as the provision of occupational health support if required.
- Wider support has included information for anyone experiencing domestic abuse during lockdown, guidance for staff working from home with children, bereavement support and the ability for staff to work from the office premises where it is not possible for them to work from home for either personal, technical or premise reasons.
- Temporary changes have been made to our people policies to ensure staff are adequately supported during these difficult times. The Commission has actively encouraged a balance of flexible working and a focus on outputs and wellbeing, rather than on worked hours alone. This has allowed staff to find their own rhythm with regard to working, caring responsibilities and home-schooling.
- Appropriate procedures have been put in place, including undertaking detailed risk assessments, before staff, on a limited basis, have returned to the estate.

- Business Continuity and Wellbeing Pulse Surveys have been conducted on a regular basis and have allowed us to ensure the wellbeing of our staff, while also informing prioritisation and our business continuity resilience.

Maintaining communications

From the outset of the pandemic, communication with staff, Members and other stakeholders has been an important part of managing our response to this unprecedented period. Early on we identified the health, safety and wellbeing of all building users as a priority for the delivery of effective scrutiny and this has been the driver for our communications.

We have increased our formal and informal communication and decision making structures. This has included shorter but more regular meetings of Executive Board and Leadership team, twice weekly Trade Union Partnership meetings and the prioritisation of team communications by line managers.

At the end of February 2020, a daily communications group was established. This group provides regular communications to staff on the latest developments, policy decisions, FAQs, actions being taken to address the situation regarding work, health care, potential symptoms and home working arrangements. At the same time specifically designed centralised pages on the intranet were developed which act as a library for these updates, as well as providing further information on relevant training, wellbeing support and guidance. Feedback from our six-weekly Wellbeing Pulse Surveys indicate that staff feel well connected to their teams, managers are communicating well, and that the organisation care about their wellbeing. The surveys have continuously demonstrated that 95% of respondents have felt well informed about how the organisation is responding to Covid-19.

All of these internal communications have brought people closer together at a time when we have been physically dispersed. It has also been important to maintain some social interaction and the advent of initiatives such as all staff 'Zoom' meetings has made this possible. We remain committed to bringing staff ever closer together and harnessing the One Team principle for the organisation.

On-going and regular communication with Members has remained important throughout the period. Running in parallel with relevant updates to staff and the Covid-19 intranet microsite has been a version for Members and their staff which keeps them up to date with relevant information. This includes details on issues such as preparing for a return to the estate, guidance on a return to

constituency offices and blogs and briefings prepared by the Research Service which equips Members with information to help inform any questions which constituents may have with regard to the virus.

In addition, we have continued to communicate with our contractors to ensure that expectations are met and that they are kept informed over issues. We have shared information, such as, guidance and risk assessments, and ensured this is cascaded to their subcontractors as necessary. This constant communication and information sharing has been instrumental in assisting us to deliver hybrid plenary and for continuing to provide our services throughout the period.

We have also effectively utilised our parliamentary networks during the period and engaged in conversations around business continuity, HR and Health and Safety, all of which has been mutually beneficial.

Since the beginning of lockdown the Senedd estate remains closed to the public, and face-to-face public engagement, such as school tours and Member-sponsored events, have ceased. A new emphasis was put on digital engagement. Looking across all of our social media platforms we have seen a doubling in the number of users engaging with us and a threefold increase in our Facebook reach. The Research Service has published a range of issues relating to the virus throughout the period and between March and July 2020, there were nearly 130,000 views on the English and Welsh blog sites, and the average number of daily views doubled.

Redeployment of Commission staff

Going into lockdown and working from home, as someone who works in a public-facing role, was tough.

[...] That changed drastically for me when I was invited to take part in the Commission Loan Pool, and was seconded to a department which needed extra support.

Not only was it nice to be busy again, but it has been a fantastic experience to see how the Senedd Commission operates for a different angle, to see that the amazing work culture here persists across depart-ments, and to prove to myself that I can be adapt-able in adverse circumstances, and get some really valuable experiences out of it.

David Lakin
Transferred from Engagement Service to Strategic Transformation Service

Firstly he's so enthusiastic and eager to learn, [...] he picks things up really quickly and from my point of view has really helped take off some of the pressures around month end deadlines. [...] This makes the work so much more manageable.

Leanne Hockey
Line manager of a member of staff who transferred from Security to Financial Services

> The loan pool has been invaluable and highly rewarding experience, giving me the chance to apply my research skills in a different environment whilst gaining a further insight in the working of Senedd Commission.

Megan Jones
Transferred from Engagement Service to Research Service

> In December 2020 I was offered the chance to move over to HR to work with the Health and safety team on a short secondment, This was in order to help out with the increasing workload that Covid was demanding.
>
> [...] Five months into this new role I find myself feeling more confident about decision making and more able to finish bigger pieces of work with minimal guidance. The skills I have gained in my short time with the health and safety team will massively benefit my substantial role and play a big part in shaping my career in the years to come.

Thomas Donne
Transferred from Security to Human Resources

Learning from our response to Covid-19 and looking to the future

The pandemic has provided over a year of direct experience of new ways of working for Members, the public, and staff, and has required rapid and significant change and continuous learning.

The Executive Board established a senior steering group early in the pandemic to co-ordinate the Commission's response. As part of this, a 'Futures' workstream was initiated to capture the learning and opportunities for the future so that the long-term strategic value to the Senedd and Commission of becoming more flexible, responsive and sustainable could be considered.

The reach and impact of this work is broad, and includes the learning from how Members have worked during this period, in particular in Plenary and committees, to inform the opportunities for the Senedd to work differently in the future. The experience has demonstrated that much of what the Senedd and Commission does can be done in a more flexible environment, through remote and hybrid working.

The Futures workstream has benefited from significant staff engagement during this period. This has included data gathering through staff surveys and the bringing together of representatives from each Service Area across the Commission, the staff equalities and engagement networks, and Trade Union Side, to reflect on their experience. The cross-organisation team made recommendations on guiding principles for flexible working and future use of the estate to enable us to continue to deliver outstanding parliamentary support in a changed world.

A report was prepared for the Executive Board, which provided learning from the pandemic and outputs from the extensive staff engagement. This report provides information for action in the Sixth Senedd, ensuring that, the Commission starts a new term in a strong position to adapt rapidly to the 'new normal'.

Investors in People

In May 2020, the Commission was delighted to attain the Platinum standard accreditation under the new Investors in People (IiP) Framework. With only 2% of organisations achieving platinum, the award truly reflects the excellent One Team ethos of the entire organisation and the pride and passion Commission employees have. It also provides the organisation with a clearer picture of what employees think and feel about working at the Commission, particularly as we all faced a new and uncertain set of circumstances.

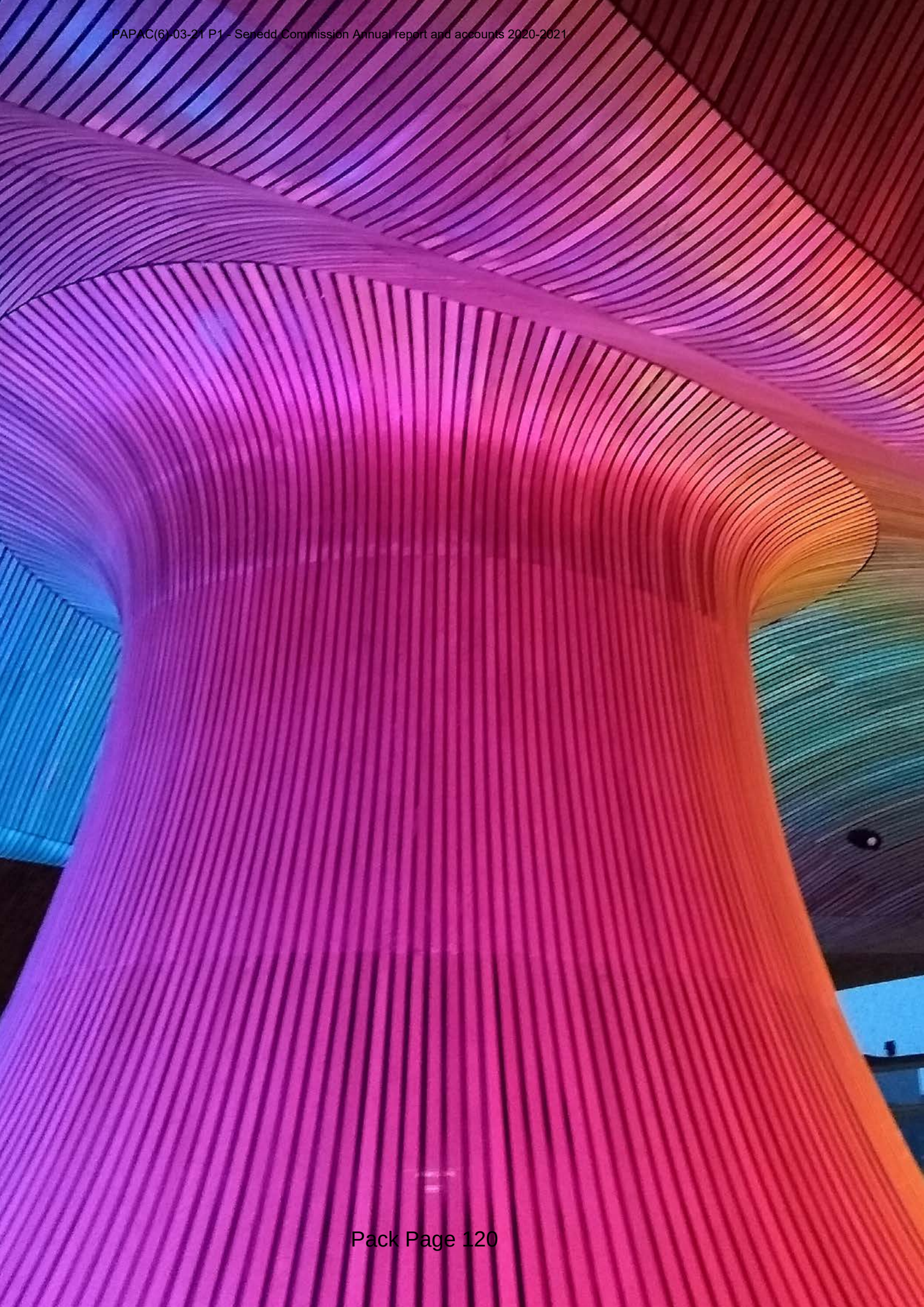
IiP assessors rated the Commission based on a staff survey and a portfolio of evidence, including staff from across the organisation attending workshops and interviews.

Investing in our people has delivered results and supported our response to the pandemic. Through our One Team culture, the Commission has empowered our people to become better leaders, which has been continuously demonstrated in our Wellbeing Pulse and Business Continuity surveys throughout the pandemic. The Commission has supported, developed, and provided the necessary equipment to continue working through the current, unprecedented situation to great effect, with 95% of our staff reporting that they feel well informed, well connected, and clear about what's expected of them.

Through co-designing our values with our employees, the Commission has made the conscious effort to ensure our values are at the heart of our everyday actions by:

- creating internal campaigns that underpin our commitment to our values;
- enabling people to call out any behaviour that goes against our Dignity and Respect policy;
- actively encouraging staff to be critical friends of the Senedd (be it through anonymous surveys, individually, or group consultations);
- supporting the re-establishment of our staff voice network; and
- engaging with all staff networks on policy design and responses.

Achieving the IiP Platinum award, alongside other accolades, including the Times Top 50 Employers of Women, the TIDE awards and others this year, is a real success that helps celebrate our commitment to continuous improvement.



Diversity and inclusion

The Diversity and Inclusion Annual Report 2020-2021 includes detailed information of our work in this area, as well as accompanying workforce and recruitment data, and our equal pay, gender pay gap and ethnicity pay gap data. These reports are available via our website.

The concepts of diversity, inclusion, wellbeing and safety have been central considerations of our decision-making in our response to the Covid-19 pandemic, ensuring that we keep people on our estate and those working remotely safe while day-to-day business continues.

Some of the highlights of this year include:

Virtual recruitment and transformation programme

- We experienced an overnight shift from face-to-face to virtual recruitment activities. We assessed the potential impacts those changes could have by conducting equality impact assessments and ensuring that our candidate management process was appropriate for the new remote interview arrangements.
- In November, an Applicant Tracking System was launched which anonymises applications and enhances our data analytics capability.
- To address underrepresentation of Black, Asian and Minority Ethnic (BAME) people in our workforce, we have developed individual advertising strategies and trialled different platforms for advertising our jobs.
- We have reviewed our virtual onboarding process to ensure that it is welcoming and inclusive; we have ensured that we have diversity in our recruiting panels and that candidate job packs have inclusive imagery and language.

The positive impact of our Workplace Equality Networks and Senior Champions

The visibility of our workplace quality networks has increased, particularly given we have been operating in the context of a remote working environment. They have provided vital peer support and insight for the organisation looking at how protected characteristics intersect and what this could mean for employees.

Notable activities include:

- An all-staff meeting panel, including network chairs, to share experiences of working in the context of lockdown and the challenges and opportunities it presents.
- Our Senior BAME Champion participated in a joint Black Young Professionals and Senedd Commission webinar.
- Network members, chairs and senior champions have designed and participated in topical podcasts and blogs for internal distribution.
- Our REACH network has a presence at Leadership Group meetings to provide insight that might inform inclusive decision-making.
- All our networks have observed key dates including LGBT History Month, Black History Month and Time to Talk Day with materials and tools designed and delivered by network members and their respective senior champions to raise awareness, offer insight into issues that might affect our colleagues and provide a solutions-based approach. Networks have dedicated Teams channels to provide informal 'drop-in' support for colleagues.
- Our network members and chairs have been supported with specific training for developing the role of network chairs to: facilitate increased collaboration and build an intersectional approach to diversity and inclusion; enable network members and chairs to empower others; assist the organisation in delivering on its Diversity and Inclusion Strategy; support members' wellbeing; assist them in providing peer support on sensitive issues and develop coaching techniques.
- Our Leadership Group participated in a Business in the Community (BITC) 'Let's Talk About Race' workshop to understand further the issues around race quality, terminology and privilege.

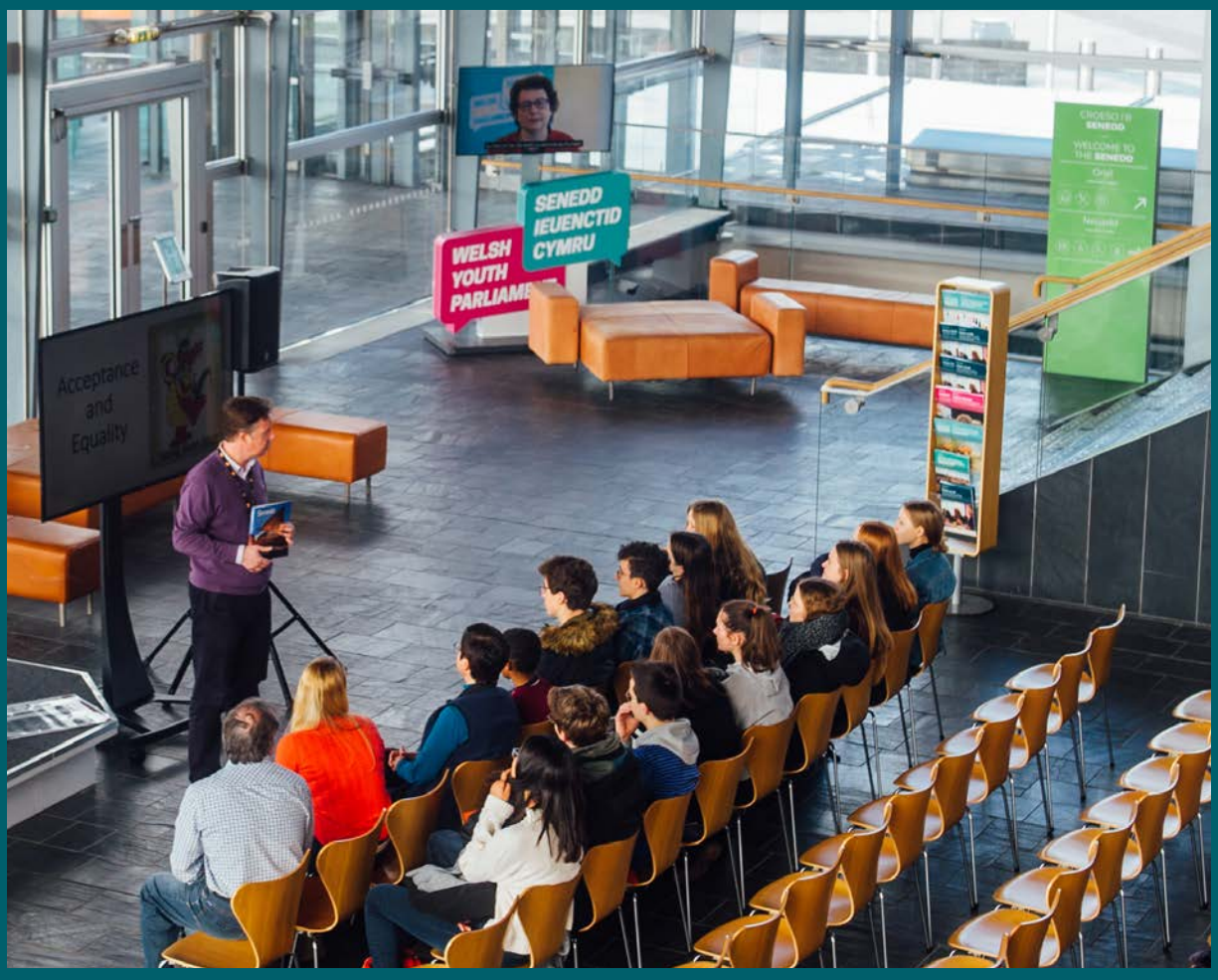
Other highlights

- The inclusion of diversity monitoring information in the Staff Survey and Wellbeing Pulse Surveys which allows us to gain a greater insight into the experiences of employees with different characteristics.

- A successful virtual Diversity and Inclusion Week where staff could access information and diversity and inclusion-related training.

The Senedd Commission continues to work with our strategic partners, including BITC Cymru on race and wellbeing; Stonewall, Investors in People and Working Families. We also continue to be a Disability Confident Employer, an Autism Friendly Parliament and a Race at Work Charter Signatory.

Going forward we will begin the process of refreshing our Diversity and Inclusion Strategy for the Sixth Senedd.



Standards of Conduct Committee

During 2020-21, the Standards of Conduct Committee consulted and took evidence on a new Code of Conduct (the Code) for the Senedd. The review looked at international comparators and examples of best practice from across public institutions.

The Code, produced by the Committee and endorsed by the Senedd on 24 March 2021, has a set of eight overarching principles which are based on the seven principles of public life (commonly known as the Nolan Principles) with an additional principle of respect. The Committee considered the respect principle to be an important inclusion given the work around dignity and respect which has been prominent throughout the Fifth Senedd. This principle puts the need to treat everybody with respect as a key requirement for Members of the Senedd, and that they should set an example in public life. In addition to the 8 principles, there is a set of 24 rules which set out clearly the behaviour that can be expected of Members. The updated code is available on the Senedd website.

The Standards of Conduct Committee worked with the Clerk of the Senedd to appoint a new Standards Commissioner through an open public appointment procedure. The appointment of Douglas Bain, the current Acting Standards Commissioner, was agreed by the Senedd on 17 March 2021.

Sustainability

In an extraordinary year, the way our staff work and how our buildings are used has changed dramatically, in some ways permanently. The pandemic has meant people worked from home, on-site events did not take place, and most of the business of the Senedd took place virtually.

This has of course meant significant changes to our environmental impact, with noticeable drops in utilities use, and huge reduction in travel. Our primary target of 'energy emissions' has fallen again this year. Our energy emissions had already halved by the end of the last financial year - our last normal year - during the life of our most recent Carbon Strategy

We have continued to maintain the estate with a consideration of environmental efficiency, whilst focusing on the health of our staff, contractors and visitors. We have also worked hard to produce a new Carbon Neutral Strategy, soon to be published, which will pave the way for our organisation to be net carbon neutral by 2030. Many of the adaptations contained within the Strategy will build on previous work to reduce our energy and travel footprints, whilst including changes to continue making flexible working as easy and effective as possible into the future.

Our environmental work has continued under the banner of a formally-certified management system which includes an annual audit by a United Kingdom Accreditation Service (UKAS) accredited body against the requirements of ISO14001 (the international standard that specifies requirements for an effective environmental management system). The following summary shows highlights and statistical data, but further information is published in the Sustainability Annual Report, available on our website.

Energy

Whilst staff numbers were much reduced overall, a comfortable working environment was still required for those present in the buildings, so gas use did not drop very much compared to last year. The flexibility of our infrastructure to respond to reduced staff numbers is something our forthcoming Carbon Neutral Strategy will look to address. This is especially relevant given that

long-term changes to working patterns are likely to be experienced. We will be looking to update our office areas to make better use of space and reduce their energy consumption on days when occupancy is low.

Electricity use is down 25% for the past year. While some facilities in the building such as security measures, data servers and heating pumps have remained active throughout, forced cooling equipment has been switched off to reduce infection risk and lighting and small power demand has dropped significantly. Whereas last year we reported a considerable increase in the cost of electricity (prices rising by approximately 16%), this year there has been a 3% rise in unit rates.

We have taken the opportunity afforded by a quieter estate to progress with several planned facilities projects, some of which will demonstrate reduced electricity demand in the forthcoming year, for example more LED lighting and updated controls for the ground-source heat pump in the Senedd. Our focus for project work in the short term will be building efficiency - making equipment like the BMS (building management system) more effective in reducing energy use in line with reduced building occupancy.

Waste and resources

Waste production was down significantly this year; again a direct result of the reduction in number of building users. Total waste tonnage was almost a half of last year's, with the reduction in number of on-site personnel being offset to some extent by an increase in project work taking place on the estate, as well as the production of waste PPE. The need to ensure the appropriate disposal of items such as PPE during this past year has meant that, whilst none of our waste has been sent to landfill, a higher percentage of the waste that was produced has been sent to an energy recovery facility.

Minimal use of the Senedd building was reflected in significantly-reduced water figures. The amount of harvested rainwater we have used in the building (mainly used in the toilets) was down approximately 70% - a reduction reflected in our water bill for the estate as a whole.

Paper use has also seen a dramatic reduction - down more than 70%.

We continue to procure goods like stationery and our utilities through centrally-coordinated National Procurement Service (NPS) frameworks, and we specify Forest Stewardship Council (FSC) sourced timber in any furniture purchases. Our major contracts are assessed for their sustainability credentials, with associated criteria often added to tender specifications.

Travel

Due to covid restrictions, travel claims have reduced by around 90% with Members and staff utilising more technology-based modes of communication and engagement.

Our most recent travel survey, conducted just before Covid impacted travel, showed staff are using more efficient vehicles than ever and that more are choosing sustainable modes to travel. To support this we have increased storage facilities for cyclists and introduced facilities for electric bike users.

Other Impacts

Our forthcoming Carbon Neutral Strategy will include measures which provide further protection against climate change. Investing in renewables, for example, will ensure at least some of our energy supply is secure and shielded from any volatility in the markets.

Our estate is in an urban location, and our activities in maintaining it do not directly impact on rural areas.

Our support for the biodiversity of the site has continued throughout this past year. We have kept up the minimal cutting operations of the wildflower strip, and maintained the garden areas in the car park; all of which are showing an increase in insect life. We have introduced a third beehive to the Pierhead, whilst the original two have had a very productive year - producing double the honey crop they did in 2019. Our Carbon Strategy also promotes biodiversity; committing to doubling the overall area of green space on the estate through its life.

Greenhouse Gas Emissions [4] [5] [6]		2012-13 (baseline)	2017-18	2018-19	2019-20	2020-21
Non-financial indicators (tCO2e)	Total gross emissions scope[7]	329	297	239	236	234
	Total gross emissions scope[8]	1,470	955	732	643	438
	Total gross emissions scope[9]	432	390	316	272	93[10]
	Total outside of scope emissions	298	5.3	7.4	6.0	4.8
	Total gross emissions	2,588	1,659	1,304	1,156	752
	Total net emissions	2,290	1,654	1,296	1,150	748
Expenditure on accredited offsets (e.g. Government Offsetting Fund)		£0	£0	£0	£0	£0
Financial Indicators (£)	CRC Gross Expenditure	N/A	N/A	N/A	N/A	N/A

[4] All energy data now contains current and retrospective transmission and distribution emissions and well-to-tank emissions where applicable.

[5] All travel data now contains current and retrospective well-to-tank emissions for fuel use.

[6] Excludes MS and MSS travel February and March 2021 due to delayed reporting requirements. Previous years have been adjusted as final claims for those years have been processed.

[7] Includes costs for electricity and air conditioning in offsite server farm from 2010 until its discontinuation in June 2018.

[8] All energy data now contains current and retrospective transmission and distribution emissions and well-to-tank emissions where applicable.

[9] All travel data now contains current and retrospective well-to-tank emissions for fuel use.

[10] Excludes MS and MSS travel February and March 2021 due to delayed reporting requirements. Previous years have been adjusted as final claims for those years have been processed.

Energy Consumption [11] [12]		2012-13 (baseline)	2017-18	2018-19	2019-20	2020-21
Non-financial indicators (kwh)	Electricity (renewable tariff from 2018)	3,194,890	2,602,054	2,647,115	2,596,810	1,944,436
	Gas	1,741,299	1,452,075	1,314,772	1,289,334	1,282,969
	Biomass (renewable)	840,438	409,770	492,420	404,690	285,215
Non-financial indicators (tCO2e)	Total energy emissions	1,880	1,363	1,066	962	734
Financial Indicators (£)	Total energy expenditure	458,168	431,187	467,404	521,093	406,650

[11] Includes costs for electricity and air conditioning in offsite server farm from 2010 until its discontinuation in June 2018.

[12] All energy data now contains current and retrospective transmission and distribution emissions and well-to-tank emissions where applicable.

Waste		2016-17	2017-18	2018-19	2019-20	2020-21
Non-financial indicators (tonnes)	Total waste arising	140	142	128	103	59
	Recycled/ Recovery	136	138	124	104	59
	Energy Recovery	-	4.04	4.07	43.0	41.0
	Landfill	5	0	0	0	0
	Waste composted	15.9	17.0	17.0	17.5	2.4
	Hazardous waste	0.15	0.4	0.3	0.2	0.02
	Paper purchased (A4 million sheets equivalent)	1.99	2.92	2.73	2.33	0.86
Financial indicators (£)	Expenditure on all waste disposal	36,455	33,008	39,749	27,025	5,445

Water consumption		2014-15 (baseline)	2017-18	2018-19	2019-20	2020-21
Non-financial indicators (m3)	Supplied (direct)	6,117	4,158	6,064	6,281	1,642
	Collected (indirect)	1,554	578	542	515	141
	Abstracted (indirect)	0	0	0	0	0
Financial indicators (£)	Expenditure on supply and sewerage	22,245	15,424	12,189	18,065	10,499

Official Travel [13] [14]		2013-14 (baseline)	2017-18	2018-19	2019-20	2020-21
Non-financial indicators (miles)	Business travel	884,176	724,400	732,235	754,431	61,131 [15]
	Owned and leased vehicles	31,949	16,512	16,705	13,003	913
Financial Indicators (£)	Expenditure on official business travel	349,775	337,805	301,200	300,920	27,941 [16]

[13] All travel data now contains current and retrospective well-to-tank emissions for fuel use.

[14] Excludes MS and MSS travel February and March 2021 due to delayed reporting requirements. Previous years have been adjusted as final claims for those years have been processed.

[15] Excludes MS and MSS travel February and March 2021 due to delayed reporting requirements. Previous years have been adjusted as final claims for those years have been processed.

[16] Excludes MS and MSS travel February and March 2021 due to delayed reporting requirements. Previous years have been adjusted as final claims for those years have been processed.

The information provided has been developed for our Annual Report and Accounts in accordance with HM Treasury's Sustainability Reporting Guidance for the 2020-21 financial year. We also use the DEFRA conversion factors for 2020 for carbon dioxide equivalent (CO_2e) figures. CO_2e is a universal unit of measurement that allows the global warming potential of different GHGs to be compared. Emissions are reported based on a financial control approach for the core administrative estate only.

A full summary of our environmental performance can be found in the Senedd's Sustainability Annual Report, available on our website.

Manon Antoniazzi
Chief Executive and Clerk of the Senedd
Date: 21 June 2021

Accountability

Corporate Governance

This report, which has been signed by the Chief Executive and Clerk as Principal Accounting Officer in line with Treasury rules, provides information about senior remuneration and audit.

Directors' report

Commissioners and other office holders

Information on the Llywydd (Presiding Officer) and Commissioners is included on pages 14 - 15.

Independent Advisers

Information on the Independent Advisers and Independent Committee members is included on pages 16 - 18.

Senior management

Information on the Chief Executive and Clerk, and senior management having responsibility for directing the major activities of the Commission during the year is included on pages 20 - 21.

Significant interests held by Members

A Register of Financial and Other Interests of Members is available at **www.senedd.wales** and **www.senedd.cymru**.

Personal data related incidents

There were no incidents of personal data loss requiring reporting to the Information Commissioner's Office between 1 April 2020 and 31 March 2021. There were seven incidents of personal data breach reported internally, which were investigated and managed internally. The likelihood of damage or distress to the data subject in each case was considered to be low, so no further escalation was required.

Diversity, Inclusion and Staff engagement

Information on the Commission's policies and activities relating to diversity, inclusion and staff engagement can be found within the Remuneration Report (pages 135 - 150).

Auditor

The Accounts of the Senedd Commission are audited by the Auditor General for Wales. The Audit Report can be found at page 156. The estimated external audit cost for the audit of these financial statements is £57,958 (2019-20, £57,958). No additional non-statutory audit work was incurred during 2020-21 (2019-20, nil).

Disclosure of information to the Auditor General for Wales

So far as I am aware:

- there is no relevant audit information of which our auditor is unaware; and
- I have taken all the steps that I ought to have taken in order to make myself aware of any relevant audit information, and to establish that our auditor is aware of that information.

Accounts Direction

The accounts set out in pages 151 - 167 have been prepared in accordance with the Treasury Direction issued under Section 137 of the *Government of Wales Act 2006*. The financial statements comply with the requirements specified in HM Treasury's Financial Reporting Manual and are supported by explanatory notes. These accounts set out the financial impact of decisions made by the Commission both within the financial year and arising from previous financial years.

Information about the Senedd and Commission is also available on the Senedd website at **www.senedd.wales** and **www.senedd.cymru**.

Manon Antoniazzi
Chief Executive and Clerk of the Senedd
Date: 21 June 2021

Statement of Commission and Principal Accounting Officer responsibilities

The Chief Executive and Clerk of the Senedd is, by virtue of Section 138 of the Government of Wales Act 2006, the Principal Accounting Officer for the Commission.

The Chief Executive and Clerk of the Senedd has prepared the statement of accounts in accordance with the Direction issued by HM Treasury and with the accounting principles and disclosure requirements set out in the Government Financial Reporting Manual. The Resource Accounts are prepared on an accruals accounting basis and give a true and fair view of the Commission's state of affairs at the year-end and of its net resource outturn; resources applied to objectives; statement of comprehensive net expenditure; statement of financial position; cash flows, and statement of changes in taxpayers' equity for the financial year.

In preparing the accounts the Chief Executive and Clerk of the Senedd has:

- complied with the accounts direction issued by HM Treasury;
- complied with the relevant accounting and disclosure requirements and applied suitable accounting policies on a consistent basis;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepared the accounts on a going concern basis.

The relevant responsibilities of the Principal Accounting Officer, including the responsibility for the propriety and regularity of the finances of the Commission and for the keeping of proper records, are set out in a Memorandum issued by HM Treasury.

Manon Antoniazzi
Chief Executive and Clerk of the Senedd
Date: 21 June 2021

Governance Statement

This Statement, which is signed by the Chief Executive and Clerk as Principal Accounting Officer, sets out the way in which the Commission is governed and managed and how it is accountable for what it does. It outlines assurances on the effectiveness of the Commission's governance framework in delivering its strategic goals for the year ending 31 March 2021.

Governance framework

Under the terms of the Government of Wales Act 2006, the Commission delegates its functions, including responsibility for the management of staff, to the Chief Executive and Clerk (the Chief Executive) subject to a few exceptions and conditions. This includes the governance arrangements to facilitate the effective operation of the Commission to deliver against its strategic goals.

The governance framework comprises the structures, systems, processes, and the culture and values, by which the Commission is directed and controlled. It defines accountability, relationships and responsibilities among those who work with and in the organisation, determines the rules and procedures through which the Commission's goals and objectives are set, and provides the means of attaining these and monitoring performance. The framework addresses: strategic and operational planning; management of risk and performance; information governance; procurement; and financial management. Corporate policies and codes of conduct ensure everyone working at, or with, the Commission is aware of the need to operate to the highest governance standards. This includes policies on fraud, corruption and bribery, and whistleblowing.

Compliance with governance principles

The Commission has adopted and complies with a set of governance principles and supporting provisions[17] which are consistent with HM Treasury and Financial Reporting Council codes of practice and the International Framework: Good Governance in the Public Sector. The principles of leadership, effectiveness, accountability and sustainability run through the ways in which we operate as demonstrated throughout this statement. The *Assurance* section of this statement (page 128) describes how evidence of this compliance has been gathered through the Commission's Assurance Framework which includes assurance statements from senior management.

Governance structure

The Commission

The Commission is the corporate body which is responsible for ensuring that property, staff and services are provided for the Senedd to operate effectively. It comprises the Llywydd (Presiding Officer) who is its Chair, and four Commissioners. Further information on the Commissioners is included within the Overview section of the Annual Report.

The Commission's Principal Accounting Officer is the Chief Executive and Clerk who is accountable to the Commissioners for the delivery of their strategic goals and priorities and personally accountable to the Senedd for the organisation and quality of management in the Commission, including its use of public money and the stewardship of its assets. Senedd staff are employees of the Commission.

Commission committees

As part of the governance framework, the Commission has an Audit and Risk Assurance Committee and a Remuneration, Engagement and Workforce Advisory Committee, membership details of which can be found within the Overview section of the Annual Report. These are independent advisory bodies with no executive powers and produce their own Annual Reports.[18]

[17] https://senedd.wales/media/oaoav0cg/governance-principles-and-supporting-provisions-branded-march-2021-english.pdf

[18] Senedd Commission's Audit and Risk Assurance Committee Annual Report https://business.senedd.wales/mgIssueHistoryHome.aspx?IId=13291

The Audit and Risk Assurance Committee's role is to review the comprehensiveness, reliability and integrity of assurances and whether they meet the Commission and the Accounting Officer's needs. It has a focus on internal and external audit reports including the implementation of recommendations; the Commission's Annual Report and Accounts; reports on risk management; major projects, and governance and internal control arrangements. Further details on the Committee's work can be found throughout this statement and on its internet pages[19].

The Remuneration, Engagement and Workforce Advisory Committee makes recommendations on matters regarding the remuneration and terms of service of the Chief Executive and other senior posts and matters associated with the Commission's strategic approach to engagement and workforce development. This assists the Commission in ensuring that remuneration arrangements meet the highest standards of probity and accountability for the use of public funds.

Other

Outside the Commission's governance framework, there is also an independent Remuneration Board with statutory functions to determine the salaries and other financial support available to Members. This Board produces and publishes its own Annual Report.

Decision taking and business management

The Commission meets on a regular basis to provide direction and to oversee delivery of the Commission's strategic goals and objectives. The Commission delegates its day-to-day management functions to the Chief Executive. The formal delegation[20] outlines exceptions and areas on which the Chief Executive must consult with the Commission. There is also an established system of delegated authority to Directors and Heads of Service which covers finance, staffing and other resource responsibilities, such as procurement.

The Commission administration is divided into three Directorates: Business; Resources; and Communication and Engagement, reporting to the Chief Executive. The Director of Finance is a member of the Resources Directorate with a direct reporting line to the Accounting Officer. The Directorates are further sub-divided into service areas, led by Heads of Service.

[19] https://senedd.wales/commission/senedd-commission-audit-and-risk-assurance-committee/
[20] https://senedd.wales/commission/delegation-of-senedd-commission-functions/

The Commission's Executive Board, chaired by the Chief Executive is the strategic decision-making body for all matters delegated by the Commission. This is supported by the Leadership Team, consisting of members of the Executive Board and all Heads of Service. Further details on the Executive Board and Leadership Team can be found on in the Overview section of the Annual Report.

At the start of the pandemic, the Commission agreed that Executive Board (supplemented by the Chief Legal Advisor, the Head of Governance and Assurance and the Llywydd's senior support officials) should retain operational responsibility for managing the Commission's response to the pandemic, with escalation to the Llywydd for political or significant decisions, particularly those needing to be made by the full Commission or Business Committee in respect of Senedd business. Guiding principles were agreed in relation to the continuity of Senedd business and attendance on the Senedd estate.

Additional governance arrangements during the Covid-19 pandemic

The governance arrangements which were put in place at the start of the pandemic, as outlined above, have helped ensure effective and timely decision-making and communication around decisions with staff, Members of the Senedd and their staff, media and the public.

The Performance Analysis section of the Annual Report and Accounts (under the Use Resources Wisely goal) includes a section on "Sustaining business during the pandemic" which outlines our response in terms of planning and preparation, decision making and governance, business continuity planning, management and delivery, wellbeing and maintaining communications.

To supplement our governance arrangements, early in the pandemic we established a working group to begin the process of planning for a return to the estate (RTE) and also to coordinate guidance for Members and staff. This RTE group has subsequently been replaced by the Covid Reporting and Monitoring (CRAM) group, specifically responsible for monitoring changes to Covid-19 Regulations that impact on the Commission and advising Executive Board, developing and reviewing risk assessments and monitoring data on the impact of the pandemic on the health and wellbeing of the workforce.

A robust governance framework and updated business continuity planning have stood us in good stead, enabling us to meet the challenges posed by the pandemic. We have maintained high standards of governance throughout the year with the co-ordination of governance activity continuing without disruption.

This has included ongoing review, monitoring and management of risk at corporate, operational and project levels; prioritisation of support to ensure continued compliance with information governance and procurement rules; and internal and external audit. Some changes were needed to the original internal audit plan to allow for a focus on real-time assurances around changes to procedures (further details on this can be found in the *Assurance* section of this statement). The audit of the accounts was carried out as planned.

All decisions taken to address risks and issues associated with our response to Covid-19 have been captured. This decision log has proved its worth as a record and is being used to draw lessons and conclusions and to inform our future business continuity arrangements.

Planning and performance measurement

The Commission's strategy for the Fifth Assembly, 2016-21[21], which was agreed in June 2016, provided direction and informed planning at a corporate and service level. Our goals and priorities, along with the Commission's values, are outlined in the Statement of Purpose section of the Annual Report and Accounts.

The Chief Executive, Directors and the Executive Board have provided leadership in terms of setting out how the goals and priorities are to be delivered through effective service planning.

The Leadership Team carries out annual reviews and scrutiny of Directorate and Service plans which helps ensure effective deployment of our resources for current and future demands across the Commission. The organisation of resources within and across directorates and service areas is done continuously which enables the quick re-assignment of staff in response to emerging priorities and pressures.

The Commission's Corporate Key Performance Indicator Report includes measures which demonstrate the Commission's performance across services. A review of performance measures in response to recommendations from both the Senedd's Finance and Public Accounts Committees, has resulted in the introduction of more relevant, challenging and outcome-focused measures.

The strategic goals and priorities for the Sixth Senedd will be set by the new Commission once appointed following the Senedd Elections in May 2021. This will

[21]https://senedd.wales/commission/senedd-commission-policy/senedd-commission-strategy-2016-2021/

be informed by legacy reporting from the existing Commission and Executive Board's review of organisational priorities in light of the evolving needs. Further details on how we are approaching planning for the Sixth Senedd can be found in the *Progress and performance* section below.

Progress and performance

In last year's Governance Statement, a number of areas for focus and development were identified and progress on these is outlined below. These updates include details of the impact of the Covid-19 pandemic.

Evaluating lessons learned and the long-term impacts of the Covid-19 pandemic

The Commission has introduced many innovative changes in order to support the Senedd, including remote working, virtual and hybrid Plenary and Committee meetings and electronic voting. These have been well-received and have worked successfully to the extent that we consider that some will become permanent features of the future of business delivery.

Reflections and lessons learned have been presented regularly to the Commission and updates have been presented at each meeting of the Commission's Audit and Risk Assurance Committee. Detailed reflections have now also been presented to the Commission to inform discussions about the strategy for the Sixth Senedd, including opportunities to work differently.

In terms of engagement activity, the most successful innovations will be retained to help us reach the more marginalised and disengaged audiences when the pandemic is over. As part of this we will continue to monitor the diversity of those who engage with us through various means and assess the appetite for online events and engagement in a post-Covid world.

Early in the pandemic, we established a senior steering group to co-ordinate the Commission's response. As part of this, a 'Futures' workstream was initiated to capture the learning and opportunities from our experiences of working remotely. From this we will draw together options for further consideration in determining how we will work, where we will work and how we will use the estate in the future, along with how we plan for business continuity. Guided by the new Commission, Business Committee and Committee Chairs, we will draw on these experiences and learning to develop new ways of working that maximise the opportunity for flexibility, efficiency and sustainability.

Planning effectively for the start of the Sixth Senedd

The governance structures which were established to coordinate planning for transition to the Fifth Senedd proved highly effective and have been refreshed and introduced for the next transition. This includes a Sixth Senedd working group and a Scenarios Group, chaired by the Director of Senedd Business and consisting of senior officials from across the Commission to discuss issues ranging from the use of Senedd resources by Members during dissolution, to impact of the timing of the Elections. Alongside this an Election Planning board has, amongst other things closely monitored the risks around moving the Elections.

The Welsh Elections (Coronavirus) Act 2021, was introduced as an Emergency Bill by the Welsh Government and received Royal Assent on 16 March. The Act provides powers for the Llywydd to move the date of the Elections should that become necessary to protect public health.

At the start of the Sixth Senedd, senior Commission officials will advise the Llywydd, Business Committee and Chairs' Forum on a range of Senedd business matters, including the election of officeholders and the structure of Senedd Committees. We are also prepared to support the Senedd, its committees and Members to navigate the UK constitutional landscape post EU-exit, and to embed the new standards of conduct regime.

The strategy for the Sixth Senedd and future ways of operating Senedd business will be shaped by decisions made by the new Commission, Business Committee and Committee Chairs. We will review our structures and adapt our services accordingly. This will include a review of our capacity to serve the Senedd, including the support for Committees, to ensure its long-term success.

Other aspects of preparing for the Sixth Senedd which Commission officials have led on, supported and co-ordinated include: a new Code of Conduct for Members of the Senedd; and procurement of a replacement Legislation Software system.

Commission officials, as required by the National Assembly for Wales (Remuneration) Measure 2010, also support the Independent Remuneration Board. This has included a review and publication of the Determination on Members' Pay and Allowances.

Our plans for engagement activity around the Senedd 2021 Elections and votes at 16 were adapted as a result of the pandemic. This involved shifting rapidly to a suite of online resources, including resources for teachers and students made available through the pan-Wales educational resources site, Hwb.

Strategic planning will also take account of the learning from our response to Covid-19 and decisions around future ways of working.

On-going work around cyber-security and reviewing physical security to keep pace with change

The pandemic has given rise to a world-wide increase in the incidence of cyber attacks and the Senedd is not immune from this. We have continued to strengthen our cyber resilience arrangements and whilst it is rewarding to note that our defences continue to hold strong, we are not complacent. Therefore, we will continue to introduce improvements, carry out vigorous testing and measure ourselves against recognised best practice industry standards. Cyber resilience is also a continuing area of priority for our Audit and Risk Assurance Committee and we report on the cyber threat and our responses at every meeting.

Further details on the management of, and assurances around cyber-security risks can be found in the *Risk identification and management* section of this statement.

In terms of physical security, the Security Service has maintained a presence on the estate throughout the pandemic where the focus has been on ensuring adherence to social distancing rules by all building users. Work is also ongoing, in collaboration with other service areas on ways to strengthen support and mitigate risks to Members of the Senedd in relation to the online abuse as a result of increased use of social media.

Evaluating our approach to project and programme management, including the effectiveness of the Programme and Change Office

An internal audit was carried out in April 2020 to evaluate the effectiveness of programme and project governance arrangements following the creation of a Programme and Change Office (PCO) in 2019. The review identified improvements in the consistency of business cases and project reporting which enabled the Executive Board to make better informed decisions, particularly around prioritisation of projects and monitoring their delivery. Recommendations from that audit are being implemented to further strengthen governance. The system of administering projects from feasibility and project mandate to business case has also been overhauled and improved.

The PCO provides visibility of progress on delivery of projects by presenting, monthly, a progress dashboard, which includes all corporate projects, to the Executive Board. The PCO has also supported the governance around the Return

to the Estate programme and been heavily involved in supporting the various workstreams tasked with implementing arrangements to continue business and plan for future working arrangements.

Accelerating the review of support to Committees

Discussions around the scope of a review of support to Senedd Committees took place during the year and, due to the refocusing of audit work because of the pandemic, it was agreed to incorporate this into planning for the Sixth Senedd. This will allow us to take on board learning from the pandemic and the views and decisions made by the new Commission, Business Committee and Committee Chairs. A review of structures within the Business Directorate will be undertaken alongside a wider capacity review.

Re-energising our efforts around Data Protection / GDPR compliance

During the year we have established the Data Governance Working Group with representatives from ICT and the Governance and Assurance team. The group discusses significant data protection issues and any emerging themes. From this forum, proposals are escalated and presented to the Senior Information Risk Officer (SIRO) for decision. We have also bolstered resources to support our data protection work with the appointment of a permanent Deputy Data Protection Officer and plans are afoot to re-establish an Information Governance Forum.

During the pandemic, the Data Protection Officer and Deputy Data Protection Officer have worked with service areas to ensure data protection impact assessments are carried out appropriately, particularly where there has been a change in the approach to engagement activities. This will continue as we expand our use of virtual and digital engagement.

Full details of the work in this area are included in the Senior Information Risk Owner (SIRO) Annual Report which is presented to the Audit and Risk Assurance Committee.

Refreshing governance awareness across the organisation

The Governance Matters meetings with each Head of Service, along with meetings of the various governance fora, have continued throughout the pandemic. Furthermore, the importance of governance has been reinforced during these unprecedented times with clear decision making and audit trails being of paramount importance. The Head of Governance and Assurance has regularly attended the more frequent Executive Board meetings during the period and led on an Assurance Workstream as part of a wider Return to the

Estate planning programme. On a more 'local' level regular discussions have been held with individual teams to discuss issues such as data protection and procurement and discussions are ongoing with others around their wider governance awareness needs.

The refocusing of services around public engagement with clear outcomes

In January 2020, the Commission agreed a new strategy to improve how the Senedd communicates and engages with the people of Wales with a stronger emphasis on digital and social media. This strategy was largely drawn from recommendations in a report from an independent review carried out by the Digital and Information Task Force. The pandemic has changed how the strategy has been implemented, but not its basic principles. A focus on digital content, social media and engagement enabled us to serve the greater appetite for information and knowledge of devolution which has arisen during the pandemic.

During the year, and after a 2-month consultation with staff, there has been a restructure within the Communications and Engagement Directorate. Following a successful recruitment campaign, the new Head of Communication and Head of Engagement are now in post.

We also have a new website which is focused on the user's journey on which we have received positive feedback in terms of structure, navigation and search facilities. Alongside this we launched a new petitions website making it easier for petitions to be created and signed. This has resulted in a huge increase in the number of petitions submitted and a 45% increase in signatures per petition.

Further details on a range of outreach and engagement activity, including the Gwlad Festival, changes in approach due to the pandemic and the new website, can be found throughout the Performance Analysis section of the Annual Report and Accounts.

Financial management and performance

Our track record of strong financial management and performance has continued during the pandemic.

Over the year a number of initiatives have been taken forward. A zero-based budgeting exercise was carried out in anticipation of the Sixth Senedd; this provides budget holders and the Executive Board with greater supporting evidence of actual budget requirement.

Each year, a series of exercises are carried out to prioritise investment proposals. These give the Executive Board clarity over the forward work programme and the demands on the project fund. Each quarter, service and project budgets are tested in order to ensure any change in the level of funds required is identified promptly and, where appropriate, funds re-prioritised.

This process was scrutinised by the Finance Committee in March 2021, when it questioned the Commission on its long-term planning and specifically its plans for the Sixth Senedd around large projects such as the windows in Tŷ Hywel and the Commission's sustainability plans for the future.

Throughout the year there has been a particular focus on Covid-19 related financial implications, additional expenditure and also savings. Covid-19 activities have been monitored and recorded via a decision log and the financial impact has been specifically recorded. Updates were provided to the Finance and Public Accounts Committees twice during 2020-21, with a final update following the end of the financial year.

The Finance team has provided training material to service areas to improve understanding, awareness, cooperation and compliance in light of the increased financial fraud during the pandemic.

We received our cleanest audit report to date, with no issues to be brought to the attention of the Audit and Risk Assurance Committee and no recommendations raised.

An extract from the Scrutiny of Accounts 2019-20 report by the Public Accounts Committee in November 2020 reads:

> *Conclusion 2. We congratulate the Senedd Commission for a successful audit with no adjustments or recommendations. We acknowledge the work involved in publishing the Annual Reports and Accounts and supporting data reports early, particularly in light of the COVID-19 pandemic.*

We have continued to receive challenge from the Commission and Finance Committee around the level and use of Commission resources.

The Finance team has been instrumental in developing options for future budget strategy and presentation, resulting in the Commission and Finance Committee welcoming this process for its transparency.

An extract from the scrutiny report on the draft budget for 2021-22 by the Finance Committee in October 2020 reads:

> *The Committee welcomes the approach taken by the Commission and Chief Executive in working with the Committee to produce transparent financial information. The Committee hopes that this effective working relationship will continue between the Senedd Commission and the Finance Committee in the Sixth Senedd.*

Risk identification and management

The system of internal control is based on a continuous process designed to identify, prioritise and effectively manage the risks to the achievement of the Commission's strategic goals and priorities, together with compliance with legislation, policies and procedures.

The Commission's most significant risks are captured in a Corporate Risk Register. These corporate risks are collectively owned by the Executive Board and actively managed and regularly monitored by the relevant Director and their Heads of Service.

The Corporate Risk Register is reviewed in its entirety by the Executive Board quarterly to ensure the controls are adequate and that progress is being made on further actions to improve the controls. This includes horizon scanning for new or emerging risks.

Below this, risks are captured, managed and monitored at a service level, and Heads of Service provide quarterly reports to their Directors outlining movements and details of any new or emerging risks. This provides an opportunity for Directors to challenge the risks, to decide whether any should potentially be escalated to corporate level. This provides the basis for the quarterly risk review by the Executive Board. Programme and project related risks are reported to the Executive Board monthly.

The Commission's Audit and Risk Assurance Committee has maintained an overview of the effectiveness of risk management arrangements and has welcomed the continual assessment and visibility of risks and the focus on change and uncertainty. It carries out reviews of corporate risks at its meetings and selects specific risks for a 'deep dive' assessment.

One area of continued focus by the Committee has been around cyber-security, providing independent challenge on the work we do, the investments we make

and the knowledge we develop to protect the Senedd against cyber-attack and denial of service. As well as reviewing detailed updates on the corporate risk at each meeting and carrying out regular 'deep-dive' reviews, the Committee also considers annual internal audit reports on cyber-security. In addition, senior ICT officials attend Committee meetings twice-yearly to provide further updates and respond to scrutiny.

The most recent assurance is provided by an internal audit of the Commission's cyber security backup and resilience arrangements which took place in March 2021.

Details of the Commission's risk profile and how this has changed over the year can be found under Risk Management in the Performance Analysis section of the Annual Report and Accounts.

Assurance

Assurance framework

The Commission's Assurance Framework has continued to provide an effective means of gathering evidence on levels of assurance. Based on the three lines of defence model, the framework provides a structured and evidence-based approach to help us assess the strength of our internal controls, with each service area mapping their levels of assurance. These maps are used to inform service-level assurance statements which are reviewed by Directors. Each Director also produces an assurance statement for the Accounting Officer to inform this Governance Statement. Scrutiny and challenge of the process for gathering evidence of assurance and the assurance statements by the independent Chair and member(s) of the Commission's Audit and Risk Assurance Committee adds a further layer of assurance.

This provides confidence that the principles of good governance are well understood and being applied across the Commission and that any areas of relative weakness are being addressed.

Further details on the levels of assurance reported can be found in the section on *Review of effectiveness of internal control and governance arrangements* in this statement.

Internal audit

In his role as Head of Internal Audit, the Commission's Head of Governance and Assurance provides assurance across a range of service areas and attends each meeting of the Audit and Risk Assurance Committee.

The Head of Internal Audit has modified the audit plan during the year to reflect the challenging times the Commission has faced in respect of the pandemic and has kept the Audit and Risk Assurance Committee abreast of those changes. Specific pieces of assurance work have taken place to reflect on the Commission's response to Covid-19 after the first six months and an audit of the Commission's management of risks and issues during the period. Additionally, internal audit reports have been completed on cyber security, ICT asset management and Members' expenses. A focus on following up recommendations from prior years has also remained in place during the year.

Aside from traditional internal report outputs, internal audit has played a role in ensuring a suitable framework for decision making was put in place during the Covid-19 period; devising a decision log to record all decisions and leading on the Assurance Workstream of the Commission's Return to the Estate Programme. A large focus of the contribution during the year has been on 'real time' assurance as opposed to retrospective assurance which is reflective of the "fluid" situation the organisation has found itself in throughout the year.

Several scheduled audits have been delayed because of the refocus of the work. These are scheduled to be undertaken during the next financial year but the audit plan for 2021-22 will be kept under review.

Internal audit reports continue to identify a small number of areas where improvements to the control environment can be made and highlight areas where the Commission demonstrates good practice in terms of the systems and controls in place. However, where weaknesses or issues are identified, management continues to take positive action to address audit recommendations.

Internal Audit and Audit Wales (as the Commission's external auditors) continue to have an effective working relationship in line with a joint working protocol. Audit Wales has taken account of the internal audit work on Members' expenses in its audit of the accounts.

The 2020-21 Head of Internal Audit's Annual Opinion and Report concludes that, "...the Accounting Officer can take moderate assurance[22] that arrangements to secure governance, risk management and internal control, are suitably designed and applied effectively". The Audit and Risk Assurance Committee considered the report to be a good assessment of work undertaken during the year.

Other governance areas

The Head of Governance and Assurance produced an Annual Report on Fraud and presented this to the Audit and Risk Assurance Committee, alongside his Annual Report and Opinion for 2020-21. No incidents of fraud or whistleblowing have been reported during 2020-21.

The Senior Information Risk Owner reported that there were no incidents of personal data loss that required reporting to the Information Commissioner's Office between 1 April 2020 and 31 March 2021. The Commission continues to use external frameworks and internationally recognised frameworks and standards to guide our governance and assurances around cyber-security. These help us to continue to develop and strengthen our cyber-security controls and to ensure that risks associated with information and data security are dealt with appropriately.

An audit considering the Commission's cyber security backup and resilience arrangements took place in early March 2021 which adds further assurance on the control environment.

Further details on our ongoing work around cyber and physical security can be found in the *Progress and performance* section of this statement.

The Commission carries out formal compliance monitoring against legal and regulatory obligations, reports on which are published on the Commission's website. Examples of this are the Annual Equalities Report, the Official Languages Scheme Annual Compliance Report, the Annual Environmental Report, and the Annual Report of the Senior Information Risk Owner.

Meetings between the Governance and Assurance Team and Heads of Service take place through the year and, alongside the assurance statement exercise, help to identify any areas which need further focus or training. This is then addressed

[22] Moderate assurance - some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

through further briefing or targeted training sessions delivered by the Governance and Assurance Team.

Independent assurance

The Commission's non-executive, Independent Advisers provide support and constructive challenge to the Commission and its work. Aside from their important roles on the Audit and Risk Assurance Committee and the Remuneration, Engagement and Workforce Advisory Committee they have helped in the staff recognition awards, challenged senior managers as part of the Assurance Statement process and continued to offer support during the difficult period of the Covid-19 outbreak.

As part of its role in reviewing audit activity, the Audit and Risk Assurance Committee also assesses the independence of both internal and external auditors. The Committee receives assurances on this from the Head of Internal Audit, including through his Annual Report and Opinion, and from Audit Wales through the submission of the Annual Audit Strategy which contains a section on independence.

Also included in the Committee's work programme is an annual private session with Audit Wales where further discussions about the external audit process can be held. This is in addition to the discussions of the process during the formal meetings. Additionally, there are opportunities for representatives from Audit Wales and the Commission's Director of Finance to debrief the Committee after the annual lessons learned session held between the Finance team and the external audit team.

The results of independent external recognition activities are also important to the Commission and reflect the inclusive culture and environment in which Commission staff work. Further information on this is included within the Performance Analysis section of the Annual Report (under Use Resources Wisely).

Review of effectiveness of internal control and governance arrangements

The process for gathering and reviewing assurances on the effectiveness of internal control and governance arrangements was unaffected by the pandemic. We did, however, adapt the templates and guidance to facilitate reference to the impact of the pandemic on each area reviewed.

Core to this review was a self-review and challenge process carried out within and across Directorates. This was followed by a meeting attended by the Chief Executive, Directors and the Head of Governance and Assurance in February 2021 to review the assurance statements from Directors which had been produced by taking account of detailed assurance maps and statements from each Head of Service. The Chair and one other member of the Audit and Risk Assurance Committee attended the meeting to provide independent challenge and scrutiny.

The review covered assurances on:

- awareness of and compliance with governance principles, rules and procedures and the effectiveness of the governance arrangements;
- management of risks;
- progress against areas identified for improvement; and
- areas for focus or strengthening.

The review concluded that a high level of assurance could be given to the Accounting Officer and that the Commission has maintained consistent and strong governance arrangements throughout the year.

Areas of focus and development for 2021-22

The scale of future change facing the organisation remains significant. Post election, there will be a focus on supporting new Members of the Senedd and the subsequent appointment of new Commissioners and office holders. Members' induction and that of their staff will initially focus on areas of compliance with legislation, including for employment of staff and data protection.

Specific areas of focus and development for 2021-22 will include:

- evaluating lessons learned and the long-term impacts of the Covid-19 pandemic;
- ensuring effective governance around changes to ways of working;
- evaluating lessons learned from the transition to the Sixth Senedd, including effectiveness of Members' induction and training, and advice and guidance;

- concluding the capacity review and starting to implement the recommendations in the context of potential budget constraints/tighter budget for 2022-23; and
- on-going work around cyber-resilience.

Concluding statement

At the end of what has been an extraordinary challenging year, I am confident that the organisation has maintained very high standards of governance and that the systems and processes within our governance framework were operated effectively. As part of our response to the Covid-19 pandemic - and where required - we have added new governance controls to provide greater assurance around decision-making and compliance with regulations. I am satisfied that any weaknesses identified through our assurance processes have been addressed or are in the process of being addressed. I am also satisfied that, over the course of the year, the systems and processes within our governance framework were operated and developed effectively.

Manon Antoniazzi
Chief Executive and Clerk of the Senedd
Date: 21 June 2021

Remuneration and Staff

This section of the report sets out financial information and commentary about Commission office-holders, staff and others paid by the Commission.

Remuneration Policy

The independent Remuneration Board (the Board) established by the National Assembly for Wales (Remuneration) Measure 2010 has responsibility for setting Members' Pay and Allowances. The Board became operational in September 2010 and was chaired by Dame Dawn Primarolo from September 2015 until September 2020. Dr Elizabeth Haywood was appointed Chair of the Board from September 2020.

The Chair receives a day rate which was £333 for the period from 1 April to 19 September and increased to £400 with effect from 20 September 2020. The four other members of the Board (Ronnie Alexander, Dame Jane Roberts, Michael Redhouse and Hugh Widdis) also receive a day rate. This was £267 for the period 1 April to 19 September 2020 and increased to £310 from 20 September 2020. As an independent Board, it publishes its own Annual Report.

The Determination on Members' Pay and Allowances, published in April 2020, set Members' base salary for the first half of the 2020–21 financial year at £67,649 (2019-20, £67,649). The Determination stated that an adjustment would be made in October 2020 of +4.4%, and thereafter in April of each year, by reference to the change in the ASHE (Annual Survey of Hours and Earnings) gross Median Earnings for full-time employee jobs in Wales between March and March of the preceding year. However, on 24 September 2020, in response to the circumstances brought about by the Covid-19 pandemic, the Board published a further determination which removed that adjustment and therefore Members' base salary and allowances remained at the same level throughout the financial year 2020-21.

The following positions were entitled to additional salaries as follows:

Position	From 1 April 2020	From 1 April 2019
Llywydd (Presiding Officer)	£43,338	£43,338
Deputy Presiding Officer	£22,197	£22,197
Senedd Commissioners	£13,741	£13,741
Committee Chairs (higher)[23]	£13,741	£13,741
Committee Chair (lower)[24]	£9,154	£9,154
Business Committee Member	£9,154	£9,154

This table is subject to audit

From 1 April 2020 a leader of a political group without an executive role received an additional office holder's allowance calculated using a base level of £13,741 (2019-20, £13,741) plus an additional £1,057 (2019-20, £1,057) for every member of the group to a maximum additional salary of £38,052 (2019-20, £38,052).

The Commission does not provide any benefits-in-kind. Members of the Senedd are members of the Members of the Senedd Pension Scheme for which separate annual accounts are published via the Senedd website[25].

The Commission pays the salaries and related costs of Welsh Ministers and the Counsel General and they are charged to the Commission's resource accounts for administrative efficiency. The Welsh Government Consolidated Resource Accounts contain the disclosure information.

[23] Committees were Children, Young People and Education; Climate Change, Environment and Rural Affairs; Constitutional and Legislative Affairs; Culture, Welsh Language and Communications; Economy, Infrastructure and Skills; Equality, Local Government and Communities; External Affairs and Additional Legislation; Finance; Health, Social Care and Sport and Public Accounts; Senedd Electoral Reform and Standards of Conduct. The Committee for Senedd Electoral Reform disbanded following plenary debate of their final report on 7 October 2020.

[24] Committee was Petitions

[25] www.senedd.wales

Commission office holders

The Commission was established in May 2007 under Section 27 of the Government of Wales Act 2006 (the 2006 Act). The Commission is made up of five Commissioners: the Llywydd, who chairs the Commission, and four other Members of the Senedd appointed by the Senedd. The Commissioners who served during 2020–21 are listed on pages 14 – 15.

Their pension details are not included in the details below because only part of their remuneration related to their roles as Commissioners. Their accrued pension and Cash Equivalent Transfer Values (CETV) as Commissioners cannot be disaggregated from the total amounts accrued.

The salary costs for the Llywydd and the Deputy Presiding Officer[26] are a direct charge on the Welsh Consolidated Fund and are not charged to the Commission's resource accounts.

Table 1: Single total figure of remuneration

Name and title	Salary		Pension Benefits[27][28]		Total	
	2020–21 £'000	2019–20 £'000	2020-21 £'000	2019-20 £'000	2020-21 £'000	2019-20 £'000
Elin Jones MS – Llywydd	110-115	110-115	30	31	140-145	140-145
Ann Jones MS - Deputy Presiding Officer	85-90	85-90	32	33	120-125	120-125

This table is subject to audit.

[26] https://senedd.wales/en/abthome/about_us-commission_assembly_administration/abt-presiding-officer/Pages/abt_us-deputy-presiding-officer.aspx

[27] The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. (Pension benefits are shown to the nearest £1,000).

[28] Some members may incur Annual Allowance tax charges as a result of pension accrual during the accounting period.

Table 2: Llywydd and Deputy Presiding Officer – pension benefits

Name and title	Real increase in pension	Total accrued pension	CETV at 31 March 2021	CETV at 31 March 2020	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Elin Jones MS – Llywydd	0-2.5	45-50	824	774	17
Ann Jones MS – Deputy Presiding Officer	0-2.5	40-45	768	747	29

This table is subject to audit.

The Clerk of the Senedd (appointed under Section 26 of the 2006 Act) is the Chief Executive of the Commission and its Principal Accounting Officer. In practice the Commission has delegated its operational responsibilities to the Chief Executive and Clerk, with some exceptions. Its staff are appointed under paragraph 3 of Schedule 2 to the 2006 Act. The Commission is independent of Ministers of the Welsh Government.

The Commission has a statutory duty to ensure that the Senedd is provided with the property, staff and services it requires to undertake its obligations. This ensures the Senedd and its committees can convene, encourage public awareness of and engagement with the democratic process and support the aspiration to make the Senedd an accessible and effective parliamentary body that inspires the confidence of the people of Wales.

Independent Advisers and Committee members

The Senedd Commission appoints Independent Advisers to ensure that Commissioners and the Senedd's senior management team are supported and constructively challenged in their roles. The Independent Advisers who served during 2020–21 are listed on pages 16-18.

Commission senior staff

Appointments of Commission staff, on terms and conditions set by the Commission, are made on merit on the basis of fair and open competition. This approach is in line with civil service arrangements. Staff are not members of the Civil Service but are entitled to benefits under the Civil Service pension arrangements.

The Commission's senior staff are shown in the table below. These director-level posts were agreed in accordance with the Commission's Instrument of Delegation. Directors have declared that they hold no significant third party interests that may conflict with their duties.

The senior managers covered by this report hold appointments which are open-ended. Early termination, other than for misconduct or resignation, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Name	Title and attendance at meetings
Manon Antoniazzi	Chief Executive and Clerk of the Senedd Manon Antoniazzi attended nine out of nine Commission meetings, five out of five Audit and Risk Assurance Committee meetings and four out of four Remuneration, Engagement and Workforce Advisory Committee meetings.
Siwan Davies	Director of Senedd Business Siwan Davies attended nine out of nine Commission meetings and four out of five Audit and Risk Assurance Committee meetings.
Dave Tosh	Director of Senedd Resources Dave Tosh attended nine out of nine Commission meetings, five out of five Audit and Risk Assurance Committee meetings and three out of four Remuneration, Engagement and Workforce Advisory Committee meetings.
Arwyn Jones	Director of Communications and Engagement Arwyn Jones attended nine out of nine Commission meetings, five out of five Audit and Risk Assurance Committee meetings and three out of four Remuneration, Engagement and Workforce Advisory Committee meetings.

Aside from the Chief Executive and Clerk of the Senedd, the directors do not attend all Commission and Committee meetings. The directors attend relevant meetings that correspond to their individual responsibilities.

Table 3: Single total figure of remuneration

Name	Salary (£'000)		Pension benefits (to the nearest £1,000)[29]		Total (£'000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Manon Antoniazzi	145-150	135-140	57	54	200-205	190-195
Siwan Davies	95-100	90-95	38	35	130-135	125-130
Dave Tosh	110-115	110-115	48	47	160-165	155-160
Arwyn Jones from 9 September 2019	85-90	45-50	35	19	125-130	65-70
Craig Stephenson to 13 September 2019	-	45-50	-	22	-	65-70
Elisabeth Jones to 31 May 2019	-	10-15	-	22	-	35-40

This table is subject to audit.

"Salary" includes gross salary, overtime, recruitment and retention allowances.

The Chief Executive and Clerk of the Senedd and the directors do not receive any bonus payments or benefits-in-kind.

The 2019-20 full year equivalent salary for Elisabeth Jones was £101,346, for Craig Stephenson was £101,346 and for Arwyn Jones was £86,228.

Elisabeth Jones left the Senedd Commission on 31 May 2019 under agreed terms and the cost of £115-120,000 was provided for within the 2018-19 accounts and paid in 2019-20. Craig Stephenson left the Senedd Commission on 13 September 2019 under agreed terms and the cost of £125-130,000 was provided for within the 2018-19 accounts and paid in 2019-20. These payments were part of a wider Voluntary Exit Scheme.

[29] The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

The post of Chief Legal Adviser, previously held by Elisabeth Jones, has remained vacant since 31 May 2019. Legal advice to the Commission since that date has been provided by Huw Williams initially on a secondment via Geldards LLP and from 1 August 2019 on a consultancy basis. The cost to the Commission in 2020-21 was £120,000 (2019-20 - £99,000 for ten months).

Commission staff salaries

The relationship between the mid-point of the banded remuneration of the highest-paid director during the year ended 31 March 2021 and the median remuneration of the Commission staff is disclosed in the following table. Salaries are the annualised, full time equivalent remuneration of all staff (including agency and temporary staff) as at 31 March 2021. They do not include Employer's National Insurance or pension contributions. There were no benefits-in-kind or performance related bonuses payable in 2020–21 or in 2019–20.

Measure	2020–21 Salary £	2019–20 Salary £
Band of highest paid director	145,000 – 150,000	135,000 – 140,000
Median total remuneration	38,362	37,647
Ratio	3.81	3.65

This table is subject to audit.

The median salary has increased by approximately two percent in line with the pay award formula applicable from April 2020. The ratio has increased by around four per cent, as the salary of the highest paid director has moved up one pay point within the band.

In 2020–21 and 2019–20 there was no remuneration paid in excess of the highest-paid director. Remuneration ranged from £18,000, which ensured that employees received a Living Wage, to £146,000 (2019-20, £18,000 to £138,000).

Total remuneration includes salary. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Pensions

Table 4: Senior management – pension benefits

Real increase in pension [30] £'000	Total accrued pension [31] £'000	CETV at 31 March 2021 [32] £'000	CETV at 31 March 2020 £'000	Real increase in CETV £'000
Chief Executive and Clerk of the Senedd: *Manon Antoniazzi*				
2.5-5.0	20-25	313	257	35
Director of Senedd Business: *Siwan Davies*				
0-2.5	0-5	55	28	19
Director of Senedd Resources: *Dave Tosh*				
2.5-5.0	45-50	765	701	33
Director of Communications and Engagement: *Arwyn Jones – from 9 September 2019*				
0-2.5	0-5	29	10	12

This table is subject to audit.

Civil Service pensions

Pension benefits for Senedd staff are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and

[30] Real increase in pension and related lump sum at pension age.

[31] Total accrued pension at pension age and related lump sum at 31 March 2021 for current post holders and at date they ceased to hold office for previous post holders.

[32] The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits "banked", with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes.)

Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent of pensionable earnings for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way

to nuvos, except that the accrual rate is 2.32 per cent. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the *Finance Act 2004*.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8 per cent and 14.75 per cent (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for senior staff show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages).

Further details about the Civil Service pension arrangements can be found at the website **www.civilservicepensionscheme.org.uk**

The Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred in to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The *Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008* and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Pension liabilities

The treatment of pension liabilities and details of the relevant pension schemes are set out in the Statement of Accounting Policies within these accounts.

Staff numbers

Staff numbers by category

All senior managers and staff are employees of the Commission. The average number of full time equivalent persons employed by the Commission across the year (including senior management) was as follows:

Table 5: Average full time equivalent staff

Category	2020-21	2019-20
Employed staff	441.55	434.72
Seconded staff	2.08	4.65
Temporary/casual staff	17.62	14.02
Total	**461.25**	**453.39**

This table is subject to audit.

At the end of the financial year, the Commission employed 461 full time equivalent staff (31 March 2020: 459).

Table 6: Staff composition by gender and band*

Category	31 March 2021				
	Female	Male	Non-binary	Other Gender Identity	Total
Directors	2	2	0	0	**4**
Staff	245	235	0	0	**480**
Total	**247**	**237**	**0**	**0**	484

Category	31 March 2020				
	Female	Male	Non-binary	Other Gender Identity	Total
Directors	2	2	0	0	**4**
Staff	245	234	0	0	**479**
Total	**247**	**236**	**0**	**0**	**483**

*In the tables above staff employed are reported as full time equivalent numbers. However, the gender breakdown is reported as actual numbers.

Independent advisers are not included in the FTE figures or gender breakdown above.

Sickness absence data

The Commission maintains a strategic focus on absence management and actively supports absences through organisational commitment to wellbeing, supported by effective line managers together with professional advice and guidance from Human Resources and Occupational Health. Wellbeing has been at the heart of the Commission's response during the pandemic, underpinning strategic decision making, right through to practical support and activities during this challenging year. In line with the UK national trend[33], the sickness absence rate for the year was down to 2.07% (2019-2020 - 4.00 %) Absence related to mental health and wellbeing now accounts for 833 days lost (2019-20 – 1,159.5 days). As a percentage of all absences it has increased to 39.7% (from 29% in 2019-20); this is due to a decrease in other reasons for absence.

This year our focus has been to support the health and wellbeing of employees whilst working at home. This has concentrated on practical support including virtual DSE and workplace assessments, supportive policy changes, particularly for those with caring responsibilities, advice on line managing teams remotely, keeping up morale, and a variety of support, guidance and tips for working at home for all staff groups. We have emphasised the importance of continuous communication and engagement with colleagues, through all-staff meetings, informal discussions, blogs. Quarterly wellbeing surveys show that this has had a good effect with 98% of employees reporting feeling supported. While we have seen a marginal improvement in people's physical wellbeing while working from home, naturally we have seen a marginal decrease in people's mental wellbeing and have continued our work on initiatives to support and improve mental health and wellbeing.

Staff Turnover data

Turnover has decreased over the last 12 months to 6.07% (2019-20 14.34%). This is due to the higher than usual levels of turnover in 2019-20 in relation to leavers as part of the Voluntary Exit Scheme. It is also likely this is in part a response to the pandemic, placing a greater emphasis on job security. This year's turnover rate of 6.07%, is down from an average of 10.11% based on the turnover rates of the last 4 financial years.

[33]https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/sicknessabsenceinthelabourmarket/2020

Staff Engagement Indicators

The 2020 annual staff survey was delivered through an independent survey specialist, Engaging Works The Engagement Score has been replaced by the Workplace Happiness Score. The Six Steps to Workplace Happiness is a framework that encompasses the six key drivers of employee engagement, happiness and well-being: Reward and Recognition, Information Sharing, Empowerment, Well-being, Instilling Pride and Job Satisfaction.

The global pandemic has brought about rapid change in the way we work as an organisation, and the Survey has played an important role in monitoring the impact of this change on Commission staff. We are delighted that despite the professional and personal pressures faced by all during this unusual period, our commitment to a values-led culture has ensured a continuing strong sense of one team and individual satisfaction.

Disability

We have measures in place to support employees who identify as having a disability. We are a Disability Confident Employer. Our Recruitment Policy references our guaranteed interview position for applicants who meet the minimum criteria requirements for roles, which also applies internally for employees seeking promotion. Candidates are invited to discuss with the Recruitment Team any individual requirements in terms of accessibility for all aspects of the recruitment process. Reasonable adjustments will be made where required.

Reasonable adjustments are made, wherever possible, following discussions between employees and managers for new starters, employees in post or returning to work following injury or development of an illness that may have an impact on their ability to do their work. This could involve adjustments to working patterns and/or modified equipment and assistive technology. Disabled employees will be provided with a Personal Emergency Evacuation Plan (PEEP) when ordinarily located on our estate. Our estate has hearing loop systems in multiple locations and accessible signage. Regular access audits are conducted on our estate. We have received external recognition from partners such as Action on Hearing Loss and we are an Autism Friendly organisation.

EMBRACE, our workplace equality network for disability, provides peer support, awareness raising activities generates and contributes to policy development through providing insight and challenge. We also have a Senior Champion for

disability who works closely with our network and advocates for disability equality at senior decision-making level.

Trade union relationships

The Senedd Partnership Forum is a body consisting of management and TUS representatives. In addition to our strategic partnership meeting and an operational partnership meeting to ensure there is opportunity to discuss the breadth of issues across the Commission, for the duration of the pandemic, informal weekly meetings have taken place to facilitate working in partnership on a range of Covid related issues. Each of the three official Unions (PCS, FDA and Prospect) have their own representatives but all three regularly work together to represent all Union members.

Diversity and Inclusion

One of the Commission's priorities for this Senedd term is that 'All Members, staff and visitors can work in a safe environment where dignity and diversity is respected.' As such it is important the Senedd continues to be accessible to the people of Wales and beyond: making it relevant, easy and meaningful for people to interact with and contribute to its work.

It is also important that we are an inclusive employer, enabling all of our staff to realise their full potential. One of our longstanding priorities is to ensure that our workforce is representative of the society it serves and we are working to address the underrepresentation of BAME people in our workforce particularly at senior decision-making level. Activities include: broadening our talent pipeline, enhancing our employer brand and working with partners such as Business in the Community to engage more closely as a potential employer of choice with local communities.

Further information can be found in our Diversity and Inclusion Annual Report.

Manon Antoniazzi
Chief Executive and Clerk of the Senedd
Date: 21 June 2021

Accountability and Audit

Statement of Senedd supply and supporting notes

a) Summary of Resource Outturn 2020-21

		Budget	Outturn	2020-21	2019-20
		Total £'000	Total £'000	Net total outturn compared with budget: under spend / (excess) £'000	Outturn £'000
Resources for use by the Senedd Commission	Note SOS 01	41,953	41,574	379	39,818
Election related costs	Note SOS 01	500	471	29	-
Resources in respect of Remuneration Board decisions	Note SOS 01	16,172	15,595	577	14,956
Annually Managed Expenditure	Note SOS 01	2,000	1,992	8	1,562
		60,625	**59,632**	**993**	**56,336**

This table is subject to audit.

Explanations of variations between budget and outturn are given in SOS 01 and in the Performance Report.

b) Net cash requirement 2020-21

		Budget	Outturn	2020-21	2019-20
				Net total outturn compared with budget: under spend /(excess)	Outturn
		£'000	£'000	£'000	£'000
Net cash requirement	Note SOS 03	56,075	54,648	1,427	53,482

This table is subject to audit.

SOS 03 can be found in the Annex – regularity reporting, page 196.

Notes to the Resource Accounts

(Statement of Senedd supply)

SOS 01. Analysis of net resource outturn 2020-21

Revenue expenditure	Outturn £'000	Analysis of approved budget £'000	Outturn compared with approved budget £'000	Analysis of revised budget £'000	Outturn compared with revised budget £'000	Outturn 2019-20 £'000
Staff salaries and related costs	24,321	24,858	537	24,858	537	23,596
Movement in accrual for annual leave	512	-	(512)	650	138	-
Non staff costs	16,373	18,001	1,628	16,165	(208)	15,795
Gross revenue expenditure	**41,206**	**42,859**	**1,653**	**41,673**	**467**	**39,391**
Gross revenue income applied	(50)	(220)	(170)	(220)	(170)	(220)
Net revenue expenditure	**41,156**	**42,639**	**1,483**	**41,453**	**297**	**39,171**
Capital expenditure*	418	500	82	500	82	647
Net resource outturn (Commission expenditure)	**41,574**	**43,139**	**1,565**	**41,953**	**379**	**39,818**
Members' salaries allowances and related costs	15,595	16,172	577	16,172	577	14,956
Election related costs - revenue	352	381	29	381	29	-
Election related costs – capital*	119	119	-	119	-	-
Resource outturn	**57,640**	**59,811**	**2,171**	**58,625**	**985**	**54,774**
Members' Pension finance costs	1,992	1,600	(392)	2,000	8	1,562
Total net resource outturn	**59,632**	**61,411**	**1,779**	**60,625**	**993**	**56,336**

This table is subject to audit. * Total Capital expenditure is £537,000.

Net resource outturn – Management commentary

The resource outturn on Commission expenditure, before Members' Salaries and Allowances and pension finance costs, for 2020-21 was £41.6 million against a budget of £42.0 million resulting in an overall underspend of £0.4 million (1.0 per cent) which falls within the Commission's target range of 0.0% to 1.5% of budget.

The Commission submitted two Supplementary budgets in year. The first, in May, was to remove the budget impact of a new accounting standard for leases because HMT delayed its implementation. The second, in March, had two elements: one for the finance cost for the Senedd Members' Pension Scheme, explained further below, and the other to address a substantial increase in the amount of annual leave accrued by staff in year and not taken, due to Covid, and which represents a liability in the Commission accounts. This is a non-cash item and has therefore been shown on its own line in the Statement of Senedd Supply. The underspend on Commission controlled expenditure excluding this item reduces to 0.6 per cent of budget.

The estate was largely unoccupied for much of the year with restrictions in place due to the Covid-19 pandemic. This provided an opportunity to bring forward work to strengthen physical security around the entrances to the Senedd and Tŷ Hywel. Resources were prioritised on the technology needed to support hybrid Plenary as well as virtual working for staff. Other planned areas for investment in 2020-21 included completion of the new website, infrastructure works in Tŷ Hywel, upgrading and extending ICT equipment, especially audio visual and broadcasting systems, and technology solutions to support Plenary, Committees and research. Staff salaries and related costs were underspent against budget by approximately two per cent and this underspend was utilised to supplement the project fund.

From 2020-21 the Commission established a Project fund in order to keep the Commission and Remuneration Board budgets separate. The Members' Salaries and Allowances budget was £16.2 million and the outturn was £15.6 million giving an underspend of approximately four per cent. This was largely attributable to the impact of the Covid-19 pandemic and significantly reduced costs for Member travel and engagement. These savings are not available to the Commission for operational expenditure.

The Commission's AME budget is for the non-cash accounting adjustment in respect of the future financial liability of the Senedd Members' Pension Scheme. The budget for 2020-21 was laid in November 2019 and the estimate required for

AME of £1.6 million was made based on data available at the time. In June 2020, the Commission received a revised estimate, of approximately £2.0 million, from its professional advisers, leading to the submission of a supplementary budget of £2.0 million for AME during 2020-21.

SOS 02. Reconciliation of outturn to net operating expenditure

	Note	2020-21 £000	2019-20 £'000
Net resource outturn	SOS 01	59,632	56,336
Capital expenditure	4	(537)	(647)
Direct charges on the Welsh Consolidated Fund		775	761
Income payable to the Welsh Consolidated Fund	SOS 05	-	-
Net operating expenditure		**59,870**	**56,450**

This table is subject to audit

The direct charges on the Welsh Consolidated Fund £775,092 (2019-20, £761,220) are in respect of the salary costs of the Llywydd, Deputy Presiding Officer, Auditor General for Wales and the Public Services Ombudsman for Wales; and the salary costs and expenses of the Standards Commissioner, Acting Standards Commissioner and the Chair of the Wales Audit Office. These salaries and expenses are paid by the Commission but, as a direct charge on the Fund, are excluded from the net resource outturn.

The Certificate and independent auditor's report of the Auditor General for Wales to the Senedd

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements of the Senedd Commission (known as the National Assembly for Wales Commission until 5 May 2020) for the year ended 31 March 2021 under the Government of Wales Act 2006. These comprise the Statement of Supply, Statement of Comprehensive Net Expenditure, Statement of the Financial Position, Statement of Cash Flows, Statement of Changes in Taxpayers' Equity and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion the financial statements:

- give a true and fair view of the state of the Senedd Commission's affairs as at 31 March 2021 and of its net cash requirement, net resource outturn and net operating cost for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with HM Treasury directions issued under the Government of Wales Act 2006.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Principal Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements, those areas of the remuneration report subject to audit and my auditor's report thereon. Legislation and directions issued to the Senedd Commission do not specify the content and form of the other information to be presented with the financial statements. The Principal Accounting Officer is responsible for the other information in the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

As legislation and directions issued to the Senedd Commission do not specify the content and form of the other information to be presented with the financial statements, I am not able to confirm that other information within the Annual Report has been prepared in accordance with guidance.

In my opinion, based on the work undertaken in the course of my audit, the information given in the Annual Report is consistent with the financial statements.

Although there are no legislative requirements for a Remuneration Report, the Senedd Commission has prepared such a report, and in my opinion that part ordinarily required to be audited has been properly prepared in accordance with HM Treasury guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report or the Governance Statement.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- proper accounting records have not been kept;
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns;
- information specified by HM Treasury regarding the remuneration and other transactions is not disclosed; or

- I have not received all of the information and explanations I require for my audit.

Responsibilities

Responsibilities of the Principal Accounting Officer for the financial statements

As explained more fully in the Statement of Principal Accounting Officer's Responsibilities, the Principal Accounting Officer is responsible for preparing the financial statements in accordance with the Government of Wales Act 2006 and HM Treasury directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Principal Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Principal Accounting Officer is responsible for assessing the body's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiries of management, the Senedd Commission's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Senedd Commission's policies and procedures concerned with:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and management override of controls;
- Obtaining an understanding of the Senedd Commission's framework of authority as well as other legal and regulatory frameworks that the Senedd Commission operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Senedd Commission.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Assurance Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of the Senedd Commission, Audit and Risk Assurance Committee and the Executive Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Senedd Commission's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website **www.frc.org.uk/auditorsresponsibilities**. This description forms part of my auditor's report.

Responsibilities for regularity

The Principal Accounting Officer is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Ann-Marie Harkin
For and On Behalf of the Auditor General for Wales
Date: 22 June 2021

24 Cathedral Road
Cardiff
CF11 9LJ

The maintenance and integrity of the Welsh Parliament website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Financial Statements

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2021

Income from operations	Note	2020-21 £'000	2019-20 £'000
Income from sale of goods and services	SOS 05	50	220
Total operating income		**50**	**220**
Operating expenditure			
Members, office holders and staff salary costs	2a	32,316	30,604
Members' other costs	2b	9,358	8,709
Members' Pension finance costs	2a and 9	1,992	1,562
Depreciation and impairment charges	3	2,239	2,213
Other administration costs	3	14,015	13,582
Total operating expenditure		**59,920**	**56,670**
Net operating expenditure		**59,870**	**56,450**
Net expenditure for the year ended 31 March		**59,870**	**56,450**
Other comprehensive net expenditure			
Items which will not be reclassified to net operating costs:			
Net gain on revaluation of property, plant and equipment	4	0	(4,639)
Actuarial gain on pension scheme liabilities	2a and 9	(1,182)	(159)
Comprehensive net expenditure for the year		**58,688**	**51,652**

All activities are continuing.

There are no significant gains or losses other than those included within the Statement of Comprehensive Net Expenditure.

The notes on pages 168 to 195 form part of these accounts

Statement of Financial Position

As at 31 March 2021

Non-current assets:	Note	31 March 2021 £'000	31 March 2020 £'000
Property, plant and equipment	4	61,357	63,059
Intangible assets	5	-	-
Total non-current assets		**61,357**	**63,059**
Current assets:			
Inventories		10	10
Trade and other receivables	6	1,900	1,878
Cash and cash equivalents	7	412	60
Total current assets		**2,322**	**1,948**
Total assets		**63,679**	**65,007**
Current liabilities:			
Trade and other payables	8	(5,003)	(3,876)
Total current liabilities		**(5,003)**	**(3,876)**
Total assets less current liabilities		**58,676**	**61,131**
Non-current liabilities:			
Provisions	9	(20,412)	(19,602)
Total non-current liabilities		**(20,412)**	**(19,602)**
Total assets less total liabilities		**38,264**	**41,529**
Taxpayers' equity and other reserves:			
General Fund		38,244	40,699
Pension Fund Reserve	9	(20,241)	(19,431)
Revaluation Reserve		20,261	20,261
Total equity		**38,264**	**41,529**

Manon Antoniazzi
Chief Executive and Clerk of the Senedd
Date: 21 June 2021

The notes on pages 168 to 195 form part of these accounts

Statement of Cash Flows

For the year ended 31 March 2021

	Note	2020-21 £'000	2019-20 £'000
Cash flows from operating activities			
Net operating expenditure	SOS 02	(59,870)	(56,450)
Adjustments for non-cash transactions:			
Depreciation, amortisation and impairment	3, 4 and 5	2,239	2,213
Decrease in inventories		0	3
Increase in trade and other receivables	6	(22)	(154)
Increase / (decrease) in trade and other payables	8	1,127	(1,053)
(Decrease) / increase in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		(352)	232
Creation of provisions		0	51
Pension finance costs	9	1,992	1,562
Net cash outflow from operating activities		**(55,886)**	**(53,596)**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(537)	(647)
Net cash outflow from investing activities		**(537)**	**(647)**
Cash flows from financing activities			
From the Welsh Consolidated Fund (supply)		55,060	53,542
From the Welsh Consolidated Fund (direct charges)		775	761
Payments to the Welsh Consolidated Fund		(60)	(292)
Net cash inflow from financing activities		**55,775**	**54,011**
Net increase / (decrease) in cash and cash equivalents	SOS 03	352	(232)
Cash and cash equivalents at beginning of year	7	60	292
Cash and cash equivalents at end of year	**7**	**412**	**60**

The notes on pages 168 to 195 form part of these accounts

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2021

	Note	General Fund £'000	Revaluation Reserve £'000	Pension Reserve £'000	Taxpayers' equity £'000
Balance at 31 March 2019		**41,344**	**15,622**	**(18,028)**	**38,938**
Comprehensive net expenditure for the year		(56,450)	4,639	159	(51,652)
Transfer between reserves	9	1,562	-	(1,562)	-
Welsh Consolidated fund					
Supply (authorised)	SOS 03	54,088	-	-	54,088
Supply (not drawn)	SOS 03	(546)	-	-	(546)
Direct charges		761	-	-	761
Amount payable to the Welsh Consolidated Fund					
Supply		(60)	-	-	(60)
Balance at 31 March 2020		40,699	20,261	(19,431)	41,529
Comprehensive net expenditure for the year		(59,870)	-	1,182	(58,688)
Transfer between reserves	9	1,992	-	(1,992)	-
Welsh Consolidated Fund					
Supply (authorised)	SOS 03	56,075	-	-	56,075
Supply (not drawn)	SOS 03	(1,015)	-	-	(1,015)
Direct charges		775	-	-	775
Amount payable to the Welsh Consolidated Fund					
Supply		(412)	-	-	(412)
Balance at 31 March 2021		**38,244**	**20,261**	**(20,241)**	**38,264**

The notes on pages 168 to 195 form part of these accounts

Notes to the Accounts

01. Statement of accounting policies

These financial statements have been prepared on an accruals basis in accordance with the 2020-21 Financial Reporting Manual (FReM) suitably adapted for the constitution of the Senedd and the Commission as specified by the *Government of Wales Act 2006*. The accounting policies contained in the FReM follow International Financial Reporting Standards (IFRS) to the extent that it is meaningful and appropriate to the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected. The Commission's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts. In addition to the primary statements prepared under IFRS, the FReM also requires the Commission to prepare two additional statements of supply.

Review of new standards

A review of all new standards and interpretations issued and effective in 2020–21 by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) during the year has been completed.

The following standards and interpretations/amendments, which have not been applied in these financial statements, were in issue but not yet effective:

- IFRS 16 Leases and Covid-19;
- Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendments to IFRS 9)
- Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Subsidiary as a First-time Adopter (Amendment to IFRS 1)
- Taxation in Fair Value Measurements (Amendment to IAS 41)

- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)
- Amendments to IFRS 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The Commission does not expect that the adoption of the standards and interpretations would have a material impact on the financial statements in future periods, except for IFRS 16.

IFRS 16 - Leases

IFRS 16 - Leases provides a single lessee accounting model, requiring lessees to recognise leased assets and the liabilities representing the right to use the leased items and the respective future lease payments.

The rental expense on operating leases previously recognised within the income statement is replaced by a depreciation charge and a finance charge. This will apply to all relevant leases unless the term is less than 12 months or the underlying asset has a low value. The Commission has adopted a de-minimis level of £5,000.

IFRS 16 gives a narrower definition of a lease than IAS 17 and IFRIC 4 and requires that assets and liabilities will be recognised initially at the discounted value of the minimum lease payments, and that the assets, to be described as right of use assets, will be presented under property, plant and equipment. Therefore, implementation of IFRS 16 will increase the value of property, plant and equipment assets and the value of lease liabilities. The Commission has chosen not to apply IFRS 16 to intangible assets.

Impact on 21-22 accounts

For leases signed as at 31 March 2022 (the date of initial application), that are currently reported under Note 10, the impact of adopting the new standard would increase the property, plant and equipment asset by around £114 million and the value of lease liabilities will also increase by around £114 million.

Depreciation and Finance Costs, which replace rental payments, will be charged to the Statement of Comprehensive Net Expenditure (SoCNE). Rental payments will be charged to the lease liability in future.

The adoption of IFRS 16 will result in a decrease of approximately £2.8 million in net cash outflow from operating activities, offset by a corresponding increase in net cash outflow from financing activities. There will, however, be no overall cash flow impact from the adoption of the new standard.

Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of fixed assets in accordance with International Financial Reporting Standards (IFRS).

Property, plant and equipment

The minimum level for capitalisation of a tangible asset is £5,000 inclusive of irrecoverable VAT, except where the nature of the transaction suggests that capitalisation may be more appropriate.

Professional valuations are obtained for land and buildings every three years as a minimum. Other tangible assets are not revalued but held at fair value as, in the opinion of the Commission, the amounts involved would not be material.

Asset impairment

Property, plant and equipment are reviewed annually to ensure that assets are not carried above their recoverable amounts. Where these values are less than the carrying amount of the assets, an impairment loss is charged to the Statement of Net Expenditure.

Assets under construction

Assets under construction are carried at historic cost as this is considered to be a satisfactory proxy for fair value. Once brought into use, the asset is transferred to the appropriate asset category and included in subsequent revaluations and impairment reviews.

Intangible assets

Software licences are capitalised as intangible fixed assets and amortised on a straight line basis over the expected life of the asset.

Donated assets

Donated assets are capitalised at current value on receipt and are normally revalued in the same way as purchased assets. The value of donated assets is credited with the value of the original donation and subsequent revaluations. The

value of donated assets is included within the General Reserve in accordance with HM Treasury's guidance under the Clear Line of Sight Programme.

Depreciation

Assets under construction are not depreciated. Depreciation is provided at a rate calculated to write off the value of buildings and other tangible assets by equal instalments over their estimated useful lives. Assets are analysed into relevant component parts to reflect the differing economic lives. Assets are not depreciated in the year of acquisition.

Asset lives are normally as follows:

Asset	Asset life
Land and Buildings:	50 years or an alternative period provided by a qualified (RICS) valuer
Fixed plant:	10 years, or an alternative period provided by the supplier at the time of purchase or valuation
Fixtures and fittings:	Five to ten years
ICT, audio visual and broadcasting equipment:	Three to six years
ICT infrastructure:	10 years
Intangible assets (software):	Five years
Motor vehicles:	Four years
Donated assets:	Assessed on receipt of asset

Realised element of depreciation from revaluation reserve

Depreciation is charged on the revalued amount of assets. An element of the depreciation, therefore, may arise due to an increase in valuation and would be in excess of the depreciation that would be charged on the historical cost of assets. The amount relating to such an excess would be a realised gain on valuation and is to be transferred from the Revaluation Reserve to the General Fund, on disposal of the asset.

Asset components

Property assets are reviewed through the triennial professional valuations to confirm whether any part of the asset has a significantly different useful life. Where this is the case the asset will be split into components and the different

parts will be depreciated over their respective useful lives. Assets purchased in the interim period are reviewed by the Finance team and Asset Managers.

ICT assets are "grouped" into ICT; audio visual and broadcasting equipment; ICT infrastructure, and intangible assets. The different parts will be depreciated over their respective useful lives.

Statement of comprehensive expenditure

Operating income and costs relate directly to the operating activities of the Commission. Income includes charges for goods and services provided on a full cost basis to external customers. Income and costs are shown net of Value Added Tax where it is recoverable.

The Commission reimburses Members in respect of expenses or costs incurred in each financial year in accordance with the Determination on Members' Pay and Allowances, subject to the various limits on expenses or costs set out in the Determination.

Inventories

Inventories, including goods held for resale in the Commission's shop, are stated at the lower of cost and net realisable value.

Foreign exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with the Government Banking Service and with commercial banks which are readily convertible to a known amount of cash and which are subject to insignificant risk to changes in value.

Leases

Leased assets: Leases of land and property that transfer substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are revalued, in accordance with the accounting policy for Property, plant and equipment.

Assets held under other leases are classified as operating leases and are not recognised in statement of financial position.

Lease payments: Rentals payable under operating leases are charged to the statement of comprehensive expenditure in the period to which they relate.

Segmental reporting

Management is satisfied that under the requirements of IFRS 8 the organisation has no additional disclosure to make.

Employee benefits

Salaries, wages and the cost of all employment related benefits, including the liability associated with untaken annual leave, are recognised in the period in which the service is received from employees. The liability for untaken annual leave is based upon the average number of days accrued per staff member multiplied by the median staff salary.

Pensions

Civil Service and Others Pension Scheme

Staff employed directly by the Commission and staff seconded to the Commission are eligible for membership of the Scheme. It is an unfunded multi-employer defined benefit scheme and the Commission is unable to identify its share of the underlying assets and liabilities. The valuation of the Scheme was completed as at March 2016 on 26 February 2019. Amounts payable to the Scheme are charged to the Statement of Comprehensive Net Expenditure when due.

Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation Accounts (**https://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/**).

The Members of the Senedd Pension Scheme (MSPS)

A pension scheme for the Members of the Senedd was originally established under the *Government of Wales Act 1998* and continues in force under the *Government of Wales Act 2006*. The scheme is a defined benefit scheme, and applies to the salary of Members and to any office holder salary. The cost of pensions provided for the Members is met by payment of charges calculated on an accruing basis, with liability for payment of future benefits charged to the accounts of the MSPS. Any liabilities of the fund arising from a deficit on assets would currently be met through increased funding by the Commission. In

reporting on the assets and liabilities of the Scheme, the Commission has followed International Accounting Standard 19. In accordance with IAS 19, the Scheme Trustees are required to undertake a sensitivity analysis for each significant actuarial assumption as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption at that date.

The MSPS prepares its own annual accounts, separate from the Commission's accounts, and these are available on the Senedd website[34].

Value Added Tax

The Commission is treated as a Crown Body for the purposes of the *Value Added Tax Act 1994* and accordingly for the purposes of Section 41 of that Act (application to the Crown) it is treated as a government department, and VAT on goods and services supplied to the Senedd may be recoverable. The Commission is standard rated for VAT on its trading activities, such as the Senedd shop.

Provisions

The preparation of the financial statements requires various estimates and assumptions to be made that affect the application of accounting policies and reported amounts. The Commission recognises a provision in full in the year that the obligating event occurred. All such estimates and judgments are reviewed on an ongoing basis and any revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. The most significant areas of estimation and critical judgments are:

Members of the Senedd Pension Scheme. Details of the actuarial assumptions can be found in Note 02.A and the Annual Report and Accounts for the Pension Scheme.

Dilapidations. Generally, the Commission considers that, with the minimal backlog of maintenance and the annual review and agreement to the 10-year forward work programme, there is no current need to make a provision for general dilapidations. Advice regarding specific issues is sought and a provision made where deemed appropriate.

[34] https://senedd.wales/en/memhome/pay-expenses-financial-interests-standards/Pages/mem-pay.aspx

02. A – Member and staff related costs

Information on Members and staff numbers (and other relevant disclosures) can be found in the Accountability Section – Remuneration and Staff Report.

Member and staff related costs

Table 1: Staff costs comprise

Category	Staff £'000	Members and office holders £'000	Total 2020-21 £'000	Total 2019-20 £'000
Salaries				
Permanent Staff, Members and office holders	17,909	5,303	23,212	22,286
Temporary and Agency Staff	537	-	537	-
Seconded staff	72	-	72	227
Social security costs				
Permanent Staff, Members and office holders	1,909	666	2,575	2,506
Temporary and Agency Staff	51	-	51	-
Seconded staff	7	-	7	15
Other pension costs				
Permanent Staff, Members and office holders	4,761	1,043	5,804	5,642
Temporary and Agency Staff	110	-	110	-
Seconded staff	17	-	17	26
Subtotal Members, office holders and staff salary costs	25,373	7,012	32,385	30,702
Less recoveries in respect of outward secondments	(69)	-	(69)	(98)
Total Members, office holders and staff salary costs	**25,304**	**7,012**	**32,316**	**30,604**

There was one severance payment made to a member of Commission staff in the band £0 - 20,000 (2019-20, nil payments.)

The Commission pays the salary and related costs of the Welsh Ministers, as explained in the Remuneration Report within these accounts. Amounts paid to the Welsh Ministers are disclosed within the Welsh Government's consolidated

resource accounts. As at 31 March 2021 there were 60 serving Members of the Senedd. At the year-end there were 40 office holder posts of which 14 formed the Cabinet: one First Minister, eight Ministers of whom one is also Counsel General, and five Deputy Ministers of whom one is also Chief Whip.

Civil Service Pension arrangements

For 2020-21 employer's contributions of £4.846 million (2019-20, £4.567 million) were payable at one of four rates in the range 26.6 per cent to 30.3 per cent of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

New employees since 1 April 2015 are eligible to join either alpha or partnership. Alpha is a career average defined benefit pension scheme; partnership is a defined contribution pension scheme.

The partnership pension account is a stakeholder pension arrangement. Contributions due to the partnership pension providers at the Statement of Financial Position date were £24,549 (2019-20, £23,455). There were no contributions prepaid at that date.

Further details about the Civil Service pension arrangements can be found at the website **www.civilservicepensionscheme.org.uk**.

Members of the Senedd Pension Scheme

The Senedd provides a defined benefit scheme, governed by section 18 of the *Government of Wales Act 1998*. Section 20 (4) of and Schedule 11 to the *Government of Wales Act 2006* provides continuity for the Scheme. The *Government of Wales Act 2006* has not affected the legal status of the Scheme.

The Scheme provides benefits for Members of the Senedd and Office Holders. All Members of the Senedd are members of the Scheme from the date they enter the Senedd unless they specifically opt not to be.

The Remuneration Board as part of its Determination for the Fifth Senedd introduced a new career average pension scheme for Members. The Scheme was approved by HM Treasury in accordance with the *Public Service Pensions Act 2013* and introduced with effect from 6 May 2016. Members aged 55 or over on 1 April 2012 are subject to 'Transitional Protection' and continued to have their

benefits calculated on a final salary basis for an additional five years until 5 May 2021.

The Scheme has an accrual rate of 1/50th and pension age is linked to State Pension Age. The member contribution rate is 10.5 per cent for new members and for those who moved to the CARE scheme on 6 May 2016. Members aged 55 or over on 1 April 2012 are subject to 'Transitional Protection' and continue to have their benefits calculated on a final salary basis for an additional five years until 5 May 2021. These members will continue to contribute at their current rate of either 10 per cent or 6 per cent for 40th or 50th accrual respectively until 5 May 2021. With effect from 6 May 2021 all Members are now in the CARE scheme. The employer contribution rate is currently 19.9 per cent and is subject to a cap. The last actuarial valuation of the Scheme took place as at 31 March 2020.

Normal Retirement Age is linked to State Pension Age (or 65, whichever is higher). Any Final Salary pension accrued before 6 May 2021 will continue to be payable at a Normal Retirement Age of 65.

The assets of the Scheme are held, separately from those of the Senedd Commission, by Mobius Life Limited, and are managed by four investment managers. The Trustees invest in a Diversified Growth fund ("DGF"), a Sustainable Real Return fund, a Private Markets fund, an Ethical Global Equity Index (hedged and unhedged) fund, a Property fund and an Index Linked Gilts fund. During the year, the Trustees recognised that the current asset allocation across the two Diversified Growth funds could be better aligned with the Trustees' objectives to reduce the Scheme's exposure to the Oil and Gas sector to zero over a five year period, subject to the availability, over that timescale, of suitable investment vehicles for the size of the Scheme. In light of this, in December 2020 the Trustees agreed to reduce the Scheme's exposure to the Baillie Gifford Diversified Growth Fund in favour of the BNY Mellon Sustainable Real Return fund.

The change is not expected to have a material impact on the level of expected return associated with the Scheme's investment strategy or to compromise the Scheme's ability to target the required level of investment return to support the actuarial valuation assumptions. The change is based on the Board's belief that long-term investment returns are more likely to be secured from sustainable companies.

At the Pension Board meeting on 16 March 2021 the Board agreed to hedge half the Scheme's direct exposure so that c.12.5% of the Scheme's assets held in direct equity holdings would remain exposed to overseas currency via the currency unhedged fund.

The Remuneration Board of the Senedd is the independent body responsible for setting the pay, allowances and pensions for Members of the Senedd and their staff. Details of pay and allowances are contained in the Board's Determination published in April 2020.

The principal funding objective is to maintain a fund of assets which is expected to be sufficient to provide the benefits promised to members and their beneficiaries. This objective is as advised by the Trustees of the Scheme, taking into account advice from the Actuary. The aim is to ensure that accruing benefits are paid for during members' participation in the Scheme and that the charges borne by the Senedd for accruing benefits are reasonably stable over time. These objectives are addressed by determining a contribution rate expressed as a level percentage of pensionable salary called the Standard Contribution Rate. This standard rate is such that it would be just sufficient to finance the benefits under the Scheme, provided that experience is in accordance with the actuarial assumptions made. Depending on the size of the accumulated fund and the actual experience of the Scheme as disclosed at each three-yearly actuarial valuation, larger or smaller contributions may have to be paid for a period to allow, in particular, for amortising surpluses and deficits.

The Pension Scheme was set up in 1999 and is immature, with contribution income still exceeding regular outgoings on benefits. The weighted average duration of the scheme's liabilities is around 20 years.

Table 2: The amounts recognised in the Statement of Financial Position are as follows

	Note	31 March 2021 £'000	31 March 2020 £'000
Present value of scheme liabilities		(63,885)	(54,679)
Fair value of scheme assets		43,644	35,248
Net liability		**(20,241)**	**(19,431)**
Amount in the Statement of Financial Position			
Liabilities		(20,241)	(19,431)
Assets		-	-
Net liability	**9**	**(20,241)**	**(19,431)**

Table 3: Analysis of amounts charged to the Statement of Comprehensive Net Expenditure

	2020-21 £'000	2019-20 £'000
Current service cost	2,488	2,090
Interest on pension liability	1,253	1,347
Interest on scheme assets	(798)	(915)
	2,943	**2,522**
Allocated in the account as:		
Other pension costs	951	960
Pension finance costs	1,992	1,562
	2,943	**2,522**

Table 4: Analysis of amounts recognised in the Statement of Change in Taxpayer's Equity (SCITE)

	2020-21 £'000	2019-20 £'000
Actual return less interest on scheme assets	7,144	(3,220)
Experience gains and losses arising on pension liabilities	355	(635)
Changes in assumptions	(6,317)	4,014
Net actuarial gains recognised in SCITE	**1,182**	**159**

Table 5: Movement in liabilities during the year

	31 March 2021 £'000	31 March 2020 £'000
Liabilities at 1 April	54,679	55,178
Current service cost (net of member contributions)	2,488	2,090
Member contributions (including net transfers-in)	498	502
Benefits paid during the year	(995)	(1,059)
Interest on pension liability	1,253	1,347
Actuarial losses/(gains)	5,962	(3,379)
Liabilities at 31 March	**63,885**	**54,679**

Table 6: Movement in assets during the year

	31 March 2021 £'000	31 March 2020 £'000
Assets at 1 April	35,248	37,150
Interest on scheme assets	798	915
Actual return less interest on scheme assets	7,144	(3,220)
Employer contributions	951	960
Contributions by Members (including net transfers-in)	498	502
Benefits paid and expenses	(995)	(1,059)
Closing fair value of scheme assets at 31 March	**43,644**	**35,248**

The Commission expects to contribute £980,977 to the Members of the Senedd Pension Scheme in 2021-22.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

Table 7: major categories of scheme assets as a percentage of total scheme assets

	2020-21	2019-20
Equities	53%	38%
Alternative investments	15%	20%
Property	7%	9%
Fixed interest and cash	25%	33%
	100%	**100%**

The Pension Board carried out a review of the Scheme's investment strategy in 2020. As a result of the review the assets of the Scheme invested in a diverse spread of funds as follows:

- Baillie Gifford Diversified Growth
- BNY Mellon Sustainable Real Return
- Legal & General Investment Management ("LGIM") Managed Property
- Partners Group Generations
- LGIM Ethical Global Equity Index

- LGIM Over 5 Year Index-Linked Gilt
- LGIM Cash (note this does not form part of the Scheme's strategic asset allocation and is utilised on an ad-hoc basis for cash flow purposes)

This strategy is forecast to deliver a similar expected level of return to the Scheme's previous investment strategy. The total market value of the Funds invested at 31 March 2021 was £43.6 million (31 March 2020, £35.2 million)

The Scheme's investment portfolio generated a return of approximately 23.6%. This was driven by the significant rise in return seeking markets (e.g. equity) during 2020-21 (2019-20, -12% return). The actual return on scheme assets during 2020-21 was a gain of £8.2 million (2019-20, £2.2 million loss). This return was generated by positive performance across all of the Scheme's funds during this period.

The Scheme's investment strategy underperformed against equity markets over the same period, which were up over 50% (in local terms), but outperformed both UK long term Government bonds (which returned c.-10.4%) and the Scheme's discount rate (Consumer Prices Index plus 2.5%), which returned c.3.2%.

Principal actuarial assumptions at the Statement of Financial Position date:

Table 8: Principal actuarial assumptions at the Statement of Financial Position date

Assumption	31 March 2021	31 March 2020
Discount rate	1.95%	2.25%
Future earnings increases – in excess of discount rate	-2.20%	-1.75%
Future pension increases (CPI) – in excess of discount rate	-0.45%	0.25%
Expectation of life at age 65 (years):		
Male	23.8	23.7
Female	25.2	25.1
Widows	24.0	23.9

Sensitivity to main assumptions

If the real rate of return in excess of earnings changes by 0.5 per cent a year, the total actuarial liability would change by around 1.0 per cent and the change in total liabilities by circa £0.6 million.

If the real rate of return in excess of pension changes by 0.5 per cent a year the total actuarial liability would change by about 9.5 per cent and the change in total liabilities by circa £6.1 million.

If longevity at retirement were assumed to be 2 years greater, this would increase the total actuarial liability by about 8 per cent and would increase total liability by circa £5.1 million.

Amounts for the current and previous four periods are as follows:

Table 9: Amounts for the current and previous four periods

	31 March 2021 £'000	31 March 2020 £'000	31 March 2019 £'000	31 March 2018 £'000	31 March 2017 £'000
Defined benefit obligation	63,885	54,679	55,178	50,385	49,456
Scheme assets	43,644	35,248	37,150	35,406	33,713
Net liability	(20,241)	(19,431)	(18,028)	(14,979)	(15,743)
Experience gains and losses arising on pension liabilities	355	(635)	(370)	297	160
Actual return less interest on scheme assets	7,144	(3,220)	388	669	3,615

Further information on the Members of the Senedd Pension Scheme[35] can be found in the Annual Report and Accounts for the scheme for the year ending 31 March 2021.

[35] https://senedd.wales/en/memhome/pay-expenses-financial-interests-standards/Pages/mem-pay.aspx

02. B – Members' other costs

Members' other costs of £9.358 million (2019-20, £8.709 million) in the Statement of Comprehensive Net Expenditure consist of:

Category	2020-21 £'000	2019-20 £'000
Office Costs	998	889
Additional Costs	245	244
Members' Staff Costs	8,082	7,370
Travel costs	33	206
Total Members' other costs	**9,358**	**8,709**

Members' staff costs include five severance payments, totalling £26,716, made in 2020-21, (2019-20, seven payments totalling £35,907).

The Senedd has a group stakeholder (defined contribution) pension scheme with AVIVA to which the Commission makes a monthly contribution of 10 per cent of gross salary for Members of the Senedd support staff. In addition, there is an option for the employee to make a regular monthly contribution. The Scheme was compliant with automatic enrolment legislation and the Scheme's re-enrolment staging date was 1 January 2021. The employer pension contributions paid in 2020-21 were £775,792 (2019-20, £700,461).

02. C – Commissioner for Standards

Under the terms of the National Assembly for Wales (Commissioner for Standards) Measure 2009, the Commission pays the salary of, and any related costs incurred by, the Commissioner for Standards ('Commissioner'). The Commission is responsible for ensuring that the salary and allowances agreed in the terms and conditions of the appointment of the Commissioner, and any reasonable liabilities incurred in the course of his duties, are charged to the Welsh Consolidated Fund.

During the financial year 2020-21 Douglas Bain held the post of Acting Commissioner for Standards. Following a recruitment process, Douglas Bain was appointed as Commissioner with effect from 1 April 2021. More information about Douglas Bain and his work as the Acting Commissioner is available from **http://standardscommissionerwales.org/**

Support resources

The Commissioner's office is supported by members of Commission staff who have been seconded to assist with the volume of casework under consideration, to provide customer service and to ensure that the office runs effectively. The table below provides the detail of the time and costs incurred by the Acting Commissioner and the salary costs of his support staff. In addition, during 2020-21, the Acting Commissioner sought legal advice on a number of matters. This advice was provided by Commission staff and, in one instance, supplemented by external support.

Staffing hours and costs

Nature of cost	2020-21		2019-20	
	Hours	Costs	Hours	Costs
Commissioner Hours	-	-	220	-
Commissioner Costs	-	-	-	£17,900
Acting Commissioner Hours	540	-	171	-
Acting Commissioner Costs	-	£42,517	-	£12,898
Costs charged to the Welsh Consolidated Fund		**£42,517**		**£30,798**
Support Staff Costs		£89,570		£123,630
Legal Support Costs		£16,667		-
Directly attributable resource costs supplied by the Commission		**£106,237**		**£123,630**

03. Other administration costs

Other administration costs of £16.4 million (2019-20, £15.8 million) in the Statement of Comprehensive Expenditure consist of:

	2020-21 £'000	2019-20 £'000
Leases – buildings	2,790	2,794
Leases – other	68	75
Accommodation and facilities costs	5,736	5,669
ICT costs	3,724	2,705
Administrative expenses	1,350	1,737
Staff related costs	347	602
Other administration costs	**14,015**	**13,582**
Depreciation, amortisation and impairment charges	2,239	2,213
Total Other administration costs	**16,254**	**15,795**

The estimated external audit cost for the audit of these financial statements is £57,958 (2019-20, £57,958). No additional non-statutory audit work was incurred in 2020-21 (2019-20, nil).

Impact of Covid-19 on supply contracts

In common with many other public bodies the Senedd Commission maintains a number of contracts for supply of services. In March 2020 Cabinet Office produced a Procurement Policy Note (PPN) "Supplier relief due to Covid-19"[36] to provide advice and guidance for public bodies on payment of their suppliers to ensure continuity of service during and after the Covid-19 outbreak. An extract from the PPN reads: "Contracting authorities should act now to support suppliers at risk so they are better able to cope with the current crisis and to resume normal service delivery and fulfil their contractual obligations when the outbreak is over" and continues: "It is vital that contracting authorities pay all suppliers as quickly as possible to maintain cash flow and protect jobs. Contracting authorities should also take action to continue to pay suppliers at risk due to Covid-19 on a continuity and retention basis."

[36] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874178/PPN_02_20_Supplier_Relief_due_to_Covid19.pdf

The Commission studied each arrangement in turn to identify the financial contract implications and worked with the suppliers concerned in an open and transparent manner. In the financial year 2020-21 the Commission paid £0.363 million (2019-20, nil) to support and secure supply contracts but did not receive any services. This amount is included in the expenditure heading 'Accommodation and Facilities costs'.

04. Property, plant and equipment

	Land and buildings £'000	ICT £'000	Fixtures and fittings [37] £'000	Assets under construction £'000	2020–21 Total £'000
Cost or valuation					
At 1 April 2020	**61,131**	**7,166**	**1,519**	**167**	**69,983**
Additions	-	200	293	44	537
Reclassification	-	-	20	(20)	-
Disposals	-	-	(43)	-	(43)
At 31 March 2021	**61,131**	**7,366**	**1,789**	**191**	**70,477**
Depreciation					
At 1 April 2020	**-**	**(6,041)**	**(883)**	**-**	**(6,924)**
Charged in year	(1,683)	(467)	(89)	-	(2,239)
Disposals	-	-	43	-	43
At 31 March 2021	**(1,683)**	**(6,508)**	**(929)**	**-**	**(9,120)**
Carrying amount at 31 March 2021	**59,448**	**858**	**860**	**191**	**61,357**
Carrying amount at 31 March 2020	**61,131**	**1,125**	**636**	**167**	**63,059**

The carrying amount of land and buildings held under lease arrangements as at 31 March 2021 is £4.185 million (31 March 2020, £4.250 million).

The latest revaluation of land and buildings was undertaken by DS Gibbon FRICS of Avison Young (UK) Limited, as at 31 March 2020, in accordance with the Royal Institution of Chartered Surveyors Valuation Standards. The Senedd and the Pierhead were re-valued at depreciated replacement cost (DRC) as a proxy for current value. The valuer's approach included calculating the cost of constructing modern equivalent buildings and depreciating the cost to account for the age and future economic life of the buildings.

[37] Fixtures and fittings includes 'donated assets', consisting of the Mace donated by the Parliament of New South Wales for the opening of the Senedd.

Impairment reviews did not identify any indications of impairment at 31 March 2021 and hence no impairments have been recognised.

	Land and buildings £'000	ICT £'000	Fixtures and fittings [38] £'000	Assets under construction £'000	2019-20 Total £'000
Cost or valuation					
At 1 April 2019	**61,641**	**6,817**	**1,376**	**12**	**69,846**
Additions	-	349	131	167	647
Reclassification	-	-	12	(12)	-
Revaluation	(510)	-	-	-	(510)
At 31 March 2020	**61,131**	**7,166**	**1,519**	**167**	**69,983**
Depreciation					
At 1 April 2019	**(3,432)**	**(5,628)**	**(800)**	**-**	**(9,860)**
Charged in year	(1,717)	(413)	(83)	-	(2,213)
Revaluation	5,149	-	-	-	5,149
At 31 March 2020	**-**	**(6,041)**	**(883)**	**-**	**(6,924)**
Carrying amount at 31 March 2020	**61,131**	**1,125**	**636**	**167**	**63,059**
Carrying amount at 31 March 2019	**58,209**	**1,189**	**576**	**12**	**59,986**

[38] Fixtures and fittings includes 'donated assets', consisting of the Mace donated by the Parliament of New South Wales for the opening of the Senedd.

05. Intangible assets

Intangible assets comprise software and software licences for major systems used by the Commission:

	Software £'000	2021 Total £'000
Cost or valuation		
At 1 April 2020 and at 31 March 2021	**884**	**884**
Amortisation		
At 1 April 2020 and at 31 March 2021	**(884)**	**(884)**
Carrying amount at 31 March 2020 and 2021	**-**	**-**

	Software £'000	2020 Total £'000
Cost or valuation		
At 1 April 2019 and at 31 March 2020	**884**	**884**
Amortisation		
At 1 April 2019 and at 31 March 2020	**(884)**	**(884)**
Carrying amount at 31 March 2019 and 2020	-	-

06. Trade and other receivables

	31 March 2021 £'000	31 March 2020 £'000
Amounts falling due within one year:		
Trade receivables	44	115
Other receivables	12	21
Prepayments	1,647	1,485
Recoverable VAT	197	257
	1,900	**1,878**

There were no receivable amounts falling due after more than one year.

07. Cash and cash equivalents

	2021 £'000	2020 £'000
Balance at 1 April	60	292
Net change in cash and cash equivalent balances	352	(232)
Balance at 31 March	**412**	**60**
The following balances at 31 March were held at:		
Government Banking Service	98	44
Commercial banks and cash in hand	314	16
Balance at 31 March	**412**	**60**

08. Trade payables and other current liabilities

	31 March 2021 £'000	31 March 2020 £'000
Amounts falling due within one year:		
VAT payable	4	15
Other taxation and social security	838	805
Trade payables	622	1,083
Accruals	3,127	1,913
Amounts due to the Welsh Consolidated Fund	412	60
	5,003	**3,876**

There were no payable amounts falling due after more than one year.

09. Provisions for liabilities and charges

	MS Pension Scheme £'000	Dilapidation Provision £'000	2020-21 Total £'000	2019-20 Total £'000
Balance at 1 April	**19,431**	**171**	**19,602**	**18,148**
Decrease in provision	(1,182)	-	(1,182)	(108)
Pension finance costs	1,992	-	1,992	1,562
Balance at 31 March	**20,241**	**171**	**20,412**	**19,602**

Under IAS 19, a liability of £20.241 million is recognised for the Members of the Senedd Pension Scheme. Further information is provided on this in Note 02.A. Additional information on the dilapidation provisions can be found within the provisions section of Note 01 – Statement of accounting policies.

From the total provision of £20.412 million (2019-20, £19.602 million), no amount is expected to crystallise within one year (2019-20, £0 million).

10. Commitments under leases

(a) Operating leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which payments are incurred.

Category	31 March 2021 £'000	31 March 2020 £'000
Land and buildings:		
Not later than one year	2,796	2,796
Later than one year but not more than five years	11,120	11,156
Later than five years	16,629	19,389
	30,545	**33,341**
Other – car, printers and copiers:		
Not later than one year	40	14
Later than one year but not more than five years	122	9
	162	**23**

(b) Finance leases

There are no current obligations under finance leases.

11. Capital and other commitments

There were no contracted capital commitments at 31 March 2021 and 31 March 2020.

12. Other financial commitments

The Commission has contracts that make reference to early termination but do not quantify charges for such an event. Early termination would be a breach of contract and the contractor would be entitled to damages representing the loss of profit on the work which would have been done under the contract if it had run its full course. As this figure is variable for each contract, such contracts have not been included in this note.

13. Financial instruments

The Commission does not issue or trade in financial instruments such as loans and has no borrowings. It relies primarily on funding from the Welsh Consolidated Fund for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

14. Related-party transactions

The Commission has a number of transactions with the Welsh Government and with other government departments and public bodies, including HM Revenue and Customs. Additionally, regular transactions take place with the Members of the Senedd Pension Scheme (see Remuneration and staff report, page 135). Standing Orders of the Senedd require the Senedd, on a motion proposed by the Commission, to elect Trustees to the Members of the Senedd Pension Scheme.

The Senedd may give special or general directions to the Commission for the purpose of, or in connection with, the exercise of the Senedd Commission's functions.

The Commission has not undertaken any material transactions directly with Commissioners, senior managers or their close family members nor with any organisations where Commissioners, senior managers or members of their close family hold positions of control or influence.

An independent Remuneration Board was established by the National Assembly for Wales Remuneration Measure 2010. The Remuneration Board determines the salaries and allowances of all Members of the Senedd and office holders. The Members may employ family members as their support staff. However, this is only permitted where the Member plays no part in the fair and open selection process, which is conducted by Commission staff on their behalf.

The Commission decides the policies on salary and conditions for Commission staff. There are no restrictions in place relating to the employment by the Commission of family members of Commissioners or senior management.

Directors have declared that they hold no significant third party interests that may conflict with their duties. A Register of Financial and Other Interests of Members is available at **www.senedd.wales** and **www.senedd.cymru**.

15. Subsequent events

Senedd election

As a result of the Senedd election on 6 May 2021, it will be necessary to pay the costs relating to MS resettlement claims, defeated Senedd Members' support staff redundancies and other related costs. This is estimated at £2.6 million.

The amounts paid as resettlement claims are calculated as set out in the Remuneration Board's Determination. The Remuneration Board is the independent body responsible for setting the pay, pensions and allowances of Senedd Members and their staff.

Annex - regularity reporting

Regularity Reporting

The Senedd Commission's budget is authorised by the Senedd via formal budget motions. These motions authorise the Commission's capital and revenue expenditure, as well as retainable income and the amount that may be drawn from the Welsh Consolidated Fund.

The Statement and supporting notes have been prepared in accordance with the 2020–2021 Government Financial Reporting Manual (FReM) suitably adapted for the constitution of the Senedd and the Commission as specified by the *Government of Wales Act 2006*.

SOS 03 Reconciliation of Net Cash Requirement to increase / (decrease) in cash

	31 March 2021 £'000	31 March 2020 £'000
Net cash requirement	(54,648)	(53,482)
From the Consolidated Fund (supply) – current year	56,075	54,088
Amounts due from the Consolidated Fund not drawn	(1,015)	(546)
Amounts paid to the Consolidated Fund	(60)	(292)
Increase/(decrease) in cash	352	(232)

This table is subject to audit.

SOS 04 Reconciliation of Net Resource Outturn to Net Cash Requirement 2020-21

	Note	Budget £'000	Outturn £'000	Net total outturn compared with budget: under spend/(excess) £'000	Outturn 2019-20 £'000
Net Resource Outturn	SOS 01	60,625	59,632	993	56,336
Accruals adjustments					
Non-cash items	See below	(4,250)	(4,231)	(19)	(3,775)
Changes in working capital other than cash		(300)	(753)	453	921
Net cash requirement		**56,075**	**54,648**	**1,427**	**53,482**

Non-cash items	Note	Budget £'000	Outturn £'000	Outturn compared with budget 2020-21 £'000	Outturn 2019-20 £'000
Depreciation and amortisation and de-recognition	4 and 5	(2,250)	(2,239)	(11)	(2,213)
Pension finance costs and other provision movements	9	(2,000)	(1,992)	(8)	(1,562)
		(4,250)	**(4,231)**	**(19)**	**(3,775)**

This table is subject to audit.

SOS 05 Analysis of income payable to the Welsh Consolidated Fund

	Budget 2020-21 £'000	Outturn 2020-21 £'000	Outturn 2019-20 £'000
Retainable operating income	220	50	220
Subtotal	220	50	220
Amount retained	220	50	220
Amount payable to the WCF	-	-	-

There has been no other operating income in 2020–21 (2019-20, nil).

This table is subject to audit.

Welsh Parliament
Senedd Commission

Diversity and Inclusion: Annual Report 2020-21

June 2021

The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

An electronic copy of this document can be found on the Senedd website:
www.senedd.wales

Copies of this document can also be obtained in accessible formats including Braille, large print, audio or hard copy from:

Welsh Parliament
Cardiff Bay
CF99 1NS

Tel: **0300 200 6565**

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Welsh Parliament
Senedd Commission

Diversity and Inclusion: Annual Report 2020 - 2021

June 2021

Senedd Cymru
Welsh Parliament

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1. Foreword

This report provides an update on activities related to diversity and inclusion over the period from 1 April 2020 to 31 March 2021.

The Covid-19 pandemic has meant that we have experienced an unprecedented and challenging year like no other. In this reporting period, we have striven to ensure that the Senedd has operated to discharge its functions on behalf of the people of Wales. During this time, the safety and wellbeing of our staff, Members, their staff, contractors, whether on the Senedd estate or working remotely, has been of paramount importance.

We have seen a shift from face-to-face to virtual activities, which includes conducting Senedd business on both virtual and hybrid platforms ensuring that participation remained inclusive and accessible to all Members, engaging with the people of Wales through outreach using digital platforms to good effect, and supporting our workforce to deliver the entire range of our services remotely or on a hybrid basis whilst maintaining a sense of belonging and one team. We have assessed these changes to working practices by considering wellbeing, diversity, inclusion, accessibility and importantly by asking regular questions to ensure that our responses were aligned and appropriate. Our workplace equality networks have provided insight, expertise and most importantly, peer support, which has demonstrated their reach and impact.

We are proud of our approach to operating during a difficult year. Through our decision-making processes, the concepts of inclusion and fairness have been instrumental and ever-prominent, informing our thinking as to how to best adapt as an organisation in responding to the challenges presented by the pandemic. However there is always still more work to do, particularly embedding new ways of working to enrich the diversity of our workforce further, and ensuring a broader representation of the people of Wales in decision-making and senior leadership roles.

As we come to the end of the Fifth Senedd, our commitment is to ensuring that insights from our workforce, recruitment and pay data, together with the positive lessons that we have learnt, are embedded within a refreshed Diversity and Inclusion Strategy for the Sixth Senedd.

We welcome feedback on this report and on how we might consider doing things differently in the future.

Manon Antoniazzi

Chief Executive and Clerk to the Senedd

Joyce Watson MS

Senedd Commissioner with responsibility for employees and equalities

2. Our Year in Highlights

Stonewall: Top Welsh Employer 2020

Working Families: Top 10 Employers 2020

Reaccredited as a **Disability Confident Employer**

This year we achieved
Investors in People Platinum Standard

Gender Split:

Leadership Group **50:50**

Executive Board **50:50**

Times **Top 50** Employers for Women

Continued to reduce median gender pay gap, currently: **-9.8%**

3. Our Approach to Diversity and Inclusion

It is important that we continue to be accessible to the people of Wales and beyond: making it relevant, easy and meaningful for people to interact with and contribute to our work. It is also important that we are an inclusive employer, enabling all of our staff to realise their full potential.

Diversity and Inclusion Strategy

Our **Diversity and Inclusion Strategy 2016-21** sets out our priorities and objectives. Following the publication of this report, we will begin work on developing a new strategy for the Sixth Senedd.

Dignity and Respect

We are committed to providing an inclusive culture that is free from harassment and we expect that everyone - including visitors, Members of the Senedd, Members' staff and Senedd Commission staff, are treated with dignity and respect. Every May, we carry out a Dignity and Respect Survey, ensuring that we continue to introduce any necessary changes to build on the right culture.

Our Values

RESPECT
We are inclusive, kind, and value each other's contributions in delivering excellent services

PASSION
We are purposeful in our support of democracy and pull together to make a difference for the people of Wales

PRIDE
We embrace innovation and celebrate our achievements together as a team

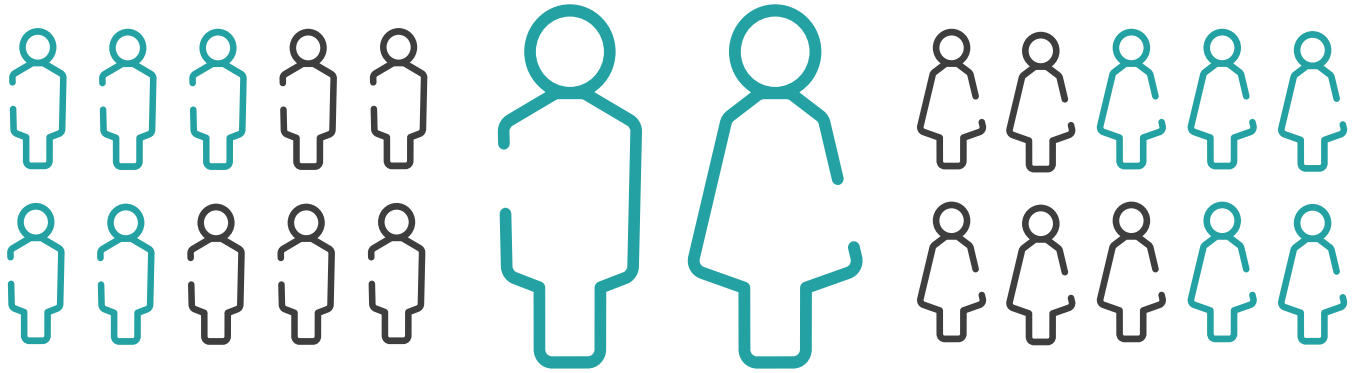
WE ARE **ONE TEAM**

Workforce, Recruitment and Pay Diversity Monitoring 2020-21

Summary of Data Insights (as of 31 March 2021)

OUR WORKFORCE

GENDER SPLIT



50:50
EXECUTIVE BOARD

480
MEMBERS OF STAFF

50:50
LEADERSHIP GROUP

51:49 SPLIT BETWEEN WOMEN AND MEN IN OUR OVERALL WORKFORCE

48.4% OF EXTERNAL JOBS WERE OFFERED TO WOMEN

51.6% OF EXTERNAL JOBS WERE OFFERED TO MEN

GENDER IDENTITY / GENDER REASSIGNMENT

- No staff have identified as trans
- **0.5%** of external applicants identified as trans, **JOB OFFERS: 0**

28.6% OF WOMEN WORK PART-TIME

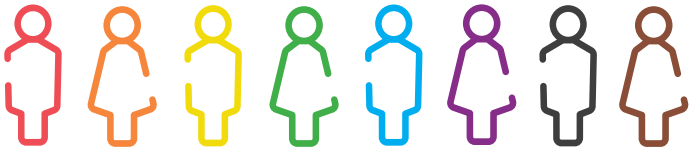
6.4% OF MEN WORK PART-TIME

DISABILITY

5% OF OUR WORKFORCE IDENTIFIES AS DISABLED

- One **INTERNAL** applicant was offered a job
- **8.5%** of **EXTERNAL** applications were from disabled applicants
- **NO EXTERNAL JOB OFFERS** were made to applicants who identified themselves as disabled

SEXUAL ORIENTATION



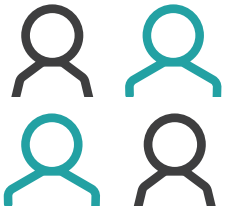
4.6% OF OUR TOTAL WORKFORCE IDENTIFIES AS LGBQ+

57.1% OF LGBQ+ APPLICANTS FOR **INTERNAL** VACANCIES WERE OFFERED A JOB

18.18% OF LGBQ+ APPLICANTS FOR **EXTERNAL** VACANCIES WERE OFFERED A JOB

Success rates throughout the recruitment process are nearly equivalent for LGBQ+ and heterosexual / straight people.

RACE / ETHNICITY



4.2% OF STAFF IDENTIFY AS BAME

81% OF STAFF WHO IDENTIFY AS BAME ARE **IN THE TWO LOWEST PAY BANDS** (TS AND M3)

- External applications from BAME people have risen year-on-year from **4.8%** in 2016, to **7.7%** in 2021.
- No staff, who have identified as BAME, have been offered employment in an internal recruitment exercise.
- One person who identified as BAME was appointed to an externally advertised post.

AGE

5.6% OF OUR WORKFORCE ARE AGED **25 AND UNDER**

2.9% OF OUR WORKFORCE ARE AGED **61-65**

12.9% OF TOTAL EXTERNAL JOB OFFERS WERE MADE TO PEOPLE AGED OVER 50

Workforce, Recruitment and Pay Diversity Monitoring 2020-21

Summary of Data Insights (as of 31 March 2021)

OUR WORKFORCE

RELIGION / BELIEF

33.3% OF ALL **INTERNAL** JOB OFFERS WENT TO PEOPLE WHO IDENTIFIED AS HAVING A MINORITY RELIGION OR BELIEF

32.6% OF **EXTERNAL** JOBS WERE OFFERED TO PEOPLE WHO IDENTIFIED AS HAVING A MINORITY RELIGION OR BELIEF

37.7% of staff who filled in their data on our HR system declared no religion or belief

OUR PRIORITIES

Work to ensure that we increase BAME representation in bands M1 and beyond (both through more staff self-identifying on our HR system as BAME, and employing more BAME staff at all levels, particularly at senior/ decision-making level).

Gather candidate feedback to identify and work to remove any potential barriers in our recruitment processes.

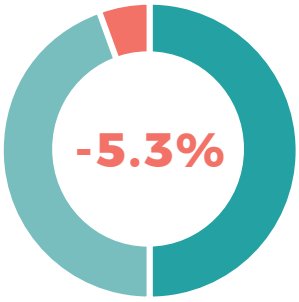
Explore with our LGBTQ+ network PLWS, what we can do to encourage applicants to share data concerning their trans status.

Monitor conversion rates for internal and external campaigns for disabled and BAME candidates and identify any potential barriers in our recruitment processes and adjust them accordingly.

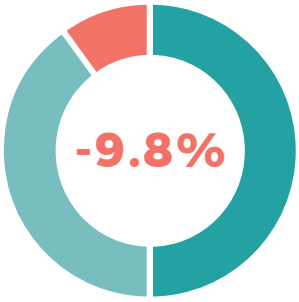
Design and launch a BAME Graduate Internship.

PAY GAP REPORTING

MEAN GENDER PAY GAP

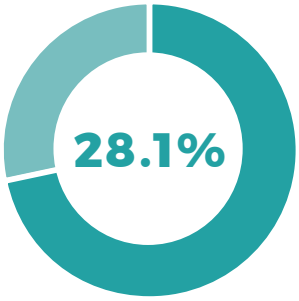


MEDIAN GENDER PAY GAP



As with previous years, the Commission continues to experience an inverse gender pay gap, where women overall are paid more than men. However, the pay gap for the Commission has continued to reduce this year (as with last year), which is positive traction towards neutralising the pay gap between men and women.

MEAN ETHNICITY PAY GAP



MEDIAN ETHNICITY PAY GAP

As with previous years, the Senedd continues to have an significant BAME pay gap. This is mainly due to a limited number of BAME staff employed by the Commission as an overall percentage of the overall workforce; and BAME staff mainly being employed at lower bands on the pay scale (57% of BAME staff are at the Apprentice / Team Support level).

OUR PRIORITIES

Continue to be a committed signatory of the Race at Work Charter which has been designed to help organisations to address any barriers to recruitment and progression experienced by employees who identify as BAME.

Senedd Cymru
Welsh Parliament

Supporting Our People through the Covid-19 Pandemic

The welfare of our staff has been at the core of the Commission's approach to the pandemic, whether people are working on the premises or remotely. The following actions have been taken to ensure that people can continue to work in a way that protects their health and wellbeing.

- On our estate, we have increased cleaning of high risk/high contact areas, introduced hand sanitisers and wipes at all building entrances, introduced one way systems and social distancing regimes within buildings, and used an electronic booking and occupancy tracker to ensure that building occupancy limits are effectively managed.
- The HR and Estates Teams have worked closely to ensure that staff working remotely have appropriate display screen equipment (DSE), including any reasonable adjustments and ergonomic requirements.
- The risks of staff working from home relating to isolation, mental and physical health and work/life balance have been recognised. Support has been provided to staff, such as, training and staff welfare sessions that have included mental and physical health tips; guidance including office yoga and exercise videos; links to MIND resources and the Senedd mental health toolkit; tips for maintaining mental health during isolation; as well as the provision of occupational health support if required.
- We have provided information for anyone experiencing domestic abuse during lockdown, guidance for staff working from home with children, and bereavement support.
- We have made sure that staff can work from the office premises where it is not possible for them to work from home for either personal, technical or premise reasons.
- Temporary changes have been made to our people policies to actively encourage a balance of flexible working and a focus on outputs and wellbeing, rather than on worked hours alone. This has allowed staff to find their own rhythm with regard to working, caring responsibilities and home-schooling.

- Supportive procedures have been put in place, including detailed risk assessments before users of the estate, on a limited basis, have attended the estate.
- Business Continuity and Wellbeing Pulse Surveys have been conducted on a regular basis and have allowed us to monitor the wellbeing of our staff, while also informing prioritisation and our business continuity resilience.

Workplace Equality Networks

Throughout the pandemic, our Workplace Equality Networks, their allies and Senior Champions have continued to promote diversity and inclusion, assist with equality impact assessments and provide support for members.

Network chairs have worked closely in helping to develop our Diversity and Inclusion week, providing an intersectional approach to key themes. Chairs were invited to attend the all-staff meeting to be on the panel and share their stories of working throughout lockdown.

Our network chairs have undertaken bespoke learning and development interventions to help support their own growth and wellbeing as chairs and build the capacity of our networks more generally to help the organisation meet its diversity and inclusion objectives. The first session: 'Training for Chairs' was designed to facilitate more collaboration between networks and build an intersectional approach to diversity and inclusion. The second session: 'Empowerment Training'

assisted chairs to enable and empower members and allies through coaching and signposting. Network chairs provided feedback that the interventions were timely and supported their learning requirements.

Highlights of network activity include:

EMBRACE – Our Disability Network

EMBRACE has been supporting members through this time but also ensuring their voices are heard when discussions are held on future plans for the estate and working arrangements. Network members have brought forward some fantastic ideas and raised issues. It is so important that despite working from home we remain visible and continue to ensure our voices are heard. This shift to a virtual way of working has had an impact on all our members, for some this has meant being able to manage their disability in a more positive way.

> *"As Chair, the last year has been a great way to learn more about our Members, what is important to them and how the pandemic is changing the way they view their work.*
>
> *The virtual way of working hasn't stopped the Chairs of the all the networks working closely together and meeting regularly to ensure we discuss good practice, ways of working and best ways of supporting our members. Most members are in more than one network and this cross-over is really important. Whilst this year has been a difficult one, personally I have found there I have learnt so much to enable me to support members more and I look froward to working closely with members going forward into the sixth Senedd and hopefully more positive time ahead".*
>
> ***Gemma, Chair of EMBRACE***

INSPIRE – our Gender Equality Network

The Network has continued to support staff over the last year through its contributions to the Commission's Diversity and Inclusion week, and National Day for Staff Networks.

Mindful – Mental Health and Wellbeing Network

The network has remained visible by promoting a number of awareness events and resources throughout the year, including:

- Sharing a 'Be Kind to Yourself' message for Mental Health Awareness Week;
- Marking World Mental Health Day by reminding staff of the internal and external resources and support available, shared personal blogs and experiences about adjusting and continuing to work well despite the impact of the pandemic on our day to day lives;
- Promoting Time to Talk day by sharing a blog from the senior mental health champion about the power of talking about how you're coping, keeping connected; and
- Realistic tips for looking after your own mental wellbeing.

"Covid-19 has brought isolating, uncertain, and challenging times for everyone, whatever their living and working situation. The network has encouraged all staff to keep connected and talking with colleagues via their weekly online 'drop in' sessions.

Being chair of the Mindful network has allowed me to feel fully connected to colleagues, feel part of a team, and also keep my mind busier during quieter periods. It's been a huge positive and important for my own well-being; to share, support and encourage connection during the last challenging 12 months".

Karen, Co-Chair of MINDFUL

TEULU – Working Parent and Carer Network

In recognition of Children's Mental Health week, TEULU joined the MINDFUL network to put together support, advice and useful resources for staff caring for and supporting children during lockdown, whilst most were juggling childcare, school work and working from home.

REACH – our Race, Ethnicity and Cultural Heritage Network

The REACH network has continued to support colleagues and promote race equality throughout lockdown, including the following:

- A podcast was produced featuring two of our network chairs and our senior champion, discussing race equality in the Senedd and wider society;
- Members from the network have attended the Race in the Workplace Conference 2021;
- Providing feedback on policy development;
- Members have attended a training session on 'Being a better ally to LGBT+ People of Colour'; and
- Writing blog articles for Black History Month.

"When I started my career at the Senedd, it became clear to me that the organisation truly embraces its values of Respect, Passion and Pride. I have always felt included into the team by supportive Managers who are approachable, understanding and encourage me to develop and flourish within my role. Additionally, by being given the opportunity to enrol on various training courses, this has given me the ability to build upon my skills and knowledge and work towards my career goals.

The REACH network provides an excellent networking opportunity for staff members at the Senedd, so they are able to meet BAME colleagues internally and externally from other organisations. By becoming a member of the Network, I have seen how REACH and HR work in collaboration, to allow the organisation to develop inclusive policies and pragmatic ways in which to promote diversity and inclusion in the workplace.

I'm grateful to work in an organisation that has created such a welcoming, supportive and inclusive environment for all staff

members because as a public sector organisation, the Senedd sets an exceptional standard of promoting best practice for equality in the workplace".

Farha, Member of REACH

PLWS – our LGBTQ+ Network

"It truly has been an extraordinary year. As a network whose members identify as part of a broader community, lockdown has in many cases impacted our ability to be around people who are just like us and have a shared experience of being queer. Through the ongoing support of the Senedd Commission, we have been able to continue to provide support for our PLWS members and allies".

Bleddyn, Co-Chair of PLWS

Over the year, PLWS has:

- Marked international LGBTQ+ days through social media channels and internal communication platforms;
- Created and issued guidance on different LGBTQ+ topics;
- Sourced and provided Commission Staff, Senedd Members, and Senedd Members Support Staff training on a range of LGBTQ+ topics, including trans awareness training and how to be an ally to LGBTQ+ people of colour;
- Worked with our internal Workplace Equality Networks as a forum to further establish its presence as a critical friend to the organisation;
- Continued to meet virtually with members of the network as a way to maintain social interaction and provide wellbeing support during lockdown.

"It's incredibly important to me to be visible at work. We spend too much time at work to constantly have to check what you say and how you act for fear of the reaction, I've been there, it's exhausting. When I was coming to terms with my sexuality there were no visible LGBTQ+ people where I worked at the time which made it hard for me to see how I could ever be myself properly in that environment. From a workplace cultural perspective, if we truly want to foster a culture of diversity and inclusion, visibility helps to build this. It's important for new people coming into the organisation, or people newly coming out in the organisation, to see people 'like them' and although I don't necessarily see myself as a role model I do want people to see that you can be out at work and know that it is ok. As co-chair of the LGBTQ+ network it's also important to be visible so people know who they can contact for support and advice".

Lisa, Co-Chair or PLWS

Shift from Face-to-Face to Virtual Recruitment

As a result of the pandemic, we shifted our face-to-face recruitment activities to virtual recruiting. We endeavoured to make this as seamless as possible and conducted equality impact assessments of our process to minimise any potential barriers to inclusion. We provided guidance for hiring managers as to how to recruit inclusively in a virtual setting and are currently reviewing our onboarding arrangements to ensure an inclusive and warm virtual welcome.

New Online Applicant Tracking System

We also deployed our new applicant tracking system which we have used to anonymise applications and use its data analytics capabilities to get deeper insights into our recruitment data.

Employee Engagement Survey

In addition to the regular pulse surveys that have given us an indication of the ongoing needs and wellbeing of our staff, we undertook our annual engagement survey in December 2020. For the first time, the survey provided those who completed it with their individual results. This included an action plan with suggestions on how respondents might go about addressing issues they'd identified, based on the first six core themes:

1. Reward and Recognition
2. Information Sharing
3. Empowerment
4. Well-being
5. Instilling Pride
6. Job Satisfaction

With a survey response rate of 76%, employees scored 77.2% overall within the Six Steps to Workplace Happiness framework used within this survey,

Key results related to Diversity and Inclusion where respondents provided a positive response include:

- I am happy at work: 73.9%
- My employer cares for my well-being: 79.6%
- I am treated with respect: 81.7%
- I think that the Senedd respects individual differences (e.g. cultures, working styles, backgrounds, ideas, etc.):79.4%
- The Senedd Commission is committed to creating a diverse and inclusive workplace: 79.1%
- Further work will be undertaken to interrogate the responses by protected characteristic in order to identify trends, issues and potential barriers.

Promoting inclusion in the Senedd Commission

In addition to the activities generated by our Workplace Equality Networks, this year, we held our first virtual Diversity and Inclusion Week which consisted of a variety of information and training resources on topical issues, including:

- New online training which included a particular focus on understanding race bias and trans inclusion;
- Business in the Community (BITC) 'Let's talk about race' training for staff and a session for Leadership Team;

- Perspectives on Allyship with members, allies and chairs contributing across networks;
- Worked with the Official Languages Team and Welsh Learners' page to ensure there were Welsh-medium D&I resources promoted for the first time; and
- Intersectional Parenting blogs from three networks: PLWS, Embrace and Mindful.

Senedd Cymru
Welsh Parliament

5. Outreach, Engagement and Democratic Participation

One of our ongoing objectives is to engage with all of the people of Wales and to champion the work of the Senedd. As a parliamentary body, it is important that the Senedd represents all of the people of Wales and that everyone has access to our work, our building and our information. This year, due to the Covid-19 pandemic, we have adapted our engagement activities from face-to-face to virtual activities.

Overview of public engagement

During this reporting period people across Wales have engaged virtually with us through workshops, presentations, events and activity related to committee consultations. Below, we celebrate some of our virtual engagement work and share some of the highlights of the year.

Exhibitions

We moved our engagement online by sharing exhibitions as online galleries on our social media accounts and webpages, developed a Virtual Tour and organised regular online presentations which inform about the Senedd representation and useful information leading up to the 2021 Senedd Election.

These new ways of communicating have proved useful to break down barriers of visiting and interacting with the Senedd, and so we envisage the new offers remaining as the estate starts to open again.

Exhibitions closely follow the Senedd's corporate campaigns and promote diversity and inclusion to the public. Here are some highlights:

Disability Arts Cymru

Disability Arts Cymru has been supporting artists since 1982. Over the years, it has been instrumental in leading and challenging the many social and systemic issues, which have prevented many disabled people from training, expressing, or

leading within the arts sector. Things have been changing, and for this social media online gallery, Disability Arts Cymru selected three artists who have contributed to this change.

The Heritage and Cultural Exchange

While the Pierhead was closed for public exhibitions we celebrated the area's history online by posting a series of archive photos on social media. The photos were provided by the Heritage and Cultural Exchange, which inherited the collection from the former Butetown History and Arts Centre.

Windrush Cymru: celebrating the lives and journeys of a generation

In June 1948, the SS Empire Windrush docked at Tilbury Dock in Essex carrying over 450 passengers from the Caribbean. Over the next 40 years, thousands of people from Commonwealth countries followed in their footsteps, with many making Wales their new home. They often encountered hostility and discrimination. The Windrush Generation have made an invaluable and lasting contribution to life in Wales. This exhibition is their story, in their own words.

The exhibition was delivered in partnership with Race Council Cymru and St Fagans National Museum of History.

Gallery of Community Champions

This year saw many ordinary people do extraordinary things to ensure the wellbeing and safety of our communities. As part of our work to connect with communities, and to honour their hard work and commitment, we created an online portrait gallery showcasing community champions from across Wales.

Members of the Senedd were invited to nominate up to three champions from their constituencies or regions to be part of the gallery.

'Good-turn energy' is a translation of 'Egni Cymwynas', a poem by Ifor ap Glyn, the National poet of Wales written to accompany the gallery.

Collecting LGBTQ+ histories

To mark LGBTQ+ History Month and in the run up to the Senedd elections, Mark Etheridge, curator at St Fagan's National Museum of History selected key items from the museum's collection that highlight the importance of political activism and of using your voice.

Women, Wales and Politics

Marking International Women's Day and Women's history month in the run up to the Senedd election we celebrated the Welsh women who campaigned for the right to vote, and shared the experiences of Women in Welsh Politics.

Online engagement sessions and presentations

Our online engagement sessions and presentations open up engagement opportunities to different people who traditionally may not come to visit the Senedd. This is for a variety of reasons: some people don't realise that the Senedd is open to the public; there are physical barriers such as geographical distance; and some people are concerned that they will not understand the language and jargon that we commonly use. We simplify a lot of jargon-heavy topics and concepts by using visual presentations and customising the information we provide to suit the audiences as appropriate.

In a similar way to how we would operate physical guided tours at the Senedd, we deliver 'general tours' to the public and then offer more specialist presentations depending on the needs and level of understanding of the group. The benefit of offering these two options of open and closed groups is that we are able to reach a larger variety of audiences and to tailor any ad hoc closed sessions to the needs of the group. This could range from probus groups, students, international parliamentarians, civil servants, public sector workers and members of the public with an in-depth understanding of the Welsh political landscape. The message that we always share is that the Senedd is a progressive, open and transparent parliament.

We have used a presentation entitled, 'An introduction to your Senedd' that offers a user-friendly experience, whereby a member of the public with little or no knowledge of politics in Wales would be able to understand and hopefully find the content engaging. We use appropriate language to suit the audience, as well as using interesting visuals to present this information in an upbeat and entertaining tone.

We have offered a range of times when delivering our sessions to improve accessibility for people with competing demands, including daytime, evening and weekend sessions.

Senedd 360 degree tour

During the Covid-19 lockdown, we developed a 360 degree tour of the Senedd whilst the building is still closed. The tour provided the public with a special "all

areas" access to the Senedd building from their laptop, tablet or phone. Launching this new technology allowed us to provide access to the public who may not be able to visit in-person.

Audio Tours

We have developed a self-guided audio tour that sits on the our website. The tour delivers high quality, informative content, complementary to other aspects of the visitor experience.

Feedback shows that 75% of visitors said that 'it added to the experience a lot', 92% that the content was 'very informative', 56% that 'the tour's content added context otherwise not available'. Visitor have given feedback for a desire to see tours with the themes: architecture, devolution in Wales, sustainability, audio tour being delivered by a well-known person, and a young person's tour.

Going forward, we will be improving the audio tours to improve the usability of the tour, to connect with Senedd business and to improve accessibility including video tours, other language tours, BSL tours, tours aimed at younger visitors and specialist tours.

Celebrating Diversity and Inclusion

We have continued to mark diversity events throughout the year, both internally and externally. We have used social media to promote the Senedd as an inclusive parliament and held events to mark different diversity and inclusion occasions.

Black History Month

The events and community engagement team noted Black History Month last year by commissioning Abu-Bakr Madden Al-Shabazz to host an online lecture sharing the history of the Windrush Generation in Wales. We also celebrated Black History Month in Wales by hosting a digital discussion with notable figures in Welsh society including rugby player Ashton Hewitt and writer/poet Eric Ngalle Charles. The event provided a platform for panellists to discuss experiences of race equality and their hopes and aspirations for the future.

The Eisteddfod

The Events and Community Engagement team worked in partnership with Race Council Cymru last year to curate a panel discussion within the societies digital pavilion programme at the Eisteddfod to discuss promoting racial equality in Wales and the future practicable steps which could be taken.

LGBTQ+ History Month

The Engagement Team worked in partnership with the Iris Prize, the world's largest, LGBTQ+ operated, Welsh film festival this year to note LGBTQ+ History Month. The event showcased two short films followed by a panel discussion with the Welsh directors. The event highlighted stories from real people who live in Wales and touched on Welsh LGBTQ+ experiences and the wider issues of our shared humanity, identity and our sense of home.

International Women's Day

To note International Women's Day this year, the Events and Community Engagement team worked to curate a panel of inspiring women from all parts of Wales. The event focussed on discussing the global campaign focus this year which was #ChoosetoChallenge which provided the women with a platform to share their stories of challenging stereotypes, supporting communities and causes and empowering women.

International Day of Disabled Persons

To mark International Day of Disabled Persons the Events Team curated a digital panel to discuss a vision for a more equal Wales. The panel discussions focussed

on reflecting that not all disabilities are visible, sharing experiences of the pandemic and suggestions for rebuilding a more equal Wales for the future.

Virtual outreach

Historically, whilst the majority of the Senedd's engagement activities has taken place on the estate, the Covid-19 pandemic has required use of alternative communication and video conferencing tools. The benefit of virtual and online engagement is that activities are accessible to anyone with access to the internet and a device, including mobile devices, wherever they are based.

Microsoft Teams has been used for stakeholder engagement sessions whilst Zoom was used for the majority of events in 2020s online GWLAD series of events, which allowed for simultaneous translation adhering to the Official Languages Scheme. Online platforms support interaction with live audiences via Q&A, hand-raising or chat functions which were used successfully during the GWLAD series.

Online events allow for ambitious approaches to speakers and contributors as they do not need to be physically present at an event, gaining interest and participation from new audiences. Online activities have been streamed on various platforms including Senedd.tv, Facebook and YouTube as well as via Teams or Zoom platforms. This enables the audience to watch and engage with the event via their preferred platform.

Events can be recorded in both English and Welsh and made available on YouTube and podcasts. Links to the events can be sent to contacts and stakeholders after the event to be viewed at a convenient time. Disability groups have noted that this is particularly useful as many disabled people are carers themselves and unable to attend live events depending on scheduling.

We have engaged with a number of disability groups including but not limited to Disability Wales, Autistic Women's Empowerment Project, Scope, and Diverse Cymru, who have noted that virtual events are accessible to people with disabilities as there is no issue with accessibility of public transport and travel, and buildings and venues. This was also reflected in pre-submitted questions from disabled audiences during the GWLAD series of events.

Engaged with people from all parts of Wales, in communities across the country, and on our estate through workshops, presentations, events and engagement activity related to committee consultations.

Welsh Youth Parliament

The inaugural **Welsh Youth Parliament** term came to an end in February 2021, culminating in a joint session between the Senedd and Welsh Youth Parliament Members. The meeting focused on the work undertaken by Welsh Youth Parliament Members, including recent reports **Let's Talk About Mental Health** and **Reduce Reuse Recycle** that were launched towards the end of 2020.

The work of the Welsh Youth Parliament continues to be influenced by young people from across Wales despite all work taking place virtually for the final year of the term due to Covid restrictions. The Welsh Youth Parliament Members were able to continue their work of engaging and involving young in their work during the pandemic by running virtual events, promoting surveys and other ways to get involved through social networks and within their schools, colleges and organisations.

Welsh Youth Parliament seeks to ensure representation of diverse groups of young people through working with 13 official Welsh Youth Parliament partners, who to return 20 of the 60 Welsh Youth Parliament Members. This ensures that young people who face real or perceived barriers to participation have the support they need to engage, and involve other young people from within these organisations to have a voice and input to the work.

We want to thank all of the official Welsh Youth Parliament partner organisations for all of their support during the first Welsh Youth Parliament Term. Those official partners include:

- Tros Gynnal Plant Cymru
- Ethnic Youth Support Team/Race Council Cymru
- Barnardo's Cymru
- Youth Cymru
- Talking Hands
- Carers Trust Wales
- Learning Disability Wales
- Urdd Gobaith Cymru
- Girlguiding Cymru

- Caerphilly Youth Service
- NYAS (National Youth Advocacy Service)
- Voices from Care

The application process for new WYP partner organisations for the second WYP term 2022-2023 will be launched at the end of May 2021.

Votes@16 and Senedd Election

The Senedd and Election (Wales) Act gave 16 and 17 year olds the right to vote in Senedd Elections for the first time in 2021, and also extended the franchise to qualifying foreign nationals. To help raise awareness and understanding of the election we co-produced education resources with education professionals and young people available to use in a variety of settings including home schooling, with materials produced with signed BSL, and for those with Additional Learning Needs. We also worked in partnership with the Electoral Commission to deliver train the trainer sessions, and ran virtual workshops with a variety of schools, colleges, and youth groups including British Deaf Association, MEND, Glitter Cymru, Deaf Cool Youth Club Cardiff, Ethnic Youth Support Team.

6. Promoting Inclusion Beyond Wales

Commonwealth Parliamentarians with Disabilities

In September 2020, Deputy Presiding Officer (DPO) Ann Jones MS was elected by her international peers to represent the interests of the 13 parliaments which make up the Commonwealth Parliamentary Association Region, as its Champion for Parliamentarians with Disabilities.

Since that time, the DPO has met virtually with the Association's other international champions and has led the participation of advocates in other parliaments within the UK and further afield to discuss priorities to take forward the work of this important network. As part of this Ann has been able to showcase the Senedd as well as to lead the work of creating an Accessibility checklist, as an audit tool to suit the needs of parliaments.

Network of Gender Sensitive Parliaments

The Llywydd was invited to represent Wales as a founding Member of a new network of Gender Sensitive Parliaments, hosted by the Catalan Parliament.

The Llywydd gave a keynote address at the Network's virtual conference in November 2020 in which she was able to relay the good story the Senedd has to tell as a gender sensitive Parliament. Other legislatures participating in the conference included Speakers from the Valencian, Basque, Corsican and Scottish Parliaments. Following on from the conference, the Llywydd held a further meeting with the Deputy Presiding Officer of the Scottish Parliament to learn more of steps taken in Holyrood to attract women from BAME backgrounds into politics.

Commonwealth Women Parliamentarians (CWP) – involvement of Senedd Members

The Senedd's Branch of the CPA has continued to play an active role in the Association's Commonwealth Women Parliamentarians throughout this reporting period. This work has been led by Joyce Watson MS and Rhianon Passmore MS and also included the participation of Senedd Commissioner Suzy Davies MS in the most recent CWP Conference, held virtually in February 2021, on the theme of "Prioritising Women's Representation and Promoting Gender Sensitive Parliaments"

International Women's Day

The DPO chaired the Senedd's virtual International Women's Day event on this year's theme of 'Choose to Challenge'.

The panel included women from different backgrounds and sectors, which provided an opportunity for them to talk about their contributions, challenges, achievements and hopes for the future; with a view to the Election in May.

Senedd Members' contribution to Women's Archive Wales "Setting the Record Straight" Project.

Over a dozen Senedd Women Members, past and present, including the Llywydd and DPO, have participated in this project. The aim is to safeguard the records and voices of women in Welsh Politics, ensuring that the contribution of Women Members of the Senedd towards the story of devolution is appropriately reflected .

Setting the Record Straight - Interview Clips 5 (womensarchivewales.org)

https://blog.library.wales/a-sprinkling-of-history/

Petitions

A new website for petitions to the Senedd was launched on 30 April 2020. This was developed and tested against current accessibility standards and made a number of accessibility improvements to the previous petitions website. It meets the Web Content Accessibility Guidelines version 2.1 AA standard and features an **accessibility statement**. The new website has made it easier for everyone to create and sign petitions. Since it was launched, the average number of signatures per petition has increased by 45%.

A number of petitions relating to diversity and inclusion were received and scrutinised by the Petitions Committee. The Committee held a debate on petition **Make it compulsory for Black and People of Colour UK histories to be taught in the Welsh education curriculum**, which had received 34,736 signatures, during a Plenary meeting on 4 November 2020 and scrutinised petitions calling for **anti-racist teaching materials in schools**, **anti-racism training for Councillors and Members of the Senedd** and the **creation of a National Museum for Welsh Black, Asian and Minority Ethnic History and Heritage**.

The Petitions Committee also considered petitions relating to **blood donation rules for gay and bisexual men**, **teaching of LGBTQ+ Welsh history in schools**, **provision of prosthetic limbs on the NHS**, **priority vaccination against**

Covid-19 for people with learning disabilities and ensuring **retail is accessible to disabled people in light of the Covid-19 pandemic**.

Widening the reach of the work of Senedd Committees

Much of the work undertaken during this period has focussed on the impact of the Covid-19 pandemic.

- The Children, Young People and Education Committee looked into impact of Covid-19 on children and young people, including students in further and higher education. To ensure that the Committee heard from a broad and diverse range of people, Members drew on a number of evidence gathering techniques. including a **child-friendly call for views**, **virtual discussions with looked after children**, **virtual roundtables with students in further and higher education**, and working in partnership with relevant organisations to speak with disadvantaged children. The **report** was published in March 2021. Given concerns about the impact of Covid-19 on Black, Asian and Minority Ethnic communities in particular, the Committee also held a **public evidence session with young people representing Race Council Cymru**.

- The Equality, Local Government and Communities Committee took evidence on the impact of the Covid-19 pandemic on inequalities, resulting in a **report** which made 44 recommendations, of which 42 were accepted or accepted in principle / in part by the Welsh Government.

- The Committee also looked at the impact of the pandemic on the voluntary sector, holding online focus groups with representatives from community and faith groups across Wales. Participants were sourced through a number of organisations including Wales Council for Voluntary Action, Ethnic Minorities and Youth Support Team Wales, Council for Wales of Voluntary Youth Services and the Interfaith Council for Wales. The evidence from these sessions then informed the Committee's **report** and recommendations to the Welsh Government, including calling for improved access to funding for the black and minority ethnic voluntary sector.

- At the start of the pandemic, the Health, Social Care and Sport Committee issued a rolling call for evidence to gather information in a light touch manner on an ongoing basis. In spring and summer 2020,

the Committee undertook a **survey** of frontline health and social care staff, carers and people receiving care or treatment in clinical settings and the community. During its work on long COVID in March 2021, the Committee wanted to hear from people with first-hand experience of the disease. It arranged an evidence session with a peer support group, Long COVID Wales. One of the symptoms of long COVID is brain fog, which can make it difficult for people to concentrate and formulate responses. In addition to the usual pre-session technical tests, the anticipated questions were shared with the witnesses in advance to give them plenty of time to consider issues and prepare their responses. During the meeting, Members focused on the areas of highest priority for them, and the Chair ensured that all of the witnesses had sufficient time to answer.

- The External Affairs and Additional Legislation Committee undertook follow-up work into the changes to freedom of movement after Brexit and its implications for Wales. As part of its scrutiny, the Committee re-engaged with EU citizens and individuals working for organisations who support them, who shared their views with the Committee during its initial inquiry in 2019. The Committee wished to explore the views and experiences of participants in those intervening months, in order to inform its letter to the Counsel General and Minister for European Transition and the Minister for Future Borders and Immigration at the Home Office. Those participating in the focus group represented organisations responsible for supporting EU citizens to apply for the EU Settlement Scheme, which included a number of vulnerable groups.

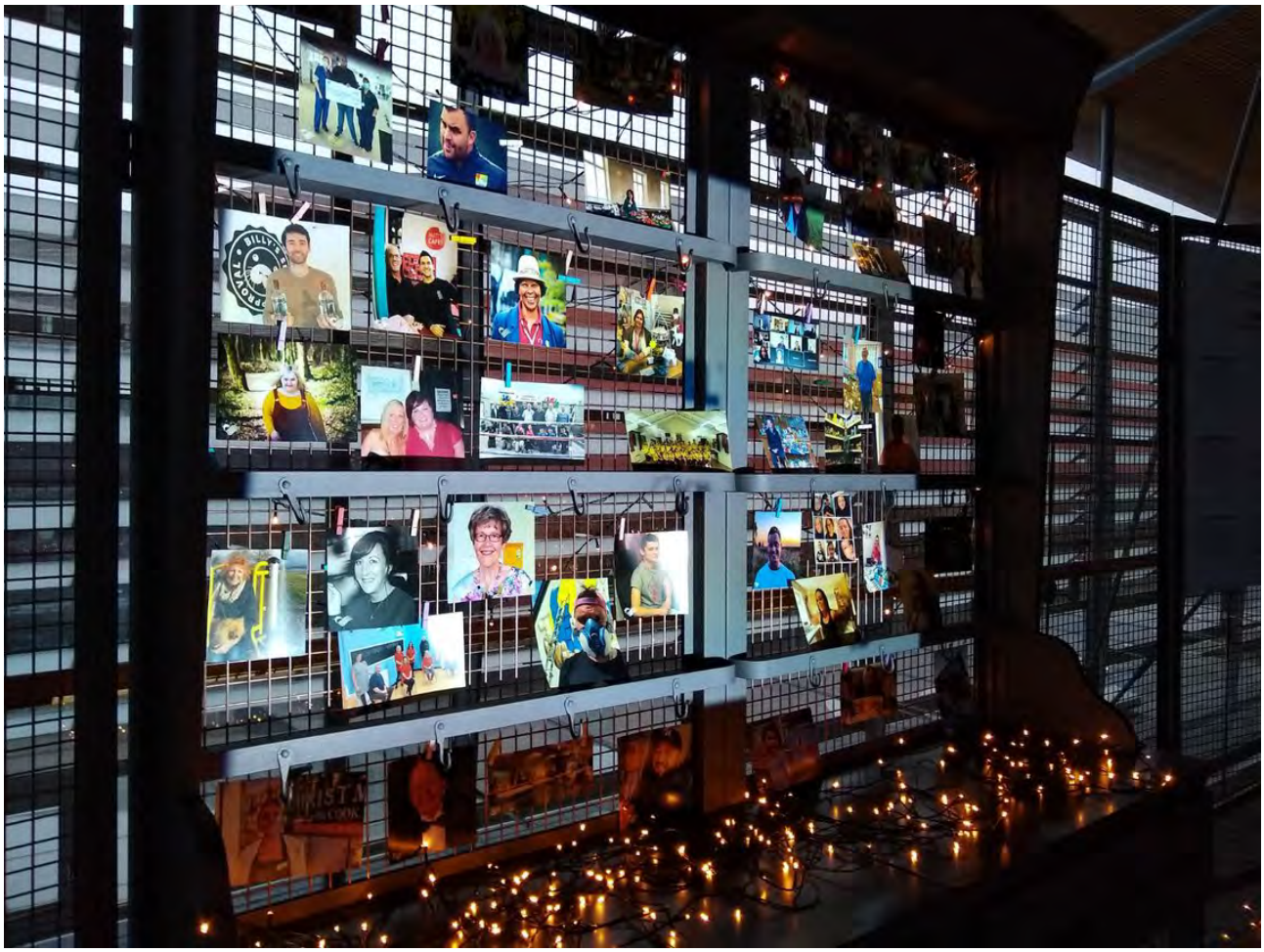
Other work undertaken by Committees this year covered a range of diversity issues.

- Partly in response to public reaction following the death of George Floyd summer 2020, the **Culture, Welsh Language and Communications Committee** undertook an inquiry into who gets remembered in public spaces. The Committee engaged with members of the public and organisations representing minority groups in Wales via a public consultation and a series of online focus groups facilitated by the Senedd's Citizen Engagement Team. Its **report** was published in March 2021.

- The **Committee on Senedd Electoral Reform**'s **report** included chapters on diverse legislatures and inclusive legislatures, electing a more diverse Senedd, and diversity quotas. The Committee looked at why diversity

and inclusion is important and has a positive impact within legislatures, as well as potential actions that could increase diversity of representation.

- Early in the Sixth Senedd, proposals will be taken to the Chairs' Forum to assess and promote the **diversity of Committee witnesses.**



7. Diversity and Inclusion in our Work – Business as Usual

We support Senedd Commission staff to build diversity and inclusion into their work to ensure inclusive decision-making, service design and delivery, access to our estates and by taking into account diversity and inclusion when buying-in goods and services. We also support Members of the Senedd to consider diversity and inclusion into their roles as employers, as service providers and into their work as caseworkers, scrutineers and legislators, and by engaging with the people of Wales.

Senedd Elections 2021 – Voting Age

The 2021 Senedd election will see 16 and 17 year olds able to vote for the first time. Electoral registration opened for younger people for the first time in July 2020. To support this, the Commission produced and published a range of educational online resources, including resources for teachers and students made available through the pan-Wales educational resources site, Hwb.

We also worked closely with partners in the electoral community, including the Electoral Commission, as well as with local government and Welsh Government colleagues. This helped to maximise exposure to the resources, and to ensure a more co-ordinated approach to informing younger people of their new rights, reducing overlap of resources and voter confusion.

A 'Vote 16' week was held in February 2021 to further promote the resources and help develop young people's understanding ahead of the election.

Website and Content Management Project

In December 2020, the Senedd launched a new website. Throughout the development process, the project team was focussed on the needs of the diverse users of our website, and therefore accessibility issues were extremely important. Once the new website was built, an independent company was engaged to test accessibility from the viewpoint of users with varying disabilities,

who use different tools such as screen readers or digital magnifiers when navigating websites.

Whilst the new website is a clear step forwards from our previous provision, before launch we eighty specific accessibility issues were identified and resolved which required investigation, whilst a further test post launch identified another 40 issues with which we continue to make improvements. Accessibility testing and improvements remain key activities as the website matures alongside improved levels of web accessibility training for our editors across the organisation.

A newly formed Senedd Website Editorial Board now has responsibility for oversight of our web presence, to ensure all our users can navigate the whole of the Senedd web eco-system and access the rich variety of content it contains.

Remuneration Board

Diversity and inclusion is central to the work of the Independent Remuneration Board of the Senedd. Throughout its decision-making processes, the Board considers the impact of all its decisions on the protected characteristics.

In June 2020, the Board published its Determination on Members' Pay and Allowances for the Sixth Senedd. This Determination sets out new provisions specifically aimed at removing potential barriers to becoming a Member of the Senedd. The aim of the changes introduced is to help increase diversity within the membership of the Senedd. These include:

- an allowance for Members to help meet costs incurred in relation to a disability or disabilities (this was an extension of an existing provision);
- additional resources to help with a Member's workload during their period of parental leave; and
- a contribution towards care costs for children and/or dependents when Members are required to work beyond family friendly hours.

The full changes can be found in the Board's Determination for the Sixth Senedd.

Research and Information for Members of the Senedd

Senedd Research continued to mainstream equality and human rights issues in the research provided to Members of the Senedd and their staff.

In a year dominated by the pandemic, Senedd Research published more than 150 articles on COVID, placing particular emphasis on equality and human rights to draw out issues that might not be covered by other sources.

Of particular note were several equality-focused publications, including: an assessment of the **emerging equality issues** and **human rights implications** of the pandemic; guidance on **making human rights-compliant decisions in times of emergency**, and an assessment of the **Coronavirus Act** for its human rights implications.

Our other COVID articles covered equality issues in a range of ways:

- **Domestic abuse**
- **Children's rights** and the **impact of the pandemic on children**
- **Digital inclusion**
- **Employment rights**
- **Inequalities in the vaccination rollout**
- **The equality impact of remote working**
- **The unequal economic impact of the pandemic** and **economic recovery**
- **Young people and mental health**
- **Unpaid carers**
- **Characteristics of key workers**
- Statistics publications on **COVID cases and deaths** and **vaccinations** use gender- and age-disaggregated data wherever available

Racism and race inequality were covered more broadly through two articles in **October** and **March**, and covering the **teaching the histories of people of colour in the curriculum**.

For the previous three years 'gender equality indicators for Wales' have been published on International Women's Day. This wasn't possible this year, but the team produced a different publication on **gender and intersectionality**.

Senedd Research provided expert research and advice to various Senedd committee inquiries that covered equality issues, including (not limited to):

- The Equality, Local Government and Communities Committee's inquiry, **Into sharp relief: inequality and the pandemic** - summarised in **this article**;
- The Children, Young People and Education Committee's inquiry into the **impact of the pandemic on children and young people**;
- The Culture, Welsh Language and Culture Committee's inquiry into **who gets remembered in public places**;
- The Economy, Infrastructure and Skill Committee's inquiry into **remote working**, as part of which Senedd Research worked with academics from the COVID Expert Register to **understand the impact of remote working on different groups of people**. The Committee's **inquiry into economic recovery** also covered gender equality and youth unemployment;
- The Health, Social Care and Sport Committee's scrutiny of the response to the pandemic highlights issues such as the **human rights of older people in care**, **mental health**, **unpaid carers**, and much more;
- Suggested equality questions for all committee when scrutinising the draft budget, and the Finance Committee's **scrutiny of the draft budget 2021-22** specifically covered equality issues.

Our equality lead is currently seconded one day a week to the INTER PARES international parliamentary development programme to provide advice on gender and equality issues. A successful workshop has been delivered for the Bhutan parliament to train MPs and staff on how to conduct gender-sensitive scrutiny of legislation, policies and budgets and further work will be undertaken throughout the coming year.

Members' Business Support and Members' Continuing Professional Development

During this reporting period, ongoing support from an inclusion perspective has been provided to Members and their staff which has included:

- delivery of Diversity and Inclusion Inductions to Members and their staff;

- supporting the professional development of Members and their staff by offering Diversity-focused training including: Managing Casework, Managing Unconscious Bias, Suicide Intervention, Mental Health Awareness and Mental Health First Aid, Management Development, Dealing with Challenging Situations, Building Personal Resilience, Modern Workplace Practices and Dignity and Respect in the Workplace;
- maintaining a Members' intranet page which includes up to date information and guidance documents to ensure Members and their staff can access equality, diversity and inclusion information readily; and;
- provision of an Equality and Access Fund.

Accessible Estate

We continually review the accessibility of our estate, undertaking monthly maintenance audits, as well as acting on feedback and adopting best practice. During this reporting period, we have undertaken further work to improve the physical accessibility of our estate, including:

- considering access requirements for all refurbishment work that have been carried out and completing Equality Impact Assessments as required;
- installation of additional access control handle sets linked to the new access control system across the Cardiff Bay estate;
- continuing with the program of installing LED lighting to improve visibility in the Senedd and other areas across the estate;
- an external audit conducted on Induction Loop provision in meeting rooms and common areas throughout the estate with recommendations implemented;
- when planning the return to the estate for building users, as part of the hybrid Plenary sessions, and COVID secure measures on the estate, accessibility was a key consideration including when devising the one way systems and installing additional signage;
- hybrid working pilots – we have installed a dual level breakfast bar in the tea point on 4A and the meeting pods on 1A, 3A and 4A have been specifically adapted and redesigned to be fully accessible by removing

the arms on the pods and narrowing the internal tables. The new banquette seating in the tea points on 1A and 4A is also fully accessible;

- installation of braille lift buttons and signage as part of the mechanical and internal refurbishment of lifts 4 and 5 in the Senedd building;
- installation of fully accessible speed styles and lanes in both the Tŷ Hywel and Senedd entrances; and
- installation of additional auto door push buttons throughout Tŷ Hywel and upgrading of the existing auto doors to include additional safety sensors.

Taking into account diversity and inclusion when buying-in goods and services

Equality is included as part of our sustainability risk assessments at the very start of the procurement process. It also forms part of our pre-qualification exercise for suppliers. Suppliers who fail to demonstrate their commitment to equality are not invited to tender.

Post contract-award, we conduct regular contract review meetings with our suppliers and one of the standard agenda items is corporate social responsibility. We also have equality clauses in our terms and conditions.

We are an accredited living wage employer and we pay above the living wage rate is paid to our in-house contractors. We are committed to ensuring fair and transparent employment practices are in place throughout our supply chain. Consequently we seek to work with our suppliers to monitor and ensure fair employment practices and, acting reasonably, we reserve the right to request changes to any of those practices we consider to be unfair.

All of our Contractors are encouraged to join our Workplace Equality Networks and attend their events

8. Progress Against Our Strategic Objectives

We've reviewed how we've met our strategic objectives for D&I as part of our D&I Strategy over the last year. We have also captured what we will do next and factor this into the development of our next strategy for the Sixth Senedd.

Objective One	**Fostering Inclusive Leadership and an Inclusive Culture**
Theme	What we've done this year
Ensuring senior accountability and inclusive leadership	Engaged with Business in the Community Cymru to assist us in delivering our strategic objectives in relation to D&I, Health and Wellbeing, Community Engagement which owned by leadership; instigated Senedd Commission representation and contribution at BITC Cymru Executive Board level
	Developed an Executive Level 2 leadership development programme, alongside our Executive Development programme
	Staff engagement survey and pulse surveys used to amend/update People Strategy where required
Supporting and developing our Workplace Equality Networks (WENs)	Developed an approach to bring networks and champions together (with HR and TUS)
	Encouraged and supported WENs to use different communications methods to engage e.g. podcasts for internal audience
	Provided learning and development interventions 'Chairs' Training' and 'Empowering Others' to support and develop resilience for Network Chairs (self-management, relationship management, escalation, listening skills etc.)

Objective Two	Building on our Approach to Organisational Development
Theme	What we've done this year
Identifying and removing barriers to inclusion	Refreshed and re-launched our careers website pages which is aligned with our employer brand and focuses on our organisational culture and employee experience
	Implemented our new online recruitment applicant tracking system in November 2020. Started to utilise data analytic capabilities to identify candidate source and make informed choices about our advertising and outreach strategies. We streamlined application forms and use ATS to anonymise applications by removing biographical data such as name and gender. Candidates can create a profile on our ATS to save time for future applications and can use the system on device of their choice, including smart devices. Continuous improvement in developing engaging candidate information; rolling out candidate and hiring manager feedback; enhancing Management Information availability and use; capturing applicant data on socio-economic disadvantage
	Assessed the shift to virtual recruitment activities through a D&I lens
	Review D&I induction training for onboarding and refresher for the Sixth Senedd term
	Awareness raising events – Black History Month, Time to Talk Day with content prepared by colleagues for colleagues (more detail in Our People chapter
External benchmarking and recognition	Disability Confident Employer status re-accredited
	Investors in People Platinum award
	Business in the Community: Race at Work Charter Signatory
	Working Families – Top 10 Employer 2020
	Times Top 50 Employers for Women
Learning and Development	Learning and development activities have been undertaken virtually

Objective Two	Building on our Approach to Organisational Development
Inclusive workplace policies	Equality Impact assessments for shift to virtual recruitment and return to the Senedd estate
	Our Policy Hub ensures that policies are reviewed and that EQIAs are conducted

Objective Three	Supporting Members of the Senedd and their staff to build diversity and inclusion into their work
Theme	**What we've done this year**
Building diversity and inclusion into their roles as employers, as service providers into their work as caseworkers, scrutineers and legislators	Delivered D&I inductions to Members and their staff
	MBS – Members and their staff have received learning and development sessions that have included: Managing Casework, Managing Unconscious Bias, Suicide Intervention, Mental Health Awareness and Mental Health First Aid, Management Development, Dealing with Challenging Situations, Building Personal Resilience, Modern Workplace Practices and Dignity and Respect in the Workplace;
	Members' intranet pages and D&I section including Equality Act 2010 Factsheets and other readily accessible information
	Remuneration Board – Determination for Sixth Senedd updated for the Sixth Senedd to include a new chapter to provide additional support for Members with disabilities or caring responsibilities. Provision is focused on removing potential barriers to standing for election as a means of helping to attract a diverse range of candidates.
Engaging the people of Wales	Shift from physical to virtual engagement activities (see Outreach, Engagement and Democratic Engagement Chapter)

Objective Three	Supporting Members of the Senedd and their staff to build diversity and inclusion into their work
	Promotion through social media for events including Black History Month, LGBT History Month, International Day of Disabled People, International Women's Day
	Events and exhibitions (please see attached report for detail)

Objective Four	Supporting Senedd Commission staff to build diversity and inclusion into their work
Theme	**What we've done this year**
Inclusive decision-making, service design and delivery	We continue to consider equality, diversity and inclusion as part of our ongoing work, when developing policies, services and making changes to our estate by requiring leads to conduct Equality Impact Assessments.
	D&I team and Workplace Equality Networks provided specialist advice and have critically reviewed Policies and Procedures, as well as supported the development of Equality Impact Assessments, to ensure diversity and inclusion is considered and any barriers are identified and mitigated against.
	Reviewed Service Area plans regularly in order to take into account diversity and inclusion considerations.
	Our Estate is continually reviewed to ensure it is accessible to all.
Taking diversity and inclusion into account when buying goods and services	Equality is included as part of our sustainability risk assessments at the very start of the procurement process. It also forms part of our pre-qualification exercise for suppliers. Suppliers who fail to demonstrate their commitment to equality are not invited to tender.
	Post contract-award, we conduct regular contract review meetings with our suppliers and one of the standard agenda items is corporate social

Objective Four	Supporting Senedd Commission staff to build diversity and inclusion into their work
	responsibility. We also have equality clauses in our terms and conditions.
	We are an accredited living wage employer and ensure that the living wage is paid to our in-house contractors. We are committed to ensuring fair and transparent employment practices are in place throughout our supply chain. Consequently we seek to work with our suppliers to monitor and ensure fair employment practices and, acting reasonably, we reserve the right to request changes to any of those practices we consider to be unfair.
	All of our Contractors are encouraged to join our Workplace Equality Networks and attend their events.

Objective Five	Behaving as an Inclusive Employer that attracts and retains the widest pool of talent where all staff have the opportunity to realise their full potential
Theme	**What we've done this year**
Supporting our talented workforce	We have put in a range of mechanisms to support the wellbeing and development of our staff during the Covid-19 pandemic. Learning and Development provision has continued on a virtual basis and we have regularly surveyed our staff ascertain their wellbeing and engagement. More detail in 'Our People' chapter.
Recognising and addressing underrepresentation in our workforce	Used our new applicant tracking system to gain more insights from data re candidate source and protected characteristics; developed recruiting strategies for senior posts which include redesigning job packs, trialling different advertising platforms and advising recruiting partners of our diversity and inclusion objectives re underrepresentation; joined the Civil Service Vacancy Platform; adjusted our employer branding and imagery; peer review with public and private sector organisations; anonymised applications; colleagues from REACH Network have sat on recruiting panels; rotational representation from REACH network members at Leadership Group

Objective Five	Behaving as an Inclusive Employer that attracts and retains the widest pool of talent where all staff have the opportunity to realise their full potential
	meetings; reverse mentoring with senior colleagues and REACH members.
Collecting and using diversity data to identify and address any inequalities	Our workforce, recruitment and pay data report are published in tandem for ease of access to the information. This year, we have attempted to present the data in a more engaging, visual format. From 1 April 2021, we will collect applicant data on socio-economic status. We will also be seeking candidate feedback on an ongoing basis for different stages of the recruitment process.
	Headline data (see Our People chapter)

9. What Next?

We have arrived at the end of the Fifth Senedd and the end of this current strategy. Below, we identify existing and emerging workstreams which will inform the development of the Sixth Senedd's Diversity and Inclusion Strategy.

These workstreams include:

Strategy and Governance

- Developing a new strategy through involvement and consultation.
- Aligning our workplace equality networks, senior champions and TUS colleagues through an Inclusion Board to give strategic oversight of our annual delivery of D&I objectives.
- Work cross-organisationally with BITC Cymru to reach and engage with underrepresented groups.
- Work with strategic partners and commission expert advice where necessary.
- Annual D&I delivery plan published – with actions consolidated from all recruitment, diversity and pay data monitoring activities and also BAME Action Plan and Comms/Engagement. This aligns with our People Strategy.

Leadership, Culture and Values

- Refresh D&I induction and refresher training.
- Continue to support the development of our workplace equality networks, chairs and champions – further defining roles and responsibilities.
- Develop a new behavioural framework which takes account of our organisational values.

Recruitment and Employment

- Continue to operate agile, inclusive recruitment that is likely to be virtual and takes account of our organisational values (post-Covid).
- Review our benchmarks for recruitment and workforce data in light of the pandemic and remote working and identify relevant and appropriate benchmarks to assess the efficacy of our efforts.
- Continue to monitor underrepresentation in our workforce and use advertising strategies to reach a wider audience and increase the diversity of our talent pipeline.
- Review conversion rates for external campaigns for BAME and Disabled applicants.
- Re-imagine our approach to talent management (development and progression).
- Design and implement a BAME Graduate Internship.
- Continue to monitor and take action to reduce our gender and ethnicity pay gaps.
- Monitor socio-economic disadvantage of applicants and our workforce to gain insights that might inform decision-making and service design (as advised by the Senedd's Public Accounts Committee).
- Gather candidate and hiring manager feedback to help improve our processes.

An Accessible, Inclusive Parliament

- Support a drive in diversity and inclusion through attraction and recruitment for Public/Crown Appointments for which we manage campaigns and appointments.
- Link up our employer brand with Communications, Engagement and Outreach activities.
- A citizen-led approach to engagement with the people of Wales that effects behavioural change in people who have not to date participated in the work of the Senedd.

- Decision-making continue to take account of D&I at highest level i.e. EQIAs for projects and investments considered by EB.
- Service area-specific D&I objectives.

Welsh Parliament
Senedd Commission

Diversity and Inclusion

Equal Pay Audit, Gender and Ethnicity Pay Gap Reporting

2021

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1. Introduction

The purpose of this report is to provide information relating to the Senedd Commission's 2021 Equal Pay Audit, Gender Pay Gap figures; and Ethnicity Pay Gap figures.

The purpose of providing this data is to ensure that pay practices are free from unfairness and discrimination on any grounds related to a protected characteristic.

The overall objective is to identify the actions that the Commission can take to ensure there is ultimately no overall difference in pay between different groups.

2. Definitions

What is an Equal Pay Audit?

'An equal pay audit is an assessment tool that is used to determine whether an employer is meeting its obligations under the Equality Act 2010 to provide different groups of staff **equal pay for equal work**.

An equal pay audit involves:

- Comparing the pay of protected groups (sex, age, disability, sexual orientation, race, and religion or belief) who are doing equal work within the Commission;
- Investigating the causes of any pay differences within these groups; and
- Identifying any actions required to close any gaps that cannot be justified on grounds other than one of those characteristics. [1]

What do we mean by Gender Pay Gap reporting?

The Gender Pay Gap is the percentage difference between the average (mean and median) earnings of men and women across a workforce. It is different to equal pay, which considers the pay of men and women doing the same for equal or similar work. Instead, it is the is the difference between what men typically earn in an organisation compared to what women earn, irrespective of their role or seniority or type of work.

In line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, employers need to publish six calculations showing:

- mean gender pay gap in hourly pay;
- median gender pay gap in hourly pay;
- mean bonus gender pay gap;

[1] Equality and Human Rights Commission – Equal Pay Audit Toolkit

- median bonus gender pay gap;
- proportion of males and females receiving a bonus payment; and the
- proportion of males and females in each pay quartile.

What do we mean by Ethnicity Pay Gap reporting?

We have voluntarily published our Ethnicity Pay Gap information since 2019.

The Ethnicity Pay Gap measures the difference in pay between all employees who have identified as BAME and those who employees who have identified as White in the Senedd Commission's workforce.

The Commission reports the Ethnicity Pay Gap against the same measures as those for the Gender Pay Gap.

Mean and Median

Throughout the report, the information used looks at both the 'mean' (average) and the 'median' (middle) pay. This allows us to have due consideration for the average pay for the different groups, but also use the median calculations to identify are areas where the mean may have skewed the overall data.

Mean is the average hourly rate of pay, calculated by adding the total hourly pay rate for all employees then dividing that figure by the number of employees.

To calculate the median, the pay rates for all employees are arranged in order from lowest to highest. The median is the hourly rate which appears exactly in the middle.

In line with the Gender Pay Gap reporting website, percentages throughout this report have been rounded to one decimal point.

3. Scope

Due to some differences in which Equal Pay audits and Pay Gaps are reported, there are some differences in scope between these. The below table summarises these:

	Equal Pay Audit	Gender/Ethnicity Pay Gap
Period of time taken into account	31 March 2021 only	1-31 March 2021
Definition of pay	Full Time Equivalent Salary including allowances ("Total pay")	Actual salary for the whole of March (which may be pro-rated for Part Time staff) after salary sacrifice deductions (except childcare vouchers) and including allowances
Headcount	480	462
All staff on perm/temp contracts employed on 31 March were included except:	Internal secondments and staff currently on career breaks or anyone not on a pay band	Internal secondments and staff currently on career breaks or anyone not on a pay band. Anyone who has worked less than a full month (for example leavers or people on long term leave).
Information source	HR/Payroll IT System	

Pay and Reward system

The applicable pay scales came into effect on 1 April 2020 (Appendix 1). It should be noted that:

- Bands within the pay scales are designed to be relatively short to minimise any likelihood of pay discrimination;
- We use minimal allowances, minimising any potential for pay differentials;
- We do not pay bonuses to any of our employees;
- The usual practice is for new starters to begin on minimum pay point, and any differences to this have to go through an objective approval process;
- Trade Union Side are involved in pay reviews and negotiations with current pay arrangements in place till 2025 (subject to review) and informed by the Annual Survey of Hours and Earnings (ASHE) index; and
- We use the Cabinet Office's Job Evaluation Grading System (JEGS) system for most grades, and the Cabinet Office's Job Evaluation Senior Posts (JESP) system for Directors.

4. Equal Pay Audit 2021

Group comparisons to the overall workforce

This year we have seen positive traction in 3 groups, with 2 groups where the pay gap has increased, and 1 group where the median has increased and the mean has broadly remained the same.

Group	Group which has pay lead (% of workforce)	Compared to (% of workforce)	% more pay for lead group (FTE Total salary)**	Change in pay difference since April 2020?***
Sex	Women = 51.0% (Actual number =235)	Men = 49.0% (Actual number =245)	**Median:** 8.9%	**Median:** Reduced (was 15.2%)
			Mean: 5.3%	**Mean:** Reduced (was 7.3%)
Age	46-50 = 10.8% (Actual number =52)	All other ages = 89.2% (Actual number =428)	**Median:** 11.72%	Pay lead group has changed from last year (41-45 / 46-50). Between 41-50 ages between this year and last year **Median** has increased (was 11.2%) and **Mean** has increased (was 15.3%)
			Mean: 14.98%	
Disability	Staff who don't identify with a disability = 83.4% (Actual number =401)	Staff who identify with a disability = 5% (Actual number =24)	**Median:** 0.0%	**Median:** Reduced (was 4.2%)
			Mean: 3.7%	**Mean:** Reduced (was 4.4%)
Sexual Orientation	Non-LGBQ+ staff = 81.5% (Actual number =391)	LGBQ+ staff = 4.6% (Actual number =22)	**Median:** 7.1%	**Median:** Increased (was 8.4%)
			Mean: 0.3%	**Mean:** Increased (was 2.1%)
Race/ Ethnicity	Staff identifying as White= 91.7%* (Actual number =440)	BAME staff = 4.4%* (Actual number =21)	**Median:** 38.9%	**Median:** Increased (was 23.6%)
			Mean: 27.8%	**Mean:** Increased (was 20.9%)
Religion/ Belief	Agnostic/Atheist/ Christian/None/Other = 75.2%* (Actual number =361)	Muslim = 1.7%* (Actual number =8)	**Median:** 40.4%	**Median:** Slight increase (was 38.9%)
			Mean: 38.9%	**Mean:** Remained the same (was 39.0%)

*Does not total 100% of workforce as some staff have not specified

**Green = <10% / Amber = >10%, <25% / Red = >25%

*** Green = Reduced / Amber = Remained the same / Red = Increased

Group comparisons within the same Grade

The nature of an Equal Pay audit means that we need to consider whether staff receive '**equal pay for equal work**'. Therefore, we have analysed certain groups of staff to identify if there is any difference between their pay within the same pay grade. This information is shown in the below table. A positive number means the rest of the workforce at that pay grade is paid more than the Group being assessed. A negative number means the Group being assessed is paid more than the rest of the workforce at that pay grade.

It should be noted, that across the groups not all pay grades are represented in this table. This results where the amount of representation of the group in a particular pay grade is too small (less than 5 people or less than 5% of the group is within that pay grade) to make any meaningful finding, and due to the low numbers may skew the figures.

Group	Pay Band	Number of staff	Representation as a % of the workforce	Representation as a % of the Group	Difference between this group and the rest of the workforce in Total pay (%)**	
					Mean pay	Median pay
Women	Apprentice/ TS	42	39.3%	17.3%	5.2%	0.0%
	EO / M3	29	43.9%	11.9%	4.1%	0.0%
	HEO / M2	91	59.5%	37.4%	-0.5%	0.0%
	SEO / M1	44	57.1%	18.1%	-0.8%	0.0%
	Grade 7 / E2	30	50.8%	12.3%	-1.7%	0.0%
Age 30 and under	Apprentice/ TS	39	36.4%	45.9%	9.1%	8.0%
	EO / M3	19	28.8%	22.4%	4.8%	0.0%
	HEO / M2	19	12.4%	22.4%	7.2%	13.2%

Group	Pay Band	Number of staff	Representation as a % of the workforce	Representation as a % of the Group	Difference between this group and the rest of the workforce in Total pay (%)**	
					Mean pay	Median pay
	SEO / M1	5	6.5%	5.9%	11.8%	13.0%
Age 61+	Apprentice/ TS	12	11.2%	66.7%	-4.3%	0.0%
Staff identifying with a disability	Apprentice/ TS	5	4.7%	20.8%	-0.2%	0.0%
	HEO / M2	12	7.8%	50.0%	-1.5%	0.0%
LGBQ+ staff	HEO / M2	9	5.9%	40.9%	4%	13.2%
	SEO / M1	5	6.5%	22.7%	-0.3%	0.0%
BAME staff	Apprentice/ TS	12	11.2%	57.1%	1.6%	0.0%
	EO / M3	5	7.6%	23.8%	-0.3%	-14.6%
Muslim staff	Apprentice/ TS	7	6.5%	87.5%	0.6%	0.0%

**Green = <10% / Amber = >10%, <25% / Red = >25%

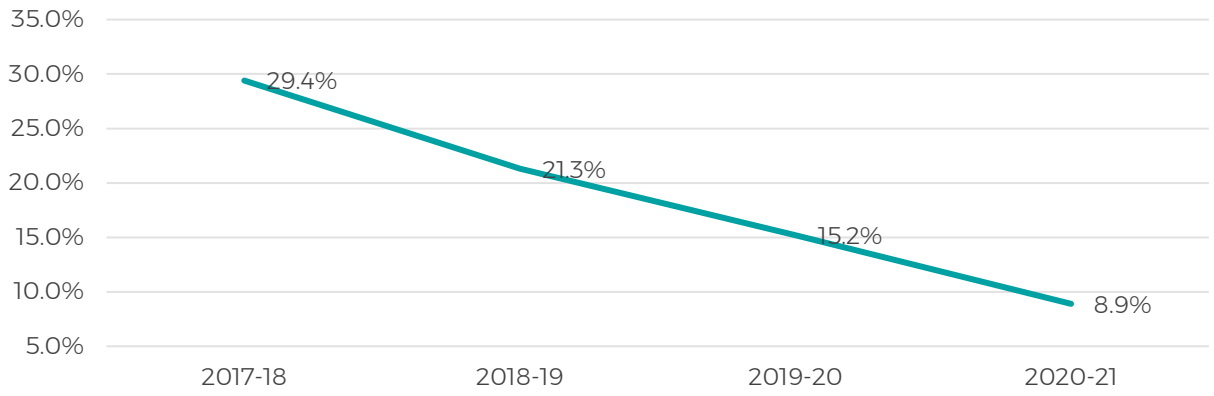
5. Insights and Analysis

Sex

Group	Group which has pay lead (% of workforce)	Compared to (% of workforce)	% more pay for lead group (FTE Total salary)**	Change in pay difference since April 2020?***
Sex	Women = 51.04% (Actual number =245)	Men = 48.95 (Actual number =235)	**Median:** 8.9%	**Median:** Reduced (was 15.2%)
			Mean: 5.3%	**Mean:** Reduced (was 7.3%)

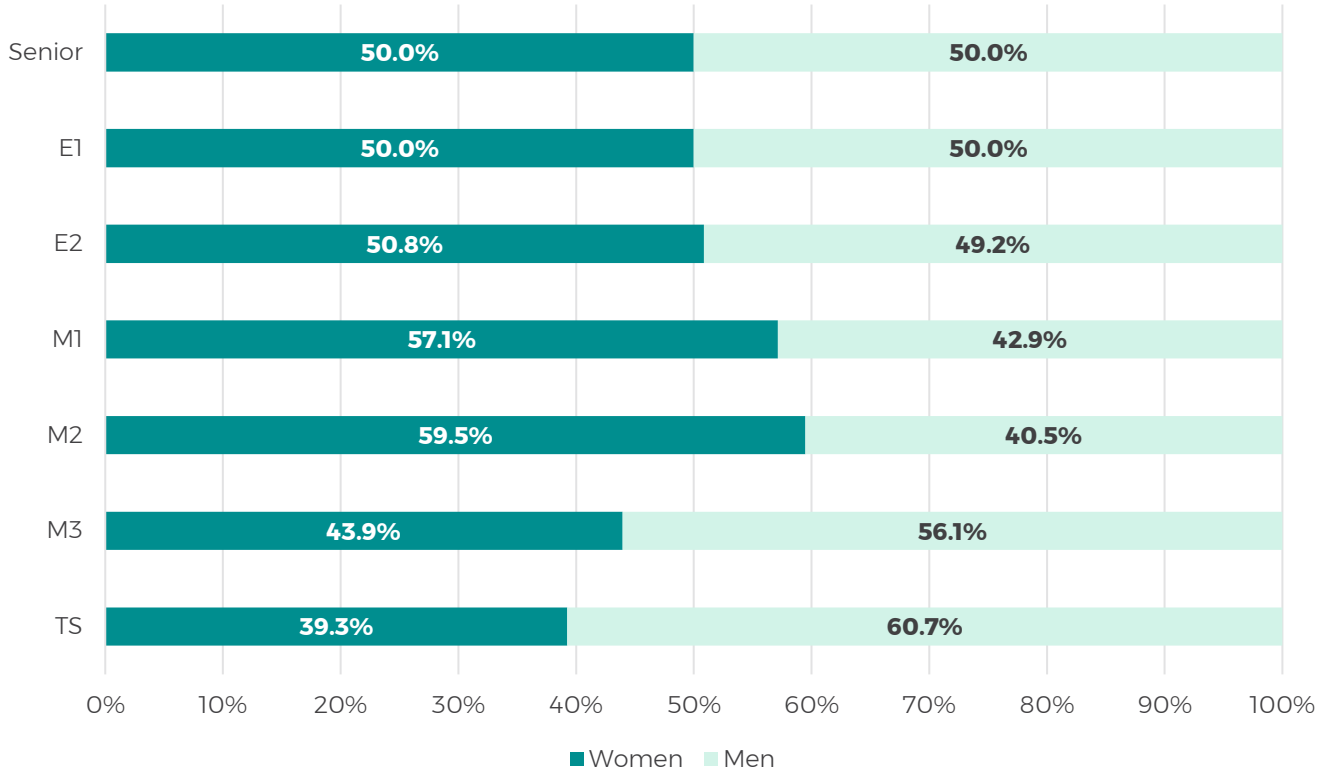
As we have seen over the last three years, the inverse equal pay gap has continued to decrease this year, which marks further progress towards neutralising the gender equal pay gap. (Graph 1)

Graph 1: Comparison of Total Pay Median difference between men and women over time



The Group comparisons within the same Grade table demonstrates that at all levels up to Grade 7, there is a zero median pay gap. The mean pay gap at an Apprentice/TS is 5.2% which is likely to be due to the higher representation of men (60.7%) at this level. At Grade 6 / Senior roles the numbers of staff are too small to make any significant pay grade findings. However, in terms of representation, at E1/Senior decision making level there is now a 50%/50% split. This means the ambition set out in the **50:50 by 2020 Campaign has been achieved.**

Graph 2: Gender Split by Grade Structure



Part-time Employees by Grade and Service Area/Occupation/Gender

	Part Time		Full Time	
	Male	**Female**	**Male**	**Female**
Apprentice	0.0%	0.0%	0.4%	0.2%
TS	1.7%	2.3%	11.5%	6.3%
EO /M3	0.6%	0.8%	7.1%	5.2%
HEO /M2	0.6%	6.9%	12.3%	12.1%
SEO / M1	0.2%	2.3%	6.7%	6.9%
Grade 7 / E2	0.0%	1.7%	6.0%	4.6%
Grade 6 / E1	0.0%	0.2%	1.5%	1.3%
Senior	0.0%	0.0%	0.4%	0.4%
Total	3.1%	14.2%	45.8%	36.9%

Age

Group	Group which has pay lead (% of workforce)	Compared to (% of workforce)	% more pay for lead group (FTE Total salary)**	Change in pay difference since April 2020?***
Age	46-50 = 10.8% (Actual number =52)	All other ages = 89.2% (Actual number =428)	**Median:** 11.72% **Mean:** 14.98%	Pay lead group has changed from last year (41-45 / 46-50) /Between 41-50 ages between this year and last year **Median** has increased (was 11.2%) and **Mean** has increased (was 15.3%)

The Median Total pay has increased since last year in all age brackets except the 41-45 and 61-65 age brackets. Last year, the lead pay groups were both 41-45 and 46-50. As a result of the slight decrease in Median pay for the 41-45 group, 46-50 group is now the lead group. However, for age groups between 36 – 60 the Median total may has neutralised significantly, with the Median pay for 36-40, 41-45 and 51-55 now exactly the same (£38,362). The age groups with a significant lower variance against the median are the >21, 21-25, 61-65 and >65. To some extent this is due to the smaller numbers of staff within these groups, which accounts for some skewing of the median pay.

When considering Group comparisons within the same Grade, for staff age 30 and under, there is a mean and median pay gap against all grade where there are 5 or more staff in this age group. This is most evident at a HEO level (mean difference 7.2% / median difference 13.2%) and SEO level (mean difference 11.8% / median difference 13%.) However, these pay differences are to be expected due to the fact that progression through the pay grade is linked to length of service. Staff ago 30 or under are more likely to have a shorter length of service than staff in other age groups, and are therefore more likely to be paid at the lower levels of the pay grade. This is further demonstrated by the fact that the mean difference between staff age 61+ and all other age groups is -4.3%.

Graph 3: Median salary and headcount for all age brackets

Disability

Group	Group which has pay lead (% of workforce)	Compared to (% of workforce)	% more pay for lead group (FTE Total salary)**	Change in pay difference since April 2020?***
Disability	Staff who don't identify with a disability = 83.4% (Actual number =401)	Staff who identify with a disability = 5% (Actual number =24)	**Median:** 0.0%	**Median:** Reduced (was 4.2%)
			Mean: 3.7%	**Mean:** Reduced (was 4.4%)

There has been an overall reduction in both the median and mean difference between staff identifying with a disability and staff who state they do not identify with a disability, and the Median difference is now 0%. Due to the small numbers involved, the data is sensitive to even small changes in the cohort, and this year, 11.6% of staff either did not reply or stated 'prefer not to say' when recording their disability status. This has increased since last year (9.2%).

The Group comparisons within the same Grade table demonstrates that, across the pay grades with more than 5 staff identifying with a disability, there is 0% difference in median pay, and for mean pay, staff identifying with a disability are paid very slightly more (-0.2% at Apprentice/TS level and -1.5% at an HEO level).

We will continue to encourage all staff who identify as having a disability to record their disability on the HR system and to work to ensure members of staff undertake the definition of a disability are, as we believe that many people with hidden disabilities, mental ill health, dyslexia and other long term health conditions, who could identify with this definition of disability on our system, are not reflected in this data.

We will also consider whether it is feasible to do a pay audit based on different types of disability., as part of the mid-year review, although it is noted that due to low overall numbers of reporting, this may not provide clear insight.

Sexual Orientation

Group	Group which has pay lead (% of workforce)	Compared to (% of workforce)	% more pay for lead group (FTE Total salary)**	Change in pay difference since April 2020?***
Sexual Orientation	Non-LGBQ+ staff = 81.5% (Actual number =391)	LGBQ+ staff = 4.6% (Actual number =22)	**Median:** 7.1%	**Median:** Increased (was -8.4%)
			Mean: 0.3%	**Mean:** Increased (was -2.1%)

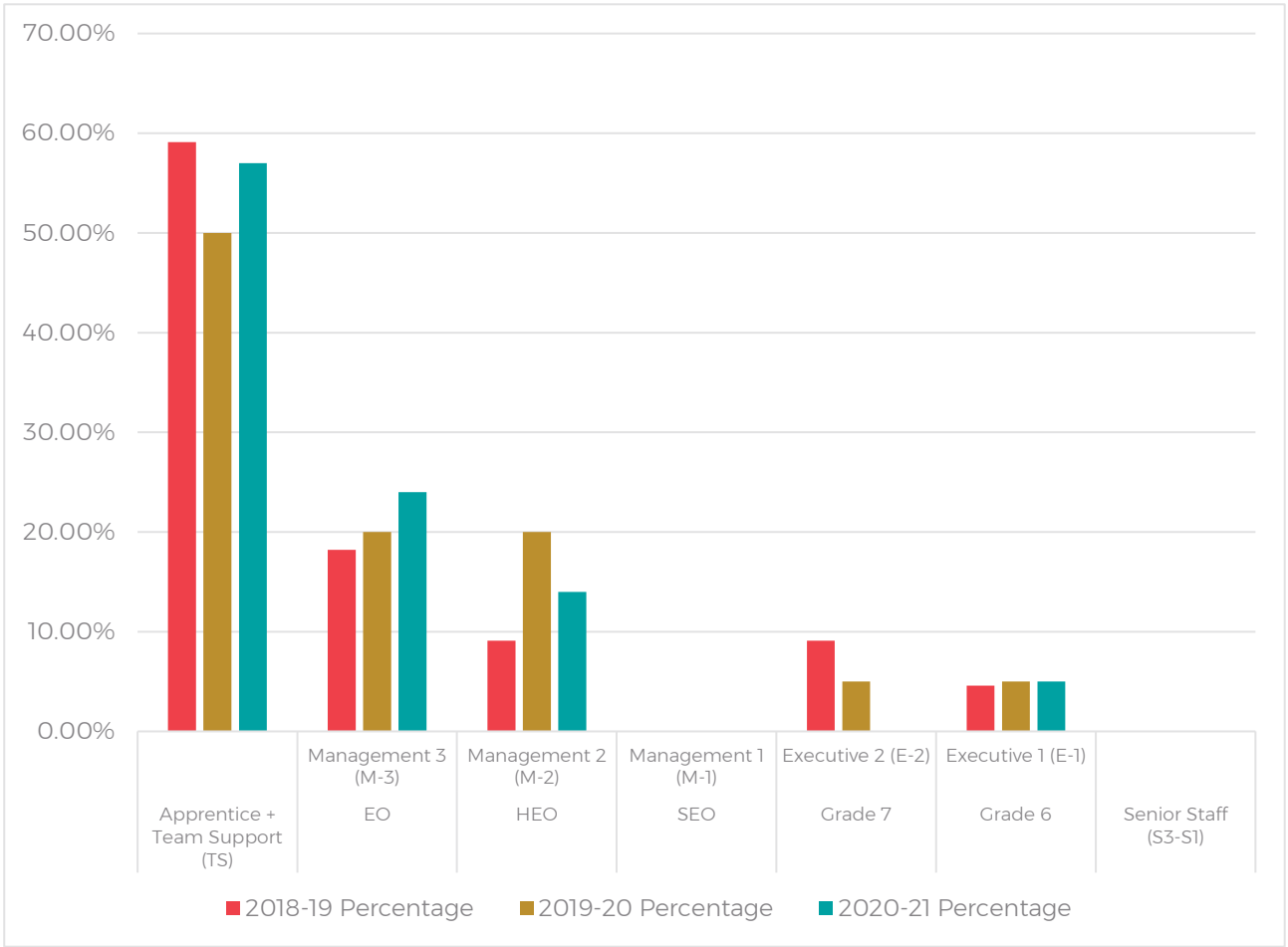
In last year's equal pay audit, there was an inverse sexual orientation pay gap. This year there has been an increase in the number of staff declaring that they consider themselves to be LGBQ+ - from 3.99% last year to 4.6% (an additional 3 staff, who are in pay grades at a Apprentice/TS level). As the number of staff declaring themselves to be LGBQ+ is still very small overall (22), any small changes here can have a significant impact on the overall figures, and this has led to a median pay gap this year of 7.1%, and a mean of 0.3%.

Race / Ethnicity

Group	Group which has pay lead (% of workforce)	Compared to (% of workforce)	% more pay for lead group (FTE Total salary)**	Change in pay difference since April 2020?***
Race/ Ethnicity	Staff identifying as White= 91.7%* (Actual number =440)	BAME staff = 4.4%* (Actual number =21)	**Median:** 38.9%	**Median:** Increased (was 23.6%)
			Mean: 27.8%	**Mean:** Increased (was 20.9%)

The number of people identifying as White and BAME this year is broadly the same as last year (91.8% and 4% respectively). However, since last year there has been a significant increase in both the median and mean pay gaps against the workforce as a whole at all pay grades. Due to the small numbers of staff identifying as BAME, the data is sensitive to even small changes in these cohorts, and the increase in the pay gap is attributed to BAME staff leaving, which has resulted in a change in BAME representation across the different pay bands, as shown in Graph 5:

Graph 4: % of staff identifying as BAME in each Pay Grade:



The Group comparisons within the same Grade table demonstrates that, across the pay grades with more than 5 staff identifying as BAME, there is no significant pay difference at an Apprentice/TS level (mean difference 1.63% / median difference 0%). At a EO level, the numbers are very small (5 staff / 7.6% of the workforce) but looking at the mean and median for these staff they are actually paid more than the rest of the workforce (mean: -0.3% / median: -14.6%). %). This demonstrates that the overall mean/median pay difference across the workforce as a whole is linked to poor representation at more senior levels of the organisation rather than an endemic difference in equal pay for equal work.

Religion / Belief

Group	Group which has pay lead (% of workforce)	Compared to (% of workforce)	% more pay for lead group (FTE Total salary)**	Change in pay difference since April 2020?***
Religion/ Belief	Agnostic/ Atheist/ Christian/ None/Other = 75.2%* (Actual number =361)	Muslim = 1.7%* (Actual number =8)	**Median:** 40.4%	**Median:** Slight increase (was 38.9%)
			Mean: 38.9%	**Mean:** Remained the same (was 39.0%)

Across most religions and beliefs there was no significant pay difference – the religions and beliefs which are included in this are: Agnostic, Atheist, Christian, None and Other. This group makes up 75.2% of the workforce. There are 8 staff who have identified their religion as Muslim (compared to 5 staff last year identifying as Muslim), which marks a positive increase in staff self-declaring as Muslim. However, there has also been an increase in staff stating they preferred not to say, or who did not reply – 23.1% compared to 21.6% last year. This is a significantly higher non-disclosure rate than for the other characteristics, so further analysis is needed to understand any barriers for staff declaring this.

7 of the 8 Muslim staff are employed at an Apprentice/ Team Support Level and considering the pay for Muslim staff at this level compared to the rest of the workforce at an Apprentice/Team support level, there is 0% difference in median pay and no significant difference in median pay (0.6%). This demonstrates that the overall mean/median pay difference across the workforce as a whole is linked to poor representation at more senior levels of the organisation rather than an endemic difference in in equal pay for equal work. Further work is needed to encourage Muslim staff to support their development within the organisation, which may offer more potential for promotion.

6. Gender Pay Gap Reporting

Gender Pay Gap – Hourly Pay

	2020-21	2019-20	2018-19	2017-18
Mean Gender Pay Gap	-5.3%	-6.7%	-8.5%	-5.7%
Median Gender Pay Gap	-9.8%	-15.2%	-21.3%	-23.2%

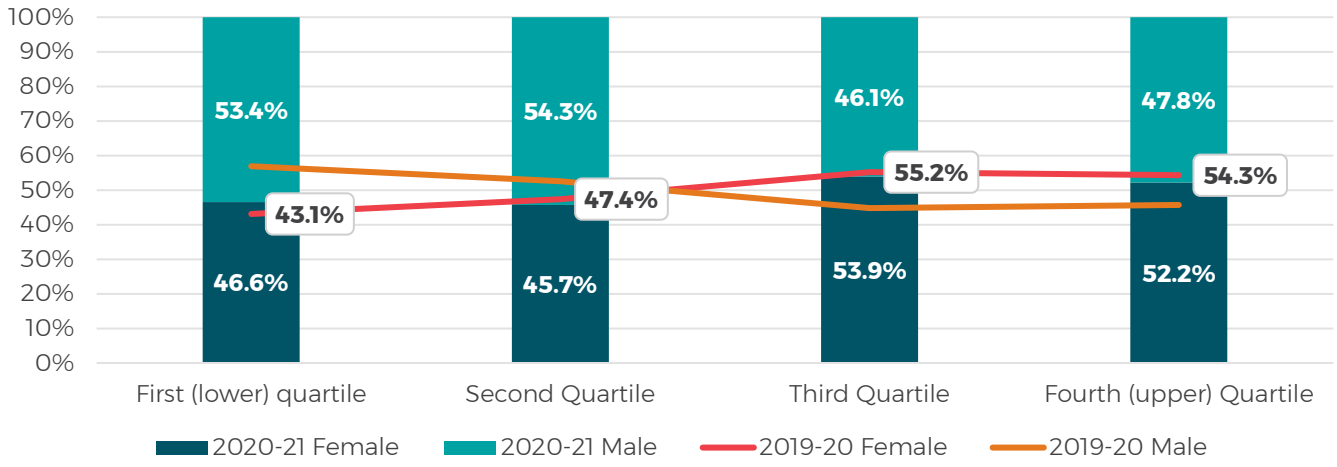
Bonus Pay

We do not pay bonuses to any of our employees.

Proportion of Women and Men in Each Pay Quartile

Each quartile represents one quarter of employees working for the Senedd Commission when ordered from lowest to highest paid.

Graph 5: Male/ Female Split against the pay quartiles in numbers



Analysis

As with previous years, the Commission continues to experience an inverse gender pay gap, where women overall are paid more than men. This bucks the national trend which in April 2020 was 15.5%[2]. However, the pay gap for the Commission has continued to reduce this year (as with last year), which is positive traction towards neutralising the pay gap between men and women.

[2] Gender pay gap in the UK - Office for National Statistics (ons.gov.uk)

7. Ethnicity Pay Gap Reporting

Ethnicity Pay Gap – Hourly Pay

	2020-21	2019-20	2018-19
Mean Ethnicity Pay Gap	28.1%	20.4%	25.6%
Median Ethnicity Pay Gap	38.9%	21.7%	38.9%

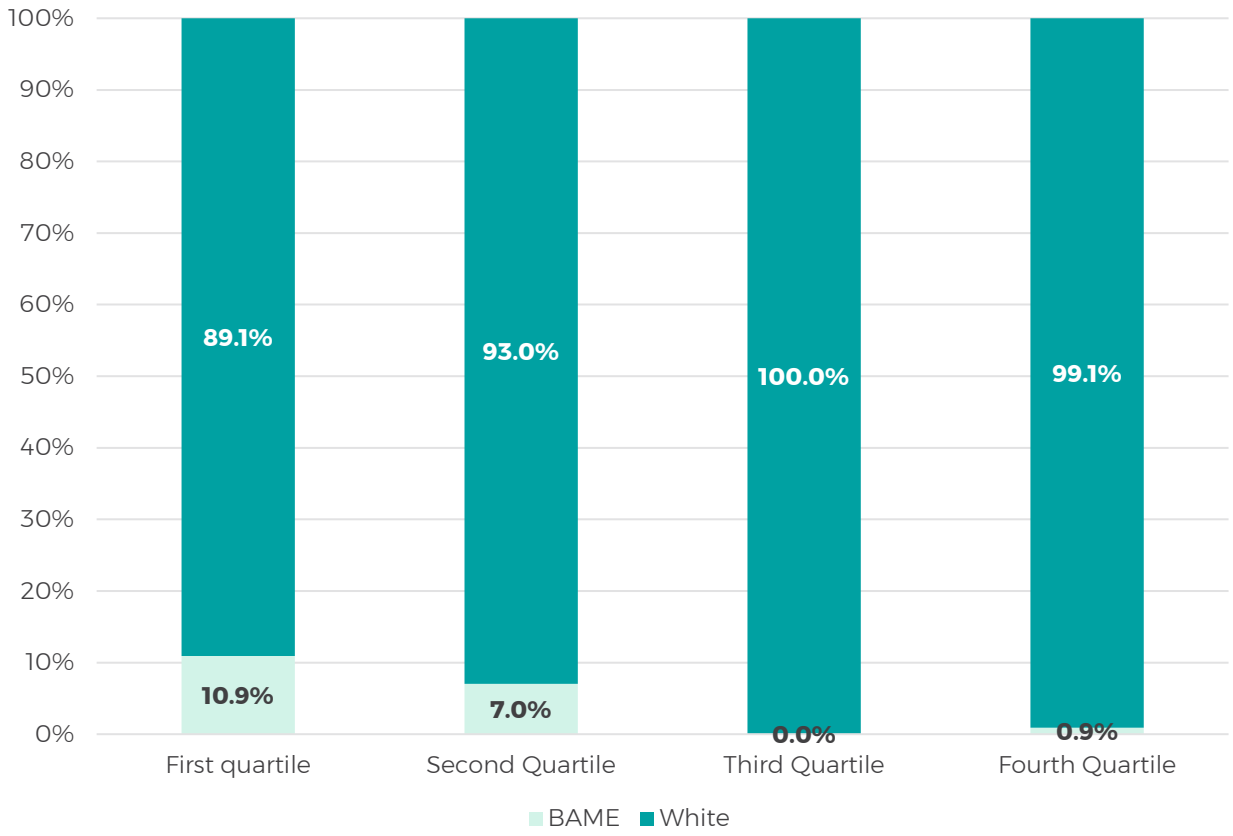
Bonus Pay

We do not pay bonuses to any of our employees.

Proportion of BAME and White Employees in Each Pay Quartile

Each quartile represents one quarter of employees working for the Senedd Commission when ordered from lowest to highest paid.

Graph 6: BAME and White Employees Split against the pay quartiles in numbers



Analysis

As with previous years, the Senedd continues to have an significant BAME pay gap. This is mainly due to:

- A limited number of BAME staff employed by the Commission as an overall percentage of the overall workforce; and
- BAME staff mainly being employed at lower bands on the pay scale (57% of BAME staff are at the Apprentice / Team Support level).

8. Action Plan / Priorities

We have retained a number of diversity related accreditations, and will seek to continue to retain these:

We are a Living Wage Employer

BUSINESS IN THE COMMUNITY
The Prince's Responsible Business Network
Race at Work Charter signatory

working families

INVESTORS IN PEOPLE™
We invest in people Platinum
Rydym yn buddsoddi mewn pobl Platinwm

disability confident EMPLOYER

Stonewall TOP 100 EMPLOYER 2020

We are the Stonewall #1 employer in Wales

Future Focus

We will undertake another mid-year pay audit in September / October 2021 to identify progress with regards to equal pay

Representation across the workforce, and especially at more senior pay bands, continues to be a key issue for staff from a non-white ethnic background, and for Muslim employees. We have a **race/ethnicity action plan** in place and will continue to seek to encourage people from these groups to apply for roles with the Commission, and work with existing staff from these groups to ensure equal opportunity to development and progression

We will continue to review and improve our support for staff experiencing disability as a result of a mental health condition. Particularly following the Covid-19 pandemic, the impact of poor mental health may be experienced more acutely, and we want to ensure that staff remain able to develop and progress in these circumstances.

We have begun a review of our pre employment medical health checks, to encourage better discussions with staff from the start of their employment regarding disability / underlying health conditions, to help reduce stigma / concern around reporting of disability, and better enable us to identify and make reasonable adjustments.

We will continue to work with existing staff regarding recognition of what disability in the workplace means, to improve our reporting levels and understanding of our disability representation, and better enable us to support their progression / make reasonable adjustments.

We will continue to address the 60/40 male/female split at TS level by attempt to attract more women to apply for roles at this pay grade, particularly within the Security Team.

Appendix 1: Pay Scale by Grade (effective as of 01/04/20)

Grade		Minimum	Maximum
Apprentice		£17893.00	£17893.00
Team Support (TS)		£19,681	£23,450
Executive Officer (EO)	**Management 3 (M-3)**	£24,623	£29,550
Higher Executive Officer (HEO)	**Management 2 (M-2)**	£31,636	£38,362
Senior Executive Officer (SEO)	**Management 1 (M-1)**	£40,494	£48,531
Grade 7	**Executive 2 (E-2)**	£52,424	£62,858
Grade 6	**Executive 1 (E-1)**	£66,001	£77,184
Senior Staff (S-3)		£80,951	£103,272
Senior Staff (S-2)		£101,050	£128,958
Senior Staff (S-1)		£129,179	£158,337

Welsh Parliament
Senedd Commission

Official Languages Scheme: Annual Report 2020-21

June 2021

The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

An electronic copy of this document can be found on the Senedd website:
www.senedd.wales

Copies of this document can also be obtained in accessible formats including Braille, large print, audio or hard copy from:

Welsh Parliament
Cardiff Bay
CF99 1NS

Tel: **0300 200 6565**

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Welsh Parliament
Senedd Commission

Official Languages Scheme: Annual Report 2020-21

June 2021

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Foreword

It gives me great pleasure to present the final annual report on the Official Languages Scheme for the Fifth Senedd.

This year, our intention was to ensure that we had met the objectives set at the beginning of the Fifth Senedd and to start planning for the Sixth Senedd. Much of our work this year has also focused on providing our services in a different way, namely in the virtual sphere, and ensuring that Senedd Cymru, the Welsh Parliament, can continue to legislate and hold the Welsh Government to account at such an unprecedented time.

Movement restrictions were already in place at the beginning of the period covered by this report, and the Senedd was one of the first national parliaments to hold fully bilingual virtual Plenary meetings. Throughout the year, organisations from Wales and beyond have engaged with us to seek advice and guidance, and it is a source of great pride that we are, yet again, in the vanguard in the field of technology and bilingual services. We will continue to be guided by our recent experiences as we develop bilingual services that are fit for the future.

The past year has undoubtedly been challenging for everyone. The fact that we have continued to operate by switching our work to online platforms, without losing the ability to provide bilingual services as a default, is testament to the fact that we are a bilingual organisation in the true sense of the word. Certainly, providing bilingual services as a default and without exception is an inherent part of our mindset as an organisation. Despite this, it is important that we continue to lead by example and that we aim for excellence at all times.

Rhun ap Iorwerth
Commissioner with responsibility for Official Languages

RESPECT

We are inclusive, kind, and value each other's contributions in delivering excellent services

PASSION

We are purposeful in our support of democracy and pull together to make a difference for the people of Wales

PRIDE

We embrace innovation and celebrate our achievements together as a team

WE ARE **ONE TEAM**

Our Performance

Our ambition, our commitment and our values

Our ambition is to become a truly bilingual organisation where Members of the Senedd, the public and staff can choose to work or communicate naturally in either or both of our official languages, where the use of both languages is proactively encouraged and facilitated, and where our exemplary bilingual services are continuously improving.

We are proud of the progress that has been made during the Fifth Senedd, and of the fact that we are now recognised as a truly bilingual body. Our high standards and practical approach towards the provision of exemplary bilingual services as a default are an example to other organisations. It would not have been possible to achieve this without the strong leadership of the Senedd Commission, the Executive Board and the Leadership Team. Our values, and the way in which we develop and implement strategies and policies, reflect the equal status of our two official languages.

The Senedd is an organisation that acts according to its values, and those values reflect a commitment to diversity across the organisation. We appreciate and encourage diversity within our workforce. We appreciate every member of staff, whatever their level of bilingual skills, for their commitment to the Senedd and for their professional and parliamentary expertise. The principles enshrined in the dignity and respect policy are at the heart of everything we do. We expect every member of staff to be committed to providing support and parliamentary services of the highest standard to Members of the Senedd and their support staff, and to the public, in both official languages.

As we transition to the Sixth Senedd, we will need to maintain these high standards and expectations, and ensure that we do not rest on our laurels. Members of the Sixth Senedd will hold us to account on behalf of the people of Wales.

Service Standards

The COVID-19 pandemic and the related restrictions have inevitably led to changes being made to our working practices. The Senedd moved swiftly to adopt virtual ways of working, then, as the restrictions were eased, a hybrid format. All Members, support staff and Commission staff are currently working from home.

Our plans for business continuity meant that we were well placed to continue providing our bilingual services, and that we could make a swift and smooth transition to virtual provision.

The Senedd was one of the first legislatures to hold virtual Plenary meetings with interpretation available from the outset. The Senedd was presented as a case study in the Welsh Language Commissioner's Advice Note on holding bilingual meetings by videoconference and we continue to advise organisations across Wales on the provision of interpretation as part of virtual proceedings. On occasion, we have been unable to provide interpretation in specific meetings and events due to the confidential nature of the discussions and concerns regarding the security of the digital platform available at the time. However, this software has recently been upgraded, which provides greater assurance regarding online security. This has, in turn, enabled us to provide an on-demand interpretation service. The Senedd Commission's risk and assurance system was used to record any actions taken and mitigations adopted, and to monitor and provide assurance regarding the relevant issues at all levels.

Over the past year, delivering bilingual provision as a default has been at the heart of all work to develop new services or to adapt existing ones. Where it has not been possible to deliver bilingual provision, every effort has been made to ensure that stakeholders can choose one or the other of our official languages. The Official Languages Team has been monitoring our bilingual services and advising colleagues across the Senedd. On those rare occasions when it was not possible in practical terms to meet the standards set out in the Official Languages Scheme, the incident was noted, as were any steps taken to mitigate and ensure that the same situation did not arise again.

Alongside this work, the Official Languages Team has also been working on preparations for the Sixth Senedd. Discussions were held with the Chief Executive and Clerk of the Senedd, Heads of Service, some Directors and Group Chiefs of Staff to understand which elements of our bilingual provision are currently working well and to identify where improvements can be made. The team is already working on the development of a draft Official Languages Scheme for the Sixth Senedd. A consultation on the new Scheme will need to be held, and the Scheme itself agreed, as soon as possible after the election. The team has also been reviewing our provision with regard to language skills training to ensure that this provision continues to be flexible and tailored to meet current needs. This work will continue over the coming months.

Feedback from Members of the Senedd and their support staff

To ensure that Members and their support staff are able to work effectively in their preferred language, it is vital that we understand their needs and preferences. This year, with all of the changes that had to be made at such short notice, the results of the Member and Support Staff Satisfaction Survey have yielded information about the elements that have worked well and any areas that need to be reconsidered. Both groups were asked about the general support they received to enable them to work in their preferred language. The scores were slightly lower than in the survey undertaken in 2019. However, the feedback on the whole continues to be encouraging. Any additional comments were responded to and, if possible, discussed with the individuals who made them in order to agree steps that could be taken to improve our provision.

In addition to the formal satisfaction survey, the Official Languages Team monitors any feedback received via informal means. This may include feedback from the committees' integrated teams, the support staff executive group and the language buddies' activities, as well as all other opportunities for engagement with Members or their support staff.

Sharing expertise

The restrictions on movement have meant that it has not been possible for us to meet face to face with colleagues across the public sector and beyond this year. However, we have continued to offer advice and support to a number of bodies. This year, we have advised a large number of bodies on the virtual provision of bilingual services. The interpretation team and the ICT team have advised on the provision of interpretation on digital platforms, and the Senedd was used as a case study by the Welsh Language Commissioner in his Advice Note on virtual meetings. In March of this year, the Director of Communications and Engagement

spoke in an online conference held by Swansea University under the heading 'A worry or an opportunity? Welsh in the 'new normal''. The Official Languages Team also contributed to the Welsh Government's review of Welsh language learning provision for its staff.

Statistical information

Throughout the Fifth Senedd, we have gathered statistical information to help us to prioritise our work from one year to the next. Reviewing this information will assist us as we seek to prioritise work and resources and set objectives as the Sixth Assembly is established.

Recruitment

Over the past year, the pandemic has driven us to change our recruitment methods. For over a year, it has not been possible to hold face-to-face interviews and assessments. However, we have continued to offer interviews to candidates in their preferred language, and have found ways of assessing candidates' language skills as part of the recruitment process. The process for assessing courtesy-level Welsh has had to be adapted slightly, but the team is trialling new methods of digital assessment. Work on assessment will continue. Also, this year, the Senedd has adopted a new online recruitment system. In accordance with the Official Languages Scheme's requirements, the system allows candidates to apply for posts in their preferred language, and to choose in which language they wish to engage with us.

Table 1: Number of posts advertised requiring courtesy-level Welsh, or a higher level of language skills.

External

	Posts advertised	Courtesy level	Combination of skills*	Level 1-5
2018-19	54	35		19
2019-20	49	28	3	18
2020-21	21	14		7

Internal

	Posts advertised	Courtesy level	Combination of skills*	Level 1-5
2018-19	18	11		7
2019-20	22	16	1	5
2020-21	18	12		6

Total

	Posts advertised	Courtesy level	Combination of skills*	Level 1-5
2018-19	72	46		26
2019-20	71	44	4	23
2020-21	39	26		13

Percentages

	Courtesy-level posts	Combination of skills*	Posts at level 1-5
2018-19	64%		36%
2019-20	62%	6%	32%
2020-21	67%		33%

* A combination of skills is used when the post requires speaking and listening skills at level 1-5, but written skills at Courtesy level.

Senedd business

The beginning of the year saw a reduction in the Senedd's business as we moved to virtual platforms and adapted to remote working. However, Members' ability to table business or lay documents in their preferred language has not changed.

The figures provided below do not include motions and amendments tabled by the Welsh Government as these are always submitted bilingually.

Table 2: Percentage of business submitted in Welsh, by item

Year	OQ	WQ	Motions	Amendments	Statements of opinion	Topical questions
2017-18	13%	7%	2%	7%	2%	10%
2018-19	11%	10%	3%	14%	5%	15%
2019-20	8%	8%	4%	4%	0%	9%
2020-21	8%	6%	2%	0%	5%	16%

Table 3: Documents laid

Year	Number of documents laid	Number of documents **not** laid bilingually	Percentage
2017-18	431	109	25%
2018-19	1187	310	26%
2019-20	808	141	17.5%
2020-21	**1442**	**98**	**7%**

Documents prepared by the Senedd Commission are drawn up and laid bilingually.

This year, the Senedd Commission laid one document in English only, namely a document containing legal advice from a third party commissioned on behalf of the Standards Committee.

Proceedings

As mentioned above, there was a slight reduction in Senedd business as we moved to virtual platforms. However, before introducing systems and software for virtual meetings, we ensured that interpretation was available as a default and that Members were able to contribute in their preferred language. All papers for Plenary and committee meetings are available bilingually and the Official Languages Team is available on request to support Members who wish to contribute in Welsh. The support available to Members has not changed over the past year, other than the fact that this support is now provided online rather than face to face.

Table 4: Percentage of contributions made in Welsh

Type of contribution	Percentage of contributions in Welsh 2017-18	Percentage of contributions in Welsh 2018-19	Percentage of contributions in Welsh 2019-20	Percentage of contributions in Welsh 2020-21
Plenary proceedings	20%	18%	16%	23%
Committee proceedings	8%	7%	6%	9%

Committees

It is vital that Members of the Senedd are able to prepare for committee meetings in their preferred language. Committee papers compiled by the Senedd Commission are available in both languages, and the committee teams emphasise the need for evidence and papers by third parties to be submitted bilingually too. The tailored arrangements to brief members of different committees, including when briefing papers should be provided and in what format, have continued. These arrangements are based on the requirements and wishes of committee members, and are reviewed by the relevant integrated team on a regular basis or when changes are made to a committee's membership. As part of the process of establishing the Sixth Senedd's committees, it is vital that the integrated teams discuss each individual Member's needs regarding briefing materials and their preferred language.

Table 5: Papers published by Senedd committees in Welsh only

	2017-18	2018-19	2019-20	2020-21
Papers drawn up internally	0	0	0	0
Responses to consultations	13	51	*	*
Secretary of State for Wales and the UK Government	0	0	0	0
Welsh Government	0	0	0	1
Individual Members	0	0	0	0
External organisations or individuals	9	21	22	13

Table 6: Papers published by Senedd committees in English only

	2017-18	2018-19	2019-20	2020-21
Papers drawn up internally	40**	96*	13**	25***
Responses to consultations	438	628	*	*
Secretary of State for Wales and the UK Government	23	52	13	37
Welsh Government	174	263	218	194
Individual Members	3	3	5	0
External organisations or individuals	659	727	804	587

* Data regarding responses to consultations are no longer held due to a change in the method of publishing responses

** Direct responses to correspondence received in English. In accordance with the Scheme, any written responses to correspondence from individuals or organisations are drafted and published in the preferred language of those in receipt of correspondence by the Senedd.

***A combination of technical papers for the Legislation, Justice and Constitution Committee and letters from Committee chairs in the language of choice of the recipient published for Members' information.

Table 7: Papers published bilingually by Senedd committees

	2017-18	2018-19	2019-20	2020-21
Papers drawn up internally	1172	781	864	1149
Responses to consultations	218	131	*	*
Secretary of State for Wales and the UK Government	8	7	4	9
Welsh Government	580	993	898	1599
Individual Members	6	11	4	0
External organisations or individuals	337	361	243	218

Themes from the Scheme's period of operation

Over the past year, the Official Languages Team has begun the process of reviewing the Official Languages Scheme for the Fifth Senedd.

We have met with the Chief Executive and Clerk of the Senedd, heads of individual services, some directors and Group Chiefs of Staff to discuss what has worked well and areas that we need to prioritise for the Sixth Senedd. We also reviewed progress made on the themes set for the Scheme's period of operation.

Theme 1: Recruitment

With the online recruitment system now operational, the Official Languages Team has begun the process of looking at our methods of assessing language skills. Due to the fact that we have been unable to hold face-to-face language skills assessments over the past year, it was decided that the timetable for courtesy-level Welsh assessments would be changed. The team has developed a virtual assessment for the pronunciation element and an online assessment for the remaining elements. Following a trial period, this assessment will be used for every courtesy-level Welsh assessment. By the same token, the past year has given us an opportunity to reconsider the language skills assessments for posts requiring skills at levels 1-3. This work will continue as we set objectives and themes for the Sixth Senedd's Official Languages Scheme. We will hold discussions with the Leadership Team, the Executive Board, Commission staff and the trade unions before introducing any permanent changes.

Theme 2: Language skills

The combination of a shift to an online service and staffing changes has given us an opportunity to review our language skills provision. During the year, we started the work of evaluating this provision to ensure that it continues to provide flexible training tailored to the needs of learners and the Senedd. We will continue this work at the beginning of the Sixth Senedd. In drawing up an Official Languages Scheme for the Sixth Senedd, we will need to review our systems for setting targets for learners and providing appropriate language skills training for specific parts of the organisation. We will also focus on supporting staff who have learnt Welsh or are fluent Welsh speakers but have not had an opportunity to use their skills in the workplace to regain the confidence to do so. As Members of the Sixth Senedd and their support staff go through the induction process, we will prioritise

the need to understand their learning needs and to develop appropriate language skills training for them.

Theme 3: Language planning

All of the Senedd's service areas use their individual language schemes to plan their capacity for providing exceptional bilingual services. Throughout the Fifth Senedd, the service-area language scheme system has become established, and services use their schemes when filling vacant posts. At the beginning of the Sixth Senedd, the service-area language schemes will need to be reviewed to ensure that they remain fit for purpose and to reflect any changes to business or systems following the Senedd election. We will also consider how the Bilingual Skills Strategy can be incorporated into the Official Languages Scheme for the Sixth Senedd. The Official Languages Act requires us to produce a strategy to ensure that the Senedd's staff have the language skills that they need to implement the Scheme. At present, the strategy exists as a separate entity to the Scheme itself, but we will work on consolidating the two documents in due course.

Theme 4: Proceedings

The Senedd Commission's innovative work on bilingualism and the use of technology during the COVID-19 pandemic has continued throughout the year. On 1 April 2020, the first virtual meeting of the Emergency Senedd was held entirely bilingually, with participants free to contribute and listen to the proceedings in their preferred language. Additional business was gradually introduced, and a timetable was also set for virtual committee meetings. During the spring and summer, as the situation regarding COVID restrictions improved, systems and arrangements were adapted to allow hybrid meetings to be held. With a proportion of Members present in the Chamber and the remainder joining online, the provision again enabled all participants to take part in their preferred language as a default. Organisations the length and breadth of the country have contacted us to discuss our work, and we have offered advice on interpretation in online meetings to a number of bodies, including:

- Gwynedd Council;
- Isle of Anglesey County Council;
- Bangor University;
- Aberystwyth University;
- Political Parties in the Senedd;

- Office of the Welsh Language Commissioner;
- Carmarthenshire County Council;
- The Learned Society;
- The Association of Welsh Translators and Interpreters;
- Schools;
- Her Majesty's Courts and Tribunals Service.
- NHS Wales Health Collaborative
- National Museum Wales;
- Rhondda Cynon Taf County Borough Council;
- Welsh Government;
- Scottish Parliament.

Theme 5: Developing the organisation's bilingual ethos

Awareness

Throughout the year, despite the fact that we have all been working from home, we have continued to hold events to promote use of the Welsh language and bilingual working. This includes Diwrnod Shwmae - Su'mae, Welsh Music Day, St Dwynwen's Day and St David's Day. Much use was made of the Yammer facility and the staff and Members' intranet on the Senedd system. The Official Languages Team has also worked in partnership with the staff networks to provide materials and advice. The team collaborated on a suite of resources to support mental health and learning at home. Also, a campaign was launched to encourage colleagues to engage with each other to avoid feelings of loneliness and to improve their mental health by using and practising their Welsh language skills. Any planned activities for the staff as a whole or smaller groups of staff offer an opportunity for all participants to use their preferred official language.

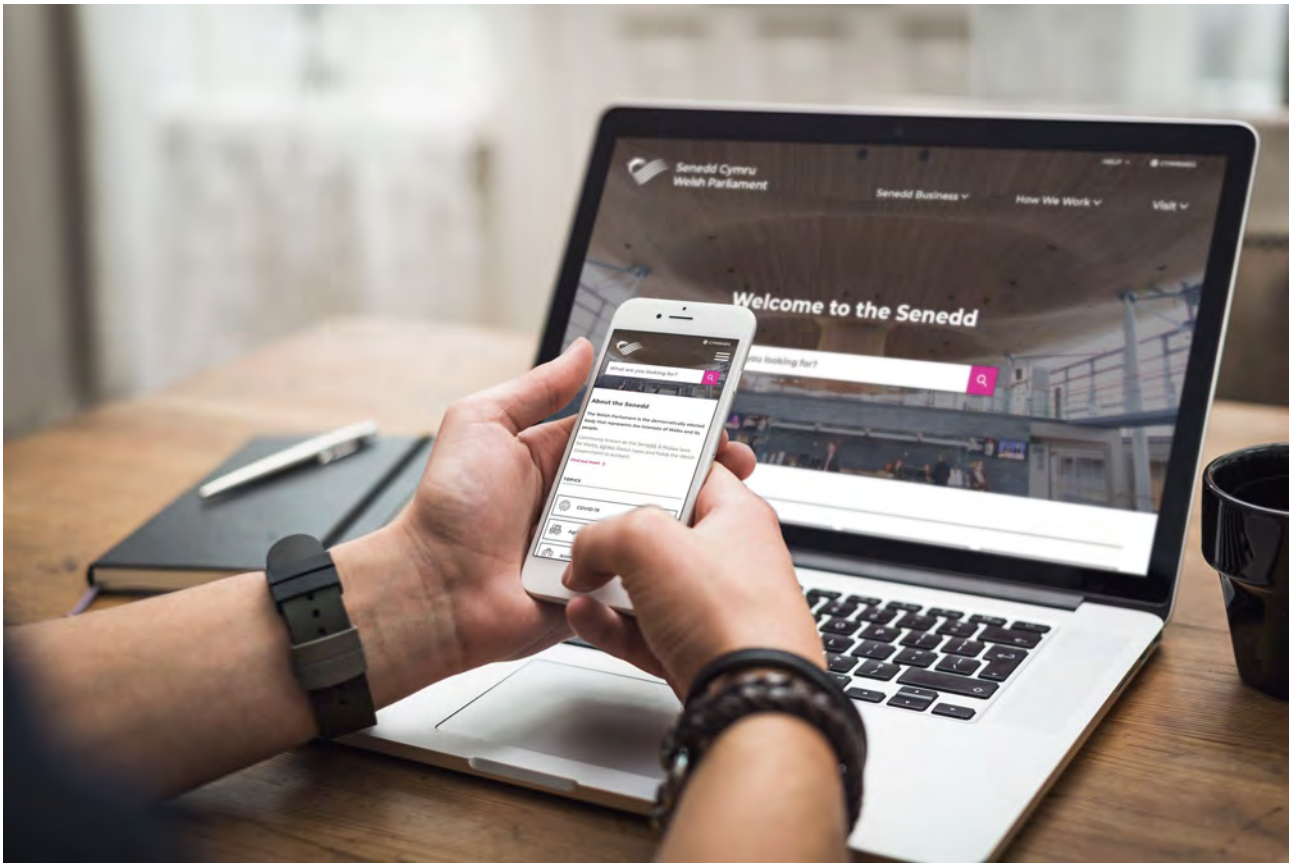
The task of ensuring that all new members of staff (whether Senedd Commission staff or support staff) understand our ethos as a bilingual organisation continues. Over the past year, induction sessions have been held virtually, and these sessions are available in Welsh or English. Due to the pandemic, there was no opportunity to finish work on the awareness-raising video for Senedd staff. This will resume when the Official Languages Scheme for the Sixth Senedd has been agreed. We have also been collaborating with the team responsible for planning the transition from the Fifth Senedd to the Sixth to ensure that provision is fully bilingual, and that new Members are aware of the Scheme's requirements as well as the support available to them to enable them to work in their preferred official language.

Technology

A great deal of our work over the past year has focused on technology. As it was not possible to meet face to face at all, the Senedd had to develop virtual methods of service delivery. In addition to virtual meetings and the steps taken to ensure that Members could undertake their duties in their preferred language, other elements had to be developed from scratch, including an app enabling Members to vote during official proceedings. Engagement with the people of Wales has always been an important element of the Senedd's work. Our estate, specifically the Senedd and Pierhead buildings, was an integral part of this mission. With the estate closed, we had to think of other ways of sharing information about our buildings and our work. Virtual tours were developed to guide visitors around our buildings from the comfort of their own homes, thereby offering an opportunity to learn more about specific parts of the estate. All tours were, of course, available bilingually.

One of the main changes witnessed by the organisation over the past year was the introduction of our new website. The website is the result of several years' hard work to ensure that we deliver a service that is fit for purpose and meets the needs of our stakeholders. An important element of the work done while developing the new website was finding a solution to the fact that English-medium web pages occasionally appeared in Welsh versions of the previous site. We have received a number of complaints about this issue over the years. This was primarily the result of an error made when publishing information to the website. For the new website, a system was designed that requires those publishing information to create content in both languages and makes it easier to check both versions side by side. Since the new website went live, we have not received any complaints about content being presented in the incorrect language, nor have we received links to content in the incorrect language.

The Senedd Commission has also kept in touch with Microsoft to ensure that it is updated on any developments in the field of language technology. Specifically, we have asked for Microsoft Teams to receive a software update that would include an interpretation facility so that we can provide this service via Teams. This would respond to many of the concerns expressed about other digital platforms' security. We will continue to nurture our relationship with Microsoft during the Sixth Senedd, and will make proactive and innovative use of technology to provide bilingual services.



Monitoring and compliance

The Official Languages Team and the Official Languages Co-ordinators keep a record of any complaints received or examples of failure to comply with the Scheme's requirements.

During our review of the Fifth Senedd's Official Languages Scheme, we received feedback suggesting that the Scheme for the Sixth Senedd should include clear information about the complaints process. With this in mind, as we develop the new Scheme, we will ensure that information about the complaints process, as well as contact details for providing feedback on our bilingual services, is clearly stated and given due prominence. Feedback, whether positive or negative, is valuable, as are suggestions for change, and we are committed to considering all comments received to help us to learn and improve.

In this extraordinary year, we have received no complaints about our provision. The Official Language Scheme Co-ordinators' Forum has continued to meet to discuss issues related to the Scheme, and other internal processes for monitoring compliance have also been followed consistently. These processes have demonstrated that we have occasionally failed to reach the high standards that are set out in the Scheme, or have been at risk of failing to fulfil the expectations of our service users. These cases have related to two areas:

Enabling Members to use their preferred language in private and confidential meetings

All of the Senedd's formal, public proceedings that were broadcast took place on the Zoom digital platform. This platform enables us to provide an interpretation service as a default to everyone taking part in a meeting. There was general concern regarding the platform's cybersecurity for many public bodies in Wales. It was decided that it would be wise not to use the platform for private meetings or meetings were confidential matters would be discussed. Therefore, on occasion, Members had to compromise in terms of their preferred language in order to be able to take part in these secure meetings. However, following a Zoom upgrade, the security provision is now satisfactory, which means that the platform can again be used for any meeting where interpretation is required. As mentioned above, the Commission's risk and assurance procedure was applied to record and

monitor the situation, and the Executive Board and Risk and Assurance Committee were kept informed throughout.

Matters related to Members

A few comments regarding our bilingual services were received via the Member and support staff satisfaction survey. As part of the survey, individuals were able to provide their contact details so that a member of the Official Languages Team could get in touch to discuss any issues raised. Any comments made were discussed with the individual, and feedback was recorded so that the relevant lessons could be learnt. We have also reflected on all comments made anonymously, and we will refer to these as we develop the Official Languages Scheme for the Sixth Senedd.

Welsh Parliament
Senedd Commission

Sustainability: Annual Report 2020-21

June 2021

The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

An electronic copy of this document can be found on the Senedd website:
www.senedd.wales

Copies of this document can also be obtained in accessible formats including Braille, large print, audio or hard copy from:

Welsh Parliament
Cardiff Bay
CF99 1NS

Tel: **0300 200 6565**

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Welsh Parliament
Senedd Commission

Sustainability: Annual Report 2020 — 2021

June 2021

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Senedd Cymru
Welsh Parliament

Introduction

The extraordinary events of this past year profoundly changed the way the estate was used, resulting in significant changes to our environmental impacts.

Our staff have not travelled for business and have mostly worked from home. Our official business has been conducted in a mixture of hybrid and fully virtual formats. This has meant savings for some impacts, and an opportunity to see where greater flexibility in our buildings is needed to maximise savings in other areas.

But it has also allowed us to realise a change that is possible- where staff can work more flexibly, a greater work-life balance can be achieved, and we can adapt our buildings to accommodate what will likely result in permanent changes to the way they are used.

We look back on the successes of our most recent carbon reduction strategy, and look ahead to our new goal of becoming a *net carbon neutral* organisation.

Manon Antoniazzi
Chief Executive and Clerk

WRTH DDWR A THAN

Summary of Performance

In an extraordinary year, the likes of which we hope to never see repeated, the way our staff work and our buildings are used has changed dramatically, in some ways permanently. The pandemic has meant people worked from home, on-site events did not take place, and most of the business of the Senedd took place virtually online.

This has of course meant significant changes to our environmental impact, with noticeable drops in utilities use, and huge reductions in travel across all modes. Our primary target of *energy emissions* has fallen again this year, although we'd like to highlight the fact that it was halved during the life of our most recent Carbon Strategy by the end of last financial year- our last *normal* year.

We have continued to maintain the estate with a consideration of environmental efficiency, whilst focusing on the health of our staff, contractors and visitors. We have also worked hard to produce a new Carbon Neutral Strategy, which will pave the way for our organisation to be net carbon neutral by 2030. Many of the adaptations contained within the Strategy will build on previous work to reduce our energy and travel footprints, whilst including changes to continue making flexible working as easy and effective as possible into the future.

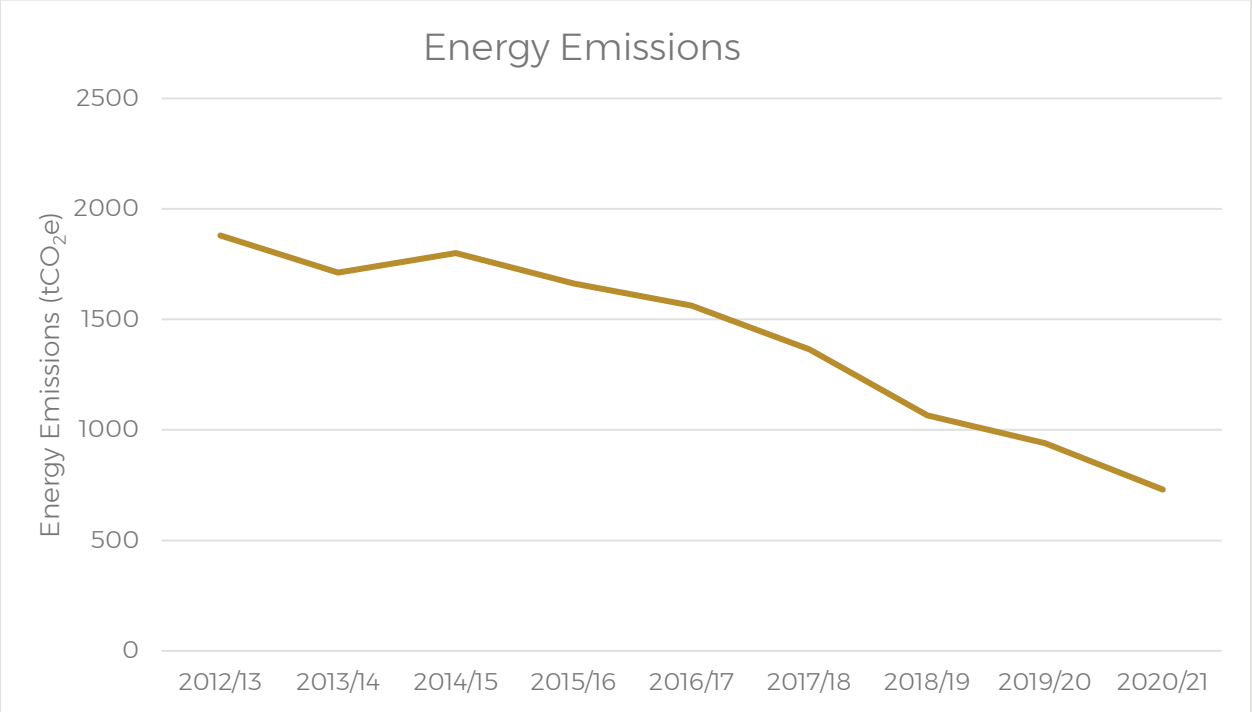
Our environmental work has continued under the banner of a formally-certified management system which includes an annual audit by a UKAS-accredited body against the requirements of ISO14001.

Progress Against Targets

Given the extraordinary nature of the past year, and the move to most staff working from home, there has been a noticeable reduction in our environmental impacts, particularly noticeable when reviewing our performance against key targets.

As we have said previously, we do not wish to celebrate this 'achievement' given the circumstances through which it has come about. Instead we will concentrate on our last normal year of full occupancy of the estate- 2019/20, and the successes we were able to demonstrate up until that point.

Our primary target of reducing energy emissions by 30% over the course of the strategy has been comfortably achieved- down 49%. This included the beneficial effects of the lowering of the carbon content of UK grid electricity over time, as well as numerous efficiency measures we made to our buildings. They included more visible aspects like LED lights and sensors to switch lights off, as well as more hidden equipment like pumps and fans which have been replaced with more efficient alternatives.



Our energy emissions figure dropped by half, even excluding the past year

The efficiency of business-related car travel had improved by three times our original target of 10% by the end of last year, thanks in part to the Senedd's small fleet being reduced to a single electric car during the past few years. Our staff have continued to choose more fuel efficient alternatives for their commutes too, and we have actively encouraged this by adding charging points and reserve bays for electric vehicles.

We have phased out the landfill element of our waste streams over the course of this most recent strategy- now diverting it all to recycling and energy recovery options. We have made significant progress with removing plastics from the estate too, a popular topic in the public realm during this period. We had planned additional works, some driven by the work of the Welsh Youth Parliament, which have been delayed due to the pandemic, but we will continue to eradicate sources of single-use plastic where possible in the future.

Our water use has fluctuated over the course of the strategy, as we've managed issues including leaks, rising and falling visitor numbers, and meter issues. We have now adopted a more consistent practice of reporting- using internal meter readings, shown to be more consistent over time, as well as a *per occupant* figure in order to baseline water use and better gauge the effectiveness of reduction methods. Water use was down significantly this past year, but had risen slightly by the end of the 2019/20 year. We will continue to make water-saving measures where possible, tackling the fixtures in the Pierhead building as a first priority.

Objectives	Targets	Progress
Reduction of carbon footprint	Reduce energy emissions by further 30% by 2020/21 (based on 2012/13 baseline)	Achieved. 49% down on baseline year. 10% reduction on last year's figure.
	Improve the efficiency of business-related car travel by 10% by 2020/21 (on 2013/14 baseline)	Achieved. Efficiency has improved 32% since the baseline year.
Reduce the impact of waste	Achieve zero waste-to-landfill by 2020/21	Achieved. Now operating at zero waste-to-landfill
	Transition from waste management to sustainable resource management by 2020/21	In progress. Work on plastic packaging continuing.
Reduce water use	Reduce the consumption of potable water across the estate by 5% by 2020/21 (based on 2014/15 baseline)	Consumption is influenced largely by public demand and this year we experienced some maintenance issues. As a result we have seen an increase of 1.6% over the baseline year.,

Energy

Analysis of degree days data shows the year as a whole was slightly colder than last year, but also that the last three months (during the winter heating period) were significantly colder than those at the start of 2020. Whilst staff numbers were much reduced overall, a comfortable working environment was still required for those present in the buildings, so gas use did not drop very much compared to last year.

The flexibility of our infrastructure to respond to reduced staff numbers is something our forthcoming Carbon Neutral Strategy will look to address and is especially relevant given that long-term changes to working patterns are likely to be experienced. We will be looking to update our office areas to make better use of space and reduce their energy consumption on days when occupancy is low.

Electricity use is down 25% for the past year. Whereas some facilities in the building such as security measures, data servers and heating pumps have remained active throughout, forced cooling equipment has been switched off to reduce infection risk and lighting and small power demand has dropped significantly. Whereas last year we reported a considerable increase in the cost of electricity, this year we've seen a more modest 3% rise in unit rates.

We have taken the opportunity afforded by a quieter estate to progress with several facilities projects, some of which will demonstrate reduced electricity demand in the forthcoming year. More LED lighting, for example, has been committed-to in the new Carbon Strategy, but much of this work was able to be completed in the current financial year. We have also updated the controls for the ground-source heat pump in the Senedd, again something we hope to notice associated savings against next year. Our focus for project work in the short term will be building efficiency- making equipment like the BMS (building management system) more effective in reducing energy use in line with reduced building occupancy.

Waste & Resources

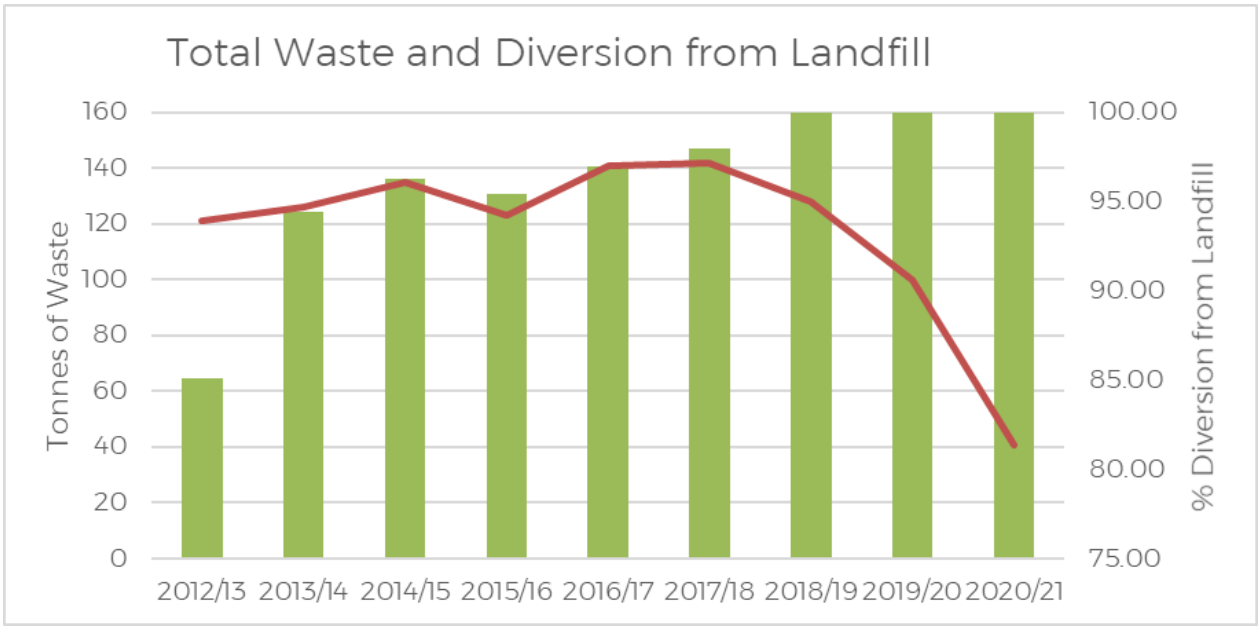
Waste production was down significantly this year; again a direct result of the reduction in building users. Total waste tonnage was almost a half of last year's, with the reduction in on-site personnel being offset to some extent by an increase in project work taking place on the estate, as well as the production of waste PPE.

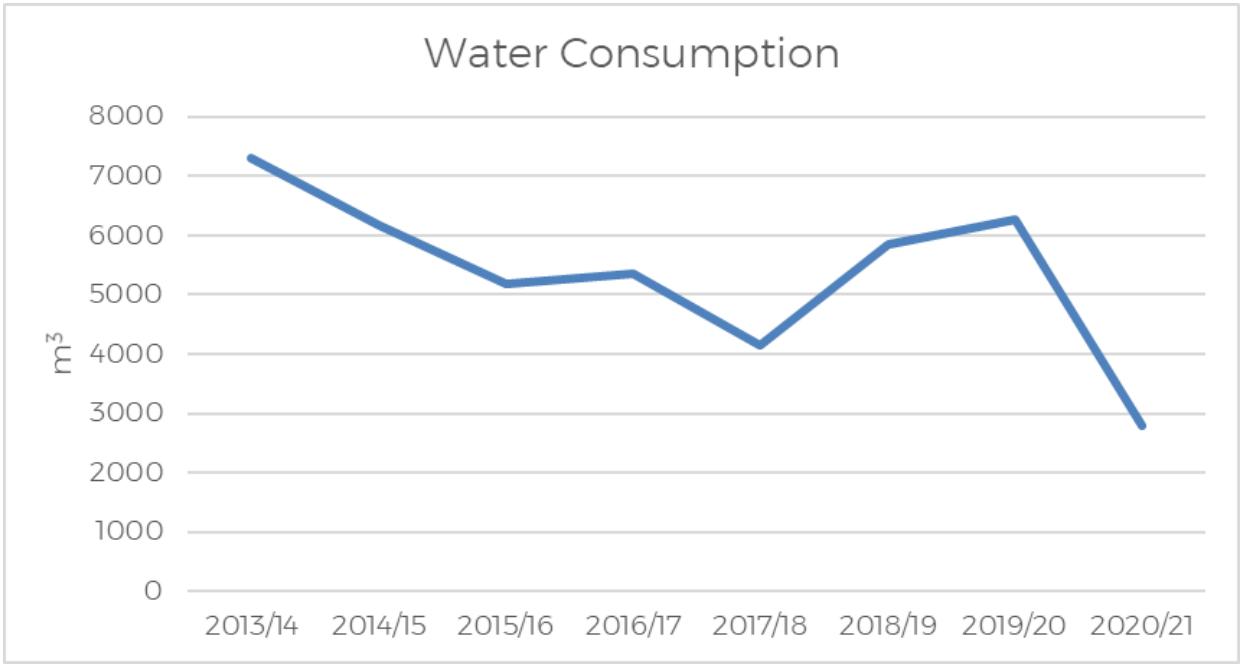
The need to ensure the appropriate disposal of items such as PPE during this past year has meant that, whilst none of our waste has been sent to landfill, a higher percentage of the waste that was produced has been sent to an energy recovery facility.

Minimal use of the Senedd building was reflected in its significantly-reduced water figures. The amount of harvested rainwater we've used in the building (mainly used in the toilets) was down around 70%- a reduction reflected in our water bill for the estate as a whole. Costs for water supply and disposal fell slightly less as billing from consumption in the previous financial year fell into this one.

Paper use is another metric demonstrating a dramatic reduction- also down more than 70%. With a high number of statutory instruments passed and reports needing printing, as well as demand for new Covid-related signage around the estate, there has been demand on our Copy Unit services, but on-site staff numbers being so low has simply meant paper wasn't used in our normal office printers.

We continue to procure goods like stationery and our utilities through centrally-coordinated NPS frameworks, and we specify FSC-sourced timber in any furniture purchases. Our major contracts are assessed for their sustainability credentials, with associated criteria often added to tender specifications.


Total Waste and Diversion from Landfill
Tonnes of Waste
% Diversion from Landfill
160
140
120
100
80
60
40
20
0
100.00
95.00
90.00
85.00
80.00
75.00
2012/13
2013/14
2014/15
2015/16
2016/17
2017/18
2018/19
2019/20
2020/21


Water Consumption
m³
8000
7000
6000
5000
4000
3000
2000
1000
0
2013/14
2014/15
2015/16
2016/17
2017/18
2018/19
2019/20
2020/21

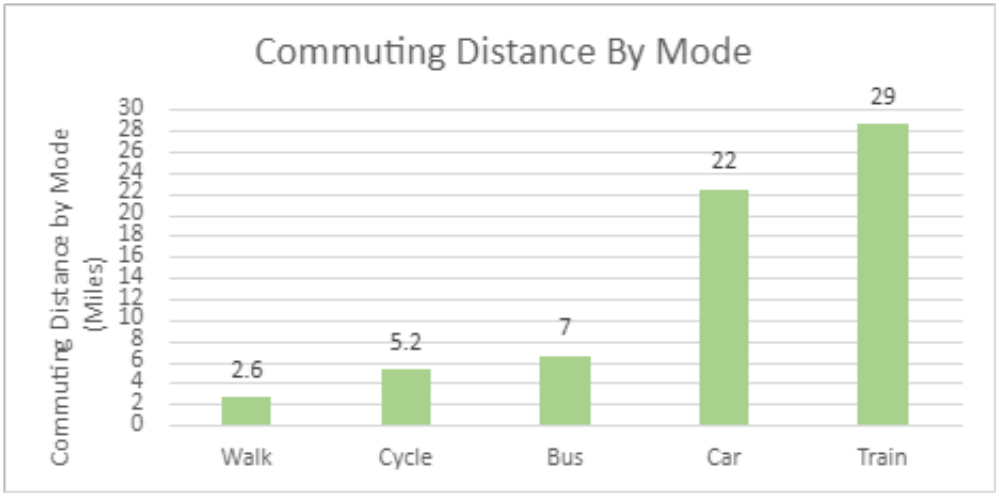
Travel

In this extraordinary year, travel claims have reduced by around 90%. During the two main periods of national lockdown, travel has been legislated against, and advised against for much of the rest of the year.

Our Members and staff have not travelled for work purposes in response to the pandemic, instead turning to more technology-based modes of communication and engagement. Meetings with constituents have been held virtually over video calls, along with team meetings and even training courses.

Away from business travel, the wider impacts of the pandemic have meant far fewer staff and visitors commuting to the estate. Supporting the business of our Members has been possible remotely for most Commission staff, with a core of personnel still attending the estate to support with its security, IT, and maintenance.

Our most recent travel survey, conducted just before the impact of Covid was felt, showed staff are using more efficient vehicles than ever and that more and more are choosing sustainable modes to travel. To support this further, and in response to some of the suggestions in the survey, we have taken to opportunity to increase storage facilities for cyclists- something which also supports social-distancing in the bike shelters. Given their rise in popularity, we have also introduced facilities for electric bike users.



A lot of our staff are already using sustainable travel modes for shorter commutes

Some of the plants and wildlife flourishing around the Cardiff Bay estate this year.

Other Impacts

Whilst the sphere of influence of our Members covers every part of the lives of people in Wales, our own operations are relatively confined, primarily to our buildings in Cardiff Bay and a small office in North Wales.

These sites are not deemed to be at risk from climate change impacts such as flooding (the Bay being protected by the Cardiff Bay Barrage), but our forthcoming Carbon Neutral Strategy will include measures which provide further protection against an uncertain future. Investing in renewables, for example, will ensure at least some of our energy supply is secure and shielded from any volatility in the markets.

Our estate is in an urban location, and our activities in maintaining it do not directly impact on rural areas. One small, positive impact which could be construed as affecting rural life is that we purchase as much of the foodstuff supplies for our catering service from within Wales.

Our support for the biodiversity of the site has continued throughout this past year. We have kept up the minimal cutting operations of the wildflower strip, and maintained the garden areas in the car park; all of which are showing more insect life than ever before. On the Pierhead we have this year introduced a third beehive, whilst the original two had their most productive year ever- producing double the honey crop they did in 2019.

Our Carbon Strategy will continue to build on the work we've done to improve the biodiversity of the site in recent years; it contains a commitment to doubling the overall area of green space on the estate through its life.

The Future – Goodbye Carbon

As our current carbon strategy ends, we have already prepared the new one. We hope it will be our last.

There, we've said it, and we're excited by it. Excited to build on the previous work we've done and set out our end-game. We had two successful strategies prior to this one, and are operating at half of the carbon footprint we had when we started, but we can't go on forever. Seeing us through to 2030, we are pleased to announce our plans to be *net carbon neutral* by this date.

Yes we may update the Strategy throughout its life as new technologies and priorities arise, and we'll certainly set sustainability goals after it's finished, but we can't keep reducing carbon forever.

Our new Carbon Neutral Strategy, available in full on our website, contains a range of improvement measures designed to minimise our footprint to be as low as possible, before finally seeking offsetting options in order to reach net neutrality. The roadmap of measures is shown overleaf.

Goodbye Carbon

Below is a summary of the key milestones in our Carbon Neutral Strategy 2021-2030. The full Strategy is available on our website www.senedd.wales

SHORT TERM TARGET: (2021-2023)

Behavioural change and good housekeeping	100
BMS improvements (three buildings)	59
Monitoring- additional meters and software	52
LED lighting: continued replacement and review of controls	30

= 241 TONNES OF CARBON SAVED PER YEAR

MEDIUM TERM TARGET: (2023-2026)

Refurbishment of AHUs (air-handling units)	42
Connect to district heating network	132
Revert Ty Hywel to passive ventilation	97
Install solar PV (Senedd and Ty Hywel)	60

= 331 TONNES OF CARBON SAVED PER YEAR

LONG TERM TARGET: (BY 2030)

Air-source heat pumps for hot water supply	10
Modify T&S system to pay for EV travel only by Members of the Senedd [1]	82

= 10 TO 92 TONNES OF CARBON SAVED PER YEAR

[1] based on current level of private car claims and adoption of RFID cards, carbon figure for medium-sized car mileage.

Senedd Cymru
Welsh Parliament

Environmental Management

The Senedd Commission has maintained a formal environmental management system (EMS) for more than a decade.

We believe in transparency as well as setting the highest standards for ourselves, which is why we maintain an EMS which is externally-audited against the requirements of ISO14001. This management standard requires a range of measures to be demonstrated, including controls on key environmental impacts, compliance with legislation, and a programme of internal audits. We have a team of trained internal auditors checking the physical site and our operational controls to ensure continued compliance throughout the year. The auditors also check for pollution risk and look for efficiency savings where possible.

We continue to work with other public sector bodies in Wales, as well as the other UK parliaments, in order to share best practice in continual environmental improvement.

Appendix A – Data Tables

Key Performance Indicators	2012/13	2014/15	2016/17	2017/18	2018/19	2019/20	2020/21
Total net greenhouse gas emissions (scopes, 1, 2, 3), tCO_2e	2,314	2,252	1,841	1,654	1,296	1150	746
Total energy emissions, tCO_2e	1880 (baseline)	1,800	1,563	1,364	1,066	962	730
Waste to landfill in tonnes	17.2	4.7	5	4	0	0	0
Recycle, reuse and recovery rate, percentage of total	83%	95%	96%	97%	100%	100%	100%
Total water consumption, m^3	10,069	6,177 (baseline)	5,347	4,158	6,064	6,281	1,783
Total business travel emissions, tCO2e	222	252	206	207	174	180	22*
Paper Use (million sheets)	2.24	2.09	1.99	2.92	2.73	2.33	0.86

** Excludes MS and MSSS travel February & March 2021 due to delayed reporting requirements. Previous years have been adjusted as final claims for those years have been processed.*

Welsh Parliament
Senedd Commission

Diversity and Inclusion
Workforce and Recruitment Monitoring Report 2020-21

June 2021

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Introduction

Our workforce exists to support the efficient running of the Welsh Parliament (Senedd) by providing services to Members of the Senedd, their staff and the public. Each year, we collect, analyse and publish diversity data on our workforce profile and recruitment activity.

The information below sets out an analysis of the diversity profile of our workforce, alongside both internal and external recruitment monitoring data. From this information, we are able to examine the diversity profile of our workforce, the people we attract to apply for jobs and to whom we offer employment. We use the analyses of these monitoring exercises to help inform our approach to being an inclusive recruiter and employer, in order to meet the diverse needs of staff and to try to ensure that our workforce is representative of the diversity of the public that we serve. The preparation and publication of this report meets the public sector duties set out in the Equality Act 2010. The report contains analyses of data which accords with the protected characteristics as defined by the Act.

As 98.9% of our workforce is ordinarily based in Cardiff Bay (but due to Covid-19 restrictions, currently operates either on a hybrid or remote basis) we are using data from the 2011 Census, namely the Cardiff Travel to Work Area (TTWA) data set to compare the characteristics of our workforce and job applicants to the wider Cardiff population in terms of people of working age. Going forward into the Sixth Senedd, we will review the appropriateness of this comparator, given the changes brought about by the pandemic resulting in remote/hybrid working and also the Census 2021 data (to be available in 2023).

We are aware that there is topical debate about the use of terminology and descriptors such as ‘BAME’. Going forward we will review the descriptors we use for the protected characteristics and consult with our Workplace Equality Networks.

Also, from 1 April 2021, we will collect, analyse and report on socio-economic/social mobility diversity data to help us better understand the socio-economic make-up of our applicant pipeline and our workforce.

Workforce Monitoring

Our Approach to Workforce Monitoring

Our workforce data is collated via our HR Payroll system and relates to staff directly employed by the Senedd Commission. The workforce data presented in this report is as of 31 March 2021.

One of our identified on-going actions is to further increase the number of staff who self-identify their diversity characteristics and update them on our HR Payroll system. We include declaration rates alongside our workforce data.

Action to address under-representation in our workforce

We continue to take steps to address under-representation within our workforce, including identifying and removing barriers to inclusion. We are encouraging applications from the widest pool of talent and undertake outreach work to promote the Senedd as an inclusive employer. We deliver unconscious bias training for all recruitment panels and ensure they are gender balanced; we have undertaken an inclusion audit and further comprehensive organisational review of the efficacy and inclusivity of our recruitment practices; We have reviewed our advertising approach and continue to build on our brand and outreach principles; and we utilise up-to-date inclusive imagery in our social media advertising, as well as videos for specific campaigns showing what it is like to work here, which has increased the diversity, quantity and quality of applications.

We have developed a new, accessible careers website which focuses on our values and culture, providing a picture of what it is like to work at the Senedd Commission, including stories from the people we employ.

Privacy

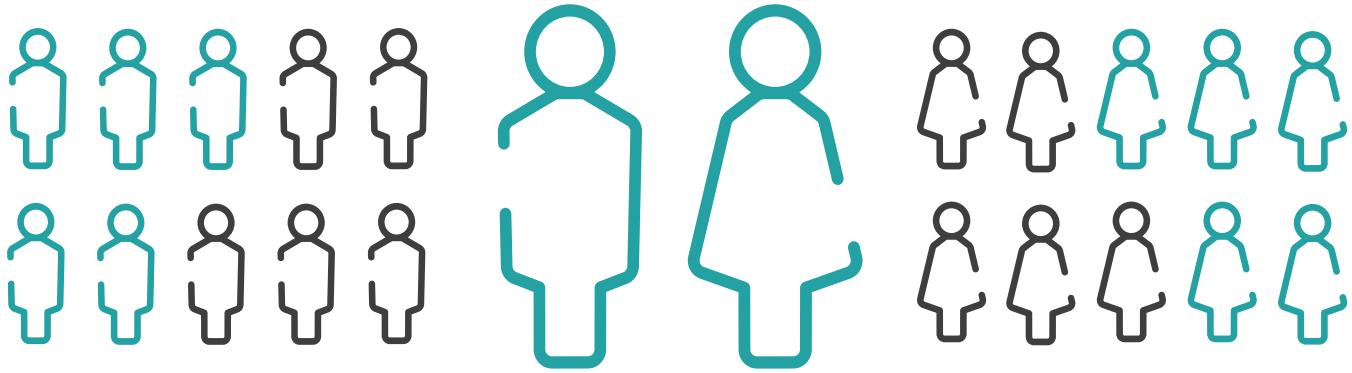
Raw data is only seen by a small number of key staff in the HR Team and is held securely on a confidential basis and in line with data protection legislation. In terms of our workforce data and its presentation, where there are small numbers of staff, we have merged certain categories within the tables to ensure that individuals' privacy is protected and in line with data protection legislation. Our Privacy Notice can be requested by contacting **jobs@Senedd.wales**.

Workforce, Recruitment and Pay Diversity Monitoring 2020-21

Summary of Data Insights (as of 31 March 2021)

OUR WORKFORCE

GENDER SPLIT



50:50
EXECUTIVE BOARD

480
MEMBERS OF STAFF

50:50
LEADERSHIP GROUP

51:49 SPLIT BETWEEN WOMEN AND MEN IN OUR OVERALL WORKFORCE

48.4%
OF EXTERNAL JOBS WERE OFFERED TO WOMEN

51.6%
OF EXTERNAL JOBS WERE OFFERED TO MEN

GENDER IDENTITY / GENDER REASSIGNMENT

- No staff have identified as trans
- **0.5%** of external applicants identified as trans, **JOB OFFERS: 0**

28.6%
OF WOMEN WORK PART-TIME

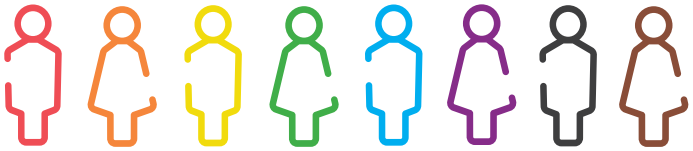
6.4%
OF MEN WORK PART-TIME

DISABILITY

5% OF OUR WORKFORCE IDENTIFIES AS DISABLED

- One **INTERNAL** applicant was offered a job
- **8.5%** of **EXTERNAL** applications were from disabled applicants
- **NO EXTERNAL JOB OFFERS** were made to applicants who identified themselves as disabled

SEXUAL ORIENTATION



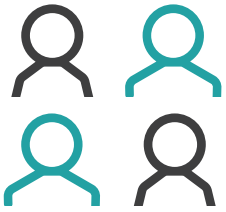
4.6% OF OUR TOTAL WORKFORCE IDENTIFIES AS LGBQ+

57.1% OF LGBQ+ APPLICANTS FOR **INTERNAL** VACANCIES WERE OFFERED A JOB

18.18% OF LGBQ+ APPLICANTS FOR **EXTERNAL** VACANCIES WERE OFFERED A JOB

Success rates throughout the recruitment process are nearly equivalent for LGBQ+ and heterosexual / straight people.

RACE / ETHNICITY



4.2% OF STAFF IDENTIFY AS BAME

81% OF STAFF WHO IDENTIFY AS BAME ARE **IN THE TWO LOWEST PAY BANDS** (TS AND M3)

- External applications from BAME people have risen year-on-year from **4.8%** in 2016, to **7.7%** in 2021.
- No staff, who have identified as BAME, have been offered employment in an internal recruitment exercise.
- One person who identified as BAME was appointed to an externally advertised post.

AGE

5.6% OF OUR WORKFORCE ARE AGED **25 AND UNDER**

2.9% OF OUR WORKFORCE ARE AGED **61-65**

12.9% OF TOTAL EXTERNAL JOB OFFERS WERE MADE TO PEOPLE AGED OVER 50

Workforce, Recruitment and Pay Diversity Monitoring 2020-21

Summary of Data Insights (as of 31 March 2021)

OUR WORKFORCE

RELIGION / BELIEF

33.3% OF ALL **INTERNAL** JOB OFFERS WENT TO PEOPLE WHO IDENTIFIED AS HAVING A MINORITY RELIGION OR BELIEF

32.6% OF **EXTERNAL** JOBS WERE OFFERED TO PEOPLE WHO IDENTIFIED AS HAVING A MINORITY RELIGION OR BELIEF

37.7% of staff who filled in their data on our HR system declared no religion or belief

OUR PRIORITIES

Work to ensure that we increase BAME representation in bands M1 and beyond (both through more staff self-identifying on our HR system as BAME, and employing more BAME staff at all levels, particularly at senior/ decision-making level).

Gather candidate feedback to identify and work to remove any potential barriers in our recruitment processes.

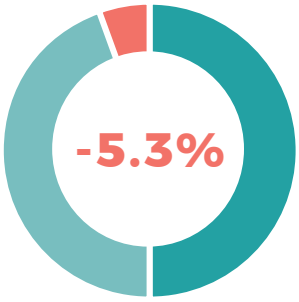
Explore with our LGBTQ+ network PLWS, what we can do to encourage applicants to share data concerning their trans status.

Monitor conversion rates for internal and external campaigns for disabled and BAME candidates and identify any potential barriers in our recruitment processes and adjust them accordingly.

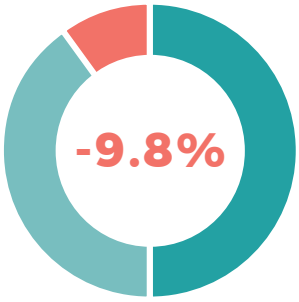
Design and launch a BAME Graduate Internship.

PAY GAP REPORTING

MEAN GENDER PAY GAP

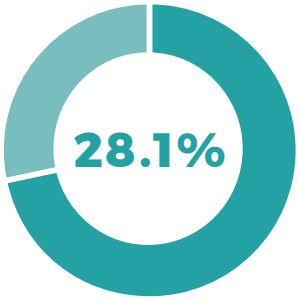


MEDIAN GENDER PAY GAP



As with previous years, the Commission continues to experience an inverse gender pay gap, where women overall are paid more than men. However, the pay gap for the Commission has continued to reduce this year (as with last year), which is positive traction towards neutralising the pay gap between men and women.

MEAN ETHNICITY PAY GAP



MEDIAN ETHNICITY PAY GAP

As with previous years, the Senedd continues to have an significant BAME pay gap. This is mainly due to a limited number of BAME staff employed by the Commission as an overall percentage of the overall workforce; and BAME staff mainly being employed at lower bands on the pay scale (57% of BAME staff are at the Apprentice / Team Support level).

OUR PRIORITIES

Continue to be a committed signatory of the Race at Work Charter which has been designed to help organisations to address any barriers to recruitment and progression experienced by employees who identify as BAME.

Senedd Commission Workforce Data Insights

Headcount

The headcount as at 31 March 2021 is 480 staff. This figure includes staff who were either seconded to the Senedd Commission or are agency staff. This compares with 476 staff in the last reporting period.

Workforce Composition by Grade (Payband)

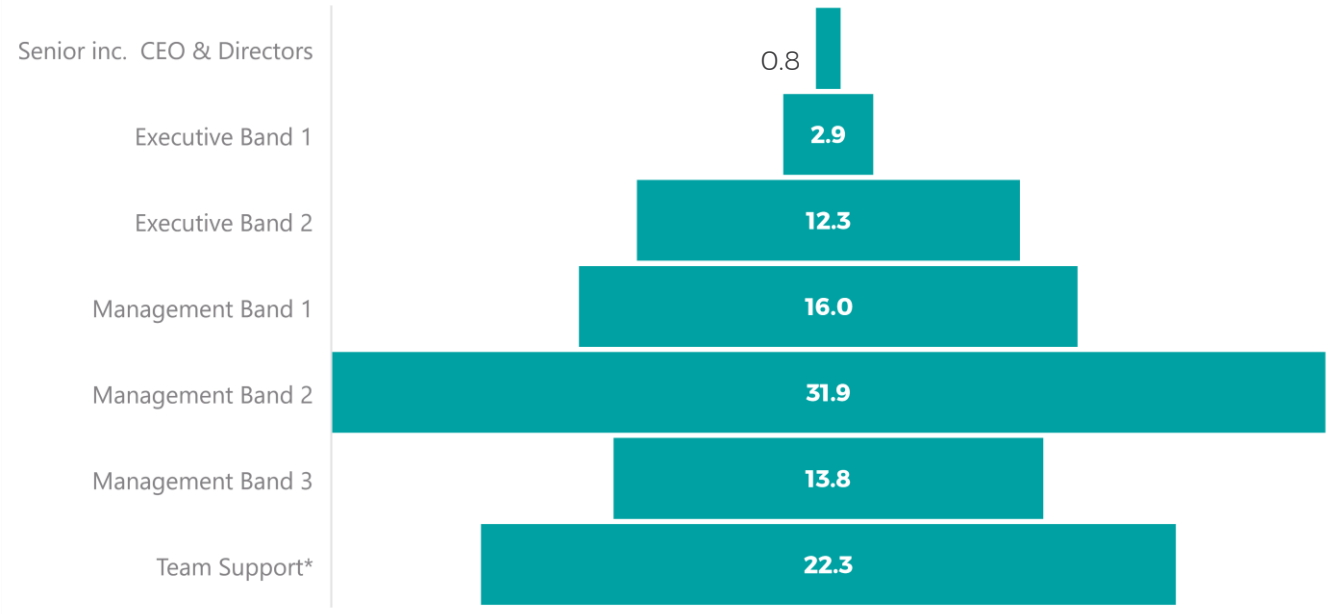
Table 1: Workforce composition by grade

Grade	Number as at 31 March 2021	% of total workforce
Team Support*	107	22.3
Management Band 3	66	13.8
Management Band 2	153	31.9
Management Band 1	77	16.0
Executive Band 2	59	12.3
Executive Band 1	14	2.9
Senior staff including Chief Executive and Directors	4	0.8
Total	480	100.0

*Includes apprentices

Graph 1: Workforce Composition by Grade

Graph 2: Percentage of Staff by Grade

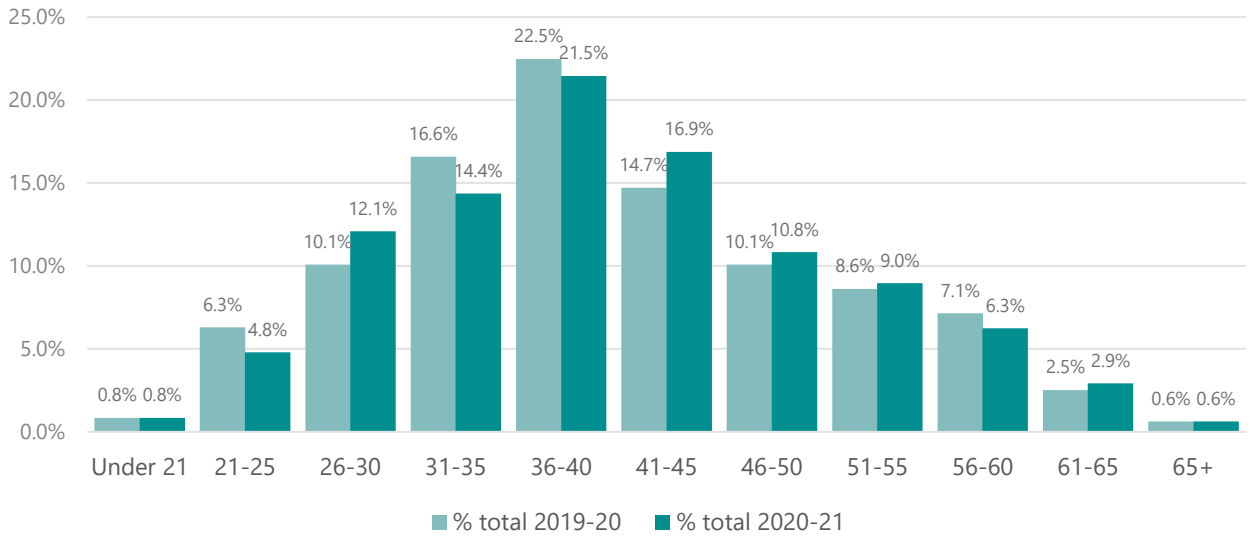


Analysis

The largest group of staff is at Management Band 2 at 31.9% which was also the case in the last reporting period.

Workforce Composition by Age

Graph 3: Workforce Composition by Age



Declaration Rate: 100%

Analysis

Compared to 2019-20, the percentage of people in age groups between 41-55 has increased slightly, from 33.4% to 36.7% of all staff. Also notable is the slight increase in the 61-65 cohort from 2.5% in 2019-20 to 2.9% this reporting year.

According to data from the 2011 Census, 14.3% of people in the Cardiff Travel-to-Work Area (TTWA) who are economically active and employed are aged under 24. This compares to 5.6% of our workforce who are aged 25 and under. This has fallen from 7.1% in 2019-20 and 6.2% in 2018-19.

As last year, 18.2% of our workforce is aged between 51 and 65. This is less than the figure from the 2011 Census which states that 23.9% of people who are economically active and employed in the Cardiff TTWA are aged 50 to 64.

Workforce Composition by Disability

Graph 4: Workforce Composition by Disability

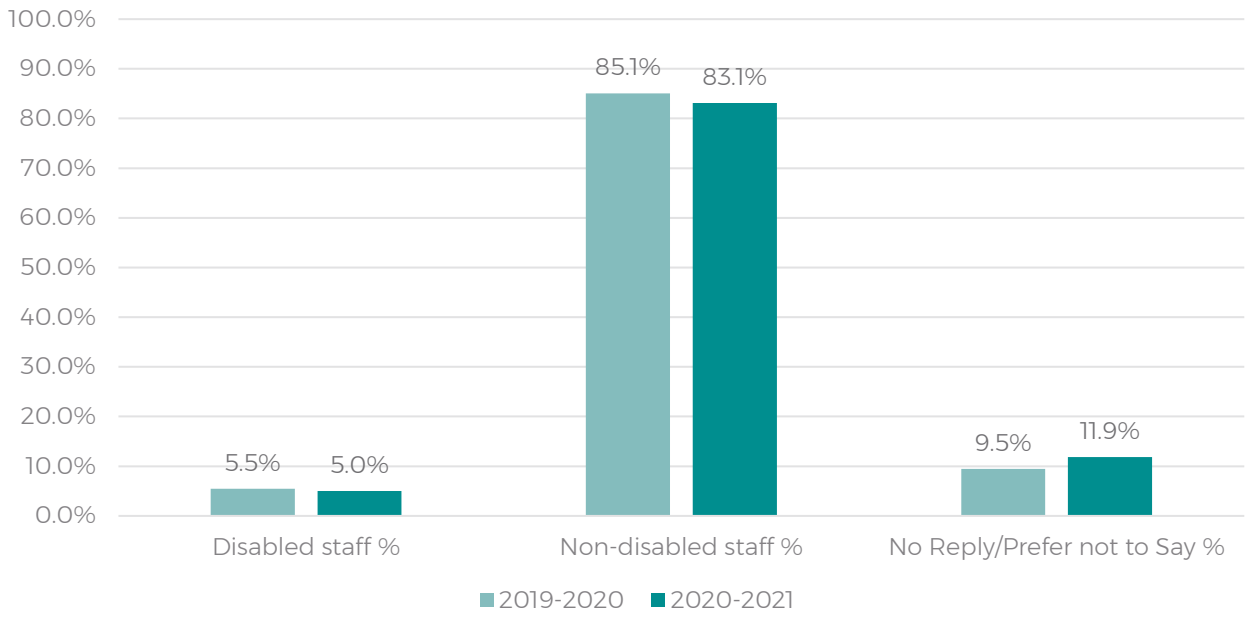


Table 2: Workforce Composition - Disability Status by Grade

Grade	Total staff	Disabled staff		Non-disabled staff		No Reply/Prefer not to Say	
	number	number	%	number	%	number	%
TS *	107	5	4.7	83	77.6	19	17.8
M3	66	2	3.0	60	90.9	4	6.1
M2	153	12	7.8	120	78.4	21	13.7
M1	77	1	1.3	66	85.7	10	13.0
E2, E1 & Senior**	77	4	5.2	70	90.9	3	3.9
Total	480	24	5.0	399	83.1	57	11.9

*includes apprentices

**merged to protect individuals' privacy

Declaration Rate: 88.0%

Analysis

The percentage of staff who declared a disability as at 31 March 2021 is 5.0% of our total workforce, a decrease from 5.5% in 2020 and 6.5% in 2019. The grades that are more likely to Prefer Not to Say are TS, M2 and M1. We will continue to

encourage all disabled staff to record their disability on the HR system, as we believe that many people with hidden disabilities, mental ill health, dyslexia and other long term health conditions, who could identify with this definition of disability on our system, are not reflected in this data.

The data shows that 79.2% of our staff who identify as disabled are at the three lowest pay grades, which is down slightly from 81% in 2019-20. 5.2% of the E2,E1 and Senior grades identify as disabled (which is the same as last year).

The 2011 Census states that 8.3% of people who are economically active and employed in the Cardiff TTWA have a long term health problem or disability that limits their day to day activities. As 5.0% of our workforce currently identifies as disabled, we would like this figure to align more with the Cardiff TTWA figure. We realise that this could involve encouraging staff to self-identify as disabled staff, but also we need to be sure that we are attracting disabled people to apply for work with us. We will therefore take account of this as part of a wider strategy to address underrepresentation in our workforce. Our recruitment data shows that this reporting year, the conversion rates to offer of employment from sift, are disappointing (in that no disabled candidates were offered employment from external campaigns). We will examine this further and identify and work to remove any potential or actual barriers.

Workforce Composition by Gender Identity/Gender Reassignment Status

No members of staff have identified as trans in this reporting period.

The Senedd is listed as one of the top LGBTQ+ inclusive organisations in the UK in Stonewall's Workplace Equality Index 2020. We celebrate this success and promote the Senedd as an employer of choice on social media. As part of LGBTQ+ History Month, our staff Our staff have also undertaken activities including Trans Inclusion and LGBTQ+ Mental Health and Wellbeing workplace learning and development opportunities.

Staff have the ability to update their personal data on the HR System and we are also encouraging staff to ensure their information is correct and up to date.

Workforce Composition by Race/Ethnicity

Graph 5: Workforce Composition by Race / Ethnicity

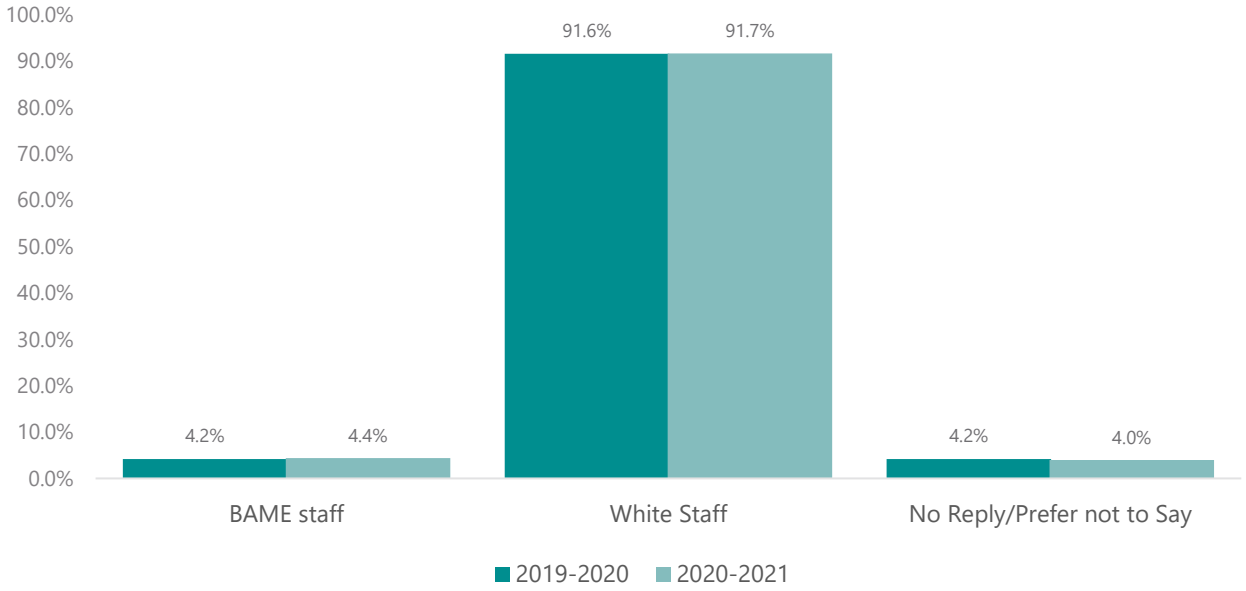


Table 3: Workforce Composition: Race / Ethnicity by Grade

Grade	Total staff	BAME staff		White Staff		No Reply/Prefer not to Say	
	number	number	%	number	%	number	%
TS*	107	12	11.2	92	86.0	3	2.8
M3	66	5	7.6	58	87.9	3	4.5
M2	153	3	2.0	143	93.5	7	4.6
M1	77	0	0.0	74	96.1	3	3.9
E2, E1 & Senior**	77	1	1.3	73	94.8	3	3.9
Total	480	21	4.4	440	91.7	19	4.0

*includes apprentices

**merged to protect individuals' privacy

Declaration Rate: 96.0%

Analysis:

The number of staff who identify as BAME has increased from 20 to 21. The percentage of BAME people in the total workforce has increased slightly from 4.2% last year to 4.4% in this reporting year.

The 2011 Census states that 6.8% of people who are economically active and employed in the Cardiff TTWA identify as BAME. We continue to work to aim for closer alignment with the TTWA figure of 6.8%. As per the previous two reporting years, this year, the TS grades exceed this comparison figure, with M3 comparatively aligned (7.6%).

57.1% (12) of our staff who identify as BAME are employed at entry level (TS grade). This has increased from 50.0% (10) from 2019-20. 4.8% of staff who identify as BAME are employed at decision-making level at E2, E1 and Senior Level, which has decreased from 10.0% in the last reporting period – the sample size is very small, so the data is sensitive to changes even when a single person joins or leaves the organisation.

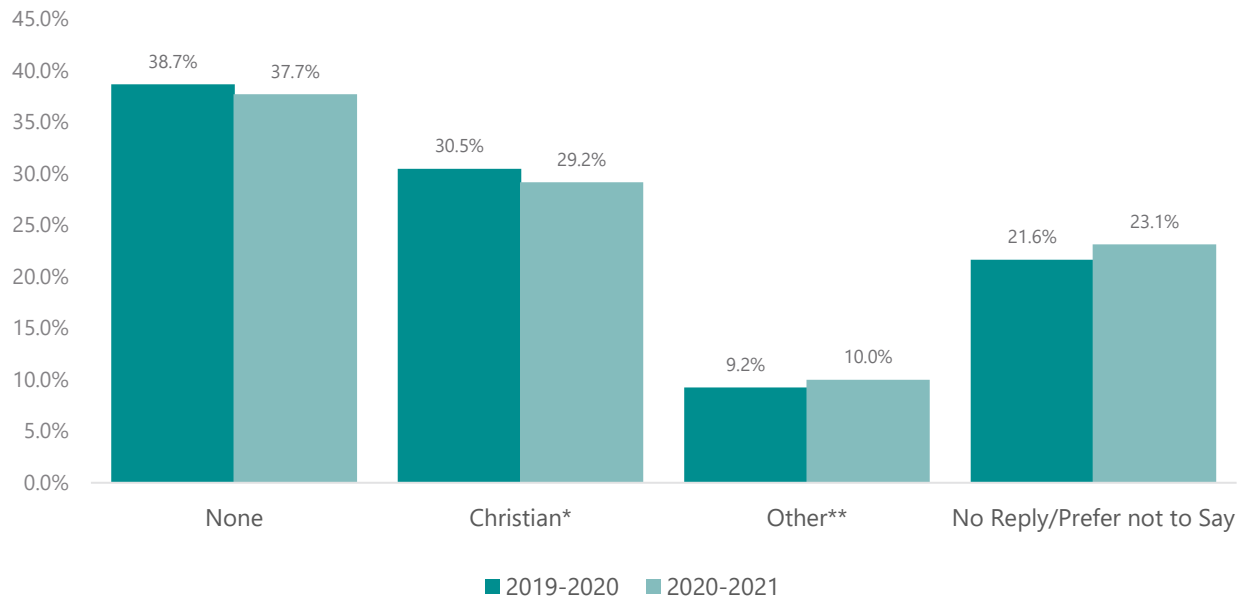
We can infer from the data that there is an uneven distribution of staff who identify as BAME across our workforce. 81.0% of staff who identify as BAME are in the two lowest pay bands (TS and M3), up from 70.0% last year. In pay bands M2 and M1, three members of staff identify as BAME, which constitutes 14.3 % of our workforce that identifies as BAME. We will work hard to ensure that we increase representation in bands M1 and beyond (both through more staff self-identifying on our HR system as BAME, and employing more BAME staff at all levels, particularly at senior/ decision-making level). The Commission has a stretch indicator to increase the number of applications year-on-year from candidates that identify as BAME. Through the Fifth Senedd, this has risen from 4.8% in 2016, to 7.7% in 2021. We are however disappointed that our conversion rates from application to sift and sift to offer of employment are lower for BAME applicants than for White applicants and we will examine our processes further to identify and work to remove any potential or actual barriers.

We have engaged Business in the Community (BITC), signed up to the Race at Work Charter and have designed an action plan to address underrepresentation in the Senedd's workforce, which involves supporting our existing BAME colleagues to fulfil their potential and ensuring we take appropriate steps to attract the widest and diverse range of talent to apply for jobs with us. Our senior champion for BAME colleagues and REACH, our Race, Ethnicity and Cultural Heritage workplace equality network, are raising the profile of the network, both internally and externally. We are incorporating this work into a wider strategy to

address underrepresentation in our workforce via the development of an attraction strategy for the Sixth Senedd, which is inclusive of all the protected characteristics and embeds diversity and inclusion throughout our organisational decision-making processes.

Workforce Composition by Religion/Belief

Graph 6: Workforce Composition by Religion/Belief



*Christian - Christian, Roman Catholic, Church in Wales, Church of England, Baptist/Methodist
**Other - Agnostic, Atheist, Buddhism, Hinduism, Muslim, Other, Zoroastrian

Table 4: Workforce Composition - Religion / Belief by Grade

Grade	None		Christian**		Other***		No Reply/Prefer not to Say	
	number	%	number	%	number	%	number	%
TS*	41	38.3	30	28.0	13	12.1	23	21.5
M3	31	47.0	17	25.8	5	7.6	13	19.7
M2	60	39.2	39	25.5	13	8.5	41	26.8
M1	29	37.7	25	32.5	7	9.1	16	20.8
E2	15	25.4	21	35.6	9	15.3	14	23.7
E1	3	21.4	7	50.0	1	7.1	3	21.4
Senior	2	50.0	1	25.0	0	0.0	1	25.0
Total	181	37.7	140	29.2	48	10.0	111	23.1

*includes apprentices

**Christian - Christian, Roman Catholic, Church in Wales, Church of England, Baptist/Methodist

***Other - Agnostic, Atheist, Buddhism, Hinduism, Muslim, Other, Zoroastrian

Declaration Rate: 76.9%

Analysis

As last year, the declaration rate is still lower than we would wish it to be, and we will continue to encourage staff to update their personal information on our HR system.

37.7% of staff who filled in their data on our HR system declared no religion or belief (none), which is slightly lower than last year's 38.7%.

It is difficult to draw any conclusions from this data set other than it could demonstrate a diversity of religious belief (including non-belief) in our workforce. We are a faith-friendly workplace, and we have flexible working arrangements in place for staff who wish to observe prayer and/or religious events and holidays; we have two on-site quiet rooms for staff and visitors to use should they wish to (once access to the estate is resumed pendingCovid-19 restrictions).

Workforce Composition by Sex

Graph 7: Workforce Composition by Sex

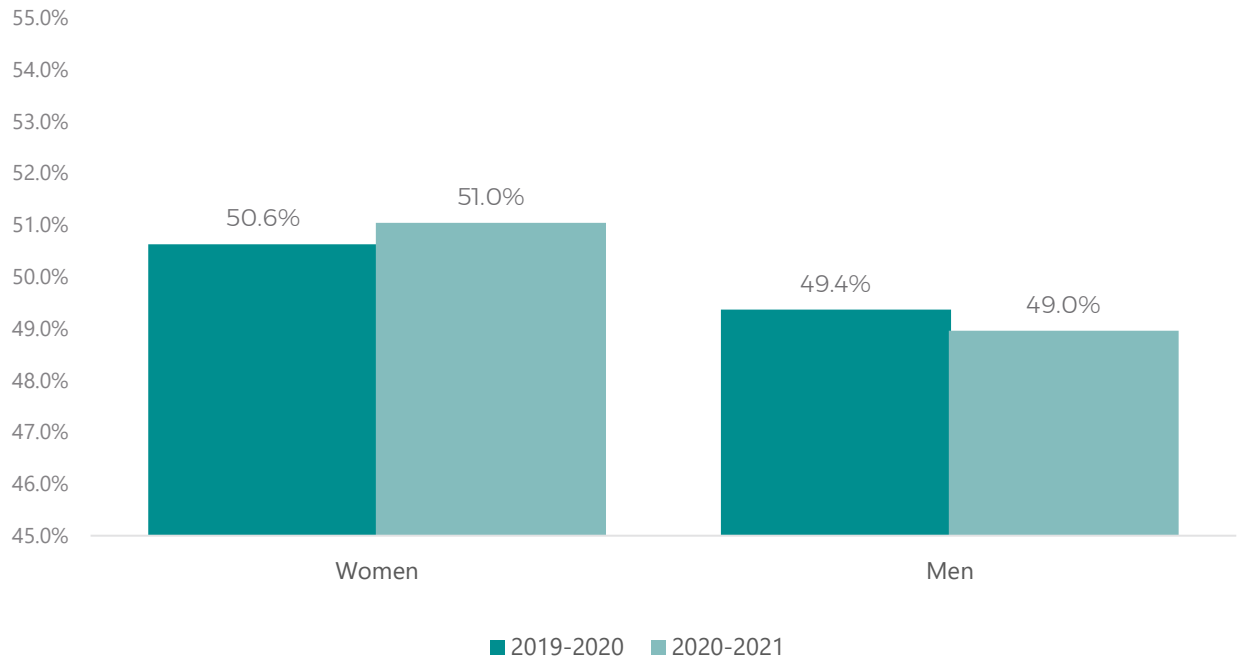


Table 5: Workforce Composition - Sex by Grade

Grade	Total staff	Women		Men		% split 2021	% split 2020
	number	Number	%	number	%	Women/Men	Women/Men
TS	107	42	39.3	65	60.7	39/61	36/64
M3	66	29	43.9	37	56.1	44/56	43/57
M2	153	91	59.5	62	40.5	60/40	61/39
M1	77	44	57.1	33	42.9	57/43	58/42
E2	59	30	50.8	29	49.2	51/49	52/48
E1	14	7	50.0	7	50.0	50/50	50/50
Senior	4	2	50.0	2	50.0	50/50	40/60
Total	480	245	51.0	235	49.0	51/49	51/49

Declaration Rate: 100.0%

Analysis

This reporting period sees a near equal split at 51:49 between women and men in our overall workforce composition, which is consistent with last year's reporting. No staff have identified as non-binary.

More men than women are represented in the lowest two grades, with women having higher numbers at both M2 and M1 grades. This could be attributed to the prevalence of women at M2 and M1 grades in the Translation and Reporting Service.

The distribution of males/females has remained consistent in grades E1 and Senior this year compared to last, where there is 50:50 equal split between men and women at these grades.

In 2020-21, there are 9 women and 9 men at E1/Senior decision-making level (50.0% women), compared to 9 women and 10 men in 2019-20 (47.4% women). The current figure of 50.0%, meets the ambition set out in the 50:50 by 2020 Campaign.

In terms of decision-making roles, our Leadership Team (Executive Band 1) and Senior Staff (including Chief Executive and Directors) constitutes 18 people. There is an equal gender split at decision-making level with 18 women and 18 men across these two grades/pay bands. Further to that, Leadership Group is equally spilt by gender: 7 women and 7 men and our Executive Board team consists of 2 women and 2 men.

Working Pattern by Sex/Gender

Table 6: Working Pattern by Sex/Gender

	Women				Men				Total	
	Full-time		Part-time		Full-time		Part-time			
Grade	number	% of women at this grade	number	% of women at this grade	number	% of men at this grade	number	% of men at this grade	Number at grade	% of total part time staff at this grade
TS	31	73.8	11	26.2	57	87.7	8	12.3	107	22.3
M3	25	86.2	4	13.8	34	91.9	3	8.1	66	13.8
M2	56	61.5	35	38.5	59	95.2	3	4.8	153	31.9
M1	33	75.0	11	25.0	32	97.0	1	3.0	77	16.0
E2	22	73.3	8	26.7	29	100.0	0	0.0	59	12.3
E1	6	85.7	1	14.3	7	100.0	0	0.0	14	2.9
Senior	2	100.0	0	0.0	2	100.0	0	0.0	4	0.8
Total	175	71.4	70	28.6	220	93.6	15	6.4	480	100.0

Analysis

The 2011 Census data shows that 37.3% of women in the Cardiff TTWA work part-time. During this reporting period, 28.6% of women in our workforce work part time, a decrease from 31.1% in 2019-20 and 30.9% in 2018-2019.

The 2011 Census data shows that 9.9% of men in the Cardiff TTWA work part-time. During this reporting period, 6.4% of men in our workforce work part time, a decrease from 8.5% in 2019-2020.

Our staff use a number of flexible working options, as either a formal or informal arrangement. Informal flexible working options include: compressed hours, annualised flexi leave and working from home. Anecdotally, we are aware that many members of staff, including men at senior level, utilise these arrangements. The figures in Table 6 refer to formal arrangements only where a member of staff has formally reduced their hours.

As last year, the data shows that men are less likely to work part-time than women in our workforce. As last year no men at the top three grades E2-Senior)

worked part time. Due to Covid-19 restrictions, the majority of our staff have worked flexibly/adjusted working patterns to accommodate business needs and unscheduled and scheduled caring responsibilities.

Workforce Composition by Sexual Orientation

Graph 8: Workforce Composition by Sexual Orientation

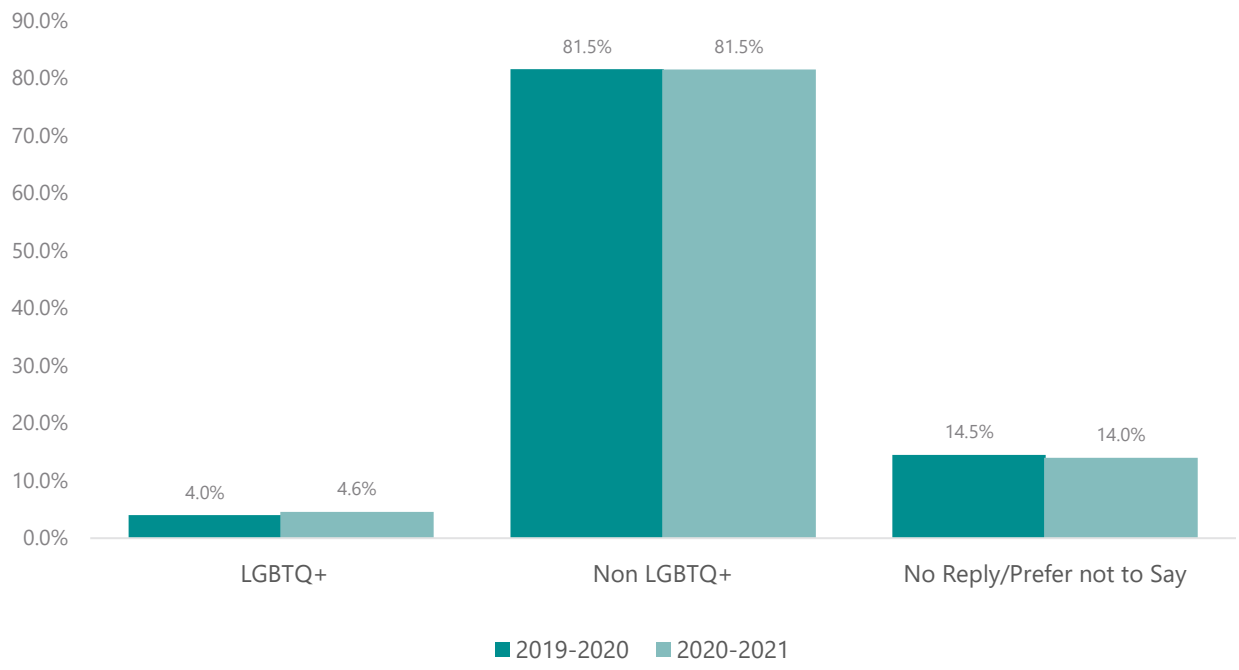


Table 7: Workforce Composition-Sexual Orientation by Grade

Grade	Total staff	LGBQ+		Heterosexual/Straight		No Reply/Prefer not to Say	
	number	number	%	number	%	number	%
TS*	107	3	2.8	91	85.0	13	12.1
M3	66	3	4.5	57	86.4	6	9.1
M2	153	9	5.9	122	79.7	22	14.4
M1	77	5	6.5	61	79.2	11	14.3
E2, E1 & Senior**	77	2	2.6	60	77.9	15	19.5
Total	480	22	4.6	391	81.5	67	14.0

*includes apprentices
**merged to protect individuals' privacy
Declaration Rate: 86.0%

Analysis

Whilst it continues to rise, the declaration rate of 86.0% (85.7% last year) is lower than we would like it to be, hence we periodically remind and encourage staff to update their personal data on our HR system.

The number of staff who identify as Lesbian, Gay, Bisexual or other minority Sexual Orientation (LGBQ+) has increased to 22 from 19 since the last reporting period, representing 4.6% of our total workforce. There currently is no comparative data available for the Cardiff TTWA for LGBQ+ people who are economically active and employed. However, Stonewall references the UK Government's estimate that 5-7% of the population identify as LGBQ+. Assuming that some of the population included in the 5-7% estimate will be people who are not economically active or in employment (due to their age), our workforce percentage of 4.6% could be considered broadly representative.

Maternity and Co-Parental Leave

Maternity Leave and Returners

Twenty-four women were on maternity leave during this reporting period. Nine women returned from maternity leave, five of whom changed their work pattern (of these, two women reduced their hours).

Co-Parental/Paternity Leave

Ten partners took co-parental/paternity leave and one changed their work pattern on their return to work.

Shared Parental Leave

One male member of staff took shared parental leave during this period.

Training

Currently, we do not gather data for training (or application for training) in a manner which we can analyse by protected characteristic.

Grievance, Disciplinary and Dismissal Related to Protected Characteristics

In this reporting period, we received one complaint relating to a protected characteristic.

Complaints about Discrimination / Prohibited Conduct

There were no complaints in this reporting period.

Recruitment Monitoring

Context

Shift from Face-to-Face to Virtual Recruitment

As a result of the pandemic, we shifted our face-to-face recruitment activities to virtual recruiting. We endeavoured to make this as seamless as possible and conducted equality impact assessments of our process to minimise any potential and actual barriers to inclusion. We provided guidance for hiring managers as to how to recruit inclusively in a virtual setting and are currently reviewing our onboarding arrangements to ensure an inclusive and warm virtual welcome.

New Online Applicant Tracking System

We also deployed our new applicant tracking system which we have used to anonymise applications and use its data analytics capabilities to get deeper insights into our recruitment data.

Our approach to recruitment monitoring

The Senedd Commission's recruitment policy is designed to be flexible: managers can access a series of prompt questions to assist them to determine whether they need to advertise vacancies internally or externally. The recruitment data presented in this report covers both internal and external recruitment schemes that closed with appointments during the reporting period of 1 April 2020 to 31 March 2021. As such, this includes schemes which were advertised in the 2019-20 reporting period where the appointment was not made until after 1 April 2020. The external recruitment data includes Senedd Commission staff who applied for vacancies which were advertised externally. During the reporting period there were 15 internal recruitment schemes and 29 external recruitment schemes.

Year	Number of Applications for External Roles	Number of External Schemes		Number of Applications for Internal Roles	Number of Internal Schemes
2019-20	894	64		45	23
2020-21	833	29		57	15

As with each reporting period, we encourage all applicants to submit their diversity monitoring data in order to complete the application process, providing reassurance as to how their data will be treated in accordance with data protection legislation. Our Recruitment Team has proactively contacted applicants

to complete the forms (with a choice including 'prefer not to say') if they have not already done so for the section of the reporting period before our applicant tracking system went live.

The internal recruitment data covers schemes that closed between 1 April 2020 and 31 March 2021 and includes all internal schemes, whether temporary or permanent.

Understanding our recruitment statistics

The recruitment tables below for both internal and external recruitment schemes track the success rates of applicants throughout the recruitment process as follows:

Under **"Applications Received**" we present the number of applicants per category and that number as a percentage of the total number of applications.

Under **"Successful at sift"** we present the number of applicants per category who have been invited to interview and that number as a percentage of the number of applicants in that category.

Under **"Offer of employment"** we present the number of applicants per category who have been offered a job and that number as a percentage of those who were successful at sift.

Under **"Overall success rate"** we present the success of people in that category as a percentage – i.e. the percentage of total applicants from that category who have been successful.

Finally, we present the percentage of total jobs that were offered to people in each category.

Senedd Commission Recruitment Data Insights

Age

Table 8: Internal Recruitment by Age

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total Job Offers
Age Range	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous year	
<20	0	0.0	0	0.0	0	0.0	0.0	0.0	0.0
20 - 29	18	31.6	13	72.2	7	53.8	38.9	53.3	38.9
30 - 39	25	43.9	19	76.0	9	47.4	36.0	35.0	50.0
40 - 49	11	19.3	7	63.6	2	28.6	18.2	50.0	11.1
50 - 59	0	0	0	0.0	0	0.0	0.0	0.0	0.0
60>	0	0	0	0.0	0	0.0	0.0	0.0	0.0
No Reply	0	0	0	0.0	0	0.0	0.0	0.0	0.0
Prefer Not To Say	3	5.3	2	66.7	0	0.0	0.0	50.0	0.0
Total	57	100.0	41	71.9	18	43.9	31.6	42.2	100.0

Analysis

As last year, the majority of both applications and offers of employment are associated with those applicants aged 20-49, reflecting the external recruitment data below.

The data suggests that staff aged 40-49 are less likely to be as successful as those aged 20-39 throughout the recruitment process, with their success at both sift and job offer figures below those aged 20-29 and 30-39. The overall success rate for applicants aged 20-29 is similar for applicants aged 30-39.

There were no internal applications made by anyone aged below 20 or above 50.

Table 9: External Recruitment by Age

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total job offers
Age Range	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous year	
<20	5	0.6	0	0.0	0	0.0	0.0	3.8	0.0
20 - 29	300	36.0	54	18.0	10	18.5	3.3	9.3	32.3
30 - 39	243	29.2	59	24.3	12	20.3	4.9	11.3	38.7
40 - 49	154	18.5	39	25.3	4	10.3	2.6	10.7	12.9
50 - 59	80	9.6	19	23.8	3	15.8	3.8	11.1	9.7
60>	12	1.4	4	33.3	1	25.0	8.3	0.0	3.2
No Reply	19	2.3	3	15.8	1	33.3	5.3	0.0	3.2
Prefer Not To Say	20	2.4	4	20.0	0	0.0	0.0	0.0	0.0
Total	833	100.0	182	21.8	31	17.0	3.7	9.3	100.0

Analysis

The percentage of applications with No Reply has decreased slightly from 2.7% in 2019-2020 to 2.3% in this reporting year. We will continue to update our

communications and website to encourage applicants to share their personal information.

Most applications continue to be from 20–39-year-olds, with the highest number of appointments from this group.

The number of applications received from applicants aged over 50 has increased from 76 in 2019-2020 to 92 during this reporting period, despite the total number of job offers dropping from 83 to 31. 12.9% of total job offers were made to people aged over 50, an increase from 8.4% of jobs offered in 2019-2020. This is significantly below the Census 2011 Travel to Work Area (TTWA) data that states that 23.9% of economically active people in the TTWA are 50-64.

The over 60 age range has also seen a slight decrease in applications from 13 last year to 12 this year. Whereas no one aged over 60 was appointed last year, one applicant was successful in being offered employment this year.

The drop in the overall success rate this year (3.7%) from the last reporting period (9.3%) can be attributed to the fact that we had a similar number of applications this year (833) to last year (894) but considerably less external vacancies this year compared to last year for a similar number of applicants.

Disability

Table 10: Internal Recruitment by Disability

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total Jobs
Disability	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous year	
Disabled	5	8.8	4	80.0	1	25.0	20.0	0.0	5.6
Non-Disabled	47	82.5	33	70.2	15	45.5	31.9	44.4	83.3
No Reply	2	3.5	2	100.0	2	100.0	100.0	40.0	11.1
Prefer Not To Say	3	5.3	2	66.7	0	0.0	0.0	50.0	0.0
Total	57	100.0	41	71.9	18	43.9	31.6	42.2	100.0

Analysis

In 2019-2020, two disabled applicants applied for internal vacancies, but were not successful at sift. During this reporting period, 4 out of 5 applicants were successful at sift, and 1 was offered employment, giving an overall success rate of 20%, which is lower than the success rate of non-disabled staff.

The number of internal candidates that chose Prefer Not To Say increased from 2 to 3 from last year, with No Replies dropping from 5 to 2.

We will continue to work on making sure that staff are comfortable in declaring a disability and will work with our disability network to encourage disabled staff to consider their development and progression within the organisation.

Table 11: External Recruitment by Disability

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total job offers
Disability	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous Year	
Disabled	71	8.5	12	16.9	0	0.0	0.0	7.1	0.0
Non-Disabled	704	84.5	160	22.7	30	18.8	4.3	10.2	96.8
No Reply	42	5.0	6	14.3	1	16.7	2.4	6.0	3.2
Prefer Not To Say	16	1.9	4	25.0	0	0.0	0.0	0.0	0.0
Total	833	100.0	182	21.8	31	17.0	3.7	9.3	100.0

Analysis

The 2011 Census states that 8.3% of people who are economically active and employed in the Cardiff TTWA have a long-term health problem or disability that limits their day to day activities. 8.5% of applications received were from people who identified as disabled compared to last reporting year's figure of 9.4%. However, actual numbers of applications from applicants that identify as disabled has decreased from 84 in 2019-20 to 71 during this reporting period.

The percentage of disabled people Successful At Sift has dropped from 36.9% to 16.9%.

No applicants who identified as disabled were offered employment this year compared to 6 in the last reporting period. We will monitor conversion rates for internal and external campaigns for disabled candidates and make any required changes to processes. We can examine what types of roles candidates applied for and identify any potential barriers in our recruitment process and adjust them accordingly.

The overall success rate for applicants who identify as disabled is 0% compared with 7.1% in the last reporting year. We would like the success rate for applicants who identify as disabled to be more in line with that of people who do not identify as disabled (4.3% in current year and 10.2% in the previous year).

Gender Reassignment / Gender Identity

Table 12: Internal Recruitment by Gender Reassignment / Gender Identity

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total Jobs
Gender Identity	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous year	
Trans	0	0.0	0	0.0	0	0.0	0.0	n/a	0.0
Cisgender	50	87.7	35	70.0	15	42.9	30.0	n/a	83.3
No Reply	4	7.0	4	100.0	2	50.0	50.0	n/a	11.1
Prefer Not To Say	3	5.3	2	66.7	1	50.0	33.3	n/a	5.6
Total	57	100.0	41	71.9	18	43.9	31.6	n/a	100.0

Analysis

No members of staff who applied for internal jobs identified as trans during this reporting period. Seven members of staff selected 'no reply' or prefer not to say' and we will continue to explore with our LGBTQ+ network PLWS, what we can do to encourage internal applicants to share data concerning their trans status.

We will continue to promote the Senedd as a trans-inclusive employer.

Table 13: External Recruitment by Gender Reassignment / Gender Identity

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total job offers
Gender Identity	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous Year	
Trans	4	0.5	0	0.0	0	0.0	0.0	0.0	0.0
Cisgender	729	87.5	170	23.3	30	17.6	4.1	9.4	96.8
No Reply	86	10.3	12	14.0	1	8.3	1.2	9.4	3.2
Prefer Not To Say	14	1.7	0	0.0	0	0.0	0.0	0.0	0.0
Total	833	100.0	182	21.8	31	17.0	3.7	9.3	100.0

Analysis

The number of applications from people who identify as trans has remained at 4 from last year's reporting period.

No replies has decreased from 13.1% in 2019-20 to 10.3% in this reporting year. This remains the highest number of no replies of all of the protected characteristics and it is difficult to draw conclusions as to why this might be.

While there are no comparative statistics for the Cardiff TTWA in relation to people who identify as trans, the Government Equalities Office1 estimates that there are approximately 200,000-500,000 trans people in the UK. Due to the small numbers involved, it is difficult to draw conclusions about trans applicants.

We will continue to encourage all applicants to declare their gender identity and will continue to promote the Senedd as an inclusive employer in order to encourage applications from trans people. We actively promote the Senedd by attending Pride and Sparkle events, promoting our support for International Day Against Homophobia, Biphobia and Transphobia, celebrating LGBTQ+ History Month and Trans Visibility day.

[1] **https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/721642/GEO-LGBT-factsheet.pdf**

Race / Ethnicity

Table 14: Internal Recruitment by Race / Ethnicity

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total Jobs
Ethnicity	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous year	
BAME	5	8.8	3	60.0	0	0.0	0.0	0.0	0.0
White	49	86.0	36	73.5	17	47.2	34.7	46.2	94.4
No Reply	1	1.8	1	100.0	1	0.0	100.0	0.0	5.6
Prefer Not To Say	2	3.5	1	50.0	0	0.0	0.0	50.0	0.0
Total	57	100.0	41	71.9	18	43.9	31.6	42.2	100.0

Analysis

23.8% of BAME staff (5 out of 21 staff who have identified as BAME) applied for an internal recruitment scheme during this reporting period. Three applicants were successful at sift, yet none were successful in securing a job offer. This year, as with last year, no staff who have identified as BAME have been offered employment in an internal recruitment exercise.

5.3% of applicants either selected 'prefer not to say' or didn't reply.

We will monitor conversion rates for internal and external campaigns for BAME candidates and make any required changes to processes. We can examine what types of roles candidates applied for and identify any potential and actual barriers in our recruitment process and adjust them accordingly.

The success rate for White applicants has dropped from 46.2% last year (2019 – 2020) to 34.7% this year.

'Offers of Employment' has gone down from 55.9% last year to 43.9% this year. The 'Overall Success' rate is down, from 42.2% (2019 – 2020) to 31.6% this year. This is because more people applied for fewer jobs.

We are continuing to work with Business in the Community (BITC) to put in place practical steps to support the development of our BAME staff. We continue to progress work with our REACH network and are collaborating with the Learning and Development Team to ensure that network members continue to receive the

appropriate training and support that they need to further progress within the organisation (such activities are outlined in our BAME action plan).

We actively promote the Senedd as an inclusive employer and are a Race at Work Charter signatory.

Table 15: External Recruitment by Race / Ethnicity

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total job offers
Ethnicity	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous Year	
BAME	64	7.7	8	12.5	1	12.5	1.6	4.7	3.2
White	727	87.3	168	23.1	29	17.3	4.0	9.9	93.5
No Reply*	28	3.4	4	14.3	1	25.0	3.6	0.0	3.2
Prefer Not To Say	14	1.7	2	14.3	0	0.0	0.0	7.1	0.0
Total	833	100.0	182	21.8	31	17.0	3.7	9.2	100.0

* No reply includes applications where candidates' ethnicity choices were inconclusive

Analysis

The 2011 census states that 6.8% of people who are economically active and employed in the Cardiff TTWA identified as being from a Black, Asian or Minority Ethnic (BAME) background. The number of total applications from people who identified as BAME has remained static at 64 BAME applicants this year and in the previous year also. This is 7.7% of total applications, which exceeds the BAME population in the Cardiff TTWA.

There is a notable difference in 'Successful at Sift' rates, between BAME applicants and White applicants. 17.3% of White applicants were successful at sift, compared to 12.5% of applicants from a BAME background. This is something we will continue to monitor.

The percentage of BAME applicants that were 'Successful at Sift' decreased from 31.3% (2019-2020) to 12.5% this year.

Whilst the percentage of White applicants 'Successful at Sift' is 17.3%, a drop from 37.1% last year.

'No Replies' increased from 2.3% last year to 3.4% this year. This could be attributed in part to some applicants declaring all or multiple ethnicities as part of our equalities monitoring at application stage – which we cannot include in the BAME or White data sets as that data is inconclusive.

Prefer Not to Say has increased from 1.6% last year to 1.7% this year.

One BAME applicant was successful and was offered employment, a decrease from 3 successful BAME applicants in 2019-2020. 5.0% of total applicants selected 'Prefer Not to Say' or did not reply and this data set could include applicants who identify as BAME but did not (or did not wish) to self-identify their ethnic status as the no reply category contained inconclusive data on some candidates' ethnicities. We will adjust our processes to overcome this.

There has been a further decrease in the BAME overall success rate from 4.7% (2019-20) to 1.6% this year. There has also been a decrease in the success rate of White applicants, from 9.9% (2019-20) to 4.0%. These figures can be explained by the fact that this reporting year, there was a similar number of applicants as the 2019-2020 reporting period, but significantly less jobs. Whereas in 2019-2020, there were 899 applicants for 83 positions, in 2020-2021 there were 833 applicants for 31 positions.

The overall success rate of Prefer Not to Say decreased from 7.1% (2019-20) to 0.0% this year. The overall success rate has fallen dramatically from 9.2% (2019-20) to 3.7% this year. The drop in the overall success rate is accounted for by the fact that a similar number of people applied for a significantly reduced number of vacancies during this reporting period.

We are taking steps to address underrepresentation of BAME people in our workforce and to promote the Senedd Commission as an employer of choice so that our workforce represents a more diverse cross section of society.

Religion / Belief

Table 16: Internal Recruitment by Religion / Belief

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total Jobs
Religious Belief	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	%of Previous Year	
None	22	38.6	16	72.7	6	37.5	27.3	38.9	33.3
Christian*	17	29.8	11	64.7	3	27.3	17.6	45.5	16.7
Other**	10	17.5	9	90.0	6	66.7	60.0	50.0	33.3
No Reply	0	0.0	0	0.0	0	0.0	0.0	100.0	0.0
Prefer Not to Say	8	14.0	5	62.5	3	60.0	37.5	33.3	16.7
Total	57	100.0	41	71.9	18	43.9	31.6	42.2	100.0

*Christian - Christian, Roman Catholic, Church in Wales, Church of England, Baptist/Methodist
**Other - Agnostic, Atheist, Buddhism, Hinduism, Muslim, Other, Zoroastrian

Analysis

Whilst most applications came from people who identified as having no religion or Christian (38.6% and 29.8% of applicants respectively), 17.5% of applications from people who identified as having other religious beliefs, which is higher than the 13.3% of applicants in 2019-2020.

For the first time since we have published monitoring data, more people who identified as having a minority religious belief were offered a job compared to Christians; 33.3% of all job offers went to people who identified as having a minority religious belief.

Prefer Not to Say has decreased to 14.0% from last year's figure of 20.0%.

Table 17: External Recruitment by Religion / Belief

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total job offers
Religious Belief	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous Year	
None	330	39.6	72	21.8	7	9.7	2.1	8.0	22.6
Christian*	232	27.9	57	24.6	7	12.3	3.0	12.1	22.6
Other**	166	19.9	35	21.1	10	28.6	6.0	9.1	32.6
No Reply	30	3.6	5	16.7	3	60.0	10.0	7.1	9.7
Prefer Not To Say	75	9.0	13	17.3	4	30.8	5.3	7.5	12.9
Total	833	100.0	182	21.8	31	17.0	3.7	9.3	100.0

*Christian - Christian, Roman Catholic, Church in Wales, Church of England, Baptist/Methodist
**Other - Agnostic, Atheist, Buddhism, Hinduism, Muslim, Other, Zoroastrian

Analysis

47.8% of applicants declared a religion or belief which is a slight increase from 45.9% in 2019-2020

The percentage of no replies has decreased from 4.7% in 2019-20 to 3.6%.

The percentage of Prefer Not to Say has increased from 7.5% in 2019-2020 to 9.0% in this reporting period.

For the first time, most of the jobs were offered to people who identified as having a minority religion or belief (32.6%), followed by Christian and None (both 22.6%),

The percentage of applications from people who declared Other Religions has increased from 17.2% in 2019-20 to 19.9% in 2020-2021.

Sex

Table 18: Internal Recruitment By Sex

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total Jobs
Gender	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous year	
Female	33	57.9	24	72.7	11	45.8	33.3	52.2	61.1
Male	20	35.1	14	70.0	6	42.9	30.0	31.8	33.3
Non-binary and Other	2	3.5	2	100.0	1	50.0	50.0	n/a	5.6
No Reply	0	0.0	0	0.0	0	0.0	0.0	0.0	0.0
Prefer Not To Say	2	3.5	1	50.0	0	0.0	0.0	0.0	0.0
Total	57	100.0	41	71.9	18	43.9	31.6	42.2	100.0

Analysis

Thirty three women applied for internal jobs compared to 20 men. For the first time since we have been reporting, 2 internal applicants identified as non-binary and other).

Although the percentages for applicants successful at sift are similar (72.7% success at sift for women, and 70.0% for men), women are more likely to be offered a job than men. Women had an overall success rate of 33.3% compared to 30.0% for men. Women were offered 61.1% of total jobs within this reporting period, down from 63.2% in 2019-2020. Further to this, we will examine conversion rates, what roles were applied for and identify if any potential and actual barriers exist and adjust our processes accordingly.

Table 19: External Recruitment by Sex

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total job offers
Sex	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous Year	
Female	399	47.9	90	22.6	15	16.7	3.8	11.2	48.4
Male	393	47.2	90	22.9	16	17.8	4.1	7.6	51.6
Non-binary and Other	1	0.1	0	0.0	0	0.0	0.0	0.0	0.0
No Reply	30	3.6	2	6.7	0	0.0	0.0	5.0	0.0
Prefer Not to Say	10	1.2	0	0.0	0	0.0	0.0	0.0	0.0
Total	833	100	182	21.8	31	17.0	3.7	9.3	100.0

Analysis

The percentage of “No Reply” has remained static at 3.6% of applicants.

One applicant declared a non-binary or other gender identity, but they were not successful at sift.

This year, similar numbers of women and men applied for jobs (47.9% and 47.2.% of applicants respectively). The data shows that similar figures were recorded throughout the recruitment process: 22.6% of women were successful at sift, compared to 22.9% of men, of which 16.7% of women were offered employment, compared to 17.8% of men.

The percentages of jobs offered to women and men has evened out. In 2019-2020, 60.2% of job offers were made to women and 38.6% of job offers were made to men. In 2020-2021, 48.4% of jobs were offered to women, and 51.6% of jobs were offered to men.

We ensure that all of our recruitment panels have diversity and inclusion training, including unconscious bias training. All of our recruitment panels have a gender balance.

Sexual Orientation

Table 20: Internal Recruitment by Sexual Orientation

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total Jobs
Sexual Orientation	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous year	
LGBQ +	7	12.3	7	100.0	4	57.1	57.1	100.0	22.2
Heterosexual/ Straight	40	70.2	30	75.0	13	43.3	32.5	43.6	72.2
No Reply	0	0.0	0	0.0	0	0.0	0.0	0.0	0.0
Prefer Not To Say	10	17.5	4	40.0	1	25.0	10.0	20.0	5.6
Total	57	100.0	41	71.9	18	43.9	31.6	42.2	100.0

Analysis

Seven people who identified as LGBQ+ applied for an internal scheme, representing 12.3% of all internal applications, up from 2.2% of all applications in 2019-2020. Four applicants (57.1) % were offered a job. In 2019-2020, only one LGBQ+ applicant applied for a job and they were successful, hence the 100% figure presented above.

22.2% of total jobs offered were offered to people who identified as LGBQ+, an increase from 5.3% in 2019-2020.

We are confident that the support and development available for LGBQ+ staff continues to represent best practice.

In 2020, we were named by Stonewall as the number one employer in Wales and one of the Top Ten LGBQT+ employers in the UK.

Table 21: External Recruitment by Sexual Orientation

	Applications Received		Successful at Sift		Offer of Employment		Overall Success		% of Total Jobs
Sexual Orientation	Number	% of Total Apps	Number	% of Apps	Number	% Successful at Sift	% of Current Year	% of Previous Year	
LGBQ +	77	9.2	16	20.8	3	18.8	3.9	6.8	9.7
Heterosexual/ Straight	665	79.8	146	22.0	27	18.5	4.1	9.9	87.1
No Reply	27	3.2	3	11.1	1	33.3	3.7	3.3	3.2
Prefer Not To Say	64	7.7	17	26.6	0	0.0	0.0	7.3	0.0
Total	833	100	182	21.8	31	17.0	3.7	9.3	100.0

Analysis

The total percentage of applicants who identify as lesbian, gay, bi or other sexual orientation (LGBQ+) has risen from 8.2% to 9.2%, which is higher than the UK Government's estimate of 5-7% of the local populations identifying as LGB+.

"No Replies" have remained consistent at 3.2 % (3.4% in 2019-2020).

Statistics for success rates throughout the recruitment process are nearly equivalent for LGBQ+ and heterosexual / straight people. 20.8% of LGBQ+ people were successful at sift, 18.8% of whom were offered a job. This compares favourably to the 22.0% of heterosexual / straight people who were success at sift, of whom 18.5% were offered a job.

9.7% of job offers were made to people who identify as LGBQ+, up from 6.0% in 2019-2020.

We actively promote the Senedd as a LGBQ+ inclusive employer by attending Pride events, promoting our LGBTQ+ workplace network and our status as one of the most inclusive employers in the UK, promoting our support for International Day Against Homophobia, Biphobia and Transphobia, and celebrating LGBTQ+ History Month.

We remain in the Top 10 of Stonewall's Workplace Equality Index, and number 1 Employer in Wales for LGBTQ+ people. We also have been awarded Highly Commended Network Group.

Monitoring Actions for the Sixth Senedd

Review benchmarks, comparators and KPIs for workforce and recruitment for Sixth Senedd

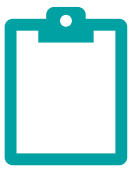
Align planning and activities for attraction with People Strategy and Communications and Engagement Strategy

Monitor conversion rates for internal and external campaigns for BAME candidates and Disabled candidates and make any required changes to processes

Develop new behavioural framework which aligns with our organisational values

Update recruiting principles to address underrepresentation: panel diversity, targeted advertising, job description development (BAME Action Plan) etc

Work with workplace equality networks to identify how to better support progression of all staff including staff with protected characteristics



Gather and analyse candidate and hiring manager feedback

Gather and analyse data on social mobility diversity of applicants and employees

Monitor diversity of hiring panels

Develop Executive Search call-off contract that takes account of our D&I objectives in relation to addressing underrepresentation at senior level

Report on reserve candidate status

Design and launch BAME Graduate Scheme/Internship

Develop inclusive hiring toolkit and training for hiring managers, following Recruitment Team training/upskilling

Review descriptors for characteristics and consult with Workplace Equality Networks.

By virtue of paragraph(s) vii of Standing Order 17.42

Document is Restricted

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Dear Mark

Delivering for Future Generations: The story so far – response to recommendations

I am writing to respond formally to Recommendation 12 of the Public Accounts Committee's Report, Delivering for Future Generations: The story so far. The clerking team has also invited me to comment on Recommendation 11. Please see below my response and comments.

Recommendation 12.

As we enter the second reporting period, the Auditor General for Wales must raise his expectations of public bodies and not hesitate to highlight poor adoption of the sustainable development principle - ACCEPTED

This recommendation is broadly in line with the direction of travel of our work under the Act and the approach that my auditors will be taking in forming judgements on the extent to which public bodies are acting in accordance with the sustainable development principle. When we undertook our examinations work under the Act in the previous reporting period, we set out some principles to guide our work. One of these principles was that:

"The essence of the Act is about changing behaviours and mind-sets and these will take time to embed."

However, we also set out that:

“Over the medium and long term, the Auditor General will expect that public bodies are able to demonstrate how the Act is shaping what they do.”

As we moved into the second reporting period 2020-2025, we have revised our approach to our work under the Act. As part of this we have issued new and updated audit guidance to our auditors, and part of this guidance emphasises that we will be raising our expectations of audited bodies in line with our earlier principle set out above. We will however continue to approach our work under the Act in a way that seeks to help public bodies to self-reflect and explore what they could do differently and encourages public bodies to develop their own actions in response to our findings.

While the Committee noted in its report the collaborative spirit in which we developed our audit approach in the first reporting period, this is not to say that we have not challenged public bodies to date. Our local reports over the previous reporting period, covering all of the 44 bodies listed in the Act, identified strengths and areas for improvement in the extent to which each body had applied the sustainable development principle.

In my statutory report in May 2020, which drew on that local audit work I said:

“Overall, we have found that public bodies can demonstrate that they are applying the sustainable development principle. But it is also clear that they must improve how they apply each of the five ways of working if they are going to affect genuine cultural change – the very essence of the Act. In the next five-year reporting period, public bodies across Wales will need to work together in taking a more system-wide approach to improving well-being if they are to take their work to the next level.”

Later in that report I also set out that:

“In the next reporting period, we will expect to see public bodies using the framework of the Act to address these [challenges set out in our report] and other challenges.”

Therefore, I believe that Audit Wales is well placed to act in accordance with the spirit of this recommendation. Nevertheless, we shall continue to report independently, without fear or favour, and in a way that demonstrates that we are being fair in our judgements based on the available evidence. For example, in a local audit report published during the current reporting period we highlighted how, in one council, there was significant scope for it to apply the sustainable development principle and focus on delivery of its well-being objectives through its out-sourced leisure contract.

Recommendation 11.

Public bodies subject to the Well-being of Future Generations (Wales) Act 2015 must ensure that the five ways of working are embedded in their plans for recovery from the Covid-19 pandemic. We recommend that any gains they have made in their immediate response to the pandemic are not lost, and that they shift their focus from the day-to-day to long-term and prevention.

I recognise the importance of public bodies applying the sustainable development principle as they move to the recovery phase. This is an important opportunity for public bodies to demonstrate the application of the five ways of working in balancing current and future needs and to ensure that the experience gained over the course of the pandemic informs both short and medium to long-term plans.

A key area of focus for our audit work has been, and will continue to be, the plans that public bodies are putting in place to recover from the COVID-19 pandemic. For example, over 2021-22 we are undertaking a review across all 22 principal councils called 'Springing Forward', that will examine how they are using the experience and reflecting on the changes that have arisen from the pandemic to maintain, adapt and transform services. This review is focusing on how councils are making changes in the use of their buildings and managing their workforce. We are considering both the extent to which councils are acting in accordance with the sustainable development principle as well as the extent to which they are putting in place proper arrangements to secure value for money in the use of their resources. Following this review we will publish a local report for each principal council, as well as a national summary report, and will support these with Good Practice Exchange (GPX) events.

Our forthcoming Picture of Public Services outputs will also be positioned against the backdrop of the impact of, and recovery from, the pandemic. Our main report will highlight what we consider to be some of the key issues for public services in the coming years and important aspects of service transformation where we will be focusing our attention.

Yours sincerely

ADRIAN CROMPTON
Auditor General for Wales

Comisiynydd Cenedlaethau'r Dyfodol Cymru
Future Generations Commissioner for Wales

By email

3rd September 2021

Dear Mark,

Thank you for the opportunity to respond to the recommendations in the Public Accounts Committee report '**Delivering for Future Generations: The Story so Far'** published on the 24th March 2021.

I welcome the report's findings and recommendations which reflected my evidence, the findings of my statutory monitoring and assessing and my Future Generations Report 2020.

The Well-being of Future Generations Act is the greatest cultural change programme the Welsh public sector has ever experienced and I'm proud of the work that is being done to meet its aspirations. Any cultural change takes time, but changes of the magnitude envisaged by the Act means that this is a long-term mission rather than a short-term fix. Wales is the only country to legislate in this way, using a long-term approach to look at root causes of problems via a law that's admired globally.

In terms of general progress, over the past five years, there has been a marked change in political commitment to the Act and I am starting to see public bodies change the way they deliver and design services. For example, the way transport planning is being approached; the way new schools, homes and public buildings are being designed to be more sustainable; curriculum reform, shifting beyond delivering 'services' to focusing on what matters to communities. I'm seeing politicians for example reject the status quo in addressing congestion through building more roads; instead, they are looking for solutions which are better for the well-being of people and planet.

The Act is providing a helpful tool for change makers to challenge the system. I am pleased to play a role in challenging the blockers but there remains funding challenges.

I do not currently have the resources to deal with all of the issues associated with implementing such broad cultural change and, there needs to be greater funding for capacity, leadership development and support for transformational change.

In addition to having a modest budget, given the wide remit of my role, I already flagged concern in my 2019-20 and 20-21 Statutory Estimates about how my funding level would have a negative impact on the quality and level of my support and advice to Public Bodies. Increased pension costs, and annual modest pay rises in line with Welsh Government rates eat into my year on year flat lined funding.

Flat line underfunding means in real terms I can do less while expectations and demands for support and advice across 44 public bodies grows (who both I and the Auditor General for Wales have found are not

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resourced themselves to support the cultural change required by the Act). The level of support and advice offered to Public Bodies and Ministers increases year on year. Requests for support and advice were up by 44% in 2019-20 from 2018-19.

Furthermore, this demand for statutory services looks set to increase: The most recent regulatory impact assessment (RIA) relating to the establishment of Corporate Joint Committees (CJCs) within the Local Government and Elections Bill specifies that costs to my office are nil despite me providing detailed costings to officials.

I will come back to the importance of this, in relation to the implementation of the recommendations below.

'Delivering for Future Generations: The Story so Far' report and its recommendations build on the concerns and advice I highlighted in my Future Generations Report 2020 about the systemic barriers to progress which need to be addressed.

My reflections below directly respond to the following recommendations made by the Committee:

> **Recommendation 3:** The Future Generations Commissioner and Welsh public bodies should ensure that they develop constructive relationships. The inconsistency in their relationships has limited the impact of the Commissioner's work.
>
> **Recommendation 4:** The Future Generations Commissioner should prioritise supporting public bodies and Public Services Boards to deliver this legislation.
>
> **Recommendation 11:** Public bodies subject to the Well-being of Future Generations (Wales) Act 2015 must ensure that the five ways of working are embedded in their plans for recovery from the Covid-19 pandemic. We recommend that any gains they have made in their immediate response to the pandemic are not lost, and that they shift their focus from the day-to-day to long-term and prevention.

My response to: **Recommendation 3:** The Future Generations Commissioner and Welsh public bodies should ensure that they develop constructive relationships. The inconsistency in their relationships has limited the impact of the Commissioner's work.

During my time as Commissioner, I have worked closely with public bodies across Wales, providing advice, guidance, and support to them in their application of the Well-being of Future Generations Act. I was pleased that many public bodies and the Committee recognised that this support was useful. However, this finding reflects the reality of the impossible challenge of supporting 44 public bodies across all policy areas whilst also ensuring that new policy legislation and guidance which comes from Welsh Government does not undermine the Act and the ability of other public bodies to implement it. My office cannot meet these

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demands for all public bodies as we have not been adequately resourced. It therefore does not surprise that those we have been able to help find that support valuable and others want more of our time.

"Sport Wales has found the support, resources and advice from the team to be invaluable. How this is made available consistently for all public bodies is a challenge." (Sport Wales)

"Our relationship with the Commissioner's office is excellent. I think they're hugely knowledgeable, very enthusiastic, supportive, and similar for Wales Audit Office, not just on the Act, but on our broader business where they're able to actually give us a view on how we're doing, how we're spending public money, but more importantly, pointing us to good practice and other areas we may wish to explore." (Velindre NHS Trust)

"We had a lot of involvement with FGCW and had lots of practical support… The support we have had from FGCW has been very useful. They were willing to travel up to North Wales to give us additional information, presentations, support on how to embed the tools. I think that's seen as a very supportive offer for all authorities across North Wales." (Cyngor Ynys Mon/Anglesey Council)

"We have used the Commissioner's tools, resources and information to make resources available across the organisation… Support and input from Commissioner very, very helpful." (Aneurin Bevan University Health Board)

This ongoing relationship with public bodies is further captured in the requests for support my office receives. Since May 2018, I have received 892 requests for support, 319 of which (~36%) came from public bodies. Of these, 136 (~43% of all public body requests) are from Welsh Government. Requests for support and advice to my office were up by 78% in 2019-20 from 2018-19. This fell by ~19% between 2019-20 and 2020-21 which was likely due to the pandemic. Since this financial year began in April 2021, I have had 128 requests, which is likely to grow as we work more closely with public bodies as per the Committee's recommendations.

However, I recognise that due to limited resources and, more recently, the pressures placed on public bodies during the pandemic, building on this support has been challenging. In previous years I have used a combination of the underspend from my year one budget (resulting largely from the delay in recruiting staff to my office) and other income to fund a level of services over and above my annual grant in aid funding level and this won't be available from March 2022.

I too believe that Welsh Government play a critical role in the success of the large-scale cultural change programme driven by the legislation, not just because they are a major public body covered by the Act themselves, but because whether or not they demonstrate the principles of the Act has a significant impact on what other public bodies do. This has meant that my focus in the early years of my role has been on ensuring Welsh Government have the right policy, processes and levers in place.

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Future Generations Commissioner for Wales

In their evidence to the Committee, public bodies recognised the importance of this:

- 50% of public bodies highlighted that the number of strategic partnerships, and having multiple memberships, is a barrier to implementing the Act.
- 56% of public bodies highlighted that short-term funding cycles and finance restrictions etc impede their ability to deliver long-term preventative actions.
- 67% of public bodies suggested that greater cross-policy and strategy alignment is required from Welsh Government.
- 30% of all responses suggest stronger leadership is required from Welsh Government.
- 42% of public bodies suggested that Welsh Government need to better embed and embody principles of the Act as a role model for other public bodies.

These concerns echoed the findings within my Future Generations Report.

A Dedicated Point of Contact

The Committee heard from several public bodies that they wished to have more contact with my office. Having a point of contact within my team is something public bodies have consistently told me would help with implementing the legislation, but this has been challenging due to my resource-level and the need to focus on systemic issues.

Public bodies echoed this in evidence to this Committee:

- 36% of PAC respondents would like additional support, particularly around how to deliver the Act.
- 38% of PAC respondents would like additional training and or resources for their organisation and for public purposes.
- 22% of public bodies raised that closer working relationships with the FGC such as having a direct office contact would be beneficial.

"...what I want more from the Commissioner's office: I want more time. I think they're excellent. There are too few of them, and they're trying to do an awful lot with a very small resource… Excellent relationship would like more of the Commissioner's team's time. Excellent but finite resource." (Velindre NHS Trust)

"…I don't know what the Commissioner's resources are but certainly having a direct contact (would be helpful), if she had the resources." (Powys County Council)

"Having a rep from the Commissioner's office in every region to give us access to them. More convenient for them to be present in every region (not county because they don't have enough staff)." (Cyngor Ynys Mon / Angelsey Council)

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In listening to this feedback, I am pleased to say I have allocated a member of my team to be a dedicated point of contact for each public body covered by the Act with the intention of deepening our relationship and providing support that is consistent with my current funding allocation.

I have recruited four temporary staff members to trial this approach and involve public bodies in regular conversations over the next few months in order to gauge our resource and capacity to respond to requests for help. The intention is to build more consistent and constructive relationships together, giving us additional opportunities to improve communication, provide advice and support, showcase good practice and help signpost to other colleagues internally and across Wales.

Already, public bodies have told me that they welcome this approach.

"[We] welcome the Future Generations Commissioner decision to support Health Board implementation of the Well-being of Future Generations (Wales) Act through the allocation of a dedicated point of contact within the Future Generations team." (Letter from a Health Board, July 2021)

"This is a welcome initiative to have that point of contact with the Commissioner and the Commissioner's office." (Meeting with a local council leader, July 2021)

"I am definitely in support of this initiative, before this we didn't have too much interaction with the Office and now it feels like we have a two-way conversation" (Meeting with Cabinet Member for Future Generations and Well-being at a local council, August 2021)

This work has been funded by the last of my historical underspend and reserves which won't be available from March 2022. **The extra members of my team I have recruited to work in this pilot are sadly on short-term contracts as I will need extra funding at the end of this financial year above the annual grant I have traditionally received.** I am making a case to Welsh Government for this purpose as we are moving to a needs-based budget going forward in my statutory estimates for 2022/23, as I would like to establish this work on a permanent basis.

This 6-month pilot will be reviewed later this year, and I will share an update with the Committee in the New Year.

Additional Support

I am also planning additional support for public bodies through the second edition of the **Future Generations Leadership Academy (FGLA) where in particular senior leaders across the public sector will be able to access reverse mentoring from a future leader and opportunities to test policy development with the Academy.** This programme is fully funded by partner organisations across the public, private and third sector

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and following a pilot year in 2019-20 an independent evaluation found the FGLA achieved its objectives to train young people (including young leaders from public bodies) in leadership skills and build their understanding of the Well-being for Future Generations Act and how to achieve its goals. The second FGLA programme will run from November 2021 to June 2022 and we are recruiting 20-30 young leaders from across the public, private and voluntary sector, between the ages of 18-30. You can find more information about the Academy here.

I have also published **'bite-sized' versions of the Future Generations Report**, which are tailored at specific sectors and departments in public bodies. The aim of these products is to provide public bodies with alternative versions of the Future Generations Report 2020 which are easier to digest. My team has been running session with different sectoral bodies for example North Wales Planning Officers Group (NWPOG) and Young Planners Cymru to upskill them on using these resources. You can find these resources here.

"We really like the simple, attractive, user-friendly format of the document. We think that the Stats and Trends lays out very clearly what the problems are and gives equal weight to the joint crises of global warming and biodiversity loss. The Oxfam donut model demonstrates how we in Wales are living beyond our fair share of the world's resources. We welcome the steer that the document provides as a very clear vision of what Wales should be aiming for." (A National Public Body Feedback)

"This is good – I like this. A great way to illustrate and explain the role and importance of housing in regards to the opportunities and the wider benefits etc. A really helpful way of presenting the link between Housing and Future Generations – particularly for lay people." (A Local Authority Feedback)

In order to support public bodies to apply the Act, and to recognise what good looks like, I have published **case studies** which demonstrate transformational change. I will work with public bodies to identify good practice and scale up learning across their organisations. This is in response to the 31% of responses to the Committee's inquiry that suggested that sharing good practice will inspire and promote further activity. You can find these case studies here.

My response to: **Recommendation 4:** The Future Generations Commissioner should prioritise supporting public bodies and Public Services Boards to deliver this legislation.

In addition to the comments on Recommendation 3 above, I would like to share the following reflections.

Public Services Boards (PSBs)
It's an important time for PSBs. Between autumn 2021 and spring 2023, they will publish their second well-being assessments and well-being plans for their respective areas, as required by the Act.

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In an effort to be as helpful as possible in supporting PSBs to prepare these, my office worked closely with colleagues in Welsh Government's Partnership division to share a clear set of joint expectations in March 2021. This was signed by both Julie James MS and myself, and is included in the appendix for your reference.

This guidance not only sets out what we expected to see during the second round of well-being planning from PSBs, but also what my office and Welsh Government will do (and what we will explore), to support PSBs as best we can.

For example, we said we will continue to collaboratively run the national PSB network meetings and topic focused webinars through 2021 with other organisations and networks, building on the 'involvement' and 'futures/long-term' events we held in November and December 2020. And we said we'd explore the potential for small, online communities of PSB practice (peer networks) on particular themes. My team are also working collaboratively with Co-Production Network Wales who have secured Big Lottery funding to support the involvement of people across Wales in well-being assessments and planning.

My office continues to work with Welsh Government colleagues to actively run and participate in the PSB Coordinator network meetings, held 3-4 times a year. Due to the pandemic, these switched from meeting in person in locations across Wales, to online. And it's been positive to see the energy and active participation from the Coordinators in these more recent online sessions. We're also using the network meetings, quarterly bulletins, online webinars and other means to share good/best practice with PSBs - this is particularly powerful when hearing from PSBs who feel they're delivering aspects of the Acts well in their areas.

My office continues to work closely with the Sustainable Futures Division of Welsh Government, who are leading on the publication of the second Future Trends Report. This is to ensure alignment and integration with the PSBs as it develops. Currently, this includes my office working collaboratively with Welsh Government, Public Health Wales and Natural Resources Wales to prepare clearer steps and guidance to PSBs on how they can embed futures and long-term into their well-being assessments and plans. And, participating in a series of online workshops in the autumn with Government colleagues to help PSBs understand and apply the Future Trends Report to their areas, helping them answer the 'so what?' question.

This dedicated work is in addition to my general duties of providing advice, assistance and encouraging public bodies and PSBs to take greater account of the long-term impact of the things they do. For PSBs specifically, my team regularly provide ad-hoc advice, digest their Annual Reports and provide case studies and share good practice and I sometimes attend PSB meetings to provide advice and encouragement. As explained above, the points of contact within my team are currently involving representatives of public bodies and PSBs across Wales to explore how my limited resources and capacity can be best used to help them implement this legislation and cultural change.

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My response to: **Recommendation 11:** Public bodies subject to the Well-being of Future Generations (Wales) Act 2015 must ensure that the five ways of working are embedded in their plans for recovery from the Covid-19 pandemic. We recommend that any gains they have made in their immediate response to the pandemic are not lost, and that they shift their focus from the day-to-day to long-term and prevention.

As Welsh Government, the Senedd and public bodies develop their plans for recovery from the COVID pandemic and deal with ongoing challenges, the long-term and integrated focus of the Well-being of Future Generations Act has never been more essential. We have a once-in-a-generation opportunity to create public services that tackle the economic, equality, health, climate and nature crises simultaneously, and which provides the 'Wales We Want' for our communities now and in the future.

COVID-19 has placed huge pressure on the public sector and has resulted in devastating loss of life. The Committee have heard many examples of how public bodies have used this period as an opportunity to see things differently. However, I have not yet been assured that futures-thinking and foresight planning has or is being fully applied to help shape Welsh Government's long-term response to the pandemic, or in how it seeks to prevent future crises from occurring.

Furthermore, COVID-19 has highlighted or exacerbated many inequalities that were already there and can no longer be ignored. I advise public bodies to take all reasonable steps to identify and address these challenges. My forthcoming Inequality in a Future Wales Report will also provide public bodies with further information to consider.

To ensure Welsh Government were considering the Well-being of Future Generations Act in its recovery plans I issued several pieces of advice, including a 5 point plan, a detailed letter to Jeremy Miles MS and Rebecca Evans MS (as attached) and published a Fit for the Future Programme for Government. I have followed this up with more detailed advice on specific aspect for example investing in the decarbonisation of homes, the new nation Transport Strategy and on the development of skills policy.

I welcomed the comments made by public bodies during the inquiry. Over a third of written PAC responses highlight that COVID (and Brexit) should be used as opportunities for implementing the Act while people are receptive to change. There are clear lessons here for how these ways of working can be 'baked in' for future work and applied to long-term thinking, not just crisis response.

"The Act emerging from COVID is more important than ever before. The goals are core principles for every country throughout the world. We've learnt a lot of lessons and that's the country we want coming out of the pandemic. The way to do it is to work together. The 5 Ways of Working are more important than ever post-COVID" (Cyngor Ynys Mon / Anglesey Council)

"The experience of COVID and the ACT have planted a conscience in us of a higher purpose and making our services more accessible." (National Library of Wales)

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Rather than spending £3m on a new centre, the National Library of Wales chose to invest in digital to make their collections more accessible.

Flintshire Council recognized that budget restrictions and COVID has helped them look at things differently. They've refurbished the old buildings for some day centres and commissioned a third sector organisation who are running the service far better- the offer to service users has far improved.

I have welcomed the innovation and collaboration by public bodies in addressing the COVID response. Activities and decisions that once were seen as challenging or not essential have been actioned and I'm pleased that public bodies have committed to continuing many of these good approaches beyond the recovery.

In my evidence to the Committee, I shared concerns that Welsh Government were failing to apply all five ways of working consistently during the pandemic. These concerns included:

- Lack of join-up and **integration** on Wales' COVID-19 recovery. I was concerned that several policy groups and Ministerial Advisory Groups were potentially working in isolation.
- A lack of alignment between the activity on equality, diversity and inclusion in relation to the response to COVID-19 and the ministerial advisory groups (and others) focused on recovery. It is not clear how the information and intelligence being gathered is informing the work (and investment decisions) of Government to address **preventative** action.
- A lack of **involvement** (in terms of diversity and equality) in many of the groups shaping the recovery. There is a need to build on involvement methods used as part of the crisis response, broadening the involvement of groups steering the recovery.
- The absence of **integration** across policy areas. For example, the National Museum have been open in their message that they are an 'underused resource'. They want to be better connected to the other groups and networks working on COVID-19 recovery, particularly groups focused on the environment, skills and health and well-being.
- Unclear how **long-term** thinking, futures and foresight is being applied.

These lessons must be shared across Government and externally.

Welsh Government showed a progressive approach in passing this law – but has underestimated the scale of focus, support and reform needed to get it delivered in every layer of governance and public service delivery in Wales. The Government now needs to ensure that the ambitious approach in passing legislation on the floor of the Senedd is matched with ambitious action on implementing it on the ground.

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I look forward to working with this Committee and others across the Senedd during remainder of my term.

Kind regards,

Sophie Howe
Future Generations Commissioner for Wales

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Mark Isherwood MS

Chair of the Public Accounts and Public Administration Committee

22 September 2021

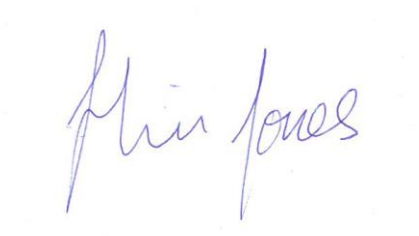
Response to recommendations of the Fifth Senedd's Public Accounts Committee

Dear Mark

The Fifth Senedd's Public Accounts Committee made two recommendations to the Business Committee of the Sixth Senedd as part of its scrutiny of the implementation of the Well-being of Future Generations Act 2015: *Delivering for future generations: the story so far*.

We are pleased to be able to accept both recommendations. Please find our full response to those recommendations enclosed.

Yours sincerely



Elin Jones MS
Y Llywydd and Chair of the Business Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Recommendations (from *Delivering for future generations: the story so far*)
Recommendation 13. The Business Committee of the Sixth Senedd should ensure that the Senedd's Committee structure facilitates effective scrutiny of legislation such as the Well-being of Future Generations (Wales) Act 2015 and other matters that cross policy areas and Ministerial portfolios. **Recommendation 14.** The Business Committee of the Sixth Senedd should give specific consideration to how post-legislative scrutiny of the Well-being of Future Generations (Wales) Act 2015 should be undertaken, and refer that body of work to an appropriate Committee or forum accordingly.
Response from the Business Committee
We accept recommendations 13 and 14. We sought to address these recommendations in the proposals we made to the Senedd on the establishment of committees. The remit of the Equality and Social Justice Committee includes *"implementation of the Well-being of Future Generations Act 2015"* and an ability to scrutinise any area of policy from the perspective of the cross-cutting issues within its remit, including (but not restricted to): equality and human rights, and the implementation of the Well-being of Future Generations Act 2015. Whilst it is for the ESJ Committee to determine how best to deliver its remit, we believe that emphasising the ability to work across policy boundaries will ensure all aspects of the WFGA can be pursued without restriction. It is also our hope that this approach acts as a catalyst for greater collaboration between committees when approaching cross-cutting scrutiny challenges. We have ensured that there is capacity within the committee timetable to help facilitate joint-working between committees. It is now for committees to determine if and how they wish to take this opportunity. Making one committee responsible for scrutiny of the implementation of the WFGA will hopefully ensure it receives focused post-legislative scrutiny, but this need not be done in isolation from the work of other committees. Flexibility was an underpinning principle when designing the committee system. Committees are guided rather than bound by their remits and can pursue cross-cutting issues wherever they might lead in policy terms. To ensure that this is done effectively, communication between committees is

essential. We set this expectation in our report *Sixth Senedd Committees: Titles and remits*.

We have also agreed to propose that the Senedd establishes a Committee for the Scrutiny of the First Minister with a cross-cutting remit to *"scrutinse the First Minister on any matter relevant to the exercise of the functions of the Welsh Government."* As in the Fifth Senedd, the Chairs' Forum will provide a valuable space within which cross-cutting scrutiny challenges can be discussed and addressed by the Chairs of Senedd Committees.

September 2021

Welsh Government response to the report of the Public Accounts Committee (5th Senedd) Delivering for Future Generations – the story so far.

RECOMMENDATION 1

The Welsh Government should carry out of a review of how it can provide longer-term financial security to the public bodies that are subject to this Act. This review should be completed in time to inform funding decisions in relation to the 2023-24 financial year.

Response: Accept in principle

It remains the Welsh Government's aspiration to provide longer-term budgets for our partners and stakeholders and we remain open to exploring options to provide certainty where this is possible as it set out in our Budget Improvement Plan which we publish alongside our Draft Budget. The Committee's recognition of the lack of forward funding figures from the UK Government is welcomed, and has previously meant the Welsh Government has been unable to give multi-year funding settlements. The Welsh Government has continued to press the case to the UK Government to publish multi-year settlements with the prospect of the forthcoming UK Spending Review and Budget on 27 October indicating we could expect a 3 year settlement.

Under current funding arrangements for public bodies we already provide an indication of funding for future years where this is possible. We are moving to a programme of Term of Government Remits for Arms-length Bodies in Wales, and this will be much more productive if we receive a multi-year settlement from the UK Government, which would enable us to provide bodies with longer-term indicative budgets.

Financial implications

The potential exploration of options would be met from within existing resources.

RECOMMENDATION 2

The Welsh Government should carry out a review of how the work of Public Service Boards is funded. The review should begin no later than six months after the next Senedd election, with its conclusions implemented in time for them to inform funding allocations for the 2023-24 financial year. The review should be undertaken with the following principles in mind:

- PSBs should be able to access pooled funds, drawn from the resources of their statutory members, which they could either hold as formal corporate entities, or via informal arrangements.
- PSB budgets should be determined by clear, consistent guidelines set out by the Welsh Government.

- PSB budgets should be informed by the role that the Welsh Government has set out for them.
- The contributions that each organisation is required to make to finance PSBs should recognise wider commitments that they have to other partnerships (including to other PSBs).

Response: **Accept in principle**

The Welsh Government has taken the view to date that it is for the PSBs to decide how they collectively resource their work – including pooling funding. However, we recognise partners have had varying degrees of success with this and there may be scope to support the development of a common approach to pooling resources. Some partners may also value additional guidance on the existing flexibilities regarding funding available from other sources.

We will work with PSBs to get a better understanding of where they have pooled – or attempted to pool – resources and identify and share good practice. Alongside this we consider, on an annual basis, the package of funding and support we make available directly to PSBs and will be looking at how we can raise awareness of the range of funding sources available to them.

The immediate priority is supporting the delivery of the local assessments of well-being, which need to be undertaken by next spring. Whilst this work is therefore unlikely to commence at the time recommended by Public Accounts Committee, we would seek to provide guidance to inform PSBs by the time they complete preparation of their local well-being plans and put in place arrangements to resource delivery of them.

Financial implications

Any review of the approach to funding would be met from within existing resources.

RECOMMENDATION 5

The Welsh Government must continue with plans to set and publish milestones as required by section 10 of the Well-being of Future Generations (Wales) Act 2015 no later than six months after the 2021 Senedd election.

RECOMMENDATION 6

The Welsh Government must continue with plans to review and publish revised national well-being indicators no later than six months after the 2021 Senedd election. The review should recognise the challenges and opportunities presented by the Covid-19 pandemic and take into account the views of public bodies, the public, and key stakeholders of the private and voluntary sectors.

Response (5 & 6): Accept in principle

We published a consultation on the national milestones and indicators on 1 September 2021 and are committed to publish the first set of national milestones and updated national indicators by December 2021.

Whilst we agree it is important to move quickly on the development of National Milestones and reviewing and making small changes to the National Indicators, it is equally important for us to find the right balance between moving at pace and undertaking quality engagement. We believe the timetable outlined in the delivery roadmap still reflects the right balance overall.

The existing timetable is already tight and attempting to move forward publication by a month to comply with the recommendation would involve significantly curtailing the time currently reserved for collaborating with stakeholders or, alternatively, seriously impact our plans for a written consultation in the Autumn. Given Welsh Ministers have a statutory duty to consult public bodies on the National Indicators and Milestones before they are set, our view is attempting to change the timing of the roadmap at this stage would be more problematic than beneficial to the delivery of both the National Milestones and the revised National Indicators for Wales.

Financial implications

None, any additional costs will be drawn from existing programme budgets.

RECOMMENDATION 7

The Welsh Government must carry out a review of the public bodies that are subject to the Act. The findings of that review should be implemented in sufficient time for any newly added public bodies to receive their funding allocations and associated remit letters for the 2022-23 financial year. The review should:

▪take into account the impact on the implementation of the Act at a national level that including/omitting any particular public body would have;

▪acknowledge that the inclusion of any additional public bodies will result in additional reporting, monitoring and auditing requirements that will inevitably have financial/resourcing implications;

▪clearly set out the expectations of public bodies that are not formally subject to the Act in relation to sustainable development, and how those expectations will be monitored and enforced; and

▪clearly set out the criteria against which inclusion/exclusion decisions were made and the process or timeframes by which future reviews will be initiated.

Response: **Accept in principle**

The Welsh Government is committed to realising the benefits of the Well-being of Future Generations Act and recognises there is value in considering whether more public bodies should be subject to the well-being duty. We will carry out a review of the bodies subject to the WFG Act. The four tests applied in determining which

public bodies were subject to the Well-being of Future Generations (Wales) Act 2015 when it was being developed will form the basis of this work.

Given the need to engage with all affected parties and understand the implications on such bodies we intend to conclude the review by summer 2022. This will allow us to review the list alongside the proposals for the social partnership duty in the proposed Social Partnership and Public Procurement (Wales) Bill which will place a social partnership duty on the same bodies captured by the Well-being of Future Generations (Wales) Act 2015. Maintaining a close link between the well-being duty and social partnership duty will ensure there is consistency between the two pieces of legislation, and reinforce the role that employees have in shaping Wales' future.

Financial implications

The financial implications of extending the duty to additional bodies will be assessed as part of a Regulatory Impact Assessment. There will be costs in consulting and engaging with public bodies, costs on bodies, and implications for the Future Generations Commissioner for Wales and Auditor General for Wales

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RECOMMENDATION 8

The Welsh Government must continue with plans to frame remit letters around the Well-being of Future Generations (Wales) Act 2015, following consultation with the Future Generations Commissioner. The new remit letters should be in use no later than in relation to the 2022-23 financial year.

Response: Accept

The Welsh Government has moved to Term of Government Remit Letters following the Senedd Cymru election on 6 May 2021. These Remits will be applied from the 2021-22 financial year. The Term of Government Remit Letter Framework includes a requirement to meet fully the well-being duty set out in the Well-being of Future Generation Act (Wales) 2015.

Financial implications

None, any additional costs will be drawn from existing programme budgets.

RECOMMENDATION 9

The Welsh Government must not create any new partnership or collaborative structures to fulfil any functions unless it has fully explored whether:

- existing partnership structures could undertake those functions instead;
- the new structure could replace existing ones;
- the functions can be carried out by existing public bodies; and after consultation with public bodies affected by the proposed changes, can demonstrate support for the new structures from a majority of public bodies affected by them.

RECOMMENDATION 10

The Welsh Government must publish guidance no later than six months after the next Senedd election that sets out:

- how the work of Regional Partnership Boards, Public Services Boards, Corporate Joint Committees, alongside other major partnership structures, interact with each other within the framework of the Well-being of Future Generations (Wales) Act 2015, with examples of good practice;
- what flexibility partnerships have to make decisions to better and more efficiently organise themselves;
- where partnerships and organisations can take action to simplify or consolidate the governance and reporting structures to reduce repetition and duplication;
- the Welsh Government's view of the landscape of partnership structures over the next reporting period (2020-25), including any proposals to abolish or consolidate those structures.

Response: Accept in principle

The outcome of the *Review of Strategic Partnerships,* which was agreed by Partnership Council for Wales, contained clear recommendations not to create new partnerships, or add to the remit of existing partnerships, without considering the existing landscape. It noted there was no support for standing down any specific partnerships and focused on partnerships being supported to simplify their own arrangements locally. The report concluded that any change should come from the ground up, rather than being imposed by the Welsh Government.

We believe delivering against the recommendations from the review will also deliver the aims within recommendation 9 and 10. We will be working closely with the Chairs of strategic partnerships to support local action to align and rationalise the landscape in the way that makes most sense to that area. As per the recommendations of the *Review of Strategic Partnerships,* the Partnership Council for Wales will be monitoring and evaluating progress. As part of its regular review of progress, they will determine what further action may be needed.

However, the immediate priorities for local government are the successful implementation of the Local Government and Elections (Wales) Act 2021.

Financial implications

This commitment will be met from within existing staff resources.

Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref JH/3178/21

Mark Isherwood MS
Chair
Public Accounts and Public Administration Committee
Senedd Cymru
Cardiff Bay
Cardiff CF99 1SN

1 October 2021

Dear Mark,

Response to the Report of the Public Accounts Committee (5th Senedd) *Delivering for Future Generations – the story so far.*

Thank you to the members of the previous Public Accounts Committee for their valuable work in looking at the barriers to the implementation of the Well-being of Future Generations (Wales) Act 2015.

We recognise that the nature of the inquiry led by PAC means that it made recommendations that concern policy matters relating to the implementation of the Well-being of Future Generations. We have considered the report and its conclusions and recommendations carefully and I attach a response to the policy recommendations which are the responsibility of Welsh Ministers.

The Welsh Government is committed to using the Well-being of Future Generations framework to put Wales on a more sustainable path and help tackle the long-term sustainability challenges Wales faces. Over the past 18 months we have seen considerable scrutiny of how the Well-being of Future Generations Act is being implemented from Members of the Senedd, the Future Generations Commissioner and the Auditor General for Wales.

The broad coverage of the findings, ideas and recommendations of these reports reflect the nature with which the Well-being of Future Generations legislation is penetrating Government and the Welsh public service and its bearing on policies, processes and

people. Whilst this can be complex and viewed as a weakness of the legislation, it continues to demonstrate the WFG agenda is not an add-on activity, and is being used to challenge, question and improve current ways of working so more sustainable choices can be considered. These reports will provide an essential reference point as we work with the Future Generations Commissioner and public bodies to remove the barriers to implementation, and build on the enthusiasm found in public officials and stakeholders which Members highlighted in their report.

Within our response we have sought to accept the recommendations, which we agree will help tackle the barriers to implementation. However, for some the specific suggestions for the completion of work by a prescribed timetable or in a prescribed way mean we have accepted these in principle.

Next week, I will be writing to the Auditor General for Wales detailing our response to their report which we agreed with Audit Wales we would consider alongside the findings and report of the Public Accounts Committee. I will also write to the Future Generations Commissioner to conclude our response to the Future Generations Report (2020).

Yours,

Jane Hutt AS/MS
Y Gweinidog Cyfiawnder Cymdeithasol
Minister for Social Justice

Welsh Government response to the report of the Public Accounts Committee (5th Senedd) Delivering for Future Generations – the story so far.

RECOMMENDATION 1

The Welsh Government should carry out of a review of how it can provide longer-term financial security to the public bodies that are subject to this Act. This review should be completed in time to inform funding decisions in relation to the 2023-24 financial year.

Response: Accept in principle

It remains the Welsh Government's aspiration to provide longer-term budgets for our partners and stakeholders and we remain open to exploring options to provide certainty where this is possible as it set out in our Budget Improvement Plan which we publish alongside our Draft Budget. The Committee's recognition of the lack of forward funding figures from the UK Government is welcomed, and has previously meant the Welsh Government has been unable to give multi-year funding settlements. The Welsh Government has continued to press the case to the UK Government to publish multi-year settlements with the prospect of the forthcoming UK Spending Review and Budget on 27 October indicating we could expect a 3 year settlement.

Under current funding arrangements for public bodies we already provide an indication of funding for future years where this is possible. We are moving to a programme of Term of Government Remits for Arms-length Bodies in Wales, and this will be much more productive if we receive a multi-year settlement from the UK Government, which would enable us to provide bodies with longer-term indicative budgets.

Financial implications

The potential exploration of options would be met from within existing resources.

RECOMMENDATION 2

The Welsh Government should carry out a review of how the work of Public Service Boards is funded. The review should begin no later than six months after the next Senedd election, with its conclusions implemented in time for them to inform funding allocations for the 2023-24 financial year. The review should be undertaken with the following principles in mind:

- PSBs should be able to access pooled funds, drawn from the resources of their statutory members, which they could either hold as formal corporate entities, or via informal arrangements.
- PSB budgets should be determined by clear, consistent guidelines set out by the Welsh Government.
- PSB budgets should be informed by the role that the Welsh Government has set out for them.

- The contributions that each organisation is required to make to finance PSBs should recognise wider commitments that they have to other partnerships (including to other PSBs).

Response: **Accept in principle**

The Welsh Government has taken the view to date that it is for the PSBs to decide how they collectively resource their work – including pooling funding. However, we recognise partners have had varying degrees of success with this and there may be scope to support the development of a common approach to pooling resources. Some partners may also value additional guidance on the existing flexibilities regarding funding available from other sources.

We will work with PSBs to get a better understanding of where they have pooled – or attempted to pool – resources and identify and share good practice. Alongside this we consider, on an annual basis, the package of funding and support we make available directly to PSBs and will be looking at how we can raise awareness of the range of funding sources available to them.

The immediate priority is supporting the delivery of the local assessments of well-being, which need to be undertaken by next spring. Whilst this work is therefore unlikely to commence at the time recommended by Public Accounts Committee, we would seek to provide guidance to inform PSBs by the time they complete preparation of their local well-being plans and put in place arrangements to resource delivery of them.

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Response (5 & 6): Accept in principle

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equally important for us to find the right balance between moving at pace and undertaking quality engagement. We believe the timetable outlined in the delivery roadmap still reflects the right balance overall.

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Financial implications

None, any additional costs will be drawn from existing programme budgets.

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However, the immediate priorities for local government are the successful implementation of the Local Government and Elections (Wales) Act 2021.

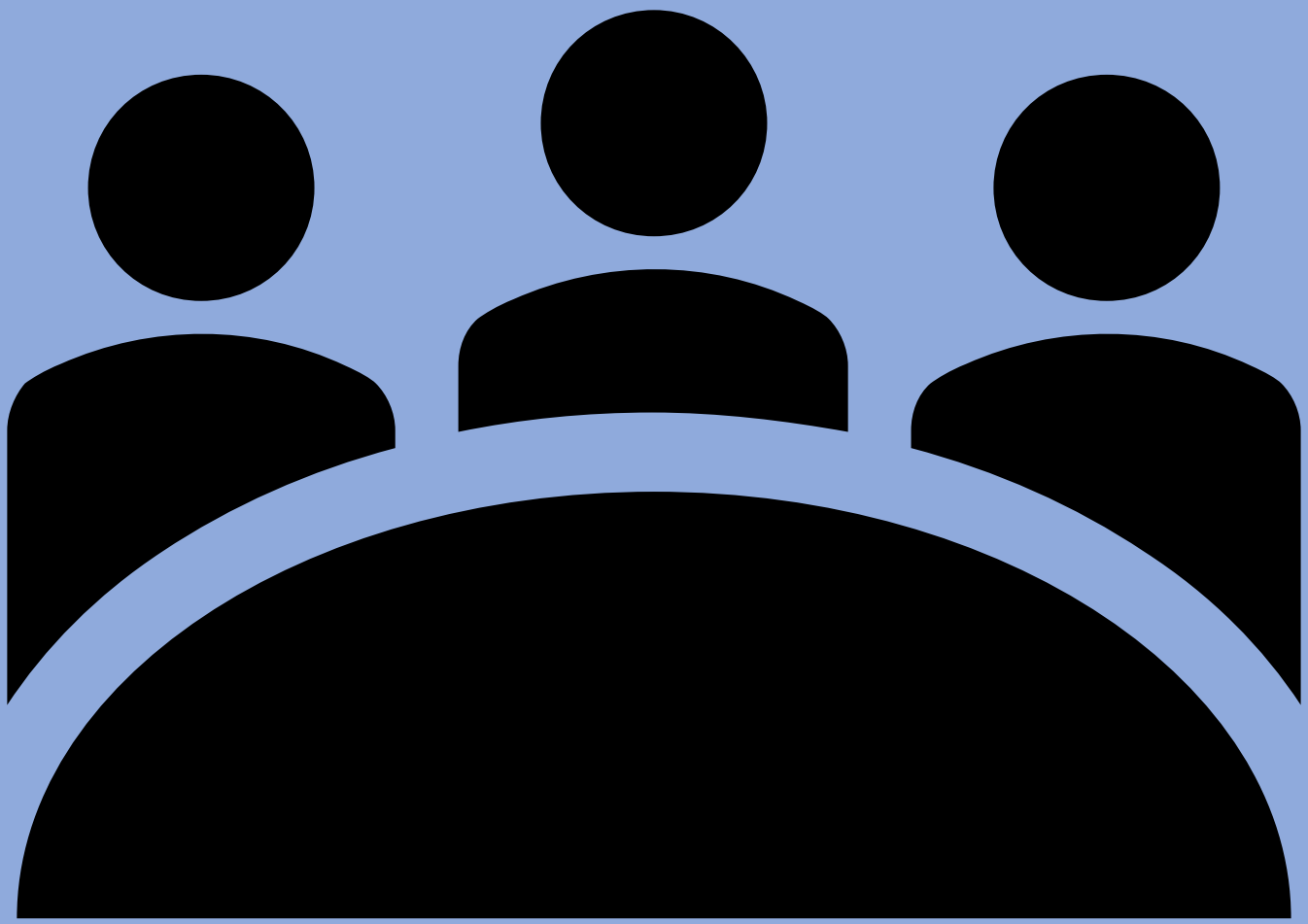
Financial implications

This commitment will be met from within existing staff resources.

Agenda Item 4

Financial Reporting Advisory Board

Annual Report 2020-21



Financial Reporting Advisory Board:

Annual Report 2020-21

Presented to the House of Commons pursuant to Section 24(4) of the Government Resources and Accounts Act 2000

Laid before the Northern Ireland Assembly under Section 20(3) of the Government Resources and Accounts Act (Northern Ireland) 2001 by the Department of Finance

The report is laid before the Scottish Parliament and presented to the Audit and Finance Committees of the Scottish Parliament by agreement with the Scottish Ministers

The report is submitted to the Public Accounts Committee of the National Assembly for Wales by the Welsh Assembly Government

Ordered by the House of Commons to be printed on 15 July 2021

HC 524
SG/2021/169

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Foreword

Foreword from Lynn Pamment - Chair

The 2020-21 financial year was dominated by consideration of the impact of the COVID-19 pandemic as the government has sought to save lives and protect health and livelihoods. During a time of emergency response, the principles of good governance and accountability remain. FRAB has inevitably concentrated much of its agenda during 2020-21 on considering the impact of the COVID-19 pandemic on the financial reporting requirements and landscape.

At the end of 2019-20 FRAB had taken considered decisions to reduce certain reporting requirements, extend deadlines for reporting and defer the implementation of IFRS16. During 2020-21 FRAB has worked closely with HM Treasury and the other relevant authorities to consider the ongoing impact of the pandemic on entities producing annual reports and accounts and the effectiveness of the support measures put in place for the 2019-20 reporting cycle. As a consequence of this work, FRAB has again taken a number of considered decisions to continue to extend deadlines for reporting for 2020-21 and to agree to a further deferral in the implementation of IFRS16 to 1 April 2022. In doing so, FRAB encouraged HM Treasury to consider allowing extended early adoption of IFRS16 on 1 April 2021 for entities capable to do so. It was agreed that this would be available for entities where approval has been received from the relevant authority.

Overall, FRAB has been sympathetic to the impact COVID-19 has had on the reporting cycle and considers that both 2020-21 and 2021-22 will act as a transition period to return to a pre-recess timetable. The Board will continue to work alongside the NAO to support the end of delays to the production timetable for Annual Report and Accounts.

During the year FRAB commissioned an external review from the NAO into the effectiveness of its operations. The overall assessment is that there is good evidence that shows the Board has met its terms of reference and has carried out an in-depth analysis of accounting issues and provided clear, independent and timely advice on the application of financial reporting standards and principles. The Board has accepted all of the recommendations put forward by the NAO for further improvements to the effectiveness of the Board operations. FRAB has published a forward strategy for its work as a consequence of the NAO review and it is contained in Annex A to this report.

There were a number of changes to the membership of the Board during 2020-21. I would like to record my personal thanks and the thanks of FRAB to David Aldous, Anthony Appleton, Chris Young, Andrew Buchanan and Richard Barker for their outstanding contribution to FRAB over recent years. I would also like to record my appreciation to Larry Honeysett for his outstanding contribution to FRAB over recent years as Parliamentary observer.

Chapter 1 - **Introduction**

Who we are

The Financial Reporting Advisory Board (FRAB) is an advisory Board formed of relevant experts in the finance profession and representatives of the relevant authorities and acts independently of government. Section 24 of the Government Resource and Accounts 2000 (GRAA) sets out the legal requirement for the formation of FRAB. FRAB's own Terms of Reference available on Gov.uk gives a full breakdown of the FRAB's governance.

Our work (as per the Terms of Reference)

The role of the Financial Reporting Advisory Board, or FRAB, is to provide advice on financial reporting policy and standards and in doing so, ensure that government financial reporting meets the best possible standards of financial reporting by following Generally Accepted Accounting Practice (GAAP) as far as possible.

FRAB is an independent body whose work is enacted in multiple forms:

Advising

Provide independent advice to HM Treasury, therefore fulfilling the obligation to consult an advisory group on financial reporting principles and standards.

Oversight of Standard Setting

Oversee implementation of accounting standards in the public sector.

Promoting Excellence

FRAB exists to promote the highest possible standards in financial reporting by government.

Examining Proposals

Examine the proposals for changes to accounting policies in order to ensure any deviation from the generally accepted accounting practices are justifiable and appropriate.

Self-Governing

FRAB is required to form its own rules for reaching conclusions as well as producing its own report.

Background to the FRAB report

In accordance with its Terms of Reference and the GRAA, FRAB has a responsibility to prepare an annual report of its activities, including its views on the changes made to accounting guidance within the Board's remit.

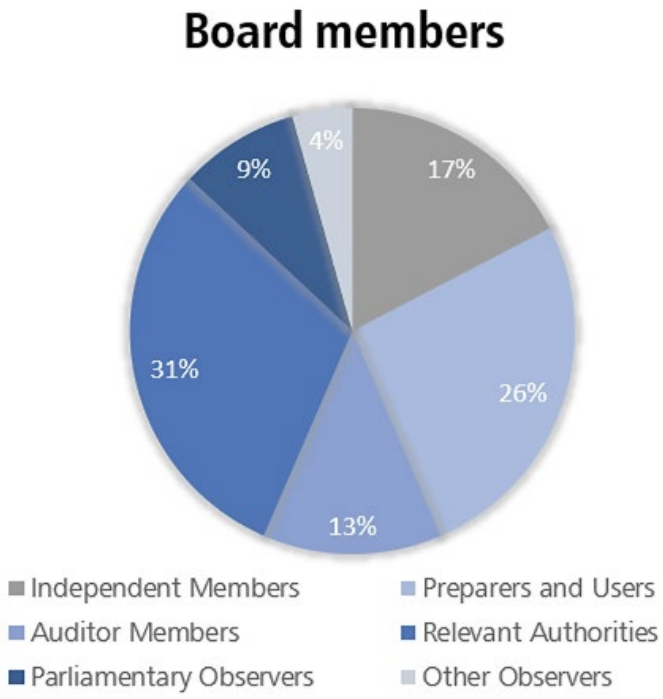
FRAB is required to send a copy of its report directly to the Public Accounts Committee and the Treasury Select Committee of the UK Parliament, to the Welsh Government, the Scottish Ministers and the Northern Ireland Executive.

Representatives include the following organisations who are members or observers to the Board:

The graphic above showcases the logos of organisations that send representatives/observers to FRAB.

Chapter 2 – Financial Reporting Advisory Board Membership

The Financial Reporting Advisory Board members are categorised into six core groups as per the FRAB Terms of Reference.



Independent Members:

Consisting of an independent chair, a professional academic with relevant accounting/economics experience, one member nominated by the Financial Reporting Council and two other independent members.

Preparers/Users Members:

Consisting of three members nominated by finance directors of UK government departments, one member nominated by the national statistician, one member nominated by the Ministry of Housing Communities and Local Government and one member nominated by CIPFA.

Auditor Members:

Consisting of one member nominated by the Comptroller & Auditor General and two members from audit institutions from devolved administrations on a rotational basis.

Relevant Authorities Members:

Consisting of one member nominated from each of the following HM Treasury, Scottish Ministers, the Executive Committee of Northern Ireland Assembly, the Welsh Assembly Government, the Department for Health and Social Care, NHS Improvement and CIPFA.

Parliamentary Observers:

Consisting of a member nominated by the Government Chief Whip and the Head of the Parliamentary Scrutiny Unit.

Other Observers:

Consisting of the CIPFA/LASAAC[1]Chair.

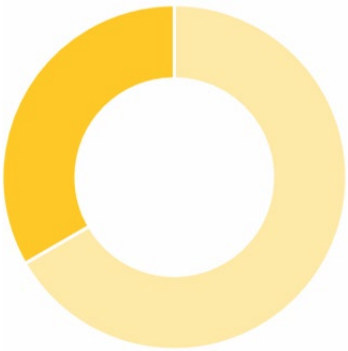
[1] CIPFA/LASAAC is the board responsible for preparing, maintaining, developing and issuing the Code of Practice on Local Authority Accounting for the United Kingdom. The board is a partnership between CIPFA (England, Northern Ireland and Wales) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC)

Diversity of Board members

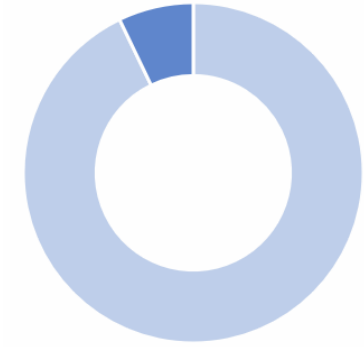
The importance of diversity aligns with FRABs strategy, and the need to have improved succession planning. It has been agreed that the Nominations Committee will consider succession planning and the diversity of background and expertise of the Board to ensure it can fully meet its role and responsibilities.

Not all Board members provided diversity data, however from the **15** members who disclosed:

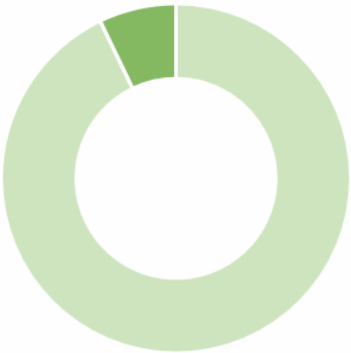
33.3% are female



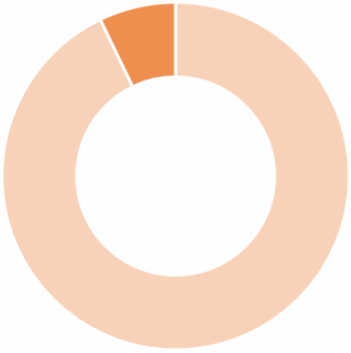
6.7% are BAME

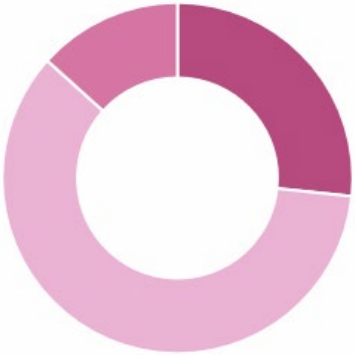


6.7% identify as LGBT



6.7% have a disability





26.7% are aged between 35-44

60.0% are aged between 45-54

13.3% are aged between 55-64

Responsibilities of board members

FRAB provides independent advice to HM Treasury, the Scottish Ministers and the Executive of the Northern Ireland Assembly. Its focus is on examining proposals for amending current, or implementing new, accounting policies in the accounting guidance for central government departments, executive agencies, non-departmental public bodies and trading funds, and for examining the proposals for accounting guidance for local authorities. FRAB also advises HM Treasury on the implementation of accounting policies specific to Whole of Government Accounts (WGA) and for CIPFA/LASAAC which is responsible for developing the Code of Practice on Local Authority Accounting in the UK.

Board members are required to contribute to the overall success and effective and efficient operation of FRAB in the following ways:

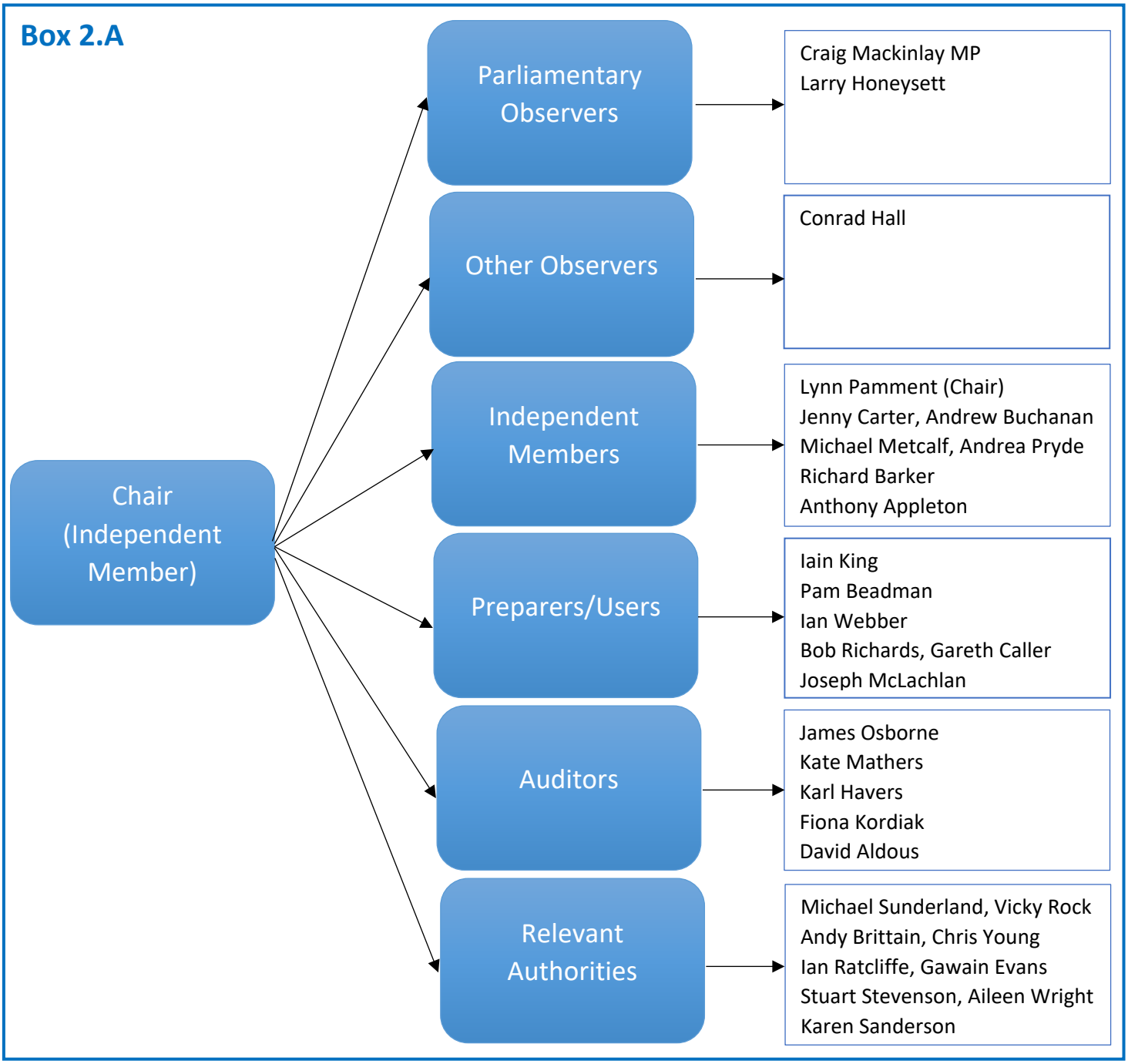
1	By regular attendance at FRAB meetings (typically 3 meetings per year) and work together with other members to ensure the consistency of Board performance.
2	Contributing to discussions on out of meeting issues and provide views on additional papers.
3	Draw on knowledge, skill set and expertise, to play a full part in the Board's deliberations on issues of financial reporting practice and principle.
4	Be objective when considering accounting issues and points of accounting principle.
5	Ensure that for issues under debate by FRAB, express opinions clearly, supported by reasoned analysis.
6	Adhere to the FRAB Membership Code of Conduct and declare any personal conflicts of interest related to issues being considered or subject to the provision of advice.

The graphic above showcases the key responsibilities of the members of FRAB.

Membership

The following table outlines the FRAB membership for 2020-21.

Box 2.A



Membership notes:

- **Anthony Appleton** left FRAB in May 2020, when he left the FRC
- **David Aldous** left FRAB in April 2020, when he retired from the NAO
- **Christopher Young** left FRAB in September 2020, as he moved role in DHSC
- **Andrew Buchanan's** 2nd term of office finished in August 2020
- **Vicky Rock's** membership expired in November 2020
- **Kate Mather's** temporarily covered until November 2020 after David retired

Board Attendance

The following table outlines the FRAB members attendance at meetings as per the minutes published on Gov.uk.[2]

Board Attendance						
	Meeting Date	Apr-20	Jun-20	Nov-20	Mar-21	Overall
1	Aileen Wright	Y	Y	Y	Y	100.00%
2	Andrea Pryde	Y	Y	Y	Y	100.00%
3	Andrew Buchanan	Y	Y			100.00%
4	Andy Brittain			N	N	0.00%
5	Anthony Appleton	Y				100.00%
6	Bob Richards	Y	Y	Y	Y	100.00%
7	Chris Young	N	N			0.00%
8	Conrad Hall	Y	Y	Y	Y	100.00%
9	Craig Mackinlay MP	N	N	N	N	0.00%
10	David Aldous	Y				100.00%
11	Fiona Kordiak	Y	Y	Y	Y	100.00%
12	Gareth Caller	Y	Y	Y	Y	100.00%
13	Gawain Evans	Y	Y	N	Y	75.00%
14	Iain King	N	Y	Y	Y	75.00%
15	Ian Ratcliffe	Y	Y	Y	Y	100.00%
16	Ian Webber	Y	Y	Y	Y	100.00%
17	James Osborne			Y	Y	100.00%
18	Jenny Carter		Y	Y	Y	100.00%
19	Joseph McLachlan	Y	Y	N	Y	75.00%
20	Karen Sanderson			Y	Y	100.00%
21	Karl Havers	Y	Y	Y	Y	100.00%
22	Kate Mathers	Y	Y			100.00%
23	Larry Honeysett	Y	Y	Y	Y	100.00%
24	Lynn Pamment	Y	Y	Y	Y	100.00%
25	Michael Metcalf			Y	Y	100.00%
26	Michael Sunderland			Y	Y	100.00%
27	Pam Beadman	N	Y	Y	Y	75.00%
28	Richard Barker	N	N	Y	Y	50.00%
39	Stuart Stevenson	Y	Y	Y	Y	100.00%
30	Vicky Rock	Y	Y	Y		100.00%
	Overall	79.00%	87.00%	84.00%	92.00%	
	Average					85.00%

[2] If a member was unable to attend a meeting, a deputy would be sent with agreement from the Chair.

Chapter 3 – Board Activities in 2020-21

Year highlights for 2020-21

Received key updates from external stakeholders

Oversaw the publication of reporting guidance

Ensured public sector alignment with private sector where appropriate

Ensured members have up to date knowledge of financial reporting

Supported the public sector financial reporting response to the COVID-19 pandemic

Undertook a review of Board effectiveness

Reviewed financial reporting requirements for 2019-20 and 2020-21

Received updates from the Relevant Authority Working Group and User Preparer and Advisory Group

Continued work on IFRS 16 and IFRS 17 implementation

Overview

The Board's key activities for this year are summarised below and expanded upon in the following pages.

1

COVID-19 Response

The Board's continued response to the impact of the COVID-19 pandemic. Strategic objective: *Advising*

2

Financial reporting guidance

Updates on the Government Financial Reporting Manual (FReM) and the addendum, CIPFA Code of Practice and Group Accounting Manual (GAM). Strategic objective: *Standard setting*

3

Accounting standards

Monitoring and evaluating the financial reporting landscape and oversight of the implementation of new standards in the public sector. Strategic objective: *Standard setting*

4

Relevant Authorities

Received updates from the Relevant Authorities Working Group (RAWG) and the User/Preparer Advisory Group (UPAG) and devolved administrations. Strategic objective: *Examining proposals*

5

Public sector financial reporting

Received updates from the Whole of Government Accounts (WGA) and Sir Tony Redmond. Strategic objective: *Promoting excellence*

6

Governance and future work

Undergoing the FRAB effectiveness review and developing a Board strategy and action plan. Strategic objective: *Self-governing*

1. COVID-19 Response

The impact of the COVID-19 pandemic continued to dominate the agenda in 2020-21, in which FRAB strived to ensure that financial reporting guidance was set at an appropriate and achievable level for preparers. FRAB spent the majority of the first half of the year focusing on maintaining the balance of high-quality financial reporting and transparency, against the need to support account preparers in reducing the reporting burden where possible. The result of a national lockdown meant that several challenges for entities became immediately apparent, including:

- Reduced availability of resources to prepare annual reports and accounts (ARAs) as staff members fell sick, self-isolated, had caring responsibilities or were redeployed to meet urgent needs;
- The shift to home working put a strain on equipment and technology;
- Disruptions and a lack of operational capacity from outsourced contractors;
- Difficulties in determining the valuation of physical assets and Expected Credit Losses (ECLs);
- Auditors being unable to perform fieldwork visits to obtain appropriate evidence;
- Managing the financial reporting impacts of COVID-19 and the associated increase in work from post balance sheet events, obligations arising pre-year end, contingent liabilities and increased uncertainty on asset valuation.

In response to the continuing pressures faced by departments and other government entities due to the impact of the pandemic, FRAB supported the extension of reporting adjustments into the 2020-21 financial year. Similar measures were introduced in the private sector. Like the actions implemented within the 2019-20 reporting period, FRAB has supported:

- Reducing government financial reporting requirements for 2020-21 in the form of an approved FReM Addendum, due to continuing pressures that were evident in 2019-20;
- Supporting the administrative deadline for laying annual reports and accounts in the House of Commons to revert back to 30th June 2021, with extensions to 30th September 2021 being requested on an individual basis;
- Deferring the implementation of IFRS 16 Leases to 1 April 2022 with an option for certain eligible and authorised entities to early adopt from 1 April 2021;
- Assisting the relevant authorities by reviewing the Department of Health and Social Care Group Accounting Manual (GAM) publication and the CIPFA Code of Practice.

Due to the impact of COVID-19, FRAB has increased communication throughout the 2020-21 financial year, by holding additional meetings and circulating more out of meeting papers.

FRAB convened an additional meeting in April 2020 to focus on the guidance and options available to preparers. The meeting explored several options proposed by HM Treasury and other relevant authorities, to determine what would provide the best support to preparers in the end of year accounts reporting process. FRAB challenged some of the proposals outlined and concluded that the most suitable way forward was offering flexibility on reducing the level of narrative reporting in the performance report where feasible. The financial statements would remain unchanged.

As well as this, there were more out of meeting papers circulated throughout the year, due to the need for FRAB to press ahead with active responses to the impact of COVID-19 as it evolved. In April 2020, HM Treasury issued an out of meeting paper to members confirming the approach to setting minimum requirements for central government financial reporting in 2019-20. This including the proposed streamlining to annual reports and accounts requirements and the next steps HM Treasury would be taking. This involved a revised accounts direction, further discussions with Parliament, the NAO and the Cabinet Office and producing guidance on the financial reporting impacts of COVID-19.

COVID-19 impact review

FRAB has worked closely with HM Treasury and the other relevant authorities to consider the ongoing impact of the pandemic on entities producing annual reports and accounts and the effectiveness of the support measures put in place for the 2019-20 reporting cycle.

A thematic review was executed by HM Treasury to understand and evaluate the success of the suite of agreed measures put in place to ease the reporting burden whilst maintaining high-quality financial reporting. This was accomplished by gathering feedback via a survey to the Resource Accounts Special Interest Group (RASIG)[3], qualitative feedback from departments and laying date data. Overall, feedback from key stakeholders has shown that the rapid decisions FRAB took during this time were effective at reducing the financial reporting burden for preparers 2019-20 annual report and account preparation, without diluting the quality of financial information. The thematic review was a key influence in FRABs decision to support extension to the reduced reporting requirements in 2020-21. A copy of the review is available on Gov.uk.

FRAB discussed the key findings from the review including the approach to laying dates, supplementary guidance, IFRS 16, and long term and very long-term discount rates. It was discovered that preparers experienced direct resourcing constraints from the pandemic; as well as delays outside of their control, indirectly through their local component auditors, audit capacity and reporting logistics.

Annual Report and Accounts audit cycle

FRAB heard in year updates from the NAO including reflections on the 2019-20 audit cycle and the outlook for the 2020-21 audit cycle. FRAB was informed of the key issues arising and

[3] The RASIG network involves a group of government bodies who have a keen interest in the annual reports and accounts process.

the approach the NAO is taking to return to a normal reporting timetable of finalisation before the summer parliamentary recess. Audit Scotland also provided views on similar issues to those outlined by the NAO, including delays that would potentially affect the Whole of Government Accounts consolidation process.

FRAB has been sympathetic to the impact COVID-19 has had on the reporting cycle and agreed that due to the degree of inter-dependency on other issues as a result of the pandemic, both 2020-21 and 2021-22 will act as a transition period to return to a pre-recess timetable. FRAB will continue to advise the NAO to support the end of delays to the ARAs production timetable.

Grantor accounting application guidance

As a result of the pandemic, FRAB has explored the need for public sector specific accounting guidance for the giving of grants to third parties. FRAB engaged with HM Treasury in drafting this guidance, to ensure that it is understandable and fulfils the needs of users. The guidance is grounded on the application of IAS 37 in respect of grantor accounting in the public sector, with an endeavour to address the wider issues through the forward programme of work throughout 2021-22. A copy of the guidance is available on Gov.uk.

Next steps

FRAB will continue to monitor the impact on financial reporting and respond appropriately to any additional issues that arise. The expected implementation of IFRS 17 follows closely after departments hope to recover back to the normal laying schedule, in which FRAB will be keeping this under close review.

2. Financial reporting guidance

Government Financial Reporting Manual (FReM)

The FReM is HM Treasury's technical accounting guide for the preparation of financial statements. It guides on the application of IFRS, as adapted and interpreted for the public sector context. FRAB provides a valuable review of the guidance as part of the quality assurance process and confirming the appropriateness of the guide.

It is FRAB's duty to review the manuals and ensure they maintain a high quality of content. To do so, FRAB dedicates considerable time to consider any proposed amendments to both the 2020-21 FReM and the 2021-22 FReM.

Changes to the FReM

Due to the ongoing pressures facing entities, FRAB agreed that the reduced reporting requirements that were initiated in 2019-20, should be carried into 2020-21. This has been

published in the form of a FReM addendum and provides flexibility to reduce requirements from both the performance and accountability report. Notwithstanding, entities were encouraged to go beyond the minimum requirements where possible.

FRAB reviewed the more significant of the proposed changes, including: new best practice diversity and inclusion reporting (change from 2020-21), changes made to more closely align public sector remuneration reporting with the Companies Act (changes from 2021-22) and some changes made to the wording around an IFRS 9 adaptation (change from 2020-21).

FRAB supports HM Treasury by providing constructive criticism, in order for the FReM to be most effective, for example, FRAB requested that the language on the revised IFRS 9 adaptation be changed to be more conclusive and improve clarity. FRAB also queried whether the FReM should represent EU adopted IFRS rather than UK adopted IFRS in 2020-21 based on the guidance issued by BEIS and the FRC.

DHSC Group Accounting Manual (GAM)

FRAB supported health sector colleagues in the publication of the 2021-22 GAM. FRAB was presented with updates throughout the year on both the GAM and the health sector position, where FRAB questioned and sought clarity on certain elements of the manual. Out of meeting papers were shared with FRAB, setting out additional technical analysis on the key discussion points that had arisen within meetings. From this, FRAB provided expert advice and constructive challenge to ensure that the guidance was re-drafted more comprehensive.

CIPFA/LASAAC Code 2021-22

FRAB assisted CIPFA/LASAAC colleagues on the publication of the CIPFA Code of Practice. FRAB continued its ongoing support to CIPFA/LASAAC providing technical advice on the implementation of IFRS 16, for example on housing tenancies.

FRAB was provided with regular updates by CIPFA/LASAAC representatives on the Housing Revenue Account (HRA) consultation and was also informed of an amendment to the 2020-21 Code for Transport for London, concerning transactional arrangements.

Summary

Both copies of the FReM are available on Gov.uk. The FRAB will continue to work alongside HM Treasury and other relevant authorities to continue to improve the quality of financial reporting across government. The impact of COVID-19 on reporting against the FReM will be reviewed and monitored for the 2020-21 financial year.

FRAB oversaw the publication of the 2019-20 best practice examples report, which includes examples taken from public sector annual reports and accounts against different FReM requirements. Additional examples have been included relating to the impact COVID-19 has had on entities' performance, risks and financial statements.

3. Accounting Standards

IFRS 16 *Leases*

In 2020-21 the FRAB worked collaboratively with relevant authorities regarding the implementation of IFRS 16. With the situation of the pandemic very much in mind, the FRAB chose to revise the effective date for the implementation of IFRS 16 to 1st April 2022. Nevertheless, it was a challenging decision that has been taken primarily to help relieve the pressures on entities resulting from the effects of the pandemic.

FRAB recognised both the positive and negative effects of deferring the implementation of IFRS 16 for another year. FRAB acknowledged that the previous commitment made at the April 2020 meeting was to only defer by 1 year, however, recognised that many entities (the health sector and local government in particular) were under a significant amount of pressure as a result of the pandemic. FRAB discussed the potential costs that could arise as a result of implementing IFRS 16 badly in an attempt to rush to meet a challenging timeline, whilst considering that an extension would deepen the misalignment with the private sector and potentially reduce the quality of financial reporting in the public sector. This also introduces issues for entities who report under both IFRS and the FReM. FRAB also contemplated how the Standard provides improved information about lease accounting, and the risk of a third deferral of IFRS 16 could show a lack of commitment to pursue implementation. Despite the benefits that the Standard would bring for 2020-21, the resources were simply not available.

After careful consideration, FRAB agreed that support for mandatory implementation of IFRS 16 on 1 April 2021 as originally anticipated was not feasible, and that the effective date should be deferred to April 2022. FRAB have laid down a marker that there will not be any further deferral of the standard. FRAB encouraged HM Treasury to consider allowing extended early adoption on 1 April 2021 for entities capable to do so. It was agreed that this would be available for entities where approval has been received from the relevant authority. A copy of the guidance issued by HM Treasury is available on Gov.uk.

IFRS 17 *Insurance Contracts*

Implementation of IFRS 17 follows a multi-year implementation plan with an anticipated effective date in the public sector of 1st April 2023 to align with the private sector. FRAB continues to play a key role in ensuring that the plan remains on target and the scope and potential adaptations are effectively determined. During 2020-21, FRAB received multiple updates from HM Treasury on the work ongoing to implement the Standard, including feedback on discussions by the Technical Working Group on a wide range of issues with a key focus on the scope of the Standard in the public sector. FRABs consensus remains that the most appropriate route would be a principles-based approach and will continue to work

alongside the Technical Working Group and relevant authorities, in 2021-22 keeping the timing of the implementation under close review.

International Public Sector Accounting Standards Board (IPSASB) Update

FRAB received updates on the ongoing work by the IPSAS Board and is keen to be kept informed about the strategy and work plan including on revenue and non-exchange transactions. Full details of these updates can be found on Gov.uk as part of our minutes and papers publications.

4. Relevant Authorities

Devolved Administrations

FRAB was presented with updates from the Devolved Administrations (Scottish Government, Welsh Government and Northern Ireland Government) throughout 2020-21. FRAB heard about the challenges each has faced throughout the year, including adjusting to remote working at pace, challenges of technology to support immediate home working and the redeployment of staff to meet urgent COVID-19 related issues. Despite this, feedback given reiterated how the measures and guidance introduced by FRAB and HM Treasury reduced the pressures preparers were facing, and the involvement in the decision-making process from an early stage also eased the burden. FRAB appreciated the updates given by the devolved administrations and welcome them for 2021-22.

Working Groups

In 2020-21, FRAB continued to receive updates and sight of the minutes of discussions and proposals from both UPAG and RAWG. FRAB expressed a key interest in a forward work plan developed by UPAG and sees the Group as an important route to develop a greater level of direct user engagement. Going forward, increasing engagement with users forms part of FRAB's action plan.

5. Public sector financial reporting

Whole of Government Accounts (WGA)

As per FRAB's Terms of Reference which sets out FRAB's statutory role in the Whole of Government Accounts, FRAB receives regular updates from the WGA team from HM Treasury.

FRAB heard updates on the position of the WGA and the timing of the annual report and account publications for both 2018-19 and 2019-20. HM Treasury advised that publication for the 2019-20 accounts in the autumn has been agreed with the Public accounts committee (PAC) in a meeting with members. FRAB was informed that there are still issues with local government data, a tight window in September due to recess and continuing discussions with the NAO, meaning an autumn deadline is the most realistic timeframe for the publication. FRAB also learnt of the introduction of a new database, Oscar II, with implementation currently underway.

Independent Review into the oversight of local audit and the transparency of local authority financial reporting

At the November 2020 meeting, FRAB welcomed Sir Tony Redmond to share his reflections on the findings of his independent review into the effectiveness of external audit and the transparency of financial reporting in local authorities. The review took on a broad consideration of the current accounting and auditing framework.

The FRAB was enlightened on the recommendations and conclusions being made as a result of the review, including the recommendation to create an Office for Local Audit Regulation to oversee local audit as well as the creation of a closely linked Liaison Committee chaired by the Ministry of Housing, Communities and Local Government. FRAB was very appreciative of the additional insight they received on this and look forward to being presented with further updates in the future.

Next steps

FRAB will continue to receive updates from stakeholders within the wider public sector financial reporting landscape, to ensure alignment, comparability and up to date knowledge.

6. Governance and Future Work

Overview

The role of FRAB is to provide high-quality advice to the relevant authorities in financial reporting in the public sector and to do so, ensures that it keeps fully abreast of the financial reporting landscape both domestically and internationally. FRAB maintains a "Forward Look Agenda" in which it regularly examines the programme for the coming year and beyond to proactively keep up to date on issues.

FRAB decided to commission an external review into the effectiveness of its operations and approached the NAO to carry out this review. This was conducted on the 6th November 2020.

In 2020-21 FRAB evaluated the current approach to the structure and frequency of the meetings held across the year, considering whether there should be increased meetings with shorter durations or the potential for meetings to be held across the whole day, with more breaks embodied.

FRAB will share this report with the Public Accounts Committee and the Public Administration and Constitutional Affairs Committee once laid in Parliament.

FRAB effectiveness review

In accordance with requirements set out in the updated March 2018 terms of reference, FRAB decided to commission an external review into the effectiveness of its operations and approached the UK National Audit Office (NAO) to carry out the review.

This was an opportunity to take a critical look at FRAB's capabilities and readiness to meet its current role and responsibilities and identify those needed for its forward look agenda.

The NAO assessed the effectiveness of FRAB against its legislative remit [4] and section 2 of the terms of reference as well as analysing the meeting minutes over the previous 4 years. A self-assessment questionnaire for members and observers was also designed as part of the process. With a response rate of 61%, although lower than anticipated, the findings from the self-evaluation were then used to facilitate a discussion between members at a separate meeting in November 2020.

The topical findings of the review related to:

- Strategic planning and ambition, and risk management;
- Functioning of the Board;
- Composition of the Board;
- Stakeholder consultation and feedback;

[4] Government Resources and Accounts Act 2000

- Evaluation of the Board;
- Support for Board members.

The overall assessment is that there is good evidence that shows FRAB has met its terms of reference and has carried out an in-depth analysis of accounting issues and provided clear, independent and timely advice on the application of financial reporting standards and principles.

The NAO put forward recommendations for further improvements to the effectiveness of the Board operations. A full list of the recommendations from the effectiveness review and Board response may be found in Annex D to this report.
Whilst a forward look agenda is already in place, the report recommended a more formal strategic planning process and a documented strategy to provide a more structured and systematic framework for discussions and decision-making. This would also provide a collectively agreed focus and strategic direction for FRABs work and allow FRAB to evaluate how effectively it has performed in terms of meeting its strategic objectives.

FRAB has accepted this recommendation and a strategy has already been developed and published. It may be found in Annex A to this Annual Report. It will continue to be evaluated and be updated as needed.

FRAB board members induction pack

HM Treasury has designed a 'FRAB induction pack', following a recommendation from the FRAB effectiveness review. Within the March 2021 meeting, FRAB provided suggestions on what else should be included in the pack, to make it as effective as possible. This is an internal document and the aim is to provide new members of FRAB with essential information that will support them in their new role. Some of the contents included are the remit of the Board, the role of the member, terms of reference and code of conduct. A short series of public sector training events for members is also planned for 2021-22.

Future Meetings

The FRAB aims to meet at least 3 times a year, below is the planned meeting dates for 2021-22:

- 18th November 2021
- March 2022 date TBC

Annex A – FRAB strategy

Introduction

The role of the Financial Reporting Advisory Board, or FRAB, is to provide advice on reporting policies and standards to apply to government financial reporting. In doing so it plays a key part in ensuring government financial reporting meets the best possible standards of financial reporting by following Generally Accepted Accounting Practice (GAAP) as far as possible.

FRAB is an independent body whose work is enacted in multiple forms:

Advising Provide independent advice to HM Treasury, therefore fulfilling the obligation to consult an advisory group on financial reporting principles and standards.
Oversight of Standard Setting Oversee implementation of accounting standards in the UK government sector
Promoting Excellence FRAB exists to promote the highest possible standards in financial reporting by government.
Examining Proposals Examine the proposals for changes to accounting policies in order to ensure any deviation from the generally accepted accounting practices are justifiable and appropriate.
Self-Governing FRAB is required to form its own rules for reaching conclusions as well as producing its own report.

FRAB's strategic objective and strategic themes 2021-2024

Advising

FRAB will provide clear and independent advice at all times. Minutes and papers from FRAB will be available promptly and publicly and will provide a clear record of the advice given.

FRAB will provide an annual report to Parliament on its activities each year.

Standard setting

FRAB plays a key role in the oversight of the implementation of accounting standards in the public sector in the UK. Its work in this respect is influenced by the agenda and work plans of international and UK standard-setting bodies including the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRIC), the International Public Sector Accounting Standards Board (IPSASB) and the Financial Reporting Council (FRC).

During the three-year period from 2021 to 2024, the following projects from the IASB and IPSASB may result in standards available for implementation in the UK public sector:

Promoting Excellence

FRAB exists to promote the highest possible standards in financial reporting by government.

During the three-year period of this strategy, FRAB will promote excellence by:

- Understanding and challenging the action being taken to address thematic audit qualifications in public sector accounts;
- Tracking the action being taken in the Government Financial Reporting Review to implement Parliamentary recommendations on improving annual reports;
- Overseeing a series of post-implementation reviews of standards that have been implemented;
- Considering recommendations for change put forward by the User Preparer Working Group; and
- Considering relevant audit findings and recommendations.

Examining Proposals

FRAB will work closely with HM Treasury and the Relevant Authorities Working Group to examine any proposals for changes to accounting policies adopted in the UK public sector. In doing so, FRAB will act to ensure any deviation from the generally accepted accounting practices are justifiable and appropriate.

Self-Governing

During the three-year period of this strategy FRAB will:

- Implement the recommendations of the NAO review of Board effectiveness;
- Develop and maintain a risk register;
- Undertake regular reviews of progress being made in implementing this strategy; and,
- Undertake a further review of its effectiveness in 2023.

Annex B – IASB and IPSASB projects

Project	Details	FRAB role 2021-24
Issued standards		
IFRS 16 Leases	Implementation in the UK public sector was delayed due to COVID-19.	Oversee implementation in the UK public sector.
IFRS 17 Insurance Contracts	Due to be implemented in the UK public sector	Oversee implementation in the UK public sector.
IASB projects with potential relevance to UK public sector		
Primary financial statements	The Exposure Draft *General Presentation and Disclosures*, issued in December 2019 proposed improvements to how information is communicated in the financial statements, with a focus on information in the statement of profit or loss. The timing of an expected pronouncement is not yet known.	Understand potential implications for the UK public sector and oversee implementation of any final standard.
Targeted standards level review of disclosures	The publication of an Exposure Draft of amendments to the disclosure sections of IAS 19 and IFRS 13 is planned for H1 2021.	Understand potential implications for the UK public sector
Management commentary	An exposure draft of a revised Practice Statement is expected to be issued in April 2021.	Understand potential implications for the UK public sector
Amendments to IAS 12	The Board expects to issue amendments in the second quarter of 2021 relating to deferred tax assets and liabilities arising from a single transaction.	Understand potential implications for the UK public sector and oversee implementation of any final standard.
Amendments to IAS 21	The Board tentatively decided to amend IAS 21 to address the spot exchange rate an entity uses when a currency lacks exchangeability. The proposed amendment to IAS 21 would (a) define exchangeability and thus a lack of exchangeability; and (b) specify how an entity determines the spot exchange rate when a currency lacks exchangeability.	Understand potential implications for the UK public sector

Project	Details	FRAB role 2021-24
	The Board plans to publish an exposure draft of proposed amendments to IAS 21 in due course.	
Lease liability in a sale and leaseback	In November 2020, the International Accounting Standards Board (Board) published the Exposure Draft *Lease Liability in a Sale and Leaseback*. The Exposure Draft specifies the method a seller-lessee uses in initially measuring the right-of-use asset and lease liability arising in a sale and leaseback transaction and how the seller-lessee subsequently measures that liability. The deadline for submitting comments on the Exposure Draft is 29 March 2021.	Understand potential implications for the UK public sector
Provisions – targeted improvements	The Board is developing proposals for three targeted improvements to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. These would involve: aligning the definition of a liability and requirements for identifying liabilities with the *Conceptual Framework for Financial Reporting*; and clarifying two aspects of the measurement requirements.	Understand potential implications for the UK public sector
IFRS Taxonomy update		Understand potential implications for the UK public sector
Sustainability reporting	In March 2021 the Trustees issued a public statement explaining their intention to publish a feedback statement that summarises the responses received to their 2020 Consultation. Together with the feedback statement, the Trustees will publish for public comment the proposed changes to the Foundation's *Constitution* necessary to formalise the establishment of a new board, including its composition.	Understand potential implications for the UK public sector
Agenda consultation	The IASB is required to undertake a public consultation on its work plan every five years. The IASB plans to publish a request for information on the agenda consultation for public comment in March 2021.	Understand potential implications for the UK public sector

Project	Details	FRAB role 2021-24
IPSASB projects		
Revenue	Standard expected to be published by the end of 2021.	Understand potential implications for the UK public sector
Transfer expenses	Standard expected to be published by the end of 2021.	Understand potential implications for the UK public sector
Conceptual framework update	Revised chapters expected to be published in 2022 and 2023.	Understand potential implications for the UK public sector
Measurement	Standard expected to be published during 2022.	Understand potential implications for the UK public sector
Property, plant and equipment	Revised standard expected to be published during 2022.	Understand potential implications for the UK public sector
Non-current assets held of sale and discontinued operations	Standard expected to be published during 2022.	Understand potential implications for the UK public sector
Public sector specific leases	Standard expected to be published during 2023.	Understand potential implications for the UK public sector
Natural resources	Exposure draft expected to be published during 2023.	Understand potential implications for the UK public sector
Work plan consultation	Mid period work plan consultation expected during 2022 and a new work plan expected to be in place from 2024.	Understand potential implications for the UK public sector

Annex C - Risk Register

Risk	Mitigation	Further mitigation proposed
The scale of the standard-setting agenda creates a significant burden on FRAB, preparers and users of annual reports	Sufficient lead in time is built into the introduction of new requirements.	More agenda time at an earlier stage for emerging standards and potential issues to provide the relevant authorities with appropriate input at the right time.
Standards are poorly or inappropriately implemented due to insufficient consideration of public sector specific impact	Sufficient lead in and agenda time is built into the of implementation of new requirements to allow for full consideration of public sector impact.	More agenda time at an earlier stage for emerging standards and potential issues.
Implementation of new standards results in further audit qualifications	Sufficient lead in time is built into the introduction of new requirements.	FRAB to consider audit challenges as it is providing advice on the timing and nature of implementation.
Changes in the external environment create new transaction types to consider ensuring financial reporting maintains the best standards.	Regular review of the external environment and reporting landscape to identify emerging issues and relevant response.	Regular updates from sector representatives and pronouncements by standard setters allowing sufficient time on the agenda to fully consider impact on public sector.
Implementation of changes results in additional complexity and reduced understandability of annual reports and accounts	The Government Financial Reporting Review seeks to improve the understandability of annual reports.	FRAB to monitor specifically this risk as part of the advice it gives and decisions it makes.
FRAB has insufficient time, resources and balance of expertise to discharge responsibilities	FRAB has a full membership and its work is supported by the relevant authorities working group and the user preparer group.	The Nominations Committee to consider succession planning and diversity of background and expertise of the Board to ensure it can fully meet its role and responsibilities. Additional Board meetings or out of meeting correspondence utilised if needed.

Annex D – Recommendations from the Board effectiveness review

	Recommendations	Board Response
	Strategic planning and ambition, and risk management	
a)	The Board should consider the introduction of a more formal strategic planning process including a documented strategy.	The Board accepted this recommendation and has developed a three-year strategy for 2021-24.
b)	The Board should consider the introduction of a risk register based system of risk management.	The Board accepted this recommendation and is developing a risk register and system of risk management. *(please refer to Annex C)*
	Functioning of the Board	
c)	Consider holding a session to agree on ways of working in a virtual context, asking people to express their preferences and concerns and considering ways to ensure inclusivity.	The Board accepted this recommendation and has held discussions on the best way of working in a virtual context. The Board will regularly revisit this discussion including the potential transition to a hybrid way of working with a mixture of both in person and virtual meetings.
d)	Explore its appetite for setting up either ad-hoc or permanent working groups. Working groups might improve efficiency, while maintaining a sufficient level of engagement with issues by the main Board.	The Board accepted this recommendation and will set up ad hoc working groups as needed.
e)	Consider increasing the level of detail of discussions that are provided in meeting minutes and scheduling catch-up meetings between absent members and the Chair when the absent member was unable to send a deputy.	The Board accepted this recommendation and has asked the secretariat to provide a greater level of detail in the minutes of meetings reflecting more in-depth discussion. The Chair will be available to meet with members that were absent from meetings as needed.
	Composition of the Board	
f)	The Board should consider whether it would benefit from introducing a senior independent member role with a job description based on appropriately adapted best practice.	The Board discussed this recommendation but did not consider the introduction of a senior independent member role to be needed at this time but will keep it under review going forward.
g)	The Board should consider collecting self-reported diversity data on members to allow them to assess their success against their commitment to "providing equal opportunities for all, irrespective of race, age, disability, gender, marital status, religion, sexual orientation and transgender."	The Board accepted this recommendation and is looking to collect diversity data.

h)	The Board should consider whether a light touch succession plan would be useful to ensure the relevant balance of skills and to help improve diversity.	The Board accepted this recommendation and proposes that the terms of reference for the Nominations Committee will be updated to consider the diversity of the Board as part of succession planning.
	Stakeholder consultation and feedback	
i)	The Board should consider introducing more structured processes for gathering and using feedback from external stakeholders	The Board accepted this recommendation and will consider introducing a more structured process for gathering feedback.
j)	The Board should consider systematically surveying wider end-user opinions for the purpose of discussing issues such as new potential disclosure requirements. This could include a review of its relationship with the UPAG.	The Board accepted this recommendation and will consider introducing more structured processes for gathering feedback and incorporating it into its work plan. The Board's continues its commitment to transparency through the publication of its discussions and decisions at meetings and in its Annual Report presented to Parliament.
	Evaluation of the Board	
k)	The Board should consider using the questionnaire developed for this review as a framework for group discussion on the operation of the Board and its performance on an annual basis and arranging for an external evaluation of its performance every three years in line with its terms of reference.	The Board accepted this recommendation and plans on undertaking regular reviews of its effectiveness.
l)	The Board should consider formalising a framework for learning lessons that looks at different perspectives to summarise successes and lessons to learn.	The Board accepted this recommendation and will look to formalise a review framework.
	Support for Board members	
m)	The Board should consider putting in place an induction for all new members, covering the remit of the Board, the role of the member and an opportunity to talk with the Chair prior to the member's first board meeting.	The Board accepted this recommendation and a board member induction pack has been developed. The Chair has already initiated introduction meetings with all new members of the Board.
n)	The Board should consider whether there is merit in putting in place structured, ongoing development for board members, including both technical understanding and support to enable all members to fully discharge their role effectively.	The Board accepted this recommendation and will incorporate ongoing training and updates as part of its forward agenda.

Annex E -Glossary of common terms

ARA	Annual Report and Accounts
CIPFA/LASAAC	The Chartered Institute of Public Finance & Accountancy / Local Authority (Scotland) Accounts Advisory Committee
DHSC	Department of Health and Social Care
FRC	Financial Reporting Council
FRAB	Financial Reporting Advisory Board
FReM	Financial Reporting Manual
GAAP	Generally Accepted Accounting Practice
GAM	Group Accounting Manual
GRAA	Government Resource and Accounts 2000
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IFRS IC	International Financial Reporting Standards Interpretations Committee
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
MHCLG	Ministry of House Communities and Local Government
NAO	National Audit Office
PACAC	Public Administration and Constitutional Affairs Committee
RAWG	Relevant Authority Working Group
The Code	Code of Practice on Local Authority Accounting in the United Kingdom
UPAG	User Preparer Advisory Group
WGA	Whole of Government Accounts

Annex F - Useful links

FRAB Page	https://www.gov.uk/government/groups/financial-reporting-advisory-Board-frab
FRAB Terms of Reference	https://www.gov.uk/government/publications/financial-reportingadvisory-Board-terms-of-reference
FRAB minutes and papers	https://www.gov.uk/government/collections/hmt-financial-reportingadvisory-Board-minutes
FRAB news and publications	https://www.gov.uk/government/collections/financial-reporting-advisory-Board-frab-annual-report
Government Financial Reporting Manual	https://www.gov.uk/government/collections/governmentfinancial-reporting-manual-frem
Government Financial Reporting Manual Addendum 2020-21	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/946952/2020-21_Addendum_to_the_FReM.pdf
Government Financial Reporting Review	https://www.gov.uk/government/publications/the-government-financial-reporting-review
Best practice examples report 2019-20	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/973097/Final_Best_Practice_Report_2019-2020.pdf
HMT Thematic Reviews	https://www.gov.uk/government/collections/thematic-reviewsgovernment-financial-reporting
Grantor accounting application guidance	IAS_37_and_Grantor_Accounting_Application_Guidance.pdf (publishing.service.gov.uk)
User Preparer and Advisory Group	https://www.gov.uk/government/collections/user-and-preparer-advisory-group
DHSC GAM 2020-21	https://www.gov.uk/government/publications/dhsc-group-accounting-manual-2020-to-2021
CIPFA Code	https://www.cipfa.org/policy-and-guidance/publications?tab=&filters=%7B0F14D9FB-449F-4157-A2FB-F5AAFCC25DC7%7D#filters
Redmond Review	https://www.gov.uk/government/publications/local-authority-financial-reporting-and-external-audit-independent-review
NAO	https://www.nao.org.uk/
WGA	https://www.gov.uk/government/collections/whole-of-government-accounts

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Archwilio Cymru
Audit Wales

Picture of Public Services 2021

Report of the Auditor General for Wales

September 2021

This report has been prepared for presentation to the Senedd under the Government of Wales Act 2006.

The Auditor General is independent of the Senedd and government. He examines and certifies the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies. He also has the power to report to the Senedd on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use of, their resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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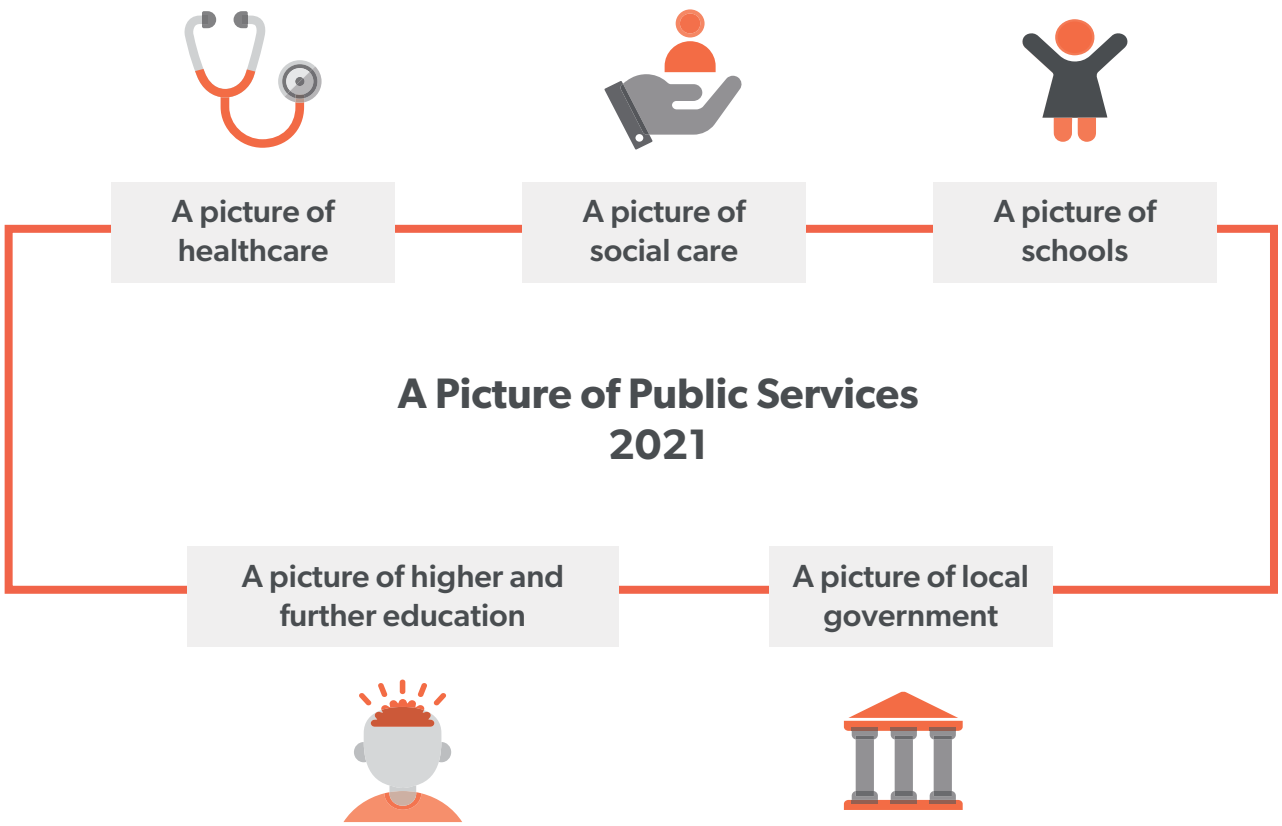
About this report

This report is part of a series of Picture of Public Services 2021 outputs (**Exhibit 1**). It summarises some key trends in public finances and sets out our independent perspective on some of the key issues for future service delivery. Our aim in producing this report is to support scrutiny of public services in the Senedd, within individual public bodies and in wider society. It also provides insight than can help with collective planning of public service delivery.

The report draws on our published work and research by other organisations (**Appendix 1**). Underpinning this report is a series of sector-specific summaries setting out some key facts and analysis, which we will publish during September and October 2021.

Exhibit 1: Picture of Public Services outputs



Auditor General's foreword

1 The COVID-19 pandemic has had a devastating impact on many families and communities, yet it has also brought out much of the best in our public services. All of us at Audit Wales pay tribute to the dedication and extraordinary efforts of public servants across Wales through this tumultuous period.

2 As we emerge from the pandemic, public services in Wales face many challenges. They are grappling with three over-arching crises of global proportion: the public health crisis of COVID; the environmental crisis of climate change; and an economic crisis.

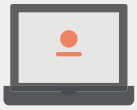
3 After a long period of austerity and the economic hit from the pandemic, the coming years will offer little respite for the public finances. For services already stretched before COVID-19 hit, the pandemic has created new challenges like its longer-term health impacts, backlogs of patients on waiting lists and lost learning in schools, colleges and universities. As they respond, there is expectation that public services will also address some of the big issues of inequality in our society. And they must do so at a time when an emerging set of constitutional issues post-Brexit may complicate the response, especially to the economic challenges in Wales.

4 Yet this daunting agenda is not without opportunity. The pandemic has demonstrated great strengths in the public service in Wales. The opportunity now is to build on the progress made in rapidly transforming the way services are provided during the pandemic to tackle the long-standing challenges that have pre-occupied Welsh public services for some time.

5 In these circumstances, it is essential that public services get the most value out of the available resources. Value is not just about delivering more outputs more efficiently. Value for money is also about outcomes: making progress in improving the wellbeing of individuals and communities. As Auditor General, I will report on the performance of the public services in delivering that value from the public money they use.

6 This report is by no means the full story of what has happened over the past decade, or of what is to come. But it sets out some of the most important areas for public service delivery where I will be expecting to see progress in the coming years (**Exhibit 2**).

Exhibit 2: key areas of public service transformation

	Systems and culture to support new approaches to service delivery
	Purposeful collaboration
	Long-term financial and service planning that supports a rigorous and realistic approach to prevention
	Harnessing digital technology to make services more accessible
	Using data and information to learn and improve across the whole public service system

Adrian Crompton
Auditor General for Wales

Key facts

£17.6 billion

total funding available to Wales through the block grant in 2019-20 (before the impact of the COVID-19 response)

+16%

increase in funding for healthcare, 2010-11 to 2019-20

-3%

reduction in the revenue funding available to the Welsh Government, 2010-11 to 2019-20

-17%

reduction in core Welsh Government funding for local government, 2010-11 to 2019-20

-3%

reduction in schools revenue spending, 2010-11 to 2019-20

ZERO

net carbon emissions the Welsh Government wants to achieve in Wales by 2050 at the latest

52%

proportion of the Welsh Government's 2019-20 revenue budget allocated to health

- 26,000 (8%)

fall in size of the public service workforce in Wales, 2010 to 2020

£5.1 billion

amount the Welsh Government allocated to the COVID-19 response in 2020-21

£1.20

amount Wales gets for devolved public services for every £1 spent on equivalent services in England

£152 million to £292 million

amount Wales Fiscal Analysis estimates the NHS will need each year for four years to address the waiting list backlog

£600 million to £900 million

amount the Education Policy Institute estimates could be needed to support education recovery over three years

+ 126,000 (74%)

forecast growth in people aged 80 and over living in Wales, 2018 to 2043

This report is split into three parts

1 Read about what happened with public services in 2010-11 to 2019-20

2 Read about the response to COVID-19 in 2020-21

3 Read about some of the key challenges and opportunities for public services in the coming years

After a decade of squeezed budgets and rising demands, many services were already stretched before the pandemic hit

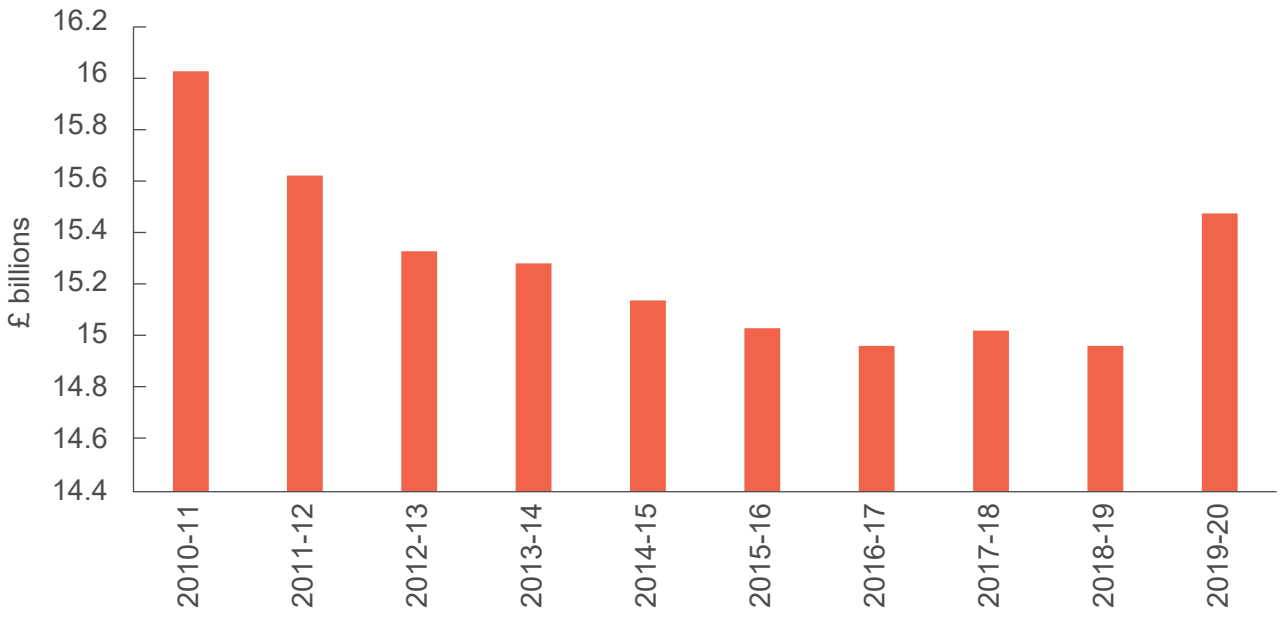
01

1.1 This part of the report looks at the position of public services in the period 2010-11 to 2019-20: before the COVID-19 pandemic started. It provides important context around trends in public finances, priorities, demand pressures and capacity constraints. These trends help to explain why some public services were already stretched before the pandemic hit.

Austerity defined the previous decade for public services, although cuts were less severe than expected

1.2 Austerity was a defining feature of the previous decade for public services. Funding was tight, although not as challenging as expected when we reported in 2015[1]. At that time, UK government spending plans showed the Welsh Government's budget falling by 4% in real terms between 2015-16 and 2019-20. Actually, the Welsh Government's day-to-day revenue funding rose slightly: it was 3% higher in 2019-20 than 2015-16, reflecting a significant uplift in 2019-20 (Exhibit 3). Even so, the 2019-20 revenue budget was 3% below 2010-11 in real terms.

Exhibit 3: Welsh Government revenue budget, 2010-11 to 2019-20 (real terms, 2019-20 prices)

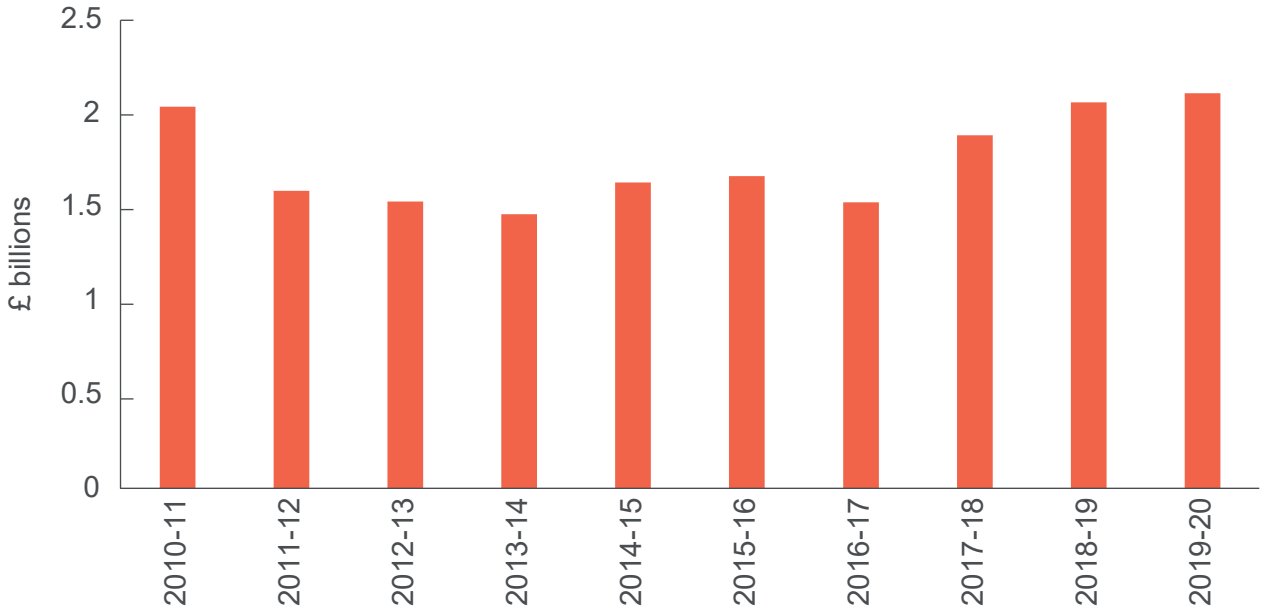


Source: HM Treasury Public Expenditure Statistical Analyses, StatsWales and the Welsh Government's budget

1 Auditor General for Wales, A Picture of Public Services 2015, December 2015

1.3 For capital spending to pay for investments in infrastructure, the picture is different. The Welsh Government's 2019-20 capital budget had increased by 27% compared to 2015-16 (**Exhibit 4**). By 2018-19, the capital budget was higher than 2010-11.

Exhibit 4: Welsh Government capital budget, 2010-11 to 2019-20 (real terms, 2019-20 prices)

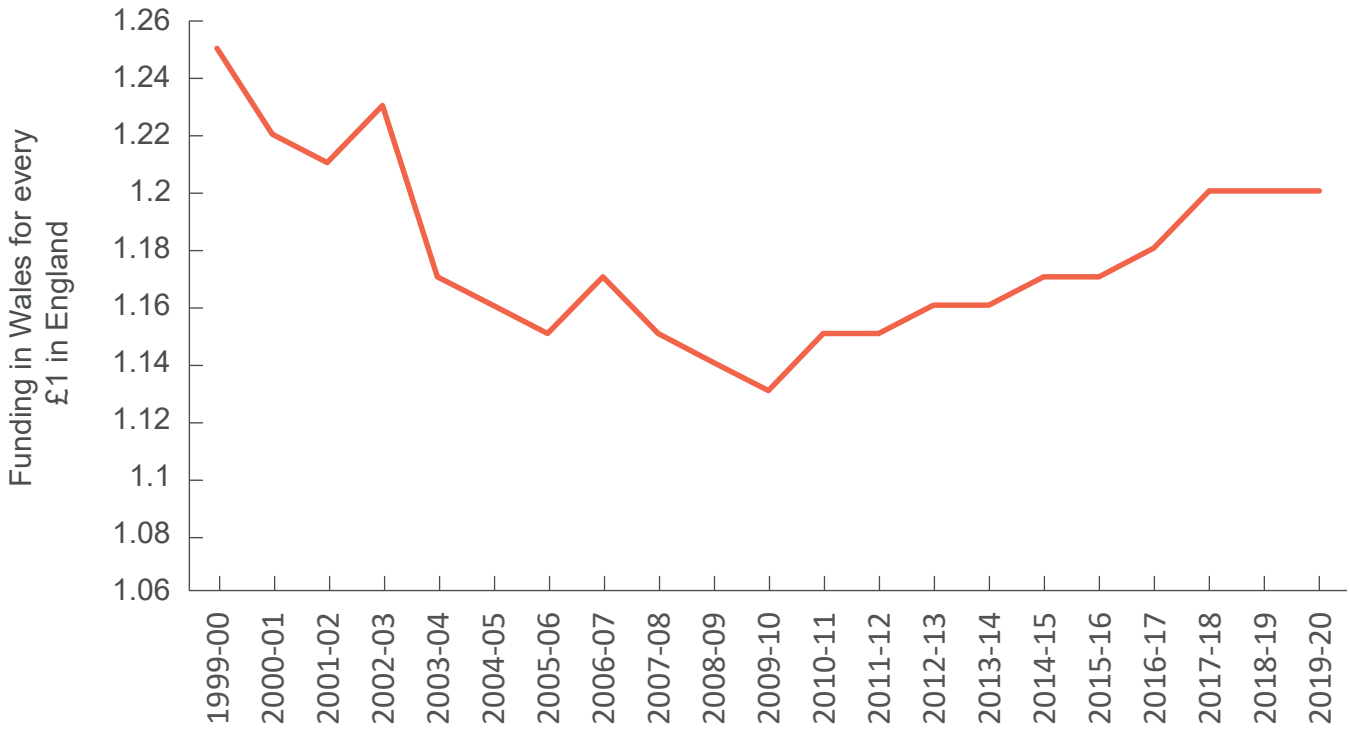


Source: HM Treasury Public Expenditure Statistical Analyses

1.4 Funding for Wales and the other devolved nations is determined by the Barnett formula[2]. Prior to 2010-11, the way in which the formula worked meant that levels of funding per person for devolved services in Wales and England were gradually getting closer together. Since 2010-11, the picture has reversed: in 2019-20, Wales had around £1.20 per head for every £1 for equivalent services in England (**Exhibit 5**).

2 The Barnett formula allocates funding to the devolved administrations. It is based on a combination of changes in spending in England, the relative size of the population and, in Wales, a 'needs-factor' that aims to ensure Wales always gets at least 115% of funding for equivalent services in England.

Exhibit 5: devolved funding per head of population relative to England, 1999-00 to 2019-20



Note: this chart shows the amount of funding per head of population that the Welsh Government gets to spend for every £1 for equivalent services in England.

Source: the agreement between the Welsh Government and the United Kingdom Government on the Welsh Government's fiscal framework (also known as the Fiscal Framework)

Funding for the NHS and social care has increased while most other areas have seen reductions

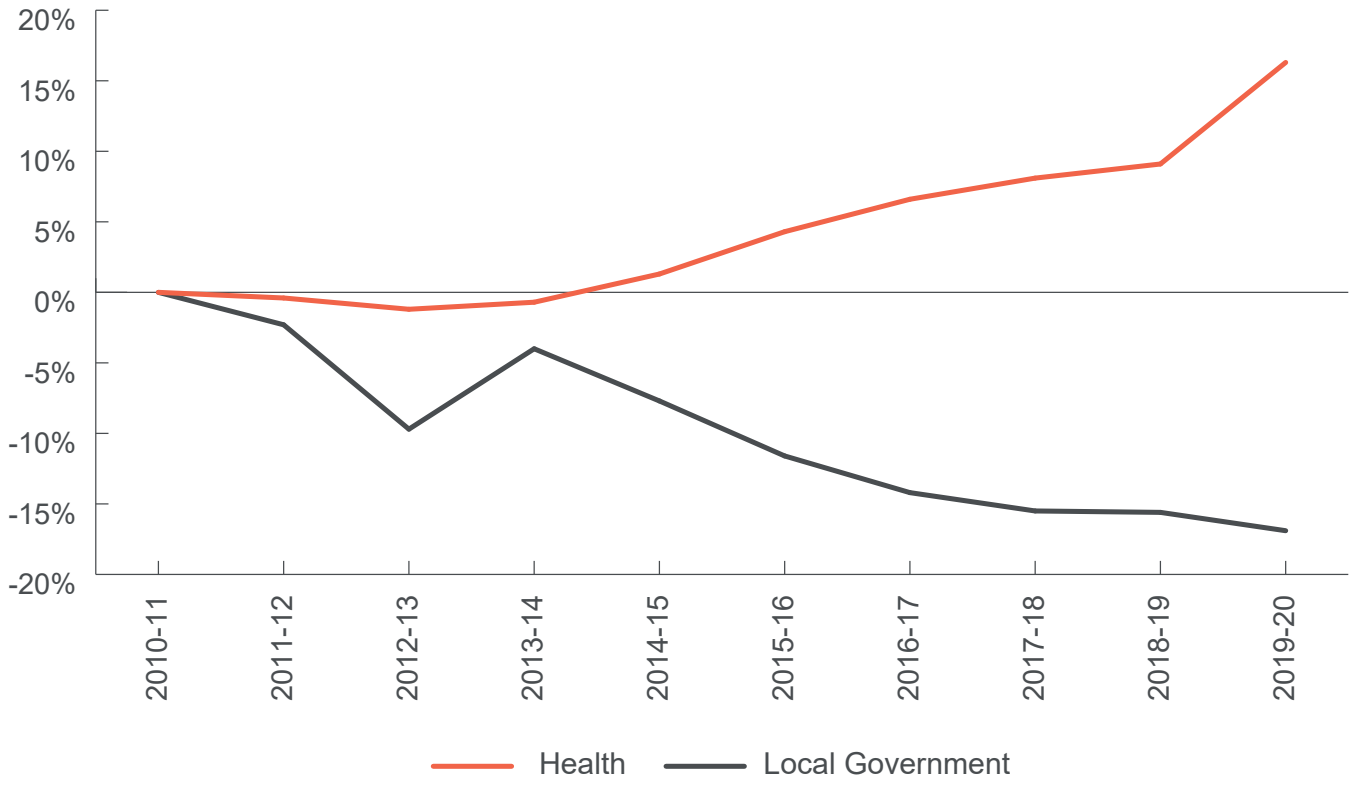
1.5 The Welsh Government chooses how to allocate the overall budget between its various spending departments and then to individual programmes. In 2019-20, health and social care took up just over half (52%) of the total revenue budget.

1.6 Between 2010-11 and 2019-20, Welsh Government revenue funding for NHS Wales has increased 16% in real terms while revenue funding to local government[3] fell by 17%. Over the same period, many of the Welsh Government sponsored bodies have also had reductions in their funding from the Welsh Government. We looked at four of the larger sponsored bodies that have been in place for that period[4] and found that they saw an average cut in grant in aid of 18%.

3 Welsh Government revenue funding for local government includes the core revenue support grant, the distribution of non-domestic rates and other non-specific grants. These fund the core services offered by local government, such as schools and social care. The figure does not include grants for specific programmes and projects which go to local government.

4 These were National Museum of Wales, the Arts Council of Wales, the National Library of Wales and Sport Wales. The largest sponsored body is Natural Resources Wales, which was set up in 2013, and is not included in our overall calculation. Its accounts show grant in aid from the Welsh Government fell by 29% in real terms between 2015-16 and 2019-20, but with part of the context being an expectation that merging multiple bodies to form Natural Resources Wales would lead to cost savings.

Exhibit 6: change in core Welsh Government revenue funding for health and local government, 2010-11 to 2019-20 (real terms, 2019-20 prices)



Note: the local government funding is adjusted for 2010-11 to 2013-14 to reflect changes to the council tax support scheme. The local government funding has not been adjusted to reflect 'de-hypothecation' where previously stand-alone grants have been included into the core funding.

Source: Audit Wales analysis of Welsh Government budgets and StatsWales

1.7 To lessen the impacts of reduced Welsh Government funding, councils have significantly increased the income they raise through council tax. The total amount raised by council tax increased by 35% on top of inflation between 2010-11 and 2019-20.

1.8 Nonetheless, total revenue expenditure across local government fell by 8% over the period. These cuts have not fallen equally across local services. Real terms spending[5] on social care for families has increased by 43% and for older people by 14%. Spending on schools fell by 3%. The deepest cuts have come in leisure and culture and library services which have seen cuts of over 40% and regulatory services, such as development control, building control, trading standards and consumer protection which have seen cuts of over 30% over that period.

1.9 Choices made by the governments in Wales and England are reflected in the cuts experienced by different parts of the public services in the decade prior to the pandemic. Our analysis of HM Treasury spending data[6] shows that spending per person by local government in England fell by 24% between 2010-11 and 2019-20 compared to 10% in Wales. Spending per person on health in Wales increased by 7% over the same period but went up by 10% in England.

With demand, cost and other pressures, many public services were already stretched when the COVID-19 pandemic hit

Across many service areas, funding has lagged behind demand and cost pressures over the past decade

1.10 All public services face cost pressures each year. These arise from a combination of factors, such as inflation on the price of goods and services they buy, wage rises and rising demand. Independent reviews in 2014 and 2016[7] showed that the NHS faces cost pressures of around 3-4% each year on top of inflation. Between 2010-11 and 2019-20, funding for the NHS increased by an average of 1.7% a year, in real terms. These demand and cost pressures are part of the story that explains why, despite increased funding, the NHS has had to improve productivity and deliver cost savings each year and some health boards have struggled to live within their means.

5 In this report, our analysis of local government spending on services uses the 'gross' expenditure figure. This is the total amount spent without deducting income from fees, charges and other sources.

6 We have used the HM Treasury Country and Regional Analysis dataset. These figures are on a per head of population basis, cover revenue and capital and are calculated on a different basis from our analysis of Welsh Government revenue funding to health and local government in paragraph 1.6.

7 Nuffield Trust, A decade of Austerity in Wales? The funding pressures facing the NHS in Wales to 2025/26, June 2014; and Health Foundation, The path to sustainability: funding projections for the NHS in Wales to 2019/20 and 2030/31, October 2016

1.11 Local government faces cost pressures across a range of areas. For example, the social care sector faces rising demands in care for older people and children and families and pressure to increase the sometimes very low wages of social care staff[8]. The Health Foundation estimated pressures of 4.1% a year in adult social care. Since 2010-11, social care spending has gone up by an average of 2% a year in real terms. There is variation within that overall figure: spending on services for children and families went up by an average of 4.1% a year compared to an average increase of 1.5% for services for older people and a 0.9% rise for services for adults under 65.

1.12 Other sectors and service areas have also faced cost pressures. The fact that most have seen real terms cuts strongly suggests that, right across public services, funding has not matched cost pressures over the period of austerity.

Comparison to England in terms of need and spend shows some interesting and perhaps unexpected patterns

1.13 The assessments of annual cost pressures referenced above consider how much funding is required to sustain existing levels of service but do not ask whether standing still is sufficient to meet needs. Experts tend to calculate need relative to England, in part because England, through the Barnett formula, is the benchmark for levels of funding. Wales has higher levels of need for public services than many other parts of the UK.

1.14 In 2010, the Holtham Commission estimated Wales' level of need compared to England to be around 115%[9]. In other words, for every £1 spent on services in England, per head of population, £1.15 would be needed for Wales. In our 2019 report on public spending trends, we estimated Wales' relative needs for healthcare compared to England were around 118%[10].

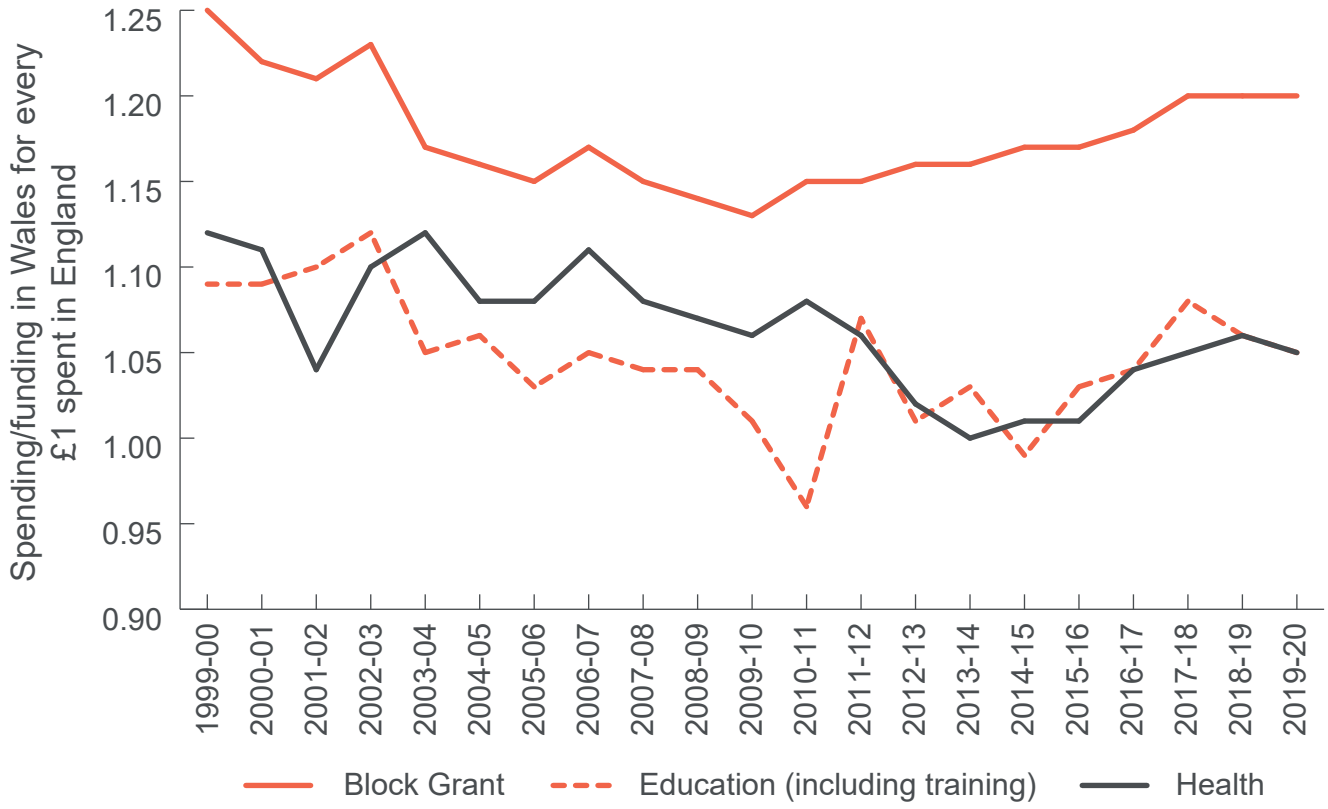
1.15 Since the start of devolution, the Welsh Government has received at least 115% of funding per head in England, with the exception of 2008-09 and 2009-10 when funding dropped to 114% and 113% respectively. In 2019-20, Wales received around 120% of funding per head of levels in England (**Exhibit 7**).

8 London Economic Wales, Short to medium term operational and cost pressures affecting social care in Wales: Final report to the Welsh Government, March 2020 Table 2

9 Independent Commission on Funding and Finance for Wales, Fairness and accountability: a new funding settlement for Wales, July 2010

10 Auditor General for Wales, Public Spending Trends in Wales 1999-00 to 2017-18, October 2019

Exhibit 7: spending on health and education per head of population in Wales and overall devolved funding relative to England, 1999-00 to 2019-20



Source: Audit Wales analysis of HM Treasury Country and Regional Analysis data and the agreement between the Welsh Government and the United Kingdom Government on the Welsh Government's fiscal framework (also known as the Fiscal Framework)

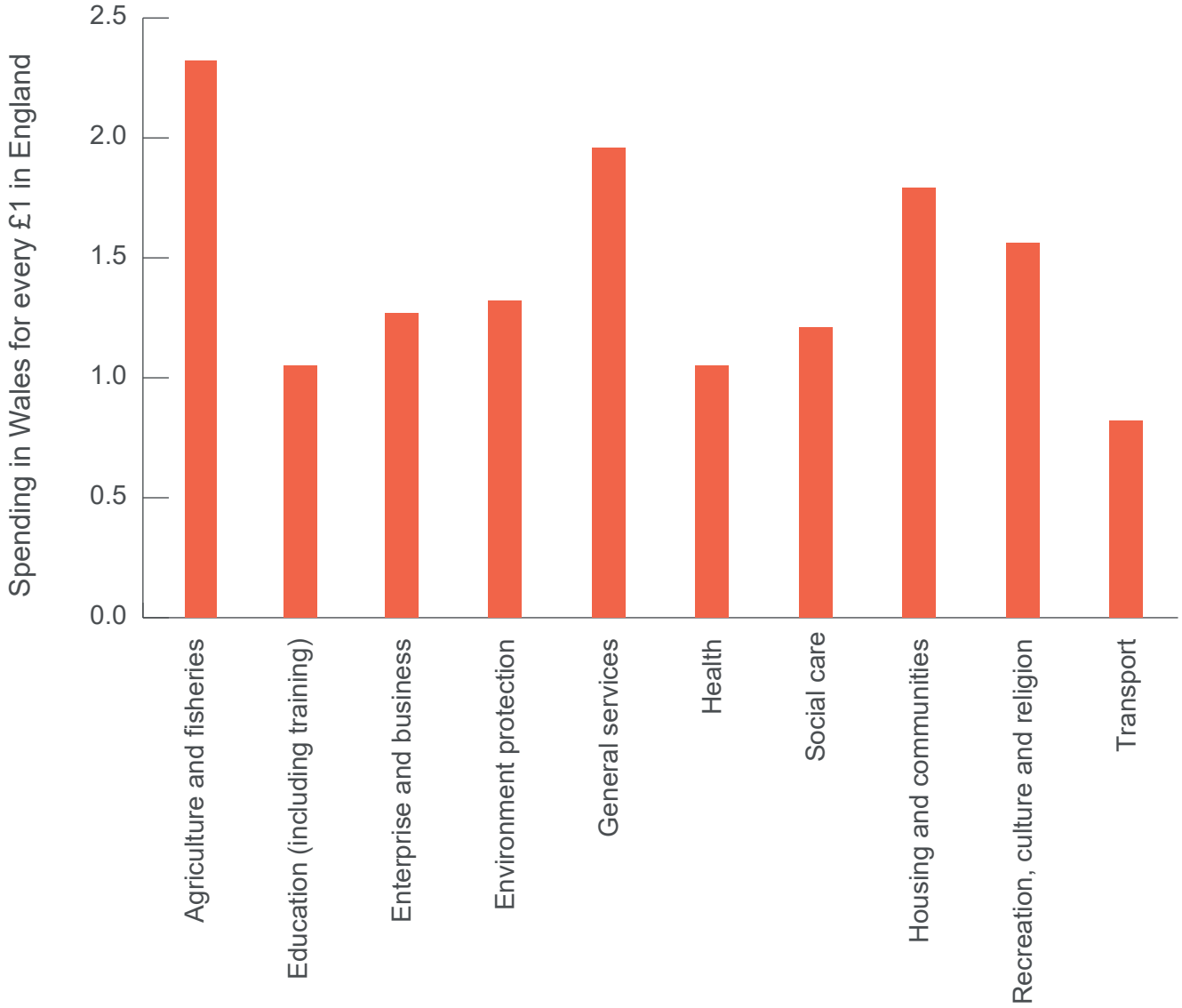
1.16 The relative level of funding has not translated through to equivalent levels of spending on the two largest service areas: health and education. In 2019-20, Wales spent £1.05 for every £1 spent on health and education[11] in England (**Exhibit 7**).

1.17 The wider international context is OECD data showing that spending on health in the UK is the second lowest of all the G7 countries[12].The flip side of different spending priorities on health and education is that spending in Wales on other areas of service is much higher than in England. **Exhibit 8** shows significantly higher spend, per head, in Wales on social care, agriculture, general services, economic affairs, housing and community and culture, recreation and religion.

11 Comparative analysis by the Institute for Fiscal Studies shows that spending per school pupil in Wales is lower than spend per pupil in England.

12 Organisation for Economic Co-operation and Development, Health at a Glance 2019, November 2019

Exhibit 8: comparative spending per head of population in policy areas which are mostly devolved, Wales and England, 2019-20



Note: these figures cover mostly devolved spending but may include some direct UK government expenditure, for example on transport where there is a mixture of devolved and non-devolved spending. More detail on the categories can be found in our Public Spending Trends data tool.

Source: Audit Wales analysis of HM Treasury, Country and regional analysis, November 2020

Capacity in many services was stretched before the pandemic hit

1.18 Many public services had stretched capacity before the pandemic hit. Office for National Statistics data shows that the total public sector headcount in Wales, including non-devolved services, fell by 26,000 (8%) from 324,000 to 298,000 between 2010 and 2020[13]. As we highlight below, within that overall picture there are specific workforce challenges facing different sectors. There have also been challenges with other aspects of capacity such as hospital beds, school places, and care home infrastructure in social care.

1.19 The NHS has seen a rise in overall staffing levels but has recruitment challenges and has been reliant on agency and temporary staff. For many years, bed occupancy has been above the recommended level of around 82% to 85%. Before the pandemic, Wales had amongst the lowest levels of critical care beds per head of population in international comparisons[14].

1.20 When the pandemic hit, the NHS created extra bed capacity by stopping non-urgent activity and repurposing existing capacity, such as operating theatres and recovery rooms, as critical care units. As our September 2020 report on planned care noted, stopping all non-urgent planned care was not entirely novel. Health boards have done it in a planned way to manage winter pressures in emergency care and in an unplanned way by cancelling operations at short notice.

1.21 There is a widespread and long-standing recognition of the need for social care reform. The challenges of rising demand, particularly from older people and children's services, are compounded by low financial margins in care homes for older people and difficulty finding placements for children and young people who are taken into care. The sector faces multiple staffing issues including low pay, high turnover rates, and falling staff numbers in some areas. Equally, there is widespread recognition that the pandemic has revealed the limitations of the social care system.

1.22 Schools have struggled with mismatched capacity; surplus places in some schools while others are over-subscribed. However, the number of surplus spaces has reduced since 2009. There are shortages in staff in some subjects and particularly for the Welsh-medium sector. The system for initial teacher training has been overhauled but the number of trainee teachers has been lower than required in each of the last six years to 2019-20. Over the last ten years, staffing levels and full-time student numbers in further education have remained broadly stable, but part-time provision has fallen dramatically due to funding constraints. However, in higher education, student numbers have increased at a greater rate than staffing levels.

13 Office for National Statistics, Public Sector Employment dataset, July 2021

14 In 2019-20, there were 154 critical care beds – the lowest per head of the population in the UK and amongst the lowest in Europe: Faculty of Intensive Care Medicine and Intensive Care Society, Guidelines for the Provision of Intensive Care Services, Edition 2, June 2019

1.23 Over the last ten years, staffing numbers in local authorities have fallen and skills deficits have emerged. Office for National Statistics data shows that the headcount in local government in Wales reduced by 19% from March 2010 to March 2020[15]. Our work has identified that staffing reductions mean councils do not have adequate numbers of staff with expertise in cross cutting policy and planning areas, and planning authorities lack staff with specialist skills, such as in design and infrastructure.

1.24 There is a similar picture in the Welsh Government. Between 2010 and 2020, the average number of full time equivalent Welsh Government staff decreased by 8%. Our work has identified that staff shortages have impacted on the Welsh Government's policy delivery in some key areas in recent years, and we have highlighted that gaps were created when staff were redeployed to deal with the challenges of Brexit. There have also been reductions in staff at the larger Welsh Government sponsored bodies (**paragraph 1.6**), ranging from 3% to 19%.

15 Office for National Statistics, Employment in local government in Wales, March 2008 to December 2020, May 2021

Public services had to adapt rapidly to the pandemic and the Welsh Government allocated over £5 billion in 2020-21 in response

02

2.1 This part of the report covers 2020-21, with a particular focus on the response to the COVID-19 pandemic. It describes some of the ways in which public services have adapted to the pandemic. It sets out the funding allocated to the response by the Welsh Government, breaking that down by different areas of spending. It also summarises the overall picture of aspects of the response set out in some of our recent audit work.

The COVID-19 pandemic severely disrupted public services and the wider social, economic and cultural life of Wales

2.2 COVID-19 has had a tragic impact on individuals and communities. As at mid-June 2021, more than 5,500 people had died with COVID. More than two-thirds of those deaths happened during the second wave in the autumn and winter of 2020-21. Almost half (45%) of those who died lived in the area covered by Aneurin Bevan and Cwm Taf Morgannwg University Health Boards. As at mid-June 2021, Wales had the highest number of deaths with COVID-19 on the death certificate, per 100,000 population, in the UK.

2.3 As set out in **paragraph 1.20**, the NHS stopped all but the most urgent non-COVID activity. Operating theatres and wards were repurposed to create extra critical care space for the most ill patients. GPs and other primary care services moved to online or telephone where possible. In social care and in the NHS, visits to patients and residents were severely curtailed.

2.4 The education system changed drastically. The Welsh Government lifted the requirement on schools to deliver the full national curriculum in March 2020. Students and pupils have had periods of online learning. Some have also had periods in the classroom and lecture halls with measures in place to mitigate against the spread of the virus, restricting some learning opportunities such as extra-curricular activities, trips and laboratory experiments. Schools have been transformed with classrooms re-arranged to encourage distancing, start times, end times, playtimes and lunchtimes all re-arranged to reduce mixing of pupils and parents.

2.5 Other local services, from leisure to waste and recycling facilities, have also experienced periods of stopping and re-opening with protective measures in place. Some staff from closed services have been re-deployed to other aspects of the COVID-19 response, such as preparing and delivering food parcels for vulnerable and isolating households. Inside the civil service, staff have been redeployed to support the response in various ways.

The Welsh Government allocated £5.1 billion on the COVID-19 response in 2020-21

2.6 In 2020-21, the Welsh Government created a £6 billion funding pot specifically for COVID-19-related activity. Over the year, it received an extra £5.7 billion in revenue through the Barnett formula due to COVID-19 spending in England. The Welsh Government added to UK government funding by re-prioritising £256 million from existing departmental budgets[16]. Some of the key movements in funding into the COVID-19 pot were:

- £50 million which was intended to improve NHS waiting times;
- £30 million previously set aside for the Childcare Offer for Wales;
- £16 million for higher education funding; and
- £12 million apprenticeship funding.

2.7 The Welsh Government allocated[17] around £5.1 billion of this extra money in 2020-21 on services to respond to the public health crisis, to support businesses and communities, to replace lost income for some public services and to prepare the ground for the recovery (**Exhibit 9**). Of the remaining funding in the COVID-19 pot, the Welsh Government converted £305 million into capital[18] and carried forwards £485 million into 2021-22[19].

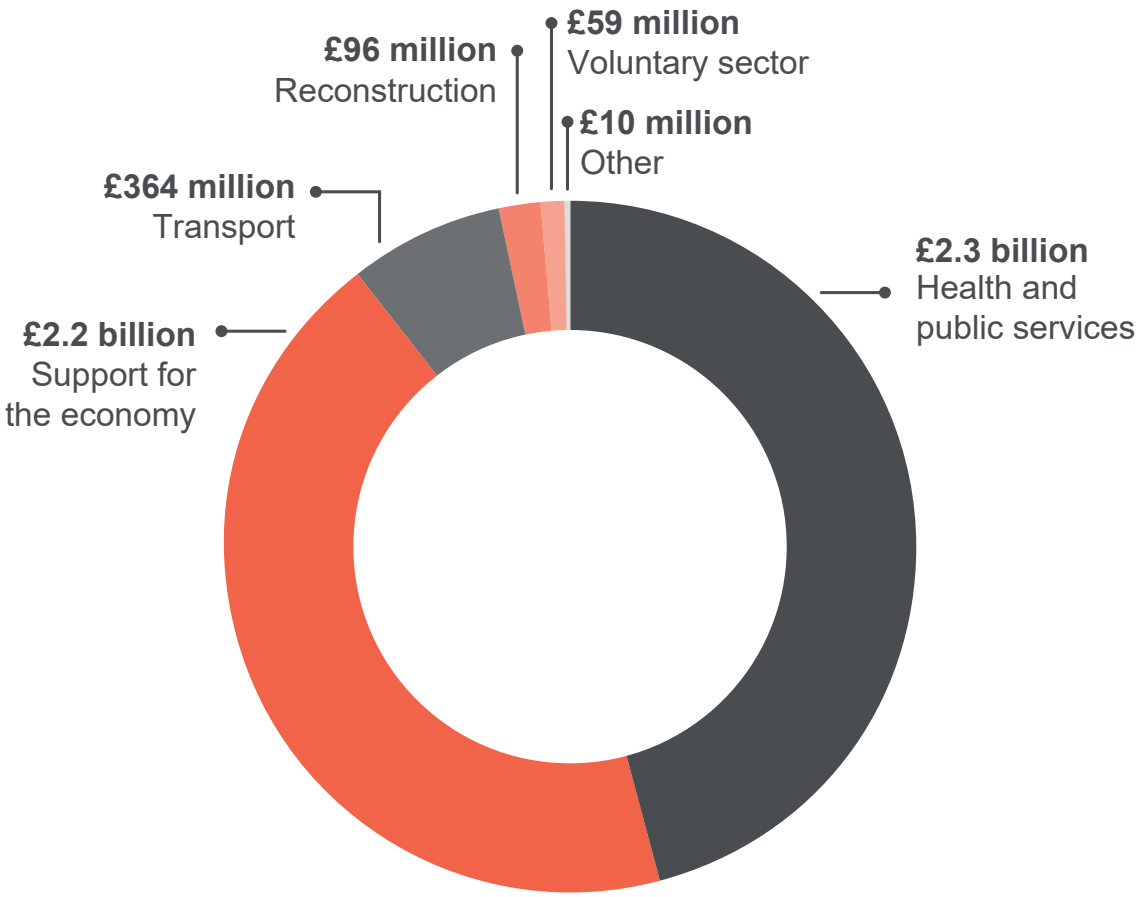
16 In the first supplementary budget the Welsh Government had re-prioritised £245 million of EU Structural Funds to support the response but once the full funding from the UK government came through, it decided it no longer needed this funding for the COVID-19 response in 2020-21.

17 Here we set out the funding 'allocated' by the Welsh Government, by which we mean the sum set aside for specific areas of spending. In some cases, the actual spend, or outturn, may be different by the end of the year.

18 The £305 million capital was included as part of a wider £772 million allocation of capital funding in the third Supplementary Budget. The allocation included £188 million capital to support the COVID response and 'reconstruction' and a £270 million allocation to the Development Bank for Wales.

19 The UK government announced additional funding through the Barnett formula late in 2020-21 and agreed that the devolved administrations could carry this money into the following financial year.

Exhibit 9: split of the Welsh Government's £5.1 billion COVID-19 allocation to services for 2020-21



Note: 'Reconstruction' covers several funding pots the largest components of which relate to education (**paragraph 2.10**).

Source: Audit Wales analysis of Welsh Government data

2.8 The Welsh Government has allocated £2.3 billion to supporting the NHS and other public services in dealing with the pandemic. This figure includes an £800 million stabilisation fund for the NHS alongside specific funding for programmes such as vaccinations, Test, Trace and Protect and PPE. The funding also includes a £660 million[20] Crisis Fund for local government, which covers a range of general costs as well as specific items such as free school meals, additional costs in social care, and supplementing the loss of income from fees with services closed.

20 Although the Welsh Government allocated £660 million, by the end of the financial year it reports having spent £587 million.

2.9 The Welsh Government allocated £2.7 billion to support the economy, the transport sector and the voluntary sector. This funding includes around £1 billion for the Economic Resilience Fund, around £730 million in grants related to non-domestic rates for small and medium businesses, £350 million in rates relief for retail, hospitality and leisure businesses and £130 million to support the higher education and further education sectors. The Welsh Government also allocated £170 million to support rail services and £95 million for bus services. The Welsh Government has allocated £59 million to support voluntary services. This includes £29 million for Third Sector Support, £15 million for the Discretionary Assistance Fund and £13 million towards provision of food for people who were shielding.

2.10 The Welsh Government allocated £96 million in 2020-21 to support what it is calling 'reconstruction'. This is made up of a range of smaller pots of funding, the largest being £11 million to cover free school meals during the holidays, and £10 million for three education programmes: to support children during exam years; to support the further education sector; and for mental health, student support and a hardship fund for the higher education sector.

2.11 Compared to the UK government's equivalent spending in England, Wales Fiscal Analysis notes that the Welsh Government has spent less of its COVID-19 funding on the NHS while spending more supporting businesses and communities[21]. In part, these differences may be down to the Welsh Government being able to secure better value for money. For example, on Personal Protective Equipment and Test, Trace, Protect, the Welsh Government appears to have got similar or better results compared to England while spending proportionately less.

21 This comparison does not include the furlough scheme which is run and funded by the UK Government.

Our COVID-related work paints a broadly positive picture of aspects of the way Welsh public services responded but this is not necessarily indicative of the overall management of the pandemic

2.12 In response to the pandemic[22], our key initial piece of work was a COVID-19 Learning Project. This involved gathering emerging intelligence on good practice from public services' response and sharing learning in real time through a combination of blogs and updates to our audited bodies. Examples included public bodies working together and with communities to deliver food parcels, provide information to the public on how and where they could get tested and a range of other practical responses. As the pandemic progressed and the first wave came to an end, we identified examples and lessons for public services as they started to re-open services to the public. In November 2020, we produced a short report on the work to provide free school meals to pupils while at home[23].

2.13 Since early 2021, we have published more detailed reports on areas of the response: the Test, Trace and Protect programme, the supply and procurement of PPE, NHS governance arrangements during the pandemic, and the rollout of the vaccinations programme[24]. All these reports paint a broadly positive picture of aspects of the response, although all highlight lessons to learn as well. They show public bodies rapidly putting in place collaborative systems and flexible governance arrangements.

2.14 These reports reflect only aspects of the response to COVID-19 in Wales. While our reports paint a positive picture of aspects of the management and governance of individual programmes, they should not be taken as a positive view on the response in the round. Our report on the supply and procurement of PPE, for example, highlighted some of the weaknesses with the pre-pandemic preparations and that we cannot ignore the views expressed by some of those on the frontline about their own experience.

2.15 The UK government intends to set up a public inquiry in due course, which is likely to take a much broader and more in depth look at the overall pandemic response. The Welsh Government has stated its view that the Welsh response should be reviewed as part of that inquiry.

22 At the start of the pandemic, we significantly adjusted our work programmes, recognising the impact on our own capacity and to ensure we could contribute to public services' response while not adding to the pressures public services were facing.

23 Auditor General for Wales, Providing Free School Meals During Lockdown, November 2020

24 Auditor General for Wales: Doing it Differently, Doing it Right?, January 2021; Test, Trace, Protect in Wales, March 2021; Procuring and Supplying PPE for the COVID-19 Pandemic, April 2021; Rollout of the COVID-19 vaccination programme in Wales, June 2021

Public services need to manage the ongoing response to the pandemic and start to recover while adapting to new demands

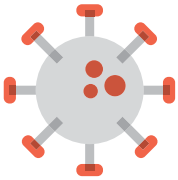
03

3.1 The previous decade threw up many challenges for public services and there will be little respite in the near future. This part of the report looks at some of the key issues for public services in the coming years and important aspects of service transformation where we will be focusing our attention (**Exhibit 10**). This section is not intended to be comprehensive in setting out all the areas public services need to address, and other review bodies will have their own perspective on the key issues.

Exhibit 10: some key opportunities and challenges for public services

A changing world

- Climate change: achieving a fair and just transition
- Equalities: responding to demands for a fairer and more equal society
- Constitution: managing the opportunities and risks of new relationships within the UK



The ongoing pandemic

- Direct costs of response
- Economic hit knocks-on to public finances
- Legacy costs of long-term impacts

Transforming service delivery

- Systems and culture to support new approaches to service delivery
- Purposeful collaboration
- Long-term planning and prevention
- Harnessing technology where appropriate
- Using data to learn across the whole system

3.2 Several of these areas, particularly in relation to a changing world, are reflected in the Welsh Government's Programme for Government for 2021 to 2026[25]. Our commentary builds on some of the messages in our 2020 report on implementation of the Well-being of Future Generations (Wales) Act 2015[26].

25 Welsh Government, Programme for Government, June 2021

26 Auditor General for Wales, So What's Different? Lessons from the Auditor General's Sustainable Development Examinations, May 2020

The Welsh Government has at least an additional £2.6 billion to support the ongoing pandemic response in 2021-22

3.3 The pandemic is not over, and further public spending will be needed in 2021-22. As at July 2021, the Welsh Government had received a total of £2.1 billion additional funding related to COVID-19 for 2021-22. In addition, it has the £485 million carried forward (**paragraph 2.7**), taking the extra funding in 2021-22 to £2.6 billion on top of an increase in the core non-COVID budget.

3.4 As of July 2021, the Welsh Government's internal plans show it had allocated £1.5 billion, with £884 million to health and public services, £470 million to support the economy, £107 million for transport and £14 million for the third sector and communities. The situation remains fluid and, depending on the path of the pandemic and the UK government response, further funding may be announced in the coming months.

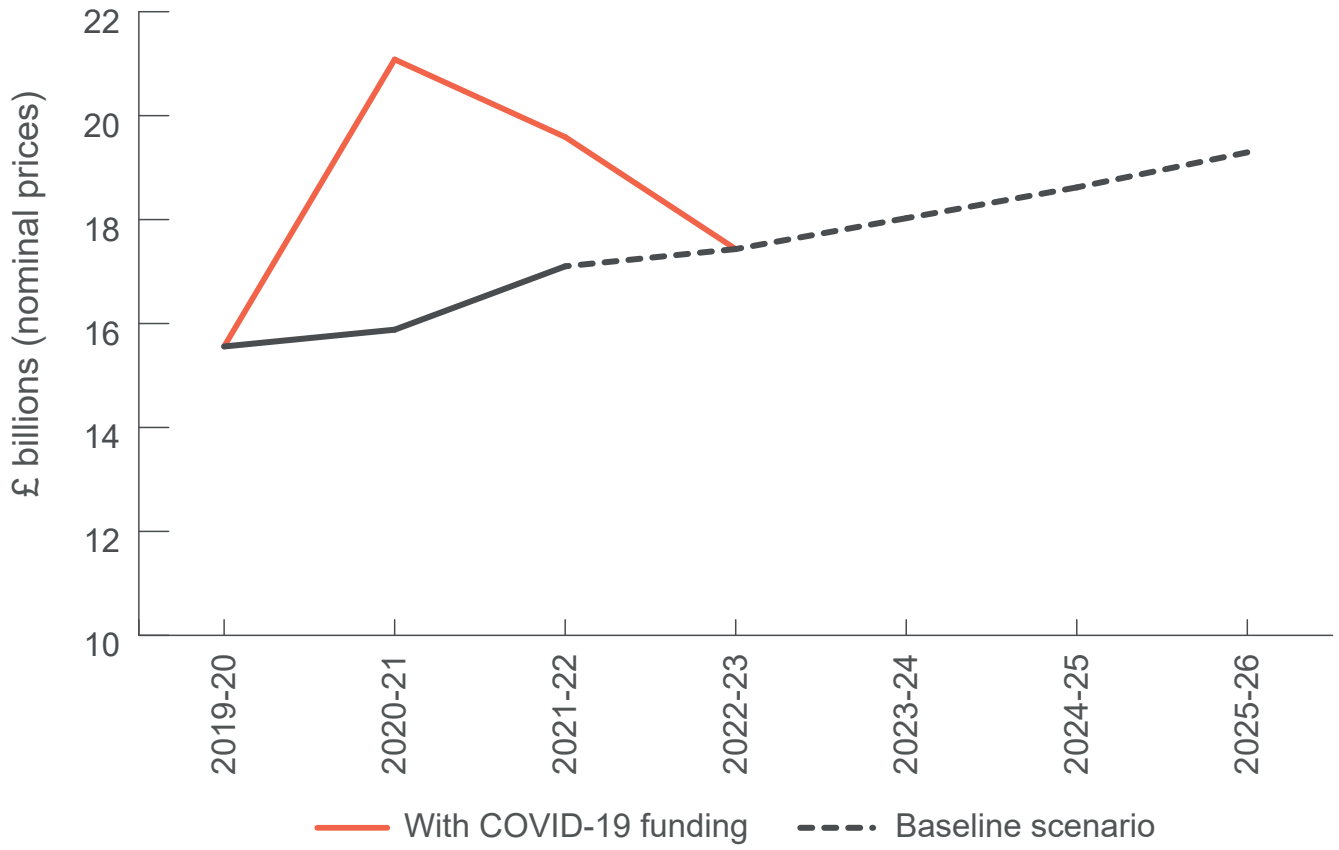
The UK government has promised no return to austerity, but funding is still likely to be tight given the cost pressures facing public services

The economic hit from the pandemic means public finances are likely to be tight for some time

3.5 The funding position beyond 2021-22 is unclear but UK public finances are in a challenging position. Economic activity fell during the pandemic, with companies and individuals paying less tax. Coupled with higher spending, the UK's overall debt and the annual deficit – the gap between income and expenditure – have grown significantly.

3.6 The UK government has said there will not be a return to austerity as it seeks to reduce the level of debt. It revised its spending plans downwards in March 2021 but still intends for overall public spending to grow in real terms. Wales Fiscal Analysis projected the Welsh Government's revenue budget to 2025-26 based on the UK government's March 2021 plans (**Exhibit 11**). It shows a 1.5% a year real terms budget increase between 2021-22 and 2025-26, excluding COVID-specific funding. It is possible these projections will change when the UK government produces a fuller spending review later in 2021.

Exhibit 11: projected funding for Welsh Government day-to-day spending, 2019-20 to 2025-26



Note: The Wales Fiscal Analysis projections in this chart are on a nominal basis, which means they are not adjusted for the impact of inflation. Figures for 2020-21 reflect a fall in non-domestic rate revenues associated with the rates relief, a budget switch to capital spending and the transfer of farm subsidies to the Welsh budget. The 2021-22 figure does not include additional funding, mostly for the COVID-19 response, set out in the Welsh Government's June 2021 Supplementary Budget.

Source: Wales Fiscal Analysis, Welsh Election 2021: Fiscal outlook and challenges for the next Welsh Government, April 2021

Cost pressures from the pandemic and demographic change will mean difficult choices for public funding

3.7 Life for public services remains far from normal and that is likely to remain the case for some time. Once the pandemic is fully over, public services face a huge job of recovery. They will need to catch up on activity that was paused and deal with new problems created by the pandemic. The most obvious challenges are in the NHS where there are backlogs of patients on waiting lists and, unquantified pent-up demand from people who have put off seeking help.

3.8 There are other backlogs, for example the challenge of making up lost learning for pupils and students across the education system. These backlogs all have a significant cost attached: Wales Fiscal Analysis calculated that addressing the backlog in planned care would cost between £152 million and £292 million a year over four years[27]. Applying the Barnett formula to its estimates for England, the Education Policy Institute has estimated that an extra £600 million to 900 million could be needed over three years to support education recovery in Wales[28].

3.9 Some, or even all, of the requirements around social distancing, wearing PPE, ensuring adequate ventilation in indoor spaces may be with us for some time, depending on policy choices and public health advice. These restrictions affect the productivity of public services. The shift to online and telephone-based services may offset some of the effect of these restrictions on productivity. But many services, notably surgery and other personal interventions, cannot take place online. As a result, public services need either more capacity or to find ways to reduce demand and activity just to stand still, let alone address backlogs.

3.10 There are potential longer-term implications. The long-term direct health implications of COVID-19 are still being studied. The extent to which these will create new demand and cost pressures on the NHS is unclear. There is evidence of an impact on the mental wellbeing of households, which may increase the need for ongoing health and social care support. There are also other as yet unknown impacts on the public service workforce: there is speculation that some staff may not wish to continue as before or may accelerate retirement plans after the pandemic[29], creating potential capacity and/or pay pressures, for example if gaps need to be filled by expensive agency or locum staff. There may also be costs involved in helping parts of the public service workforce recover from what has been a traumatic experience.

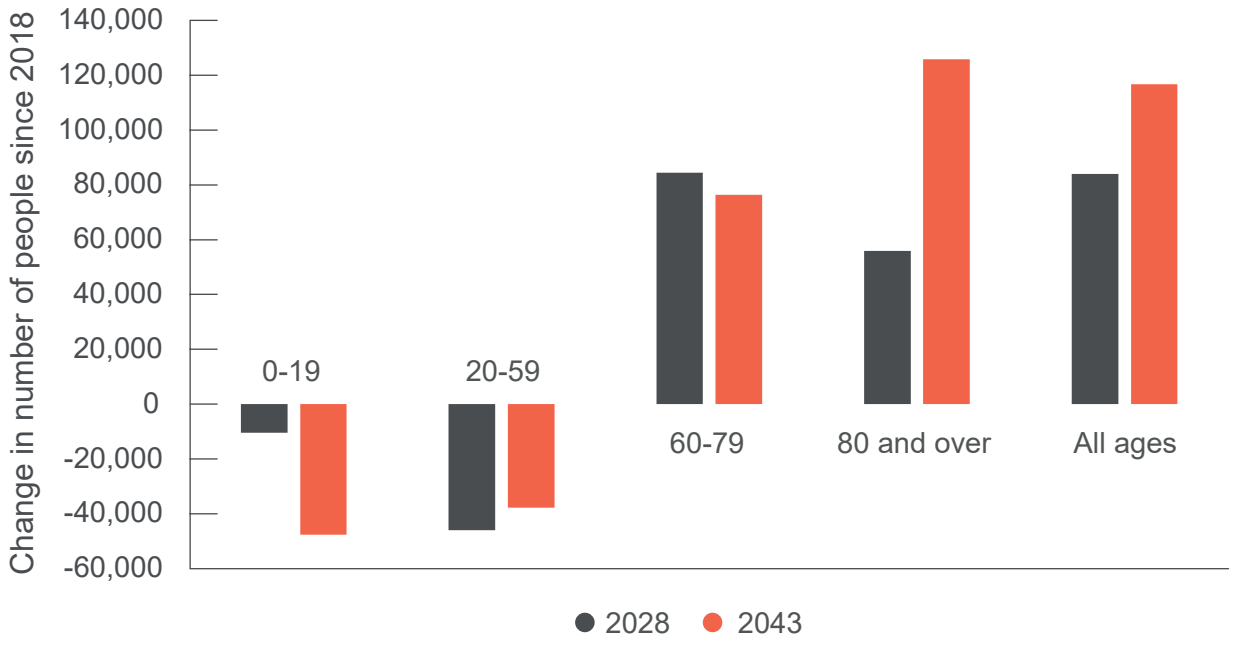
27 Wales Fiscal Analysis, The NHS and the Welsh Budget: Outlook and challenges for the next Welsh Government, April 2021

28 Education Policy Institute, Analysis Paper: Preliminary Research Findings on Education Recovery, April 2021

29 For example, evidence from a British Medical Association survey, which is based on a self-selecting sample, suggests more than a doubling of doctors considering early retirement and many considering reduced hours or a career break. British Medical Association, COVID-19 tracker survey snapshot, April 2021.

3.11 Cost pressures also arise from changes in the population. Currently, Wales' population is expected to increase by around 117,000 by 2043 (**Exhibit 12**). We do not know yet if changes such as increased remote working will be long lasting and potentially affect population trends. For public services, the bigger challenge will be from the change in the age profile because of birth-rates and migration within the UK and beyond. The proportion and number of children and young people is now expected to fall while the number of older people (60-79) and very old people (80 and over) increases. By 2043, it is estimated that 9.1% of the population will be aged 80 and over, compared to 5.4% in 2018. The overall number aged 80 and over is expected to increase by around 126,000 (74%).

Exhibit 12: population projections – change in age groups from 2018 to 2028 and 2043



Source: Office for National Statistics, Principal projection – Wales population in age groups, October 2019

3.12 The aging population is likely to increase demands for health and social care. While fewer children and young people may lead to less demand for some services; there are less obvious cost pressures. For example, in education, the cost of schooling per pupil tends to increase as the number children and young people falls because of the higher costs per head associated with providing small schools.

3.13 Given a likely tight funding settlement and ongoing cost pressures, the Welsh Government faces some difficult immediate choices on funding priorities. Wales Fiscal Analysis reports looking at the NHS (**paragraph 3.8**) and local government[30] suggest that the funding set to come to the government to 2025-26 seems unlikely to cover all the cost and demand pressures faced by these two large sectors. There are also demand and cost pressures in other areas of public service. The Welsh Government and other public services therefore face continued difficult choices about prioritisation.

Other factors including the climate emergency and the push for greater equality will affect public services in the short and long term

Public services face the challenge of achieving a just and fair transition to net zero

3.14 Since our last Picture of Public Services report, the Welsh Government and the majority of local authorities have declared a climate emergency. In March 2019, the Welsh Government's low carbon action plan[31] drew together 100 ongoing and planned actions across government. In March 2021, the Senedd approved a net zero target by 2050 with an ambition to achieve the target earlier[32]. It also approved interim targets for 2030 and 2040 and carbon budgets.

3.15 The Independent Climate Change Committee's 2020 report[33] highlighted the scale of the challenge ahead for the Welsh Government and, by extension, other public bodies. The report showed that, in 2019, Wales' emissions have fallen 31% since 1990. This is less than the fall in the UK as a whole (41%). Achieving the Welsh Government's target of a 63% cut in emissions compared with 1990 by 2030 will require the same fall in the next nine years as has been achieved in the last 30 years.

30 Wales Fiscal Analysis, Local Government and the Welsh Budget: Outlook and challenges for the next Welsh Government, April 2021

31 Welsh Government, Prosperity for All: A Low-Carbon Wales, March 2019. Work to update and revise the plan is currently underway.

32 Under the 2008 Climate Change Act, Wales is required to contribute to the UK 2050 net zero target and the UK's carbon budgets. The Act committed the UK to an 80% reduction in carbon emissions relative to the levels in 1990, to be achieved by 2050. In June 2019, secondary legislation was passed that extended that target to 'at least 100%'. In April 2021, the UK government announced its intention to legislate for a target to reduce emissions by 78% by 2035.

33 The Independent Climate Change Committee is a statutory body established under the Climate Change Act 2008. Its remit covers the UK. It advises the Welsh Government on its targets and strategy. It reports progress against targets annually to the UK and Parliaments of the devolved nations. Climate Change Committee, Progress Report: Reducing emissions in Wales, December 2020.

3.16 As the Committee's report states, achieving net zero will require an integrated approach that puts climate mitigation and adaptation at the heart of public services in every sector. Some public bodies have produced plans for achieving net-zero by 2030. The Welsh Government is producing guidance for public bodies including a Public Sector Route Map to Net Zero and a common methodology for reporting emissions. We will be undertaking an ongoing programme of audit commentary on public sector action to address climate change. This will include a baseline review of action across the public sector during 2021-22.

3.17 Achieving these goals is also dependent on close working and coordination with the UK government: within the Committee's recommended pathway, around 60% of all the abatement in Wales in 2050 is in areas where key policies are mostly reserved to the UK government. Emissions in Wales fell by 20% in just two years (2016-2018) when the last coal-fired power station closed. However, this kind of major energy policy change is reserved to the UK government[34]. The report concluded that public bodies need to make progress in devolved areas such as agriculture, land-use, forestry, buildings and surface transport.

3.18 The most vulnerable are more likely to be directly affected by climate change. However, as both our 2019 report on fuel poverty[35] and the Decarbonisation of Homes in Wales Advisory Group[36] found, there are some difficult trade-offs between social justice and carbon reduction goals. In our 2020 report on the Well-being of Future Generations Act, we drew attention to the challenge facing the Welsh Government and other public bodies to ensure a fair transition to a low carbon economy and protecting the most disadvantaged from the effects of climate change and biodiversity loss.

34 Large scale energy generation policy (over 350 megawatts) is reserved to the UK government.

35 Auditor General for Wales, Fuel Poverty, October 2019

36 Decarbonising Homes in Wales Advisory Group, Better Homes, Better Wales, Better World: Decarbonising existing homes in Wales, July 2019

Reducing inequality will require long-term action and investment

3.19 In 2018, the Equality and Human Rights Commission highlighted ways in which equality had improved in Wales, including a falling number of young people not in education, employment or training, increased employment and improved mental health services[37]. It also documented more evident divisions in society and rising poverty particularly affecting disabled people, and some ethnic minority groups, in Wales compared to others. It called for a 'spotlight on race inequality' in Wales.

3.20 The COVID-19 pandemic has highlighted and deepened these existing inequalities. Young people, women and Bangladeshi workers are more likely to work in sectors shut-down. Disabled people have had the highest death rates from COVID and many experienced prolonged isolation. Progress towards equality in some areas has been reversed: for example, the gap in attainment of the highest grades between pupils eligible for free school meals and others and between those with additional learning needs and others has been stable or reducing in recent years but generally widened in 2019/20 at GCSE, AS and A level.

3.21 Black, Asian and Minority Ethnic people have been particularly affected by the pandemic with higher death rates. As concern increased, the First Minister commissioned work to look at the impact of the pandemic on Black, Asian and Minority Ethnic people. Professor Emmanuel Ogbonna's report[38] made 37 recommendations to tackle race inequality, focusing on the impact of long-standing racism and disadvantage and a lack of representation. The 'Black Lives Matter' movement has increased pressure for action. The Welsh Government has recently committed in its Programme for Government to funding and implementing the commitments in its draft race equality plan[39].

3.22 The Welsh Government commenced the 'Socio-economic Duty' in March 2021 requiring relevant public bodies to give due regard to the need to reduce inequalities that exist as a result of socio-economic disadvantage when taking strategic decisions. The Duty sits alongside other requirements in the Equality Act 2010 and the Well-being of Future Generations (Wales) Act 2015 to consider the impact of their decision-making on equality and community cohesion.

37 Equality and Human Rights Commission, Is Wales Fairer?, October 2018

38 Welsh Government, First Minister's BAME COVID-19 advisory group report of the socioeconomic subgroup, June 2020

39 Welsh Government, An Anti-Racist Wales: The Race Equality Action Plan for Wales, March 2021

3.23 At the start of the pandemic, the speed of decision-making meant that the Welsh Government did not conduct some equality impact assessments on key decisions[40]. Others were not published for scrutiny. In some cases, these omissions have been rectified but, as a first step to addressing the unequal impact of the pandemic, public bodies will need to collect better, disaggregated data to understand the impact of previous as well as future decisions on disadvantaged people and communities.

A new post-Brexit constitutional relationship poses a range of challenges as well as opportunities

3.24 Since 1999, the Welsh Government has taken on more powers, including over taxation, for the first time in over 800 years, in 2016. Following Brexit, the Welsh Government has taken on over 4,000 new functions from the EU while the UK government has taken on powers in areas such as immigration and border control. In the coming years, negotiations over the boundaries of these responsibilities will affect the Welsh Government and public bodies.

3.25 In the past, Wales benefitted from substantial EU funding – around £375 million per year during the 2014-2020 structural and investment funding period. The Conservative Party's 2019 UK government manifesto said that future funding would at least match the size of EU funds for each nation. This could lead to parts of Wales receiving more than comparable areas in England[41].

3.26 At present, the Welsh Government manages EU funds within parameters set by the EU. In October 2020, the House of Commons Welsh Affairs Committee acknowledged that the Shared Prosperity Fund – which replaces EU funding – could be an opportunity to develop a funding system that better reflects Wales' needs than previous EU funding streams. However, the Welsh Government's role in decision-making was unclear at the time[42].

3.27 Since the Committee reported, the UK government has announced that the Shared Prosperity Fund will be managed by the UK Treasury using powers under the Internal Market Act 2020 to spend directly on devolved areas of policy. The UK government is using the same powers for the Levelling Up Fund. It invited bids for the first round from local councils and other public bodies in January 2021: at least 5% of the fund is set aside for Wales.

40 Welsh Parliament, Equality, Local Government and Communities Committee, Into sharp relief: inequality and the pandemic, August 2020

41 Alex Davenport Samuel North David Phillips – Institute for Fiscal Studies, Sharing prosperity? Options and issues for the UK Shared Prosperity Fund, July 2020

42 House of Commons Welsh Affairs Committee, Wales and the Shared Prosperity Fund: Priorities for the replacement of EU structural funding, 20 October 2020

3.28 There is already a complex crowded partnership landscape in Wales (**paragraph 3.33**). Getting value for money from this new way of working, in which UK government works directly with Welsh public bodies, will need care to align with existing local provision and Welsh Government policies. The UK government said it will seek advice from the devolved governments in shortlisting bids for the Levelling Up Fund. The role of devolved governments in the Shared Prosperity Fund's governance is not yet clear.

The recovery from COVID-19 provides an opportunity to learn lessons and progress long-standing ambitions for transforming public services

3.29 The Welsh Government has long-standing ambitions to transform the way public services provide services to the people of Wales. As set out in various strategies and legislation, notably the Well-being of Future Generations (Wales) Act 2015, public services should be citizen-centred, using the principles of co-production to involve service users and communities in the design and delivery of services. They should be collaborative and seek to prevent problems before they escalate. As part of this, public services should be shifting their focus from outputs and activity – how much are they doing and how quickly – to outcomes and the things that matter to communities and individuals.

3.30 Our work suggests public services are moving towards these new ways of working but that there are some long-standing barriers still to overcome. Below are some of the key aspects of service transformation we will be focusing our attention on in the coming years.

Systems and culture to support new approaches to service delivery

3.31 Changing the way public services operate involves changing some of the thinking, management processes and governance arrangements that underpin the status quo. Underlying systems of governance and accountability can help or hinder progress towards new ways of working. They incentivise behaviours by setting out what people and organisations will be held to account for. In the past, governance and accountability have often been focussed on targets for delivery of timely outputs and activity. Different arrangements will be required to encourage a stronger focus on outcomes and wellbeing and to encourage greater experimentation with new approaches.

3.32 In response to the pandemic, many performance management and accountability arrangements have been suspended or modified. There is an opportunity to learn lessons from what happened when these arrangements were relaxed. In future, we will expect to see greater thought being given to how the approach taken to governance and accountability will support the ambitions for service delivery, including the sorts of behaviours and relationships these arrangements incentivise.

Purposeful collaboration

3.33 Collaboration between public services is essential to delivering resilient services that improve the wellbeing of the people of Wales. We have on several occasions raised concerns that the partnership landscape is overly complex and incoherent, with varying geographical coverage, and unclear and overlapping remits. Servicing partnerships occupies a significant amount of the time and energy of senior public servants. Similar concerns have also been expressed by the Future Generations Commissioner[43] and the Public Accounts Committee[44].

3.34 One of the key lessons from the pandemic has been how collaboration has involved getting the right people together working across organisational and professional boundaries towards a common purpose. With a sense of urgency and strong, common goals, public services have demonstrated how pragmatic and flexible partnership arrangements can work to great effect.

3.35 Looking ahead, we will be expecting public services to demonstrate that their partnership working and collaboration are purposeful and leading to tangible benefits for the significant investment of time and effort involved.

Long-term financial and service planning that supports a rigorous and realistic approach to prevention

3.36 Delivering the ambitions of the Well-being of Future Generations Act requires a shift in focus and resources from short-term needs to prevention. There is an inherent tension between the desire for long-term prevention programmes and short and medium-term financial planning cycles. It can be difficult to shift resources needed to manage short-term problems in the anticipation of uncertain benefits at some distant point in the future. This is particularly the case where there are immediate pressures such as gaps between demand and supply with people experiencing delays to services and harm as a result.

43 Future Generations Commissioner for Wales, Future Generations Report 2020, May 2020
44 Public Accounts Committee, Delivering for Future Generations: the story so far, March 2021

3.37 Our report on the findings from our sustainable development examinations (**paragraph 3.2**) highlighted that short-term budget setting remained a barrier to progress. We will be looking for all public services to demonstrate progress towards longer-term financial planning. However, there is a particular responsibility on the Welsh Government to provide longer-term clarity about its priorities and plans for funding.

Harnessing digital technology to make services more accessible

3.38 Our work has highlighted the potential benefits but slow roll out of digital services in the NHS and social care[45]. However, the response to the pandemic has shown that public services can move swiftly to roll out and adopt new digital technology. From the outset, the public sector has used digital technology in new ways, including supporting staff working from home; online teaching for pupils and students; online committee and board meetings; digital needs assessments and virtual clinics and consultations (including telephone consultations).

3.39 The Welsh Government's vision for 'digital change' across Wales includes designing services around user needs to deliver simple, secure and convenient services[46]. We will be expecting public services to demonstrate that they are pursuing opportunities to make services more effective and efficient by using new technologies, where it makes sense to do so. In particular, we will expect public services to be able to demonstrate that digital services are accessible, of a high quality and meet the needs and expectations of users in line with aspirations for holistic citizen-centred services. We will also expect public bodies to learn lessons from the use of digital services introduced during the pandemic, including lessons around their effectiveness and user experiences.

Using data and information to learn and improve across the whole public service system

3.40 Before the pandemic, public services had been grappling with how best to use data to understand how well they were doing. In particular, public services were trying to focus more on measuring outcomes and the wellbeing of the population. Measuring outcomes is hard in and of itself. Understanding what has caused those outcomes when there has been a complex mix of interventions from different bodies in different environments is even harder.

45 Auditor General for Wales: Informatics systems in NHS Wales, January 2018; Welsh Community Care Information System, October 2021

46 Welsh Government, Digital Strategy for Wales, March 2021

3.41 In our 2018 report on local government's use of data[47], we highlighted the challenge of local government sharing information with partners. With collaboration key to delivering better services and better outcomes, public bodies need to get better at sharing information with partners.

3.42 In the coming years, we will expect public bodies to strengthen their ability to understand and demonstrate how they are using their resources to impact on individual and population wellbeing. In particular, we will be looking for them to do more to understand how whole systems are working to achieve outcomes, including the role of the Welsh Government and other funders in setting the rules, and how services can collectively work better for service users and communities.

47 Auditor General for Wales, The maturity of local government in use of data, December 2018

Appendices

1 Audit approach and methods

1 Audit approach and methods

1 The report is based on a synthesis of our published work as well as research by other organisations. Our work includes:

- the annual audit of accounts of the main devolved public bodies in Wales;
- local work looking at governance, management and delivery of services by NHS bodies and local government bodies;
- national reviews, looking at specific services and programmes as well as efforts to improve the wellbeing of particular groups of the population;
- reviews of public bodies' application of the sustainable development principle in line with the requirements of the Well-being of Future Generations (Wales) Act 2015; and
- data tools, which pull together information on particular sectors or areas of interest.

2 Underpinning this report is a series of sector-specific summaries, setting out some key facts and analysis, which we will publish during September and October 2021. We have not done a separate summary for the Welsh Government, as much of the analysis and key issues are covered in this report. We have also not sought to summarise the position across the many Welsh Government sponsored bodies and subsidiary companies. Where relevant, we refer in this report to some of the common issues and pressures they face.

3 Below are some of the key sources of data presented in this report.

- **Welsh Government funding:** for data to 2015-16, we have used the figures we used in our 2015 Picture of Public Services Report. The basis of data for 2015-16 to 2019-20 is the annual HM Treasury Public Expenditure Statistical Analyses dataset to which we have added data on revenues raised (or expected) from devolved taxation.
- **Health revenue:** This data is set out in our NHS Wales Finances Data Tool. It is based on the Welsh Government's final supplementary budget in each year and covers all health-related revenue budget lines from within the Department of Health and Social Services.
- **'Core' local government funding:** this comes from the Local Government Revenue Settlement dataset on StatsWales.
- **Local government spending on services:** this comes from the Local Government Outturn dataset on StatsWales and is based on 'gross revenue' expenditure on services.
- **Comparative UK spending analysis:** this primarily comes from the data that underpins our Public Spending data tool. We have carried out some further analysis using the underlying HM Treasury Country and Regional Analysis dataset, for example to look at social care expenditure.

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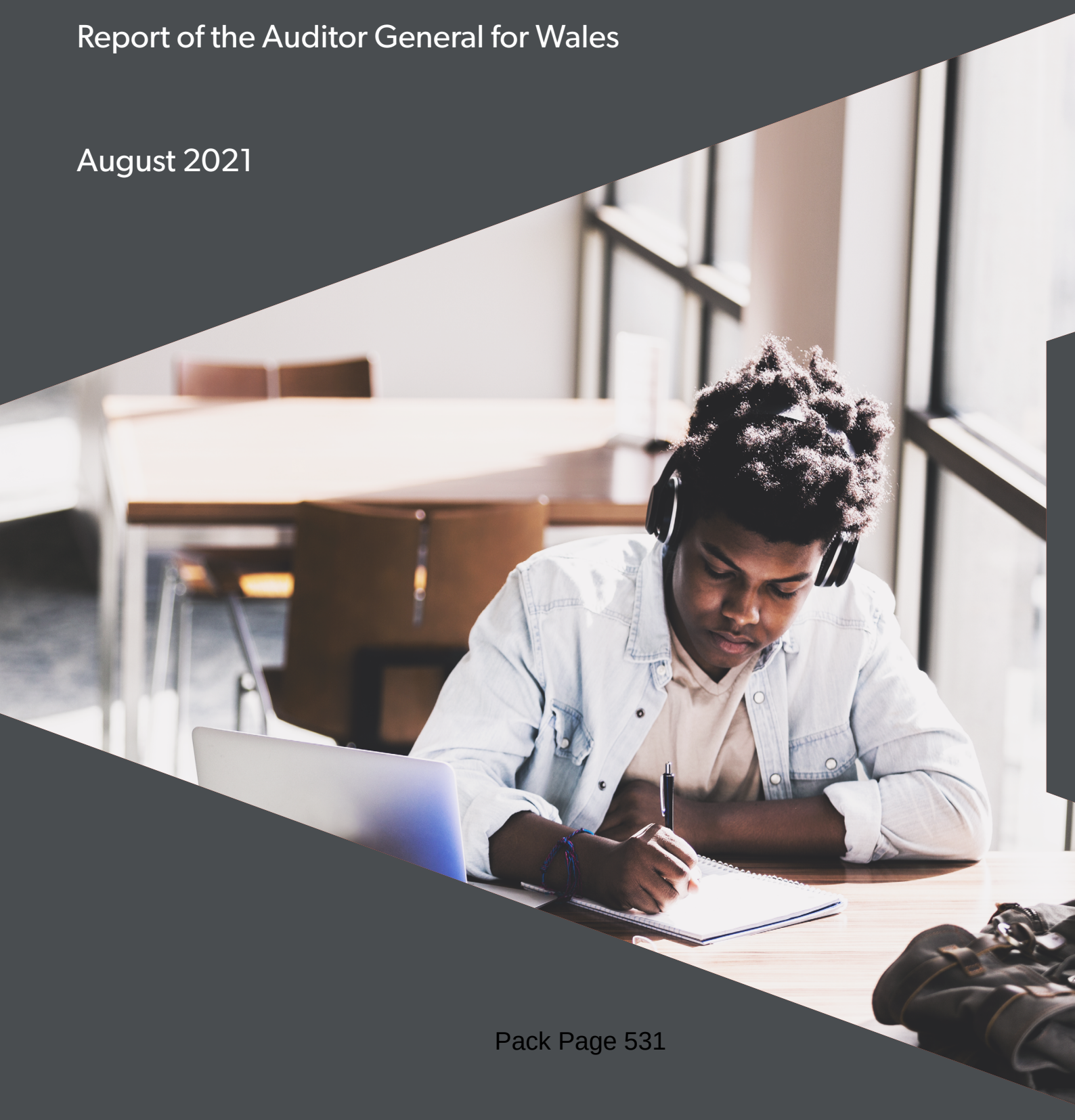
Student finances

Report of the Auditor General for Wales

August 2021



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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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Key messages

1 The Welsh Government provides financial support to students in higher education through loans and grants. Eligible students receive support to cover living costs and tuition fees. After their studies, former students begin to repay loans once their earnings reach a certain threshold.

2 The Welsh Government pays the Student Loans Company (SLC) to administer student finances on its behalf. SLC manages the end-to-end process of 'apply, assess, pay and repay' and Student Finance Wales (SFW) is a brand that SLC uses to describe its services for students normally living in Wales. Universities and Her Majesty's Revenue and Customs (HMRC) also play a part in the wider system.

3 This report explains how the system of student finances works for Welsh students and considers how the Welsh Government oversees the system. **Appendix 1** explains our audit approach and methods.

The Welsh Government's day-to-day management of student finances is effective but, given the costs involved, there is a need for more scrutiny at a strategic level

4 The cost of student finances in Wales has increased over recent years. The Welsh Government paid out almost £1.1 billion in student loans and grants in 2019-20, 35% more than in 2015-16. Over the same period, the total value of student loans owed to the Welsh Government has increased from £3.2 billion to £5.3 billion.

5 The Welsh Government will not get back everything it is owed in loan repayments. In 2019-20, the Welsh Government estimated it would recover 65p for every £1 it was owed through student loans. This is less than the 81p it estimated it would recover in 2015-16, mainly because changes to the financial support package have resulted in more students taking out larger loans that are less likely to be repaid in full.

6 It is important that the Welsh Government controls its spending on student finances, particularly given the large sums involved. It is also important that the Welsh Government effectively oversees the services provided by SLC and SFW. Since the start of 2018-19, the Welsh Government has been paying SLC a little over £20 million a year to administer student finances.

7 The Welsh Government is a minority shareholder in SLC, with a 5% shareholding. Northern Ireland and Scotland each hold 5% while the controlling 85% share is held by the UK Government's Department for Education. The Welsh Government gets some assurance from participating in SLC's overall governance arrangements, scrutinising SLC's performance, risks and financial position.

8 The Welsh Government is satisfied that it has an equal say in setting policy objectives for SLC, although this has not always been the case. The scale of the service for Wales, as a proportion of SLC's overall activity, has sometimes limited the Welsh Government's ability to implement change quickly. However, there are no real sanctions for non-delivery. If the Welsh Government penalised SLC financially, it would likely impact directly on the services delivered to Welsh students.

9 The Welsh Government's day-to-day management of the administration of student finances works well but relies heavily on a small number of individuals. There are risks associated with succession planning and vacancies in the Welsh Government team that liaises with SFW.

10 There are some limitations to the Welsh Government's overall scrutiny of SLC. While the Welsh Government has improved its use of Wales-specific data to identify performance issues particular to Wales, it could make further improvements by reporting data upwards through its governance structures to consider whether SLC is delivering value for money. In addition, there is scope to involve students more meaningfully in planning and monitoring the administration of student finances.

11 The Welsh Government has given some consideration to alternative models for the administration of student finance. At the current time, it is largely satisfied with the service it receives from SLC and there are no plans to move away from the model of SLC administering student support on its behalf.

We are publishing this report when many of our young people will be preparing to enter higher education for the first time. Ensuring that students understand and can easily access the financial support on offer is vital. The overall sums involved and the need to forecast loan repayments mean that student finances are an important feature in the Welsh Government's annual accounts.

Our findings about the way the Welsh Government is managing student finances are therefore good to see. But given the sums involved, it should strengthen its scrutiny of the performance of SLC and the overall value for money of the services it provides, ensuring that the needs and experiences of Welsh students are at the heart of its decision-making.

Adrian Crompton
Auditor General for Wales

Key facts

£5.3 billion

Owed to the Welsh Government by former students at 31 March 2020

259,600

Number of Welsh former students with a student loan balance at 31 March 2020

65p in the £1

In 2019-20, the Welsh Government estimated it would recover 65p for every £1 it issued in loans

£699 million

Paid out by the Welsh Government to students in loans in 2019-20

£386 million

Paid out by the Welsh Government to students in grants in 2019-20

£27,600

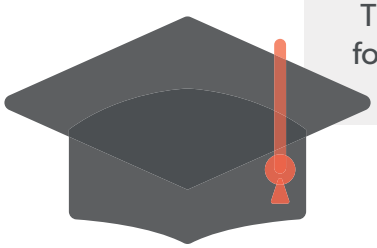
Average debt for former students with a loan balance at the end of 2020-21

£27,295

The amount a former student needs to be earning before they begin to pay back their loan in 2021-22

30 years

The period after which most former students' outstanding debt is written off



£23.4 million

Paid by the Welsh Government to SLC in 2020-21 to administer student finances

4 Recommendations

Recommendations

Performance monitoring

R1 We recommend the Welsh Government improves its monitoring of SLC performance by regularly reviewing Wales-level data relating to all annual measures, and by routinely reporting a comprehensive picture of SLC performance upwards through the Welsh Government's governance structure. This should inform broader considerations of whether the package of financial support is achieving its long-term aims for students and higher education.

Sustainable development

R2 We recommend the Welsh Government reflects on whether it can do more to apply the five ways of working expected under the Well-being of Future Generations (Wales) Act 2015, to improve the administration of student finances and its oversight of SLC. For example, the Welsh Government should consider how it can involve students earlier in the decision-making process, and how it will keep its relationship with SLC under review to ensure the model of administration remains sustainable in the long-term.

Succession planning and resilience

R3 We recommend the Welsh Government reviews working practices, succession planning and vacancies within its SLC Sponsorship Team, to manage risks associated with the reliance on a small number of staff.

Overview of the student finances system

01

Several organisations are involved in student finances

12 The Welsh Government provides financial support to students in higher education through loans and grants. This support aims to break down barriers and allow students to enter university irrespective of their household income.

13 Student finance works slightly differently across the UK. Each government decides the amount and type of financial support available. The Welsh Government claims its financial support is the most generous in the UK.

14 **Exhibit 1** summarises the roles of several organisations in the system of student finances. It is important that these organisations work together to ensure students can access timely and accurate financial support according to their circumstances, and that this support is repaid as appropriate. While the Welsh Government provides the funding for student finance, SLC manages the application, assessment and payment process.

Exhibit 1: organisations involved in the system of student finances

Welsh Government	The Welsh Government sets education policy for Wales and decides the financial support package provided to Welsh students at university. It provides support for living costs and tuition fees through loans and grants.
Student Loans Company (SLC) and Student Finance Wales (SFW)	SLC is a non-profitmaking, non-departmental public body sponsored by the UK Government's Department for Education (85% shareholder) and the governments of Wales, Scotland and Northern Ireland (5% each). SLC manages the end-to-end process of 'apply, assess, pay and repay' for students normally living in Wales. SFW is a brand that SLC uses to describe its services for Welsh-domiciled students. On behalf of the Welsh Government, SFW provides maintenance loans and grants directly to the students and pays tuition fees directly to universities.

Universities	Financial support for tuition fees covered by student loans is paid directly to the university by SFW. Postgraduate students receive the support directly. When students complete their university registration, the university sends an electronic confirmation to SFW, triggering the release of funding.
Her Majesty's Revenue and Customs (HMRC)	HMRC facilitates repayments from former students who have found employment. Those in the UK tax system make loan repayments through the Pay As You Earn system or through self-assessment tax returns. Former students employed outside the UK are also required to make repayments, although these payments are made to SLC and not HMRC. HMRC sends repayment information to SLC. Repayments collected by HMRC from Welsh students are passed to the Welsh Government.

Source: Audit Wales

Only eligible students receive financial support

15 Students are only eligible to receive financial support if they meet certain criteria. These criteria differ depending on the level (undergraduate or postgraduate) and pattern of study (full or part-time). **Exhibit 2** outlines the main criteria for new, full-time undergraduates.

Exhibit 2: main student finance eligibility criteria for new, full-time undergraduates in 2021/22

Nationality and residency	A student can apply if they meet the following conditions: • they are a UK national, Irish citizen or have settled status; • they are living in Wales on the first day of the first academic year of their course; and • they have been living in the UK and Islands for 3 years before starting their course. If the above conditions are met students are classed as Welsh students. Funding is also available for EU students studying in Wales (full details are available on the SFW website).
Course	A student's course must be in the UK and lead to a qualification in one of the following: • First degree, eg Bachelor of Arts, Science or Education; • Foundation degree; • Certificate of Higher Education; • Diploma of Higher Education; • Higher National Certificate; • Higher National Diploma; • Postgraduate Certificate in Education; or • Initial Teacher Education.
University or college	A student's university or college must be: • publicly funded (paid for by the government); or • privately funded but running a course approved for funding by the Welsh Government.
Age	To qualify for a maintenance loan, a student needs to be aged under 60 on the first day of the first academic year of the course. There is no upper age limit for grants or a tuition fee loan.

Note: Other financial support packages are available for part-time undergraduate and postgraduate students. SFW has the full details of support available and eligibility criteria for Welsh students and EU students studying in Wales on its website.

Source: Audit Wales, using information from the SFW website

Each student can access a mix of loan and grant support

16 To apply for support, most students use the SFW website although they can submit paper application forms. SFW assesses the application based on evidence of eligibility and, if accepted, provides a notification of entitlement detailing the type and level of support they have been awarded.

17 The support available to a student depends on their household income as well as their place and type of study. **Exhibit 3** explains the tuition fee and living cost support available to new, full-time undergraduates.

Exhibit 3: main sources of financial support available to new, full-time undergraduates in 2021/22

Tuition fee support

- tuition fees are set by universities. In Wales these are capped at £9,000 per year for full-time undergraduates but in other parts of the UK can be up to £9,250.
- tuition fee loan support is provided to cover the course fees, paid directly to the university by SFW.
- this support does not vary according to household income.
- the loan has to be repaid and interest accrues from the first day.

Living cost support

- paid into the student's bank account at the start of each term, after registration has been confirmed by the university.
- two elements: the Welsh Government Learning Grant and the Maintenance Loan.

Welsh Government Learning Grant

- to help with costs such as food, books and rent.
- amount depends on household income and place of study.
- students will get a grant of at least £1,000.
- the maximum grant is £10,124.
- this grant does not need to be repaid.

Maintenance Loan

- intended to cover living costs while at university.
- amount depends on household income.
- the maximum loan is £11,930.
- the loan has to be repaid and interest accrues from the first day.

Note: The figures relate to new, full-time undergraduate students, for 2021/22. Other financial support packages are available for part-time undergraduate and postgraduate students. There is also additional support if a student has a disability, a long-term health condition or has dependents. SFW has a full list of all support packages on its website.

Source: Audit Wales, using information from the SFW website

18 The amount of living cost support available ranges between £8,790 and £12,930 depending on whether a student lives with parents or away from home, and those studying in London are entitled to more support. Household income does not affect the total amount of living cost support available, but it does affect the balance between the loan and grant support. **Exhibit 4** is an illustration of the support available and shows how lower income households receive more in the form of a grant and less in the form of a loan.

Exhibit 4: living cost support – learning grant or maintenance loan – for full-time undergraduates in 2021/22

	Living with parents (£)			Away from home, studying outside London (£)			Away from home, studying in London (£)		
Household income (£)	Grant	Loan	**Total**	Grant	Loan	**Total**	Grant	Loan	**Total**
18,370 or less	6,885	1,905	**8,790**	8,100	2,250	**10,350**	10,124	2,806	**12,930**
25,000	5,930	2,860	**8,790**	6,947	3,403	**10,350**	8,643	4,287	**12,930**
35,000	4,488	4,302	**8,790**	5,208	5,142	**10,350**	6,408	6,522	**12,930**
45,000	3,047	5,743	**8,790**	3,469	6,881	**10,350**	4,174	8,756	**12,930**
59,200 or more	1,000	7,790	**8,790**	1,000	9,350	**10,350**	1,000	11,930	**12,930**

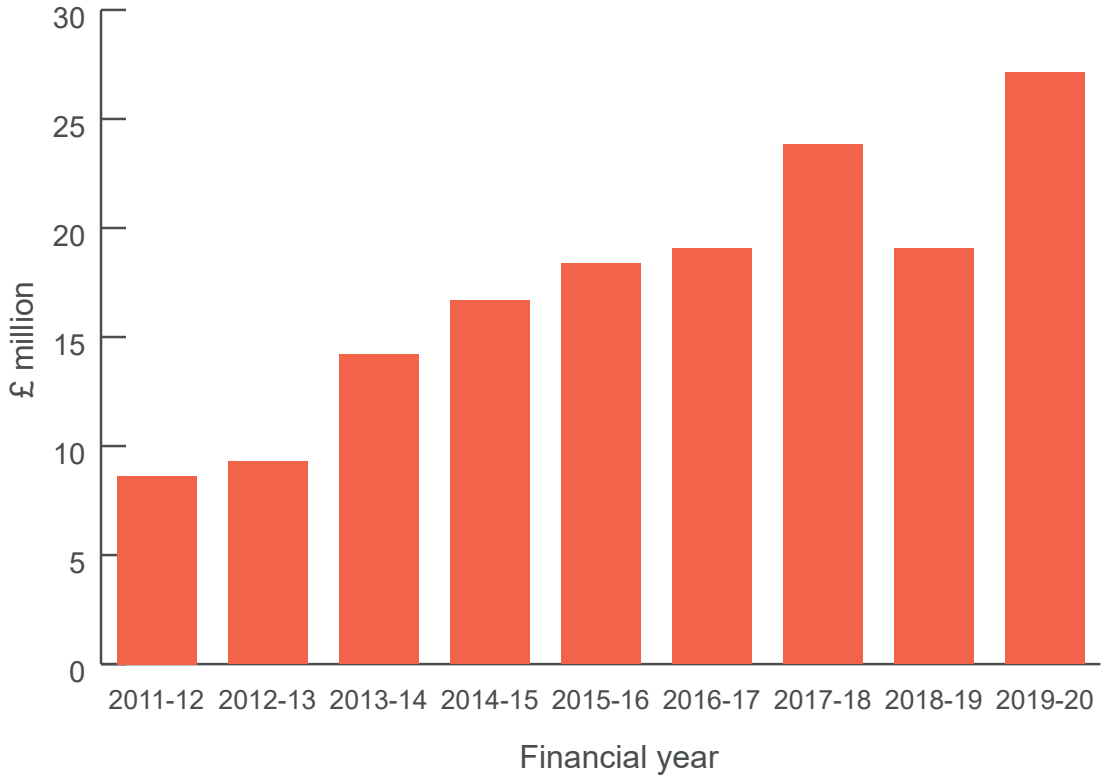
Source: SFW, New students - What financial support is available?

19 The Welsh Government also operates a Partial Cancellation Scheme, which sees up to £1,500 of a former student's maintenance loan balance cleared after their first repayment[1]. All former students that took out maintenance loans since 2010/11 are eligible, provided they are not in breach of their loan agreement. This arrangement is not available in other parts of the UK.

20 **Exhibit 5** shows how the annual cost of the Partial Cancellation Scheme has increased since its introduction in 2011-12, rising to £27 million in 2019-20. The total cost of the scheme to 2019-20 is £156 million.

1 The Welsh Government pays £1,500 of a former student's debt, or less than £1,500 in certain circumstances, including when the student has not taken out the full loan available to them.

Exhibit 5: Partial Cancellation Scheme costs, 2011-12 to 2019-20



Note: these figures reflect the amounts written off by SLC in students' accounts.

Source: SLC, Student Loans in Wales series and Welsh Government working papers supporting various years' Consolidated Accounts

Repayments begin once former students earn above a certain threshold

21 At the end of 2019-20, there were 259,600 Welsh former students with a student loan balance[2]. Full-time students will start repaying in the April after they leave their course, if they are earning above the relevant repayment threshold.

22 Repayments are collected through the UK tax system, through Pay As You Earn if former students are employed, or through the self-assessment process if they are self-employed. If their pay is above the repayment threshold for the loan, the employer will take repayments and pass them to HMRC. HMRC sends information to SLC to update the former student's record and their outstanding debt.

23 Interest is added to the loan from the date of the first loan payment made to the student until the final repayment. The interest rate is linked to the Retail Price Index. Repayments must be made until either the debt (plus accrued interest) is paid off in full, or until the debt is written off which, under current rules, is 30 years after the student is due to begin making repayments. If a former student never gets a job earning over the repayment threshold, none of the loan will be repaid.

24 Changes to the student finance package have resulted in different repayment plans depending on when the former student took out their loan and the type of study (undergraduate or postgraduate). **Exhibit 6** summarises the three main plans. Each varies in terms of interest rate, repayment threshold and debt write-off.

2 SLC, Student loans for higher education in Wales financial year 2020-21 Tables, Table 5A (i)

Exhibit 6: summary of student finance repayment plans and repayment thresholds for 2021/22

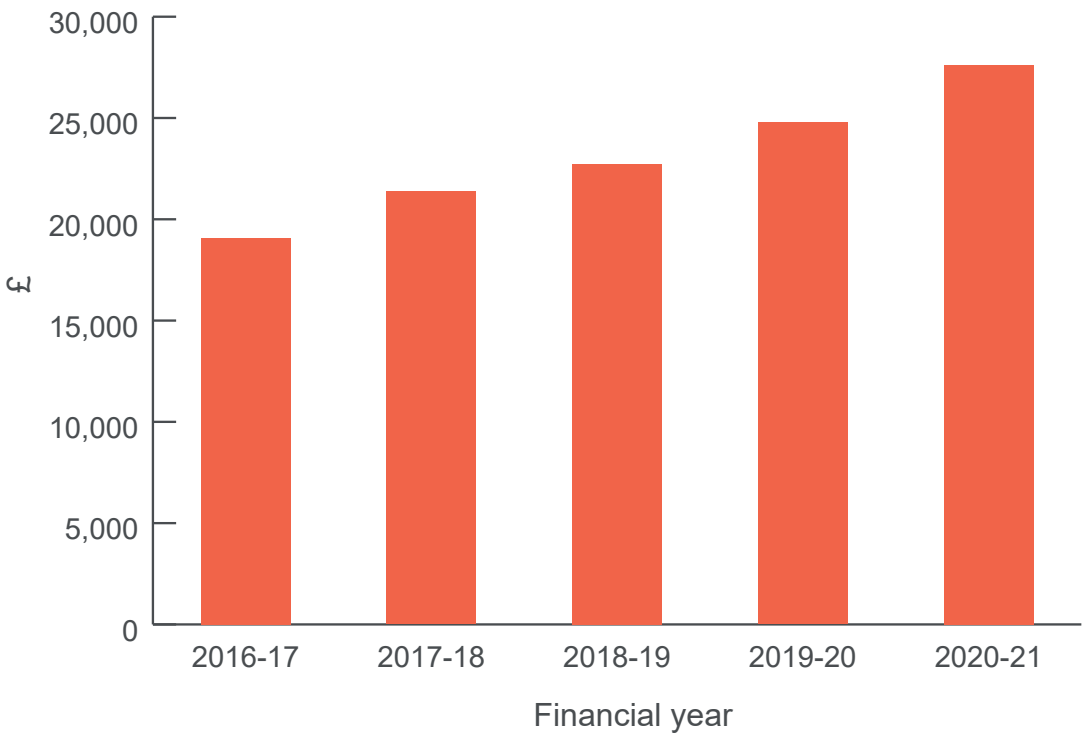
Repayment plan	Repayment threshold for 2021/22	Repayment rate above threshold	Interest charged	When is the debt written off?
Plan 1 Students who started a course before 1 September 2012	£19,895	9%	Lower of: • RPI in the previous March • 1% above the Bank of England base rate	For loans taken out before 1 September 2006, the outstanding loan balance plus any interest will be cancelled when the former student reaches 65. For loans taken out on or after 1 September 2006 but before 1 September 2012, the outstanding loan balance plus any interest will be cancelled after 25 years.
Plan 2 Students who started an undergraduate course on or after 1 September 2012	£27,295	9%	While studying: RPI +3% After studying: Interest is based on income: • £27,295 or less = RPI • between £27,295 and £49,130 = RPI plus up to 3%, depending on income • over £49,130 = RPI plus 3%	Any loan plus interest remaining 30 years after the former student is due to start making repayments will be cancelled.

Repayment plan	Repayment threshold for 2021/22	Repayment rate above threshold	Interest charged	When is the debt written off?
Plan 3 Students who started a postgraduate Master's or Doctoral course on or after 1 August 2018	£21,000	6%	RPI + up to 3%	Any loan plus interest remaining 30 years after the former student is due to start making repayments will be cancelled.

Source: SFW, Student Loans - a guide to terms and conditions 2021 to 2022

25 At the end of 2020-21, the average loan debt for former students with a loan balance was £27,600. This includes part-time students and those who have withdrawn before completing studies, which reduces the average. **Exhibit 7** shows how the average debt has grown by 45% since 2016-17 when it was £19,070

Exhibit 7: average debt per former student with a loan balance, 2016-17 to 2020-21



Note: for former students that have reached the repayment threshold, the Partial Cancellation Scheme deduction (**paragraph 19**) has been made from their debt where appropriate. Where former students have not reached the threshold, the deduction has not been made.

Source: SLC, Student loans for higher education in Wales financial year 2020-21 Tables, Table 5A (iii)

26 Changes to the student support package over time, including those introduced in September 2018 following the 'Diamond Review'[3], have contributed to the increased average debt. The Welsh Government commissioned the Diamond Review for several reasons, including an intention to widen access to higher education. The previous Tuition Fee Grant[4] was withdrawn and fee support moved towards a more loan-based system. The new package is intended to provide more support for living costs and support that is equivalent to the National Living Wage at its maximum level. As the new package is more generous in terms of total financial support available to students it has also contributed to the increased average debt.

3 Welsh Government, Review of Higher Education Funding and Student Finance Arrangements in Wales, September 2016

4 The Tuition Fee Grant was a non means tested award that formed part of the previous student finance package in Wales to the value of £4,954 for full-time students starting in 2017/18.

27 The total amount that a former student must repay, and the time they will take to pay off their debt, depends on how much they earn. **Exhibit 8** shows four hypothetical examples of former students, with the same level of debt but different starting salaries. It provides a rough indication of the different amounts that each person might repay, and the time it would take to pay off their loans.

Exhibit 8: examples of how much people with an average amount of debt might repay, based on different starting salaries

	Person 1	Person 2	Person 3	Person 4
Starting salary	£25,000	£30,000	£40,000	£50,000
Assumed debt	£27,600	£27,600	£27,600	£27,600
Total amount repaid including interest (approximate nominal value)	£0	£15,000	£50,000	£41,000
Loan fully repaid?	No	No	Yes – 27 years	Yes – 16 years

Note: these are indicative estimates based on specific assumptions. We have assumed that: salaries and repayment thresholds increase in line with average UK earnings growth, as forecast by the Office for Budget Responsibility (OBR) in March 2020; interest is applied annually and RPI is as forecast by the OBR; there are no breaks in repayment; there are no additional voluntary repayments made to the loan; and the Welsh Government has paid off the maximum £1,500 off each loan through the Partial Cancellation Scheme.

Source: Audit Wales calculations

28 **Exhibit 8** shows that while Person 4 is the highest earner, they end up paying less overall than Person 3. Person 4 makes higher monthly repayments and pays off the debt quicker. With less time to accrue interest, Person 4 ends up paying less than Person 3 over the lifetime of the loan.

29 The exhibit also indicates how the repayment period – the length of time that a former student makes repayments – is impacted by their starting salary. At lower starting salaries (persons 1 and 2), the repayment period reaches the 30-year limit and the remaining debt is written off. The higher salaries of persons 3 and 4 see them paying more off their loan each month, so they pay off their debt before the 30-year limit.

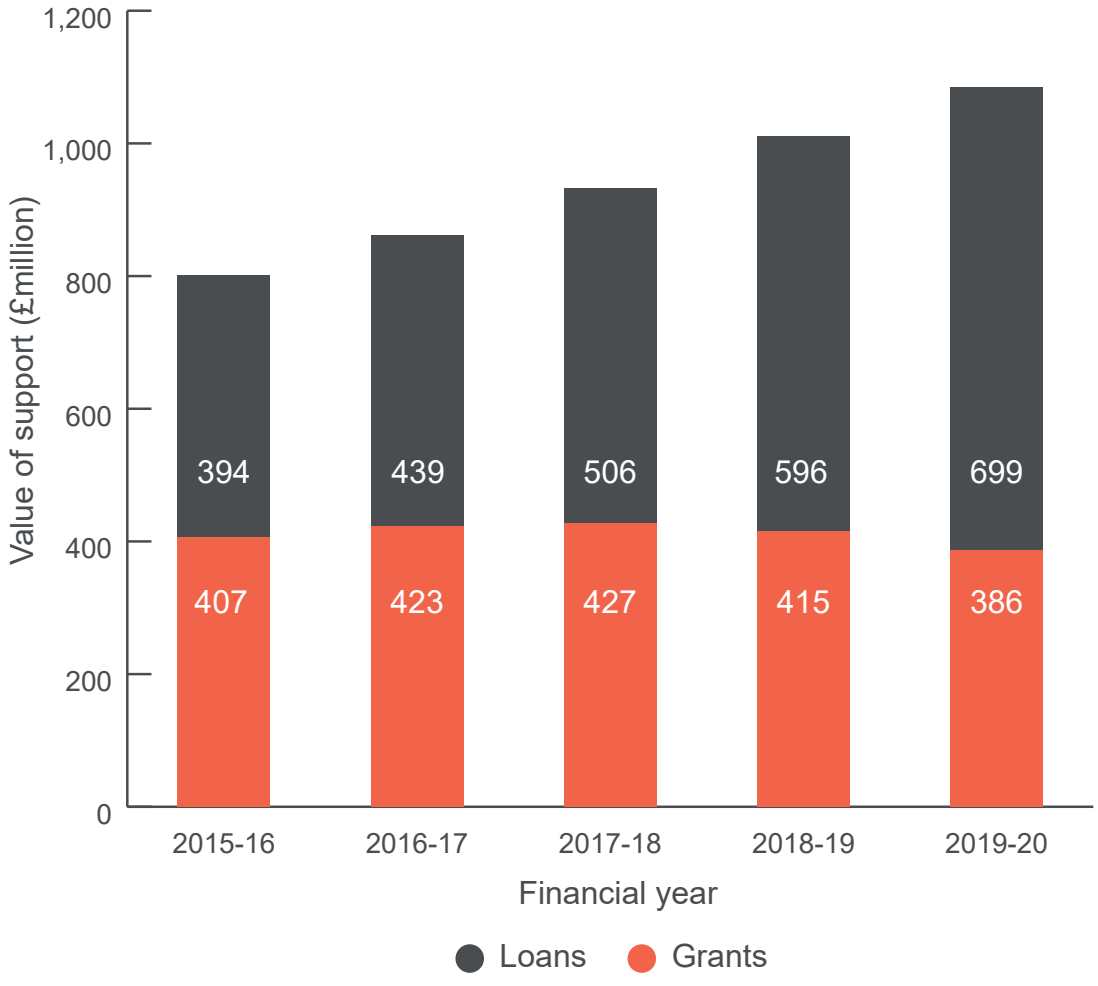
The Welsh Government's spending on student loans and grant

02

The cost of student finances in Wales has increased over recent years

30 The total annual financial support provided by the Welsh Government to students in higher education has increased by 35% since 2015-16, reaching almost £1.1 billion in 2019-20 (**Exhibit 9**). When inflation is considered, this represents a 24% increase.

Exhibit 9: grant and loan support provided to Welsh students, 2015-16 to 2019-20



Source: Audit Wales analysis of data supplied by the Welsh Government (excludes further education grants)

31 In September 2017, the Welsh Government committed to 'significantly increase the maintenance grants available to Welsh higher education students, breaking down barriers to university and ensure that across grants and loans all students have the equivalent of the National Minimum Wage'[5]. To achieve this commitment, the Welsh Government introduced the Welsh Government Learning Grant (**Exhibit 3**), although it also withdrew the Tuition Fee Grant.

32 Over the five-year period shown in **Exhibit 9**, there has been a reduction in the amount that students receive in grants, as a proportion of the total financial support. In 2015-16, grant support accounted for 51% of total financial support and by 2019-20 this had fallen to 36%. This fall results from changes following the Diamond Review (**paragraph 26**). **Exhibit 9** also shows a reduction in the total amount spent on grants. When inflation is considered, this represents a 13% decrease[6].

33 It is important that the Welsh Government controls its expenditure, particularly given the large sums involved. However, planning this expenditure is complicated because it is largely demand led. In the four-year period between 2016/17 and 2019/20, the number of Welsh undergraduates has been between 81,760 and 83,800. During the same period, the number of postgraduate students increased from 15,355 to 18,865[7].

34 In June 2020, the Senedd's Children, Young People and Education Committee discussed concerns about the risk of a drop in student numbers because of the COVID-19 pandemic[8]. However, published data indicates that the pandemic has not had the impact on student numbers that the Committee feared, at least not yet.

5 Welsh Government, Prosperity for All: the national strategy, September 2017

6 To calculate these real terms changes we have used the HM Treasury deflators published in March 2021.

7 Stats Wales, Enrolments of students from Wales by year, level and mode of study, January 2021

8 Children, Young People and Education Committee, COVID-19: Evidence Session on the Impact of COVID-19 on Higher and Further Education with Higher Education Representatives, June 2020

35 Information from the Universities and Colleges Admissions Service (UCAS)[9] showed that at the end of June 2020 there were more UK-wide university applicants holding a firm offer to start a course in Autumn 2020 than at the equivalent point the previous year. For Wales alone, the number of applicants was largely unchanged (21,470 at June 2019 and 21,330 at June 2020) and in January 2021 the number of applications had increased when compared with the previous year (18,430 at January 2020 and 21,120 at January 2021). In planning student finances, the Welsh Government uses a range of scenarios for trends in student numbers and is not currently predicting or planning for any fall in overall student numbers in future years[10].

The Welsh Government will not get back everything it is owed in loan repayments

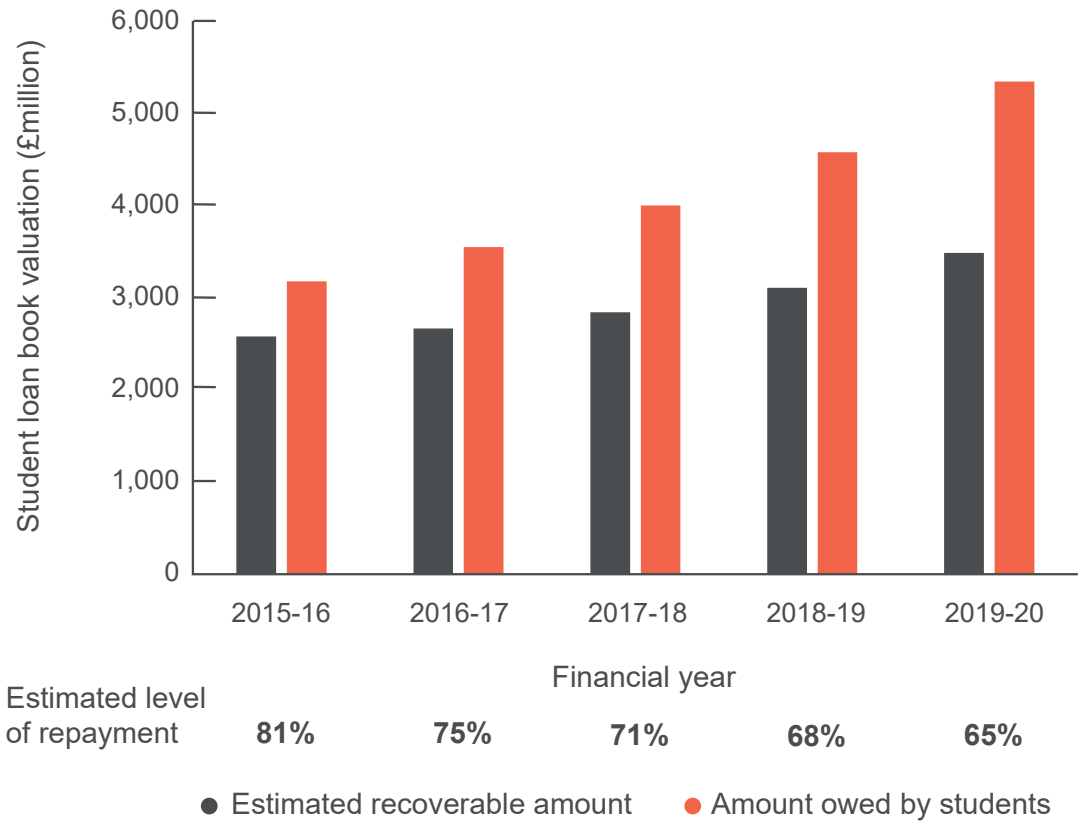
36 **Exhibit 10** shows that the total value of loans owed to the Welsh Government has steadily increased from £3.2 billion in 2015-16 to £5.3 billion in 2019-20. This is because new loans and interest have outweighed repayments and write offs.

37 However, the recoverability – the proportion that the Welsh Government estimates it will recover – has been decreasing over the same period. The main reason for this decrease is that the Diamond Review changes have resulted in more students taking out larger loans that are less likely to be repaid in full. At the end of 2015-16, the Welsh Government estimated it would recover around 81% of the loans outstanding. By the end of 2019-20, this had fallen to 65%, meaning for every £1 outstanding to the Welsh Government, it estimated it would recover 65p.

9 UCAS, 2020 cycle applicant figures – 30 June deadline

10 The Welsh Government forecasts the number of students that will apply for university, using data from UCAS, the Higher Education Statistics Agency and SLC. It takes a prudent approach to ensure forecasts have enough flexibility to be able to fund unexpected increases in demand for student finance.

Exhibit 10: amounts owed by former students and estimated level of repayment, 2015-16 to 2019-20



Source: Welsh Government Consolidated Accounts, Note 6 and supporting working papers

38 The student loan balance that the Welsh Government estimates to recover – £3.5 billion in 2019-20 – is one of the largest assets recorded in the Welsh Government accounts. It represents approximately 15% of the total Welsh Government assets balance of £24 billion. Given the size of this asset, it is important that the Welsh Government's estimates are as robust as possible.

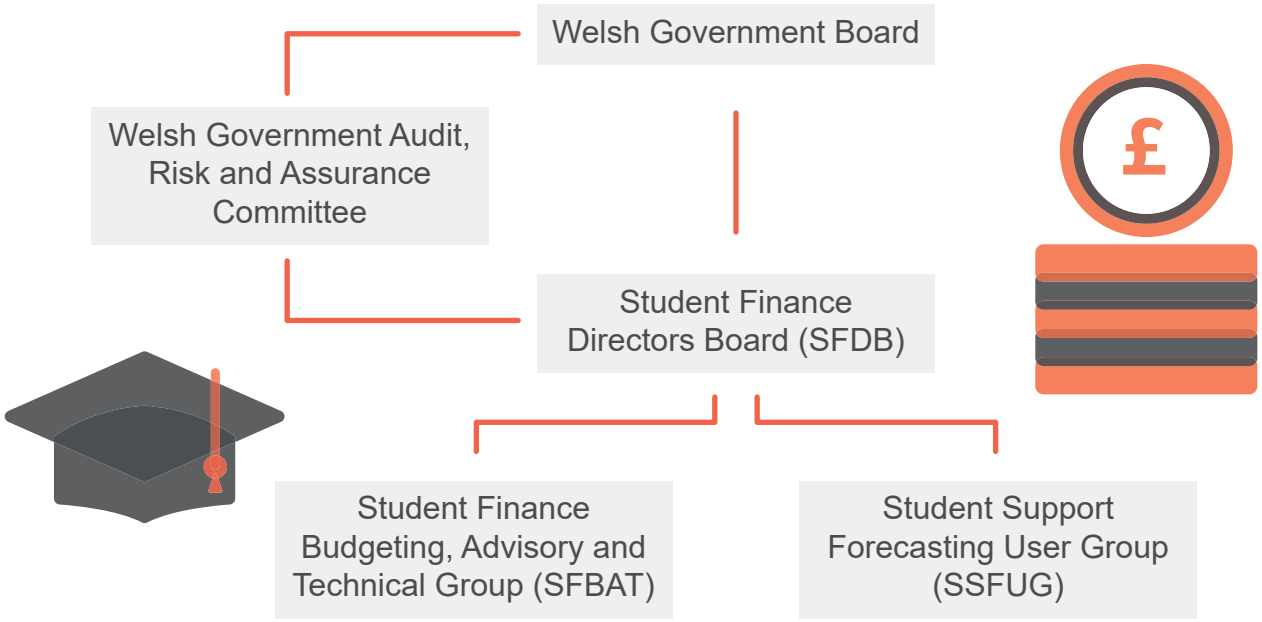
39 The Welsh Government has written previously to the Senedd Public Accounts Committee providing further detail about its approach to estimation and modelling[11]. In summary, the Welsh Government calculates a statistical estimate of the money it expects to be paid back, based on a complex set of assumptions about borrower demographics, future earnings, and economic growth for decades into the future. The calculations are derived from a financial model provided to the Welsh Government by the UK Government's Department for Education. The Welsh Government adjusts the model to ensure its suitability to Wales.

40 Audit Wales undertakes a high-level assessment of the model as part of our annual audit of the Welsh Government accounts. Our last audit in 2019-20 concluded that the estimate used by the Welsh Government was reasonable in all material aspects.

41 **Exhibit 11** shows the governance structure for student finances in the Welsh Government, which includes two groups tasked with forecasting and modelling future costs. The Student Support Forecasting User Group (SSFUG) discusses issues affecting the student support forecasts, including student numbers and higher education policy changes. The Student Finance Budgeting, Advisory and Technical Group (SFBAT) carries out detailed work regarding changes in policy, modelling and accounting. The Student Finance Directors Board (SFDB) reviews and approves recommendations from the SSFUG and SFBAT as well as discussing issues affecting student finance budgets, expenditure and financial reporting. The Terms of Reference for SFDB state that it should meet every quarter, or more frequently at the discretion of the Chair, although in the last year it only met twice.

11 Welsh Government, Letter from the Permanent Secretary to the Public Accounts Committee, 7 January 2021

Exhibit 11: the governance structure for student finances in the Welsh Government



Source: Audit Wales, based on information from the Welsh Government

The Welsh Government's oversight of the administration of student finances

03

The Welsh Government has been paying a little over £20 million a year to SLC to administer student finances

42 While the Welsh Government does not make payments directly to students, it must oversee the work of SLC and SFW to ensure the system is administered effectively and that it is securing value for money. Between 2018-19 and 2020-21, the Welsh Government paid SLC a little over £20 million a year – and £68.8 million in total – to administer student finances on its behalf (**Exhibit 12**).

Exhibit 12: funding provided by the Welsh Government to SLC to administer student finances, 2018-19 to 2020-21

2018-19	2019-20	2020-21	Total
£23.6 million	£21.8 million	£23.4 million	**£68.8 million**

Note: the amount that Welsh Government pays to SLC to administer student finances is not a fixed amount and changes each year in line with what SLC is asked to deliver. The funds listed cover the cost of day-to-day administration and the cost of change projects requested by the Welsh Government. The funds listed do not include any payments made through loans or grants to students.

Source: Welsh Government

The Welsh Government gets some assurance from participating in SLC's overall governance arrangements

43 As a shareholder of SLC, the Welsh Government participates in SLC's governance arrangements with the other government shareholders. In common with the other UK governments, the Welsh Government appoints an 'assessor' to attend SLC board and committee meetings. The assessor is not a full board member, but they are more than an observer and act as the Welsh Government's representative. The assessor has access to all internal governance information that SLC uses to oversee delivery and inform decision making, for example in respect of finances, service performance and risk management.

44 The National Audit Office is the external auditor of SLC. There was also a substantial assessment of SLC in 2019 through a UK Government 'Tailored Review'[12]. The Tailored Review looked at the 'operational health' of SLC, whether it was fit for purpose, well governed and run effectively and efficiently. The review found SLC was meeting the majority of its targets but highlighted an efficiency gap and that IT systems were outdated and driving complexity and cost. The review also highlighted various staffing issues. It pointed to opportunities to improve customer service and the value for money SLC provides and highlighted plans for a transformation programme, which is now in the latter stages of implementation. The Welsh Government is satisfied that the transformation programme has already delivered some improvements to the system.

45 The Government Internal Audit Agency (GIAA) provides another source of assurance. In 2020-21, the GIAA provided a 'moderate' opinion on the framework of governance, risk management and control within SLC. And in July 2021, the GIAA reported the results of its annual review of the accuracy of support payments made to students in 2020-21. The exercise looks at a sample of student support payments made by SLC on behalf of the Welsh Government during a financial year and provides an estimated error rate for the regularity of SFW approved payments. The estimated net error rate based on the sample testing in 2020-21 was 2.23%, of which 2.02% was considered fraud and 0.21% was SLC error[13].

The Welsh Government is satisfied that it has an equal say in setting policy objectives for SLC but there are no real sanctions for non-delivery

46 As a shareholder, the Welsh Government works with the other UK governments to develop SLC's policy objectives, taking account of any changes to relevant legislation and policy across the different parts of the UK. Together, the governments also determine the annual resources that SLC requires and develop key performance indicators for monitoring SLC's effectiveness. The governments work together to deliver these responsibilities through a Joint Quadrilateral Committee (JQC).

12 UK Government Department for Education, Tailored Review: Student Loans Company, July 2019

13 The 2020-21 net error rate was calculated from a sample of 200 transactions at a total sampled value of approximately £400,000. This figure was extrapolated against the £1.2 billion in payments made by SFW for higher education student support of behalf of the Welsh Government, resulting in an overall estimated error overpayment of £25.9 million.

47 The JQC meets monthly to discharge its functions which include, wherever possible, ensuring that policy development aligns across all four governments and that no shareholder is given undue preference. The JQC is chaired by the Deputy Director of the UK Government's Department for Education, who acts as an 'honest broker', a role introduced to ensure fairness and neutrality in decision making. The honest broker does not attend as a representative of the UK Government, this function is discharged by another representative.

48 The Welsh Government collaborates effectively with the other UK governments, and feels it is treated as an equal member despite being a relatively small shareholder. Welsh Government officials told us that there have been instances in the past when the Welsh Government has felt that that it was not treated as an equal member, but that the situation has improved over time as arrangements have matured and through building positive relationships with the other UK governments and SLC.

49 On behalf of all four UK governments, the Department for Education issues to SLC an Annual Performance and Resource Agreement. The agreement sets out what SLC is expected to deliver. It outlines the shareholders' priorities for the year, the confirmed resources delegated to SLC and the agreed performance measures and any associated targets.

50 The JQC receives a dashboard that considers delivery of the priorities and policy changes agreed in the Annual Performance and Resource Agreement. The dashboard provides an understanding of whether priorities are on track for timely delivery and any underspend that may occur due to delays in project delivery. The JQC has a process for deciding on how to use any in-year underspend on emerging priorities.

51 However, the Welsh Government has no real sanctions that it can take if SLC was to underperform or not deliver the agreed priorities. This is because the Welsh Government is a shareholder of SLC and therefore withholding payments or other financial sanctions would be likely to have direct impacts on SLC's ability to deliver services to Welsh students.

The Welsh Government's day-to-day oversight of the administration of student finances works well but relies heavily on a small number of officials

52 The Welsh Government's SLC Sponsorship Team oversees the day-to-day management of student finances. The team works with SFW to monitor real time delivery and performance and deal with quality issues and complaints from students.

53 The Welsh Government and SFW have fortnightly 'keeping in touch' meetings where they review the number of calls received, the percentage of calls answered, the number of applications received, approved and paid, the speed of processing applications and action to mitigate backlogs forming, student complaints and any emerging issues that could impact on service delivery. These meetings used to be weekly. The Welsh Government decided in November 2020 to have less frequent meetings because it was largely satisfied with the performance of SFW. The Welsh Government has regular communication with SFW outside the fortnightly meetings and both parties report good relationships and effective communications to deal with issues as they arise.

54 The Welsh Government told us that its Higher Education Division is well established with longstanding team members who hold considerable knowledge and experience. However, much of the responsibility for maintaining the relationship with SLC and SFW falls to a small number of staff. This presents a risk that a staff absence or departure could disrupt the work of the team and could mean that budgetary and performance issues would not be considered in a timely manner. Cover arrangements have previously worked well but long-term vacancies in the team due to secondments have added pressure on other team members.

55 While not directly engaged in the day-to-day relationship with SLC, the Welsh Government also has a Student Support Policy and Subordinate Legislation Team overseeing policy changes and regulatory implementation, along with a Higher Education Statistics and Finance Team that considers forecasts and trends. Indirect support is also provided through wider departmental governance teams overseeing the management of internal budgets and reporting requirements.

There are some limitations to the Welsh Government's overall scrutiny of SLC performance

Formal scrutiny of SLC performance focuses on UK-wide data but the Welsh Government has improved its use of Wales-specific data at an operational level

56 **Appendix 2** sets out the full list of key performance indicators and associated measures that SLC is required to report against. The main expectations of SLC set out in the 2020-21 Annual Performance and Resource Agreement are:

- deliver a great customer service based on an increased digital offering, decreasing avoidable contact, and ensuring compliance with data protection regulations and cyber-security best practice.
- through each academic cycle, deliver existing products securely, effectively, sustainably, and efficiently.
- increase repayment compliance, administer the loan book effectively and efficiently; as well as deliver post loan sale obligations and support future sales.
- manage change projects in a timely manner, balancing lowest practical cost with the need for achieving quality outcomes and agreed benefits.
- improve financial management and compliance with government and other controls, through a well-managed, skilled, engaged and properly rewarded workforce.

57 The SLC board considers performance against the Annual Performance and Resource Agreement measures on a quarterly basis. The information considered is for SLC as a whole and the board is not provided with Wales-specific data to consider whether performance for Wales is good and compares favourably with other parts of the UK. SLC has acknowledged that, with the majority of student finance activity relating to English students, there is a risk that the impact of data for England on the overall picture could mask issues in the delivery arrangements elsewhere. Improvements are planned, with SLC developing a new dashboard to provide more detail for each of the four UK nations.

58 The process for monitoring SLC performance continued in 2020-21. However, the JQC decided to suspend the formal performance arrangements outlined within the Annual Performance and Resource Agreement due to the additional pressures of COVID-19 and the potential impacts on delivery. As such, no formal targets were set for the 2020-21 measures (**Appendix 2**), although SLC continued to monitor its performance against a set of internal targets. **Appendix 3** provides a summary of SFW performance based on the data provided to us.

59 In addition to the formal reporting and scrutiny of performance that takes place through the SLC's governance arrangements, the Welsh Government has other operational meetings with SFW and other stakeholders, which regularly make use of Wales-specific data. The two main meetings are:

a) fortnightly keeping in touch meetings – the Welsh Government meets with SFW to receive a verbal update on performance issues and to consider and respond to any emerging concerns. Until December 2020, this data was presented at meetings without the Welsh Government receiving a formal data report. A report is now provided to the Welsh Government in advance of the meeting.

b) monthly Stakeholder Operational Group meetings – the Welsh Government meets SLC, the UK Government's Department for Education and other key stakeholders to discuss things such as application volumes, processing times and number of complaints for Wales. SLC provides data and graphs to show performance over time. By analysing Wales-specific data on complaints, the Welsh Government has been able to highlight Wales-specific issues and implement improvements, including the introduction of a new complaints handling function specific to Wales.

The Welsh Government could make better use of the information it receives by reporting data upwards through its governance structure to consider whether SLC is delivering value for money

60 While the Welsh Government makes use of performance information to identify issues and address areas of concern, it does not currently report on the performance of SLC or SFW through the governance arrangements described in **paragraph 41** and **Exhibit 11.** Nor does it include such performance information through the Welsh Government's Skills, Higher Education and Lifelong Learning quarterly reports.

61 This means there is little wider scrutiny within the Welsh Government's governance structures of whether SLC is meeting the KPIs within the Annual Performance and Resource Agreement and whether SLC is delivering value for money. There is also little consideration given to whether the administration of the system of student finances in Wales is contributing effectively towards the Welsh Government's wider ambitions for higher education.

There is scope to involve students more meaningfully in planning and monitoring the administration of student finances

62 Considering the needs and experiences of service users is vital to the planning and monitoring of any public service. As such, student involvement and engagement should be fundamental to the operation of SFW.

63 SLC undertakes a UK-wide, quarterly student satisfaction survey and report on students' experience of applying for financial support, their interaction with SLC staff and their satisfaction with the payments and repayments process. SLC and the Welsh Government have been discussing how best to re-design this survey to better capture students' experiences. Currently, the students are surveyed at the end of a phone call or email enquiry, which risks only capturing the experiences of students that have suffered an issue or have a complaint to make. A broader approach, to gather a larger number of responses, would provide a better picture of students' experiences of the end-to-end process of applying for and receiving financial support. We note that SLC has recently taken the positive step of setting up a Student Finance Customer Panel with three representatives from Wales.

64 More broadly, the Welsh Government has arrangements to engage with special interest student groups and consult them on proposed changes to the financial support package. However, the Well-being of Future Generations Act (Wales) 2015 requires public bodies to rethink how people are involved in shaping public services. There is scope to involve students earlier in the decision-making process to provide the Welsh Government with better insight about students' opinions and experiences, rather than consulting later in the process when proposals to change the support package have already been drafted.

The Welsh Government has no current plans to move away from the model of SLC administering student support on its behalf

65 The UK Government's Tailored Review (**paragraph 44**) raised many recommendations for improvement in SLC. It also noted that the Welsh Government was considering alternatives to the current delivery model of SLC administering student support on its behalf.

66 The Welsh Government carried out scoping work as part of a 'Discovery Review' to map out the services that SLC provides on its behalf and to set out potential next steps for exploring alternative models. However, at the current time, with the Welsh Government largely satisfied with the service it receives from SLC, there are no plans to give further consideration to alternative models.

Appendices

1 Audit approach and methods

2 Student Loans Company performance indicators, 2019-20 and 2020-21

3 Student Finance Wales performance

1 Audit approach and methods

Our review aimed to provide a high-level overview of student finances in Wales, and to consider whether the Welsh Government is effectively overseeing the administration of student finances. We have built on some of the financial analysis in our commentary on the Welsh Government's Consolidated Accounts 2019-20[14]. **Exhibit 13** sets out our audit methods.

We focused on the Welsh Government's role. We have not sought to draw our own conclusions about the effectiveness of SLC and SFW's work, although we have reflected in our report performance information provided by SLC and we have referenced the Tailored Review that provided an overall assessment of SLC performance in 2019. SLC is audited by the National Audit Office, with whom we have kept in touch during our work.

We have not evaluated whether the financial support that the Welsh Government is providing to students is securing value for money in the context of the Welsh Government's wider objectives for higher education participation.

Exhibit 13: audit methods

Document and data review	We reviewed documents relating to the higher education policy background in Wales, the minutes of relevant forums, risk registers, the Annual Performance and Resource Agreement, monitoring reports, internal audit reports etc. We also reviewed data relating to demand for student finance, the Welsh Government's expenditure, and the performance of SLC and SFW on behalf of the Welsh Government.
Interviews and observations	We carried out a small number of interviews with staff involved in administering and overseeing the system of student finances, including staff from the Welsh Government, SLC and SFW. To better understand the experiences of students and universities, we spoke to representatives of the National Union of Students (Wales) and Universities Wales. We also discussed the themes of past complaints in relation to student finances with officers from the Public Services Ombudsman for Wales. Finally, we observed a small number of meetings related to the oversight, governance and management of student finances in Wales.

14 Auditor General for Wales, Commentary on the Welsh Government's Consolidated Accounts 2019-20, November 2020

2 Student Loans Company performance indicators, 2019-20 and 2020-21

This appendix sets out the agreed key performance indicators and associated measures for SLC in 2019-20 and 2020-21. On behalf of all four UK governments, the Department for Education issues to SLC an Annual Performance and Resource Agreement.

In 2019-20, the Annual Performance and Resources Agreement set out a suite of measures and related targets for SLC to achieve in delivering student finance, some of which were identified as specific key performance indicators. The 2020-21 Agreement also set out a suite of measures, but none were identified separately as key performance indicators and no targets were set due to the additional pressures of COVID-19 and the potential impact on delivery.

Some of the measures do not apply to Scotland and Northern Ireland because SLC does not provide a full, end-to-end service for student finances in these nations.

Deliver a great customer service based on an increased digital offering, decreasing avoidable contact, and ensuring compliance with data protection regulations and cyber-security best practice.

2019-20		2020-21	
Measure	**Target**	**Measure**	**Target**
Average number of incoming calls per application (KPI)	Target: 2.42	Percentage of satisfied apply to pay customers	No target
Percentage of satisfied apply to pay customers	Target: ≥ 85%	Percentage of satisfied repayment customers	No target
Percentage of satisfied repayment customers	Target: ≥ 73.54%		
Number of accepted complaints per 10,000 apply to pay customers	Target: ≤ 1		
Number of accepted complaints per 10,000 repayments customers	Target: ≤ 0.2		
Percentage of undergraduate applications completed without incoming phone call	Target: ≥ 66%		

Through each academic cycle, deliver existing products securely, effectively, sustainably, and efficiently.

2019-20		2020-21	
Measure	**Target**	**Measure**	**Target**
Percentage of undergraduate applications processed within 70 calendar days from application submission to customer receiving first offer of loan/grant entitlement (KPI)	Target 91%	Percentage of undergraduate applications processed within 70 calendar days from application submission to customer receiving first offer of loan/grant entitlement	No target
Percentage of calls answered	Target: 90%	Call Timeliness: Percentage of calls answered within 180 seconds	No target
Percentage of applications processed correctly the first time without rework required	Target: monitoring during 2019-20 for this to be a KPI in 2020-21	Processing Quality / Right first time:	No target
		Call Quality / Right first time: Percentage of applications processed correctly the first time without rework required	No target

Increase repayment compliance, administer the loan book effectively and efficiently; as well as deliver post loan sale obligations and support future sales.

2019-20		2020-21	
Measure	**Target**	**Measure**	**Target**
Percentage of borrowers in the correct repayment channel (KPI)	Target: ≥ 89.5%	Percentage of borrowers in the correct repayment channel	No target
Percentage of incoming cohort repayment customers matched successfully with HMRC records	Target: ≥ 97% by year-end	Percentage of incoming cohort repayment customers matched successfully with HMRC records.	No target

Manage change projects in a timely manner, balancing lowest practical cost with the need for achieving quality outcomes and agreed benefits.

2019-20		2020-21	
Measure	Target	Measure	Target
Percentage of change projects on schedule (KPI)	Target: 80%	Percentage of Evolve change projects on schedule	No target
Percentage of change projects on budget (once delivery business plan approved)	Target: ≥ 80%	Percentage of Policy change projects on schedule	No target
Percentage of total agreed benefits realised to be reported to shareholders on a monthly basis	No target		

Improve financial management and compliance with government and other controls, through a well-managed, skilled, engaged and properly rewarded workforce.

2019-20		2020-21	
Measure	**Target**	**Measure**	**Target**
Year-end outturn to be within the approved budgets, subject to the following tolerances (KPI)	Target: +0% / -10% for Administration Departmental Expenditure Limit (DEL) and +/- 5% for Programme and Capital DEL	Year-end outturn to be within the approved budgets, subject to the following tolerances.	Target: +0% / -10% for Administration DEL and +/- 5% for Programme and Capital DEL
Number of leavers as a percentage of the overall workforce (turnover rate) (KPI)	Target: ≥ 18%	Percentage of workforce responding positively to engagement and / or pulse surveys	No target

3 Student Finance Wales performance

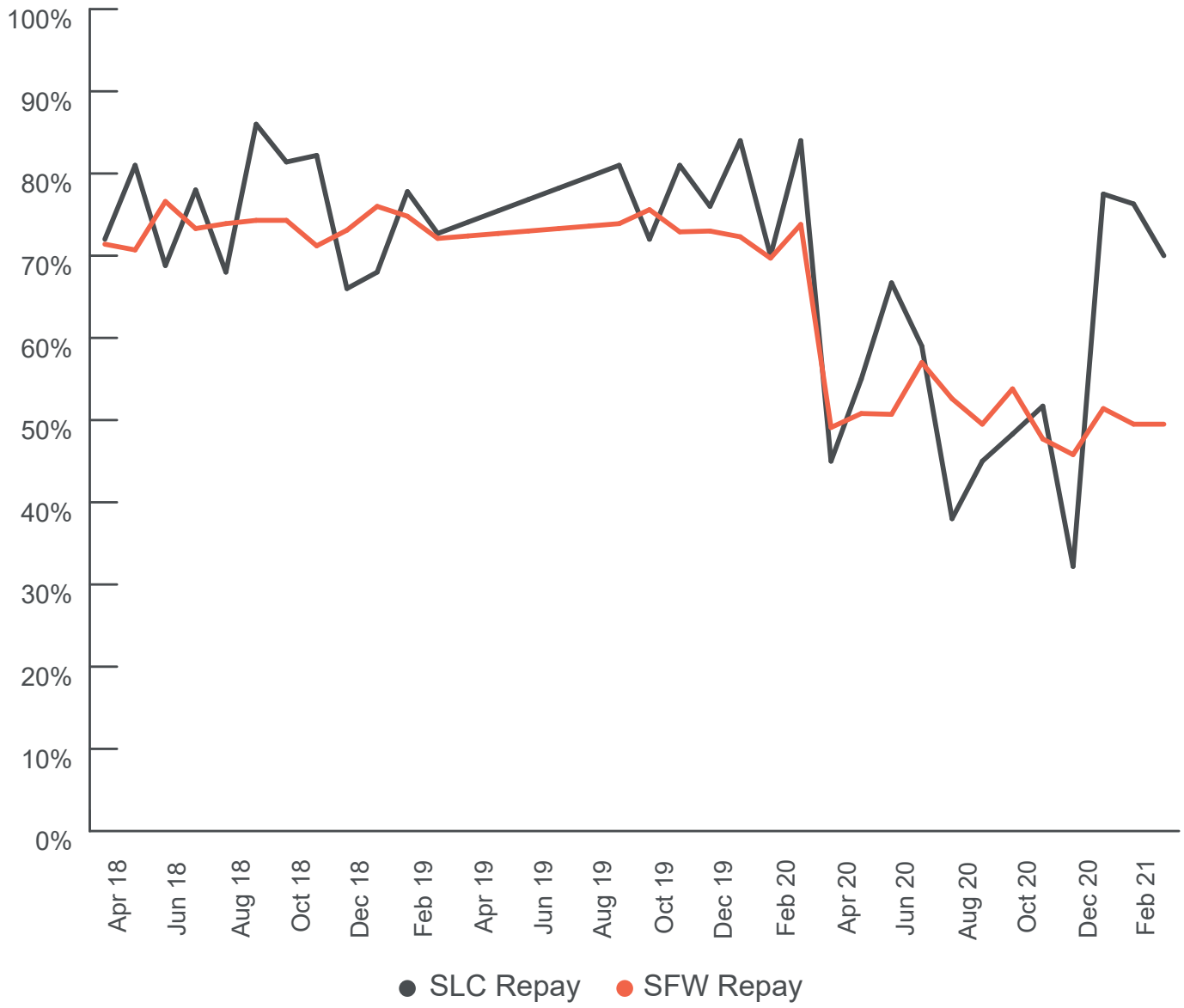
Our high-level analysis of SFW performance data suggests that Welsh students are making more avoidable phone calls to support their application than English students. In 2019-20 and 2020-21, SFW consistently received a higher number of phone calls from students per application than received by Student Finance England (SFE) and SFW combined. Each month during 2020-21, SFW did not achieve its internal target for this indicator. Performance also dipped during 2020-21 in relation to the percentage of calls answered by SFW, with SFW achieving its internal target in only 6 of the 12 months in 2020-21.

However, the data shows that undergraduate applications are processed more quickly in Wales than in the rest of the UK. In 2019-20 and 2020-21, the percentage of applications processed in 70 calendar days[15] has been consistently higher in SFW than in SFE and SFW combined. SFW achieved its internal target for this indicator in 8 of the 12 months in 2020-21.

Exhibit 14 shows that customer satisfaction with the repayment service in 2018-19 and 2019-20 was quite high, reaching a peak of 86% in September 2018. However, there was a marked decline from April 2020 through to December 2020 when satisfaction fell to a low of 32%, before the position improved in early 2021. **Exhibit 15** shows that there was a slight overall decline in satisfaction with the Apply to Pay service in Wales between 2018-19 and 2020-21, which ranged between 71% and 90%.

15 From application submission to customer receiving first offer of loan/grant entitlement.

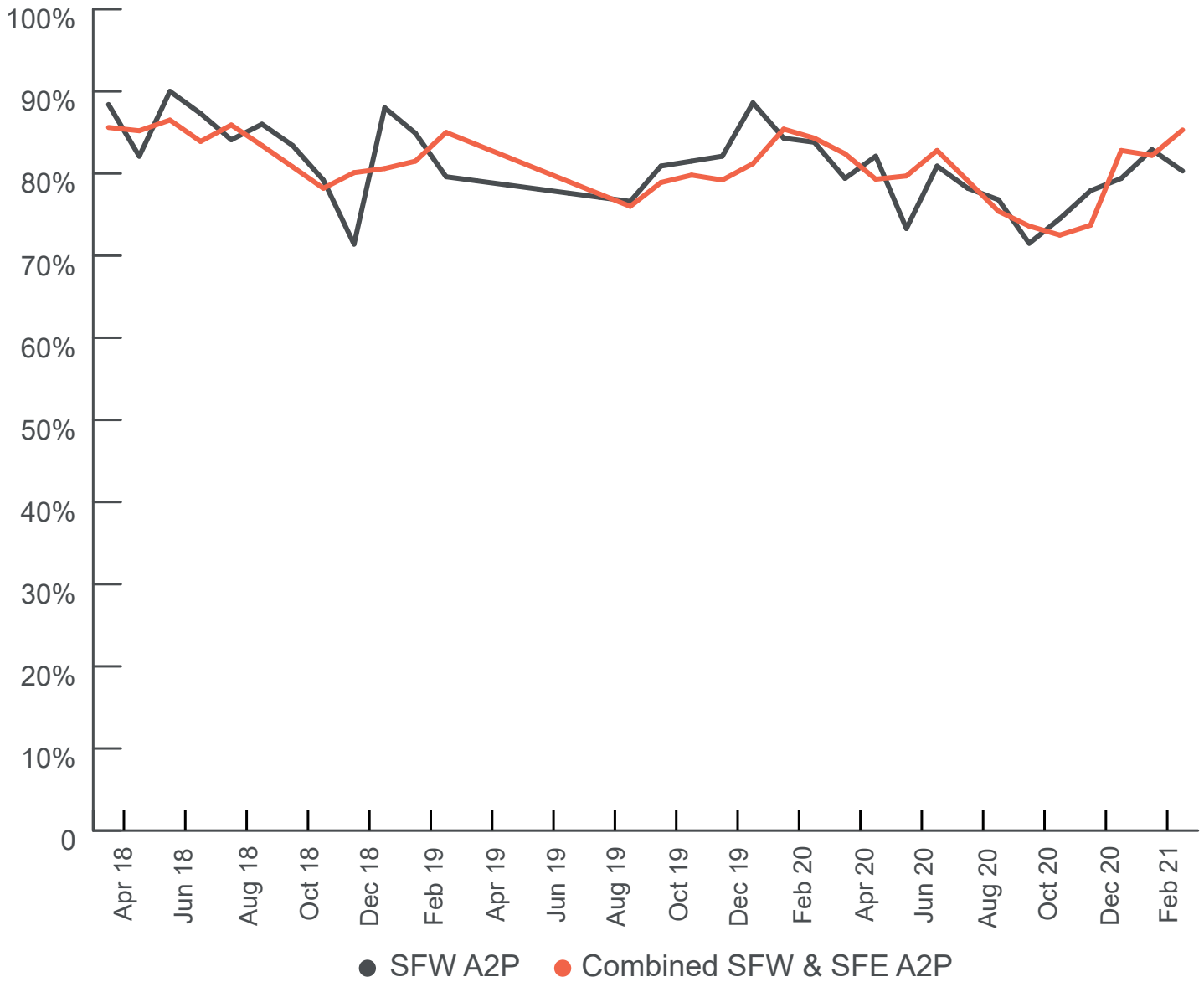
Exhibit 14: customer satisfaction with the repayment service



Note: the SLC repayment service relates to former students who have begun to repay their student loans.

Source: SLC

Exhibit 15: satisfaction with the Apply to Pay service



Note: the SLC Apply to Pay (A2P) service relates to all student finance applicants, successful and unsuccessful.

Source: SLC

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Agenda Item 9

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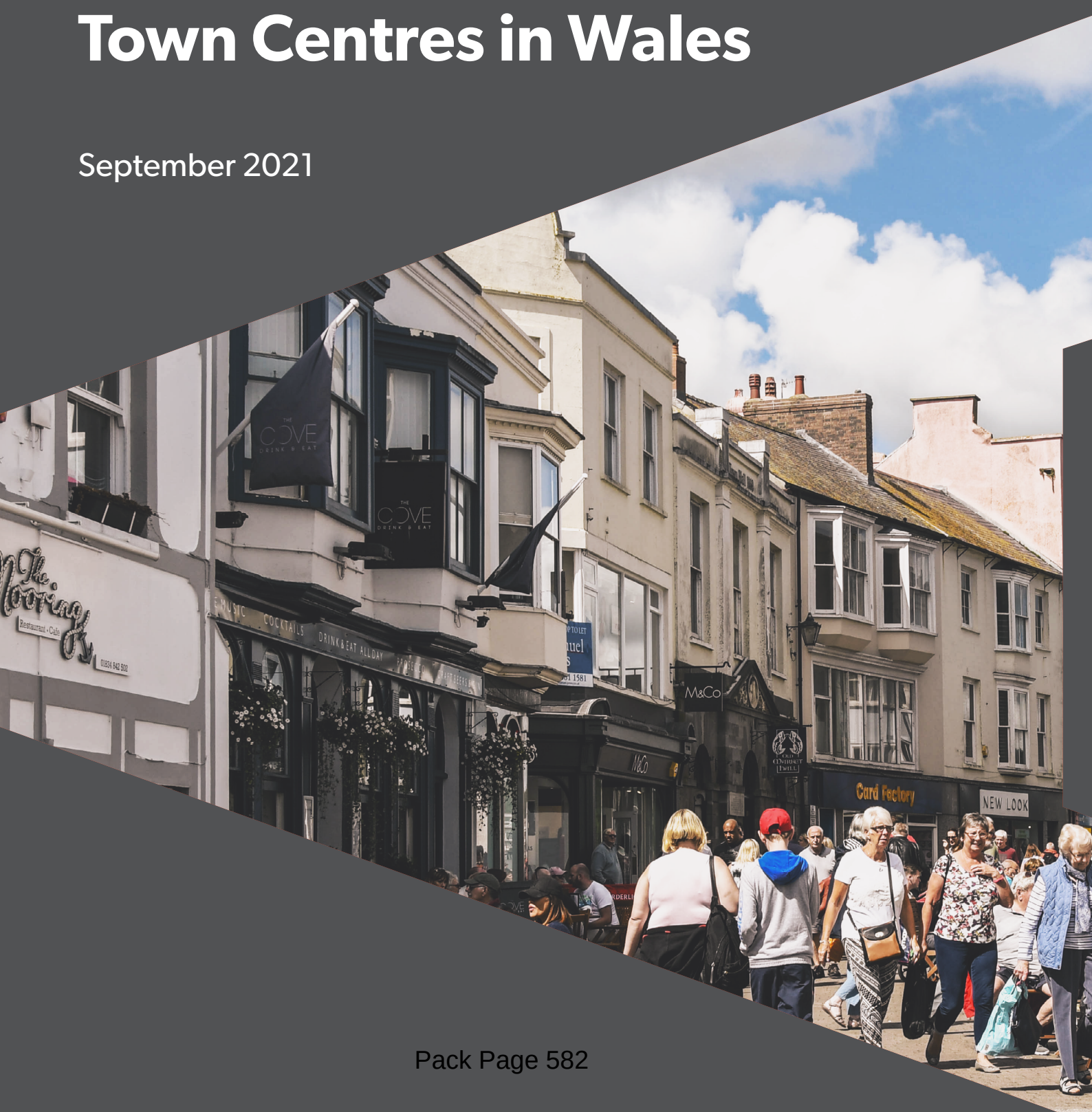
Audit Wales

Regenerating Town Centres in Wales

September 2021



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Mae’r ddogfen hon hefyd ar gael yn Gymraeg

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Wales is a country of small interdependent towns

1 Wales is a nation of small towns. Towns are where people live, work and play. Town centres are historic and cultural centres. They have communal spaces, public art, and spaces to congregate. Town centres are where we see our most distinctive buildings and public realm. Just over 2.5 million people in Wales live in towns and cities[1] and towns remain at the heart of Welsh life and are places that people value and love. Using the Wales Institute of Social and Economic Research and Data (WISERD) and the Institute of Welsh Affairs Understanding Welsh Places research, there are 192 places in Wales that have 2,000 or more inhabitants that can be classed as a town or large village; places that people class as their 'local' town – **Exhibit 1**.

1 citypopulation.de/en/uk/wales/ – settlements with a population of over 2,000 are included in this analysis. We have used the Understanding Welsh Places data as it enables the interdependency of towns to be better understood and demonstrated.

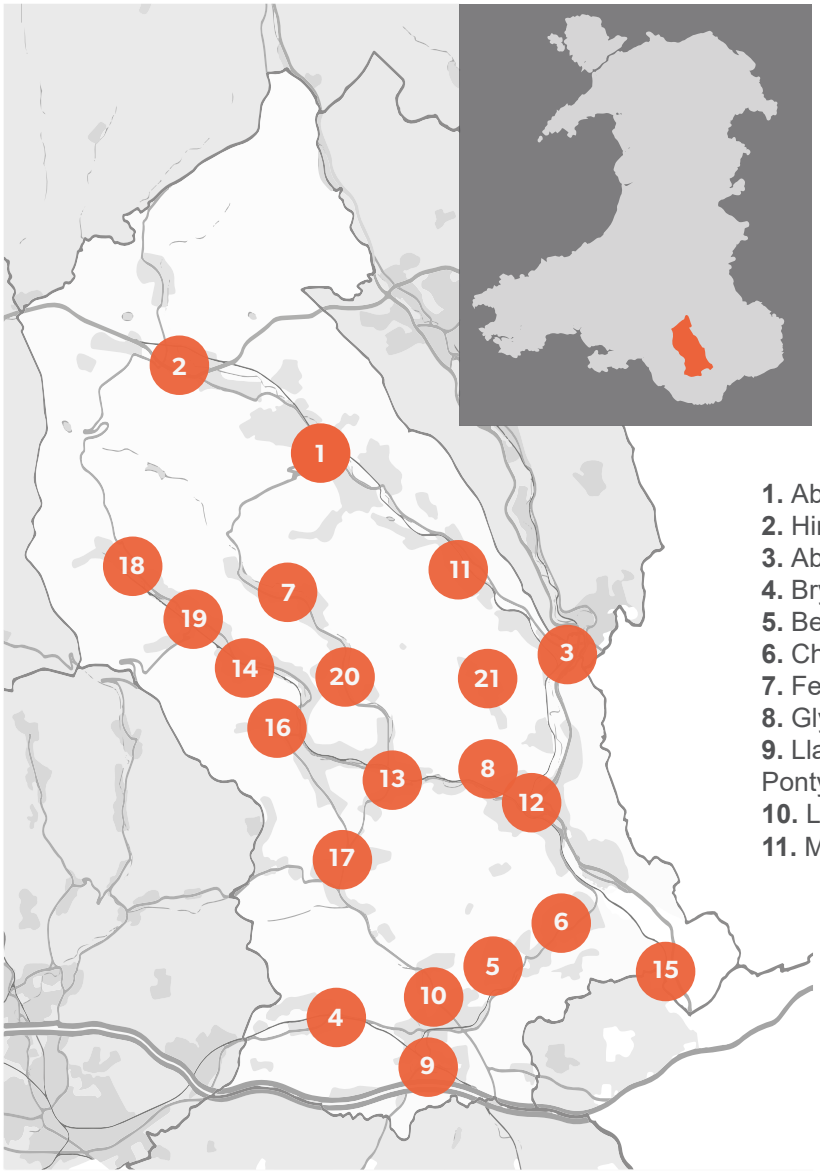
Exhibit 1: the 192 places in Wales with 2,000 or more residents

Wales is a country of small interdependent towns, villages and communities.

Source: Wales Institute of Social and Economic Research and Data/Institute of Welsh Affairs, Understanding Welsh Places, December 2020 release

2 What a town has, and what it provides, reflects many different things; its geography and location, the relative affluence of the population, its infrastructure, amenities and accessibility. Towns will therefore have issues in common. But they will also have very different circumstances. No two places are the same and require different solutions to the challenges they face. The relationship between towns therefore varies. Some are more independent and less reliant on neighbouring towns because they have a good and wide range of services and jobs. Others are more dependent, because anchor institutions have disappeared over time, employment has moved away, and few essential services remain. In these dependent places, people are often reliant on accessing neighbouring towns for work, to buy goods, meet friends and use leisure and recreation services.

Exhibit 2 provides an illustration of the interdependency of places within a local authority using Rhondda Cynon Taf as an example.



1. Aberdare
2. Hirwaun
3. Abercynon
4. Brynna
5. Beddau
6. Church Village
7. Ferndale
8. Glyncoch
9. Llanharry / Pontyclun
10. Llantristant
11. Mountain Ash
12. Pontypridd
13. Porth / Hendreforgan
14. Rhondda
15. Taff's Well
16. Tonypandy
17. Tonyrefail
18. Treherbert
19. Treorchy
20. Tylorstown / Penrhys
21. Ynysybwl

Key Messages

3 This report sets out the main findings from the Auditor General's review of how local authorities are managing and regenerating their town centres. The evidence base for our review is set out in **Appendix 1**. We have concluded that **town centres are at the heart of Welsh life and can be vibrant and sustainable places, but addressing the many challenges they face requires brave decisions and ambitious leadership.**

4 In the last 75 years, nowhere has seen as much change as the high street. Traditionally, the location of all major activities, the high street has undergone rapid revolution and has been significantly impacted by societal and technological change.

5 Many of the challenges facing today's high street are rooted in planning policy decisions of the Post World War II period. With the introduction of a new land use regime, local authorities were empowered to address war damaged urban areas. Between 1950 and 1980, local authorities prioritised regeneration of town centres creating new and greater retail space.

6 However, since then, the growth in out-of-town retail, the progressive loss of 'essential services' from town centres – banks, post offices and public services – and the growth in online shopping have contributed to a steady decline in many town centres. And the pandemic has added to these problems.

7 Overall, Welsh and local government have responded well to support town-centre businesses during COVID-19. The Welsh Government has also directly invested or levered in almost £900 million in the last seven years to help regenerate town centres. Despite this funding, town centres often struggle. Local authorities are the key public bodies to help regenerate town centres, but they often lack capacity and skills to deliver the sustainable regeneration needed. Powers that can help stimulate town-centre regeneration are not utilised effectively nor consistently.

8 Town centre regeneration remains a national priority, but the Welsh Government's 'town-centre-first' policy is not yet fully embedded. This raises some questions about the strategies that are needed today to help create sustainable town centres. Often the starting point for discussions has been for government – national and local – to define the policies and instruments they propose to use to address the problems facing town centres. This has been the approach taken in Wales, but it has mostly fallen short of addressing the many problems in our town centres.

9 The challenges facing Wales following COVID-19 are unerringly similar to the regeneration of 1945 post-war Britain. National and local government need to deliver integrated solutions and make brave decisions going forward, providing honest, strong and dynamic leadership. Local authorities are well-placed to prioritise and lead on place planning, but need to be clear on the purpose of their town centres and involve public sector partners, the third sector, town and community councils, communities and businesses in decisions. Valuing and using information to fully understand problems and identify the best solutions have to be improved. Local authorities will also have to become increasingly more interventionist to address the challenges facing town centres.

Key Facts

Between **2012** and **2020**, bank and building society branches reduced by **28.8%** falling from **695** to **495**. ATMs have fallen by **18%** in the last three years, down from **3,189** machines to **2,616**.

There are **192** places in Wales with over **2,000** residents.

Post offices have marginally fallen by **3.9%** in the last decade and there are currently **925** branches across Wales.

Since January 2020, **64** retail companies have failed, resulting in **6,882** stores closing and affecting **133,600** employees in Great Britain.

In the last 12 months, online sales increased by **10%** in the UK, and their value by **30%**, an increase of **£23 billion**.

Since **2014**, the Welsh Government has invested and levered in just under **£900** million to help regenerate town centres.

One in every **seven** shops on high streets in Wales is empty.

Recommendations

10 Our recommendations are set out below. We expect each local authority to consider the findings of this review and our recommendations, and that its audit committee receives this report and monitors its response to our recommendations in a timely way.

Exhibit 3: recommendations

Recommendations

R1 Non-domestic rates have not been reviewed in recent years, and the levels charged do not reflect the current rents being achieved in many town centres.
We recommend that the Welsh Government review Non-domestic Rates to ensure the system better reflects town-centre conditions when the payments holiday ends in March 2022.

R2 Many town-centre businesses are impacted adversely by charging for car parking, access to public transport and poor transport infrastructure. We recommend that the Welsh Government work with local authorities to review transport challenges facing town centres and agree how best to address these.

R3 The Welsh Government has directly provided and levered in just under £900 million through 13 funding schemes to help regenerate town centres. However, some aspects of the Welsh Government's management of the funding are considered problematic. To ensure local authorities are able to maximise the impact of funding and tackle the more difficult and longstanding problems that would help transform their town centres, we recommend that the Welsh Government:

- consolidate funding to reduce bureaucracy by streamlining processes and grant conditions and keeping requests for information and supporting materials to a minimum;

Recommendations

- move away from annual bidding cycles to multi-year allocations; and
- rebalance investment from capital to revenue to help local authorities address staff capacity and skills shortages.

R4 The Welsh Government has provided all 22 local authorities with training on how best to use existing enforcement, financial assistance and debt recovery powers, but they are not being consistently nor effectively utilised to support regeneration. We recommend that local authorities take appropriate action, using these existing powers and resources available to achieve the best possible outcome for town centres by:

- using alternative methods of enforcement before using Compulsory Purchase Orders as a last resort;
- integrating enforcement strategies with wider departmental strategies across housing, environmental health, planning and regeneration teams to make more effective use of existing skills and resources; and
- ensuring there is capacity and the right expertise to use the full range of powers, working in collaboration with other councils to achieve good outcomes.

R5 The Welsh Government's 'Town Centres First' approach looks to put the health of town centres at the heart of the decisions taken by the Welsh Government, local authorities, the wider public sector, businesses and communities. This requires a high degree of integration between cross-cutting policy frameworks and decision making to promote town centres above much else. We recommend that the Welsh Government set out how it plans to deliver this in practice, its expectations of partners and the practical steps it will take to make this ambition a reality.

Recommendations

R6 Town centres are changing, and local authorities need to be receptive to these changes and plan to manage these shifts. We recommend that local authorities use our regeneration tool to self-assess their current approaches to identify where they need to improve their work on town-centre regeneration (the tool is here).

Past: How town centres have evolved over the years

01

Past policy choices, changing consumer expectations and technological advances are now adversely affecting many Welsh town centres

Many of the challenges facing today's high street are rooted in planning policy decisions of the Post World War II period

1.1 How our town centres look today is rooted in decisions taken in the aftermath of World War II. Prior to the 1940s, town centres had a mix of social and economic functions – residential, commercial and non-commercial usage, social clubs and churches. Town centres were often vibrant places with people mixing and socialising throughout the day, evening and night. By 1945, however, many towns and cities in Great Britain were damaged and in poor condition as a result of the bombing campaigns of World War II.

1.2 In response, parliament introduced the Town and Country Planning Act 1947[2] . This Act enabled local authorities to forcibly acquire bomb-damaged areas for redevelopment on payment of compensation to owners. The Act required planning authorities to undertake a survey and devise a land development plan to include industrial sites, residential areas, public services and transport. Over time, this has developed into the comprehensive public planning system we know today.

1.3 Importantly, the new powers enabled local authorities to regenerate and repurpose their town centres. From the 1950s onwards, many local authorities embarked on ambitious development programmes using compulsory purchase powers[3] to acquire key sites and deliver them for new development. Town centres were seen as the most valuable area because of footfall, infrastructure, business activity, land and real estate values, services and non-domestic rates. And within town centres, it was shopping that had the greatest value on the high street.

1.4 Consequently, retail became a key driver of town-centre regeneration. By expanding central shopping districts, local authorities were able to generate more income through non-domestic rates and create wealth in towns by attracting more shoppers. However, the drive to redevelop and raise property values left town centres heavily dependent upon shopping. It changed high streets from vibrant 24-hour places into areas that increasingly had a limited purpose outside trading hours.

2 Town and Country Planning Act 1947 (legislation.gov.uk)

3 Compulsory purchase powers are an important tool to assemble the land needed to help deliver urban and rural regeneration, essential infrastructure, the revitalisation of communities, and the promotion of business, and lead to improvements in quality of life.

1.5 Ultimately, retail-led regeneration also created an oversupply of shops, because local authorities, not prevailing market conditions, determined whether or not major new shopping developments took place. The growth in town-centre shopping also resulted in competition between local authorities and towns to have the best shops and the leading retail chains. These were often seen as an important mark of 'status' and 'prosperity'. In some areas, such as South East Wales and the North Wales coastal strip more and more towns in a geographically small area redeveloped their town centres creating unsustainable levels of retail.

1.6 Whilst the growth in retail generated higher property values and non-domestic rates, retailing as a business is a poor option for economic regeneration. Jobs in the sector are generally low-skilled, low-paid, and often insecure. Innovations and new technologies are mostly used to minimise the numbers employed and drive down cost. And ultimately, retailing is about 'absorbing' disposable incomes in an area rather than 'creating' new wealth.

The growth in out-of-town retail has contributed greatly to the decline of town centres

1.7 By the 1980s, retailing land and property in town centres were becoming increasingly more expensive, especially compared to cheap land on the outskirts of towns and cities. Non-domestic rates on the high street were also considered prohibitive for developers. Some town centres which had seen significant retail growth in the 1950s and 1960s were now in poor condition and in need of modernisation. These changes, coupled with a relaxation of planning laws in the 1980s[4], encouraged out-of-town retailing.

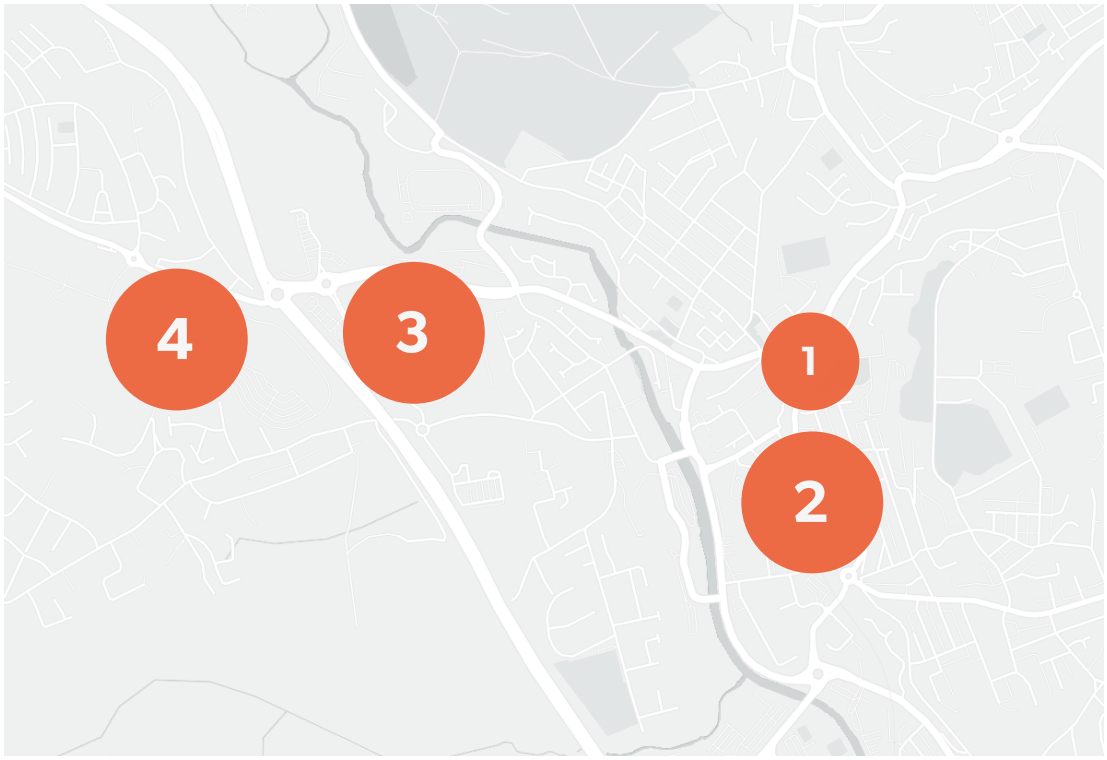
1.8 Out-of-town retail had a number of distinct advantages. The improvements in the road network, the development of motorways and growth in car ownership[5], made out-of-town shopping more attractive. They were much easier to access for shoppers, allowing people to drive quickly, and often with less congestion, to the retail park rather than travel to a town centre. Shoppers were able to visit several shops quickly and efficiently, often under one roof and protected from the elements. And with free parking and larger national chain stores, they offered more diversity and cheaper options than the traditional high street.

4 M Ball, Birkbeck College University of London, The 1980s Property Boom, 1993

5 The RAC estimates that in 1952 there were 2.5 million vehicles on Britain's roads. By December 2020, this had increased to 38.6 million licensed vehicles. Source: Spaced Out and Motoring FAQs

1.9 Unsurprisingly, the growth in out-of-town shopping adversely impacted town centres resulting in the 'Doughnut Effect' – the hollowing out of town centres as institutions, shops and businesses moved from the town centre to the edge of towns or ceased to operate. Previously thriving high streets now experienced increasing numbers of shop closures. Empty premises often became derelict and an eyesore, attracting anti-social behaviour. The businesses that remained often struggled and before long town centres were both unappealing places to trade from and visit. **Exhibit 4** provides an illustration of these changes using Merthyr Tydfil as an example.

Exhibit 4: Example of a changing town centre landscape - Merthyr Tydfil



1. Town Centre 1900's
2. Tydfil Square Shopping Centre 1980 and Beacon Place 2000
3. Cyfartha Retail 2005
4. Trago Mill 2016

Fewer and fewer 'essential services' remain in town centres

1.10 Many customers value face-to-face services and they are often seen as playing a vital role in community cohesion, particularly in town centres with few other amenities. Town centre decline is often mostly acutely felt with the loss or closure of anchor institutions on the high street, especially banks, building societies and post offices.

1.11 In recent years there has been a dramatic reduction in these essential services in town centres across Wales. Between 2012 and 2020, bank and building society branches in Wales reduced by 28.8%, falling from 695 to 495. The number of ATMs has also fallen by 18% in the last three years down from 3,189 machines in July 2018 to 2,616 in February 2021[6]. Post offices have marginally fallen by 3.9% in the last decade and there are currently 925 branches across Wales.

1.12 Both businesses (79%) and citizens (68%) we surveyed overwhelmingly noted that their local town centre lacked these essential services. The loss of physical banking services directly affects businesses. Less people visit town centres with no banks, building societies or post offices. Research shows that town-centre businesses have 20% greater profit when there is a bank and post office in their town centre. Small businesses are significant users of branches and a lack of access to branches can create problems for some micro businesses. Around 20% of small businesses with a turnover below £2 million use branches as their primary means of banking[7].

The continued growth in online shopping and changing shopper demands have adversely impacted town-centre retail

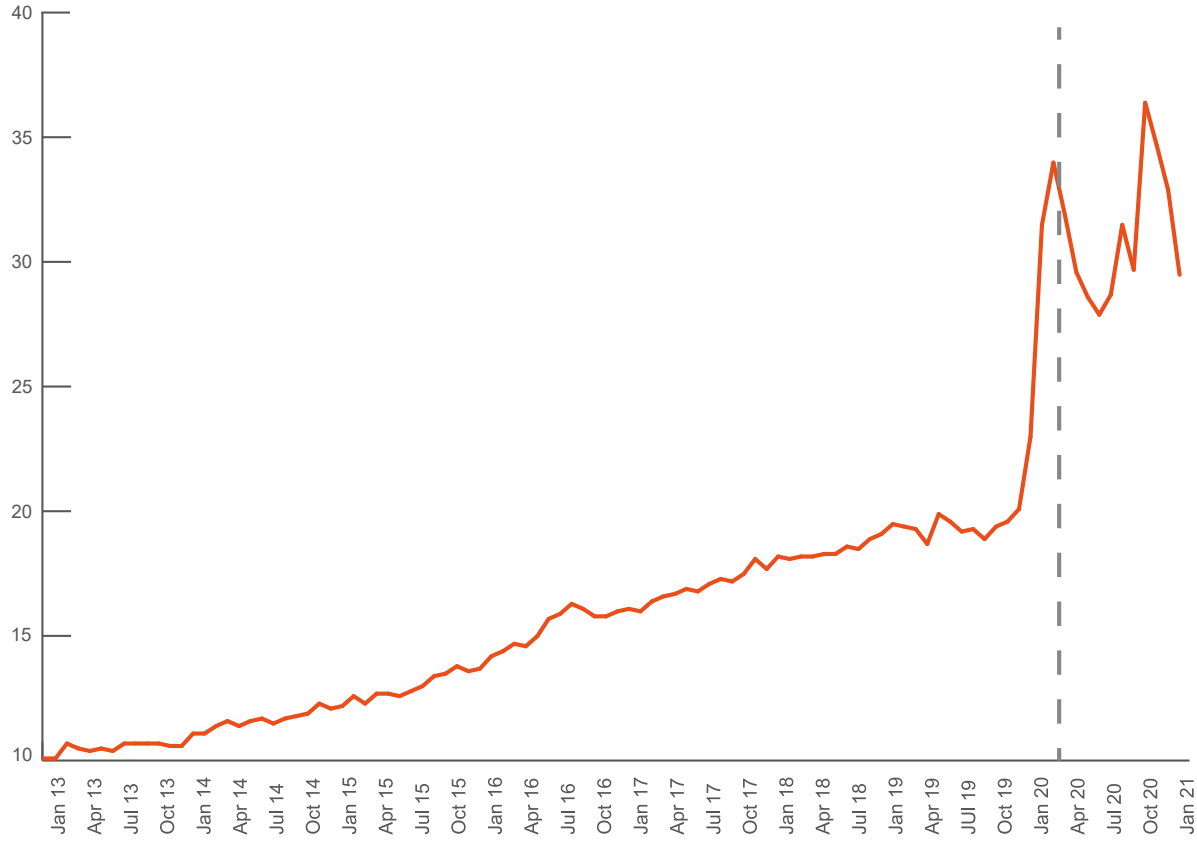
1.13 The internet has changed the way we shop. Even those of us who do not regularly buy online search online for prices, product specifications and availability before heading to the high street. Many of us find it easier to order goods and services through a website, unrestricted by store opening times and from the comfort of our home, rather than trawl through shelves in a shop. Retailers recognise that the internet is transforming the way that customers shop, re-shaping the high street as a result. **Exhibit 3** shows that in the last 12 months online sales increased by 10% in the UK, and their value by 30%, a growth of £23 billion.

6 House of Commons Library, Bank branch and ATM statistics, 19 April 2021

7 Financial Conduct Authority, When bank closures bite: the picture across the UK, 13 March 2019.

Exhibit 5: internet sales as a percentage of total retail sales in the UK 2013-2021

Online and mobile sales doubled between 2013 and 2021.



Source: Office for National Statistics, Retail Sales Index time series

1.14 Research estimates that the value of online sales in 2021 is £141.3 billion[8]. Our surveys show that since the start of the pandemic, 89% of citizens have used online services more than previously and 74% of town-centre retail businesses introduced online services for the first time. The UK shops online more and uses mobile devices to shop more than any other European country[9]. Online shopping is well embedded in UK consumer behaviour and is anticipated to continue to grow, although in some areas of Wales quite large numbers of adults remain 'offline' rather than 'online'[10].

8 UK Retail Ecommerce Sales, 2019-2024 (www.emarketer.com)

9 Centre for Retail Research, Online: UK, Europe & N. America 2020 estimates

10 The Office for National Statistics reports that whilst 8.7% of the UK population never or rarely uses the internet, Wales has some of the poorest levels of usage. In Powys, 20% of the population aged 16 and over have never used the internet or rarely do so (not accessed online services within three months) and 15% of people in the South Wales and Gwent valleys.

1.15 All of this has had and will continue to have a major impact on high street retail. Since January 2020, 64 retail companies have failed in Great Britain resulting in 6,882 stores closing and affecting 133,600 employees by May 2021[11]. Shopping centres have been particularly exposed to the effects of the pandemic, principally having a lower proportion of 'essential' retailing, more department stores and being exposed to greater levels of online competition. Research suggests a net loss of 402 national chain stores ceasing to trade in Wales during 2020[12].

1.16 Between December 2017 and December 2020, empty retail units rose from 4.9% to 8.8% on retail parks; 11.2% to 12.5% on high streets; and 13.2% to 15.6% in shopping centres[13]. In April 2021, the British Retail Consortium reported that one in seven shops is now empty. This masks huge disparities. Attractive larger shopping destinations, whether in thriving urban centres, or affluent seaside towns are doing well. At the other end of the spectrum, smaller towns have even higher vacancy numbers and struggle to provide the quality of experience and convenience that shoppers want.

1.17 Growing vacancies also impact landlords, which can add further problems for town centres. The growth in vacancies can deter investors from creating new retail space or improving existing sites due to the drop in the likely rate of return. There is also a risk that sites will not be redeveloped because of fragmented ownership and other difficulties associated with their locations, particularly if inappropriate use change constraints are imposed by local authorities.

1.18 With the growth in online shopping, there has also been a more subtle change in other aspects of shopper behaviours. In the past retail, was mostly about buying essential goods – food and clothing – and convenience, being local, was key. In more recent years, retail has grown to focus on luxury and experience. More costly 'luxury' items such as SMART phones and personal computers, often have the best deals in bigger retail centres and are often not available in local towns. For some, shopping is also less 'functional' and has become a favourite hobby. A day-out activity centred on 'experience' and built around dining out, socialising, entertainment, meeting up with family and friends and attending events.

1.19 In a digitally dominated world, investing in digital infrastructure and basic skills can play a vital role in revitalising high streets. However, at this time, the offer in most of Wales' town centres is not strong. Our citizen survey found that towns mostly lack an effective digital offer with poor connectivity, limited free and effective Wi-Fi. This puts people, especially younger people, off from visiting.

11 Centre for Retail Research, Who's Gone Bust in UK Retailing in 2019-2021?
12 pwc, Store Openings and Closures - 2021
13 Research by Statista, available on their website

Non-domestic rates continue to make most town centres unattractive places to invest in, although the current payment 'holiday' is welcomed

1.20 Non-domestic rates are an annual property tax paid on the rateable value of the property each business occupies. The rateable value is a notional figure calculated in terms of the likely rental of the property. Non-domestic rates revaluation normally takes place every five years and is conducted by the Valuation Office Agency. The most recent revaluation in Wales took effect in April 2017, and the next one is currently scheduled for 2023[14]. Some 113,100 properties are liable for non-domestic rates in Wales and contribute over a £1 billion annually to the Welsh Government's budget[15].

1.21 Businesses and council officers we surveyed and interviewed note the challenges created by the non-domestic rates regime. In recent years, some retailers have achieved big rent reductions as leases come up for renewal, or by renegotiating rents or using corporate voluntary arrangements. Indeed, research suggests that in towns with high retail vacancy rates, market conditions are so difficult that some have managed to get zero-rent deals. However, despite rents falling, rateable values remain at 2017 levels, and many noted that they do not reflect the reality and cost of trading on the high street today. To put it simply, high street retailers have historically paid more for something that is worth less, and the cost model no longer works for many retailers.

1.22 Non-domestic rates account for a disproportionately high percentage of total occupancy costs and are seen as a deterrent to new businesses and start-ups. Non-domestic rates are also disproportionately high for most retail businesses, which places them at a disadvantage compared to the e-commerce retail sector. The Centre for Retail Research estimates that store and shop-based retailers paid £7.168 billion in non-domestic rates in 2018-19, equivalent to 2.3% of their retail sales, whilst online retailers paid £0.457 billion, around 0.6% of online traders' sales[16].

1.23 There is a range of initiatives by the Welsh Government and local

14 Senedd Research, Business Rates: Frequently asked questions, 2018.
15 Senedd Research, Business Rates: Frequently asked questions, 2018.
16 Centre for Retail Research, Business Rates and the Future of the High Street

authorities that provide non-domestic rate relief[17]. And, through 2020-21 and 2021-22, the Welsh Government has provided further support in response to coronavirus restricting trading, to the extent that over 70,000 businesses currently pay no rates at all[18]. This has been welcomed by businesses we surveyed. However, a number noted that when the pandemic concludes, and the business rate holiday is over, there is a need to create a level playing field with out-of-town retailers and online providers, both for non-domestic rates, but also charges like car parking. For instance, exploring innovative and flexible charging with lower pricing and 'connected value' such as varying charges based on visitor numbers to create more revenue.

High Streets are more than just retail, but this is often overlooked

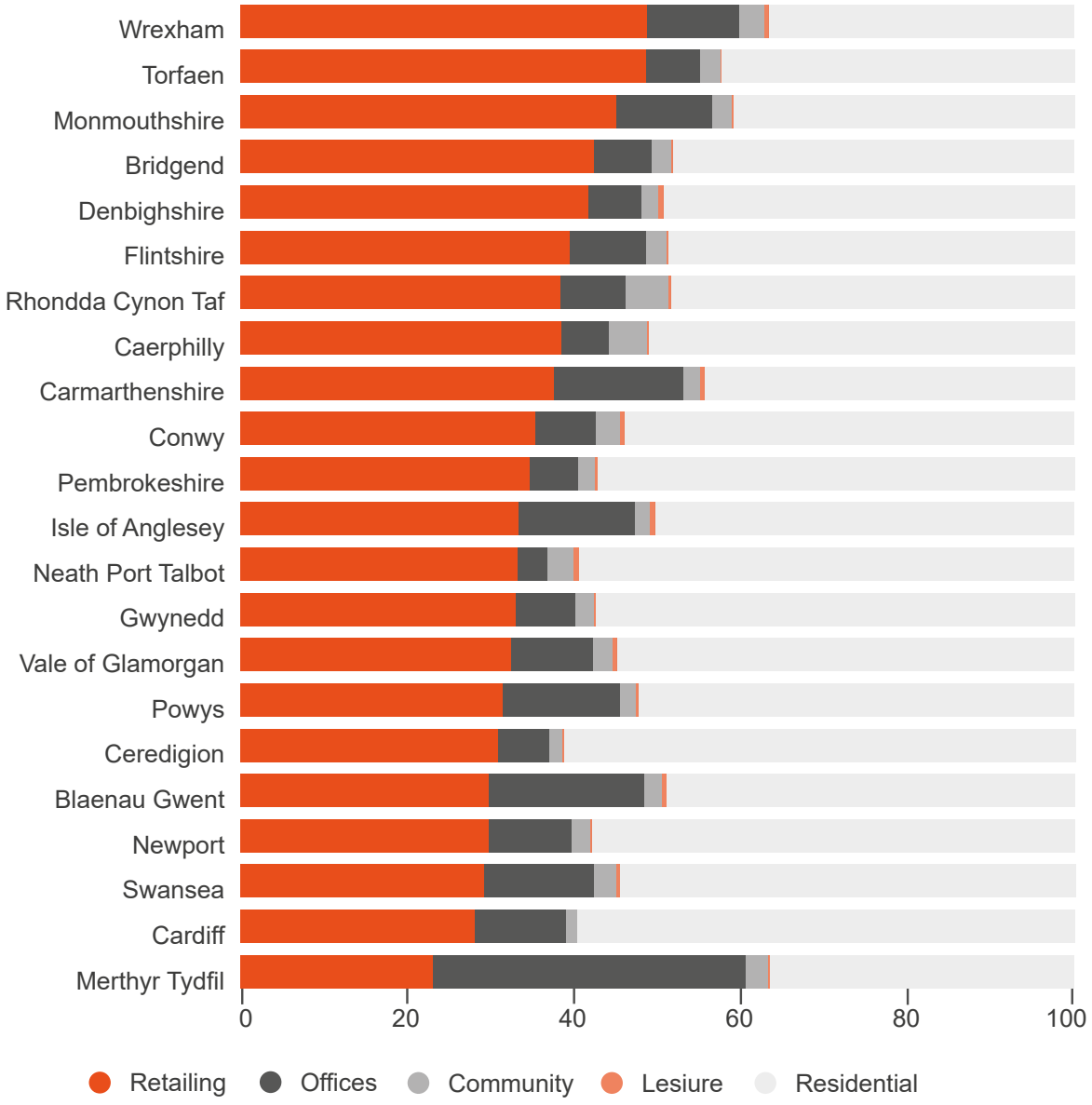
1.24 Whilst much of the debate has focussed on the decline of retail on high streets being the major issue of concern, town centres offer far more than just shops – **Exhibit 6**.

17 Welsh Government: Business Wales, Business Rates Relief in Wales

18 Welsh Government, Business rates holiday extended for 12 months, March 2021

Exhibit 6: addresses on the high street, by land use category and local authority in March 2020

Town centres are mostly residential but are often presented solely in terms of retail.



Source: Office for National Statistics, High streets in Great Britain, March 2020

1.25 This data, published by the Office for National Statistics drawing on land use categorisation[19], shows that the amount of retail on high streets varies widely – ranging from roughly 50% of high streets in Wrexham to less than a third of premises on the high streets of the three main cities in South Wales. Merthyr Tydfil has less high street retail than any local authority area, where under a quarter of high street premises are shops. There are few local authorities with over 10% of their high streets accommodating offices, although in Merthyr Tydfil offices account for over a third of all properties on the high street.

1.26 Overwhelmingly, town centres and high streets are residential areas. At least a third of all addresses are homes, rising to over 50% of all high street addresses in 12 of the 22 local authorities. Town centres also account for a significant proportion of a local authority's total population, roughly a fifth in Cardiff and Newport, for example. The population of our high streets is overwhelmingly 'young' with the vast majority aged between 16 and 64. Importantly, students are also mainstays of town centres in university towns and cities, accounting for 41.3% of the population in Ceredigion, 23.1% in Cardiff and 17% in Gwynedd and Swansea.

Town centres are mostly geared for the daytime retail economy and mostly have a limited leisure, social and night-time offer

1.27 Town centres are primarily configured for daytime services and the night-time offer is mostly underutilised. Our research found that roughly half of people live within a mile of their town centre (44%) and 86% within five miles. Before the pandemic, 82% of people visited their local town centre at least once a week and over half of these (60%) several times a week. Just over 40% of citizens visit their local town centre in both the working week and weekends and a similar number only in the working week. Less than 20% only visit their town centre at weekends.

1.28 Two-thirds of businesses operate both in the working week and at weekends. Just over a third during the working week only (34%) and 2% at weekends only. Most businesses (90%) work standard core hours – 9 am to 5 pm. Two-thirds of people regularly visited their town centres in the morning, just over half at lunchtimes, and just over half in the afternoons. Roughly a third of businesses work into the early evening (35%) and a smaller proportion later than 8 pm (15%). Less than a third of people visit town centres in the early evening and just over 10% after 8 pm (12%).

19 The high street features data are provided by Ordnance Survey, including the proportion of addresses that are for residential, retail, leisure and recreation, offices or community usage. Retail usage for the Ordnance Survey high streets data is classified by land use type as defined by the Ministry of Housing, Communities and Local Government. Definitions are here..

1.29 Overwhelmingly, survey feedback notes that local town centres do not have a good night-time offer. And these findings correlate strongly with the data set out in **Exhibit 6** above. Town centres across Wales offer little in the way of community use (defined as educational, institutional or religious buildings) and leisure (defined as indoor or outdoor recreation) services and facilities. No local authority has more than 5% of its high street with community buildings, and less than 1% of all Welsh town centres is turned over to leisure and recreation usage. With less demand for retail, community, leisure and recreation are obvious areas for growth.

Many town centres are not easy to access

1.30 Much of Wales lacks efficient, affordable, accessible and comprehensive transport. Despite Welsh Government policy emphasising the importance of public transport being accessible and available, and a number of national initiatives to improve current provision, the reality for many people we surveyed is that networks and modes are not adequately linked in many towns across the country. This has led to a continued reliance on cars. Our surveys found that 73% of people regularly access their town centres by car, with less than 20% using public transport.

1.31 Survey respondents noted issues of concern with the availability of car parking, its cost and poor public transport alternatives as key barriers to visiting their town centres more frequently. Transport infrastructure – cycle ways, pavements and roads – were all identified as being in generally poor condition and in need of investment and upgrade. Overall, both businesses and people responding to our surveys flagged the continuing deterioration of roads and inadequate integrated public transport as major problems.

Present: Town centres today

02

Businesses have been well supported during the pandemic, but local authorities often lack the skills, capacity and resources to help create sustainable town centres despite significant Welsh Government funding

National and Local Government responded well supporting town-centre businesses during COVID-19, but it has created uncertainty for the future

2.1 The pandemic saw an overnight change in how people used town centres. Shoppers' spending and travel habits changed, and whilst demand for public services increased, many people took advantage of online platforms to access these. Most town centres were already having to adapt to a significant period of change before the pandemic, as they have done in the past, reflecting societal changes over decades. But rarely has such drastic change happened in a short period of time, as restrictions were imposed on movement and business operations nationwide.

2.2 Early on, restrictions led to a short-term change of habits, but we heard differing views over how long lasting this change will be, and this continues to be the subject of intense debate by economic analysts. COVID-19 dramatically reduced people visiting their town centres, with 91% we surveyed stating they visit less frequently than in the past. But our surveys also suggest a desire to return to previous habits, with the majority of businesses (61%) and citizens (57%) intending to operate/visit and use their town centre as they did before COVID-19. Only 8% of businesses and 13% of citizens see the pandemic as fundamentally changing how town centres will be used in the future.

2.3 Businesses have had to adapt quickly, and local and national government support had to be rolled out quickly and tailored accordingly. Besides the many challenges faced, the restrictions also created opportunities for businesses to adapt their operating model to reflect these changing habits. As lockdown restrictions began to ease, businesses that adapted benefitted from increased footfall, as people stayed local rather than travelling into cities for shopping, work and leisure.

2.4 We found that three-quarters of businesses diversified their offer to provide an online service, 35% offering home delivery and take away services; 21% introduced mobile services including pop ups; and 12% converted premises for alternative use or trade. It is uncertain if these shifts will reverse, and businesses will have to reflect on how they intend to operate post-pandemic.

2.5 Businesses also see government support as essential to help them recover, with 76% seeing the loss of Welsh Government support as a major risk. Positively, 90% of businesses have applied for and received emergency funding from the Welsh Government to help them survive the full impact of COVID-19[20].

Local authorities introduced a range of measures to safely re-open town centres during the pandemic, but these choices adversely impacted some disabled people

2.6 Stakeholders also recognise the good work of local authorities to make town centres safe. 92% of businesses and 82% of visitors feel safe visiting their local town centre and the majority that their town centre is clean and well maintained. However, 'red tape', unnecessary bureaucracy, over regulation and poor leadership at a national and local level are seen as major blocks by several businesses. This includes decisions on pedestrianisation, car parking charges and business rates. Roughly a third of businesses (36%) believe that local authorities need to become more agile in their decision making to help businesses recover, and a smaller proportion (15%) better at co-ordinating action on the high street.

2.7 Just over 10% of citizens responding to our survey considered themselves to have a disability. Roughly half of these stated that they been disadvantaged in the decisions taken by their local authority when reopening town centres. Two-thirds noted the closure of key facilities, such as toilets, as a deterrent to visiting their local town centre. Similarly, the creation of pedestrianised zones (46%) and social distancing in shops and cafes (43%) to help manage the flow of people were noted as discouraging disabled people to visit their high street.

20 This funding was made up of two separate grant schemes, the Non-Domestic Rates (NDR) Grant and the Economic Resilience Fund, to support businesses during the lockdown period. Other economic measures such as the Self-Employed Income Support Scheme and Coronavirus Job Retention Scheme were also introduced.

The growth in home working in response to the pandemic has the potential to both benefit local town centres, but also reduce demand for businesses

2.8 There is evidence that retail spending has moved to local high street shops during the pandemic, mainly due to people shopping locally as they work from home[21]. This has had clear benefits for some town centres with more spending in the local economy. But with more people working from home, there is less need for office space which could impact town and city centre businesses.

2.9 This will be particularly challenging for struggling places, because office jobs – unlike retail jobs – are more likely to be higher-salaried jobs that contribute to places thriving and growing because of their 'multiplier effects': that they create additional jobs because employees use the shops and services in a high street or town centre. Research shows that skilled jobs or jobs in high-tech industries generate larger multipliers: an additional high skilled job creates an average of 2.5 jobs in the non-tradable sector; an additional tech sector job creates, on average, 1.9 jobs in the non-tradable sector[22].

2.10 This could have one of two impacts on towns across Wales. Whilst people working from home could have a positive multiplier impact in some communities, they will also result in falling demand in the place from which they have relocated, because these jobs are not new, but employment displaced from elsewhere as a result of the pandemic.

Large sums of money are being invested in regeneration, but it is questionable if this funding is helping to create sustainable town centres

2.11 The Welsh Government has prioritised investment in regeneration and continues to make available large sums of money; just under £900 million since 2014 – **Exhibit 7**. All local authorities have received funding, but the levels of investment vary widely. For example, the most recent allocation in 2020-21 saw funding to authorities range from £1 million to £13.6 million (See **Appendix 3**).

21 Centre for Cities, How has spending recovered in our town and city centres? September 2020

22 What works centre for local economic growth, What does the evidence tell us about the employment multiplier effect? March 2019

Exhibit 7: Welsh Government regeneration funding since 2014

The Welsh Government continues to invest significant sums of money on regenerating Welsh town centres.

Period	Programme	Direct Welsh Government Funding	Enabled/ Levered-in Funding	Total Funding
2014-2017	Viable and Vibrant Places	£124 million	£320 million	£444 million
2014-2020	Town Centre Loans	£31.6 million[23]	–	£31.6 million
2017-2023	Building for the Future	£54 million[24]	£54 million	£108 million
2018-2021	Targeted Regeneration Investment	£100 million	£60 million	£160 million
2020-2021	Valleys Taskforce Towns funding	£3.7 million	–	£3.7 million
2020-2021	Transforming Towns (COVID-19 adaptation fund)	£5.3 million	–	£5.3 million
2014-2020	Transforming Towns Revenue Fund for LAs	£0.5 million	–	£0.5 million
2017-2023	Coastal Town Fund	£3 million	£8 million	£11 million
2018-2021	Green Infrastructure and Biodiversity Fund	£5 million	£4 million	£9 million
2020-2021	Loan funding for use by local authorities	£18.4 million	–	£18.4 million

23 Loan funding which is recycled. We have only included the actual amount allocated not the total recycled or it is assumed will be recycled.

24 This includes European Regional Development Fund: Connectivity and Urban Development for the period 2017-2023.

Period	Programme		Direct Welsh Government Funding	Enabled/ Levered-in Funding	Total Funding
2020-2022	Additional funding for Town Centre Loans		£15 million	–	£15 million
2020-2021	Enforcement 'fighting fund'		£15.2 million	–	£15.2 million
2017-2023	Extension of capital grant for a further year (2021-22)		£41.8 million	£25.1 million	£66.9 million
2014-2022	**ALL**		**£383.6 million**	**£509 million**	**£892.6 million**

Revenue Capital Both Revenue and capital Loans

Source: Welsh Government

2.12 Most of the senior officers we surveyed (91%) believe that the Welsh Government makes funding available to local authorities to support regeneration work. And all senior officers and just under two-thirds of councillors (63%) believe that their local authority is good at working with the Welsh Government to secure grant funding to support regeneration.

2.13 However, some aspects of the Welsh Government's approach to regeneration are considered problematic. Only 77% of senior officers believe that the Welsh Government provides them with the freedom to decide where they should spend money on regeneration and around two-thirds (59%) that the Welsh Government keeps its request for information and supporting materials to a minimum. The funding has been made available under 13 different streams, often with different priorities and grant conditions, although since 2020 funding has been reorganised into a single fund 'Transforming Towns'. The Welsh Government recognises there is more to do to streamline funding.

2.14 Many we interviewed and surveyed noted that the annual cycle of bidding does not support local authorities to tackle the more difficult and longstanding problems that would help transform their town centres. Funding is heavily focussed on capital and physical regeneration but often the challenge for local authorities is insufficient revenue to fund posts, especially town-centre management, marketing, data analysis, land assembly, and legal services to address problem buildings and land.

2.15 Despite significant levels of investment in recent years, its impact has been varied. Undeniably, improvements have taken place, but it has not helped to create more sustainable places. Those we interviewed acknowledged that too often the funding has focussed on a one-off major project or being allocated to street scene and public realm improvements. Undoubtedly these are important. But if they are not matched with comprehensive regeneration of other eyesore and derelict buildings and help tackle all empty land and premises then their overall benefit and impact are diminished.

Local authorities are the key agency in managing and regenerating town centres, but often struggle to create sustainable places

2.16 The way that people shop has changed forever and large-scale re-modelling of many of our town centres is required if they are to survive and thrive in the 21st century. High streets and town centres need to be nurtured, and their regeneration planned and driven by a strategic approach. Whilst there are many stakeholders who have a role in regenerating town centres, local authorities are the key body.

2.17 They have a wide range of statutory powers that can determine the shape and environment of town centres: planning, transport, enforcement, town-centre management, trading standards, environmental health, licensing, housing, economic development and tourism, for example. Local authorities are accountable and have legitimacy to make decisions because members are elected to represent their local community and its people.

Most local authorities have prioritised town-centre regeneration, but plans often fall short of delivering the change needed to help create more sustainable places

2.18 We found that the approach taken by local authorities to town-centre regeneration varies. Some have a single local-authority-wide strategy. Others specific town or town-centre plan(s). A number use their Wellbeing Plan to set their regeneration priorities working with the wider public sector partnership, whilst others draw on Place Plans[25] and the work of Business Improvement Districts (BIDs)[26]. The majority of council officers we surveyed noted that they have a strategy (86%) for town-centre regeneration with associated actions to deliver against (82%). Every local authority has a local development plan[27] in place, or being adopted, and these are critical to the successful regeneration of town centres.

2.19 Many plans quite rightly highlight the important contribution regeneration can make to sustainable development and the wellbeing of future generations, in particular physical regeneration where local authorities generally have a strong track record. Most senior officers we surveyed believe that their past regeneration work has improved buildings in town centres (96%); safeguarded the heritage of buildings and towns (91%); and created new homes and improved existing ones (85%).

2.20 However, senior officers and councillors acknowledge that local authorities have not created more wealth, increased employment, apprenticeships or benefitted residents economically. Neither has physical regeneration work contributed to improving health nor reducing poverty. Actions have consequently fallen short of creating both sustainable and multi-functional town centres that contribute to improving wellbeing. Priorities still focus heavily on the benefits of physical improvements and are less clear on the wider wellbeing gains that regeneration can deliver.

25 Place Plans are a mechanism introduced by the Welsh Government for communities to engage creatively with the planning process and for planners to support in place-making initiatives with local people.

26 BIDs are where local businesses lead and work together with partners to form a group to invest money and make improvements to specific areas such as town centres, by providing additional services above what is already available. (See **Appendix 4**.)

27 The Local Development Plan sets out local planning policies and identifies how land is used, determining what will be built where. Adopted local plans provide the framework for development across Wales and are developed and managed by the local planning authority.

2.21 As noted above, rapid change is taking place in our town centres and the full impact of COVID-19 is yet to be felt. Priorities for action that appeared reasonable 18 months ago no longer reflect the changes that are taking place and the challenges now needing to be addressed. Plans are not always reflective of the changed environment facing town centres and are often geared to the problems besetting our high streets of three to five years ago, not as they are now. This is important and poses a significant problem. Some have taken the opportunity to refresh their regeneration plans. For example, Carmarthenshire County Council's Restart, Revive, Renew recovery strategy, developed in response to the economic impact of COVID-19, provides a good summary of the 'live' challenges facing towns in the county.

Local authorities often lack the skills and capacity to deliver the town-centre regeneration Wales needs

2.22 The pandemic has laid bare the need for comprehensive regeneration to make Welsh towns sustainable places. But the impact of ten years of austerity and reductions in local government funding has seen a depletion in regeneration capacity and skills. Local authorities accept the loss of knowledge, experience and skills as staff leave is a major risk. Just over half of councillors (56%) recognise that they do not have enough skilled officers to deliver regeneration. Whilst there has been some new recruitment – the employment of a Town Centre Officer in Blaenau Gwent, for example – the overwhelming story from our research is one of a large reduction in capacity.

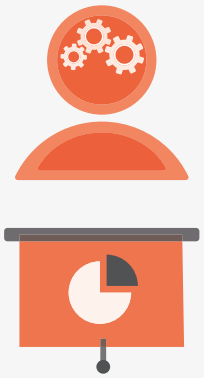
2.23 Staff dealing with regeneration are rarely dedicated to only undertaking this work, and usually manage a range of different and competing priorities. Local authorities rarely have a standalone regeneration function, and staff with a role in regeneration are often spread across different services and teams: planning, housing, land and property, legal, valuation, economic development, and leisure for example. This can reduce the opportunity for cohesive action and weakens accountability. Regeneration is also now more challenging and requires creativity and the application of a more diverse skill set. **Exhibit 8** summarises the key skills required to deliver town-centre regeneration that we have identified in the course of this review.

Exhibit 8 – the key skills required to deliver town-centre regeneration

Local authorities need to have the right skills in place before, during and after town-centre regeneration.

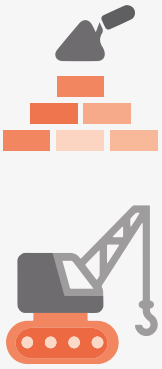
Before

- Visioning skills
- Ambition
- Urban and Place Planning
- Analysis and decision-making
- Legal expertise
- Use of enforcement powers and CPOs
- Land assembly
- Project design
- Funding and financing
- Local employability development
- Involvement and consensus building



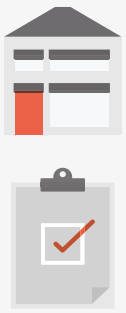
During

- Brokerage skills
- Developer negotiation
- Conflict resolution
- Project management
- Procurement
- Supply chain development
- Monitoring
- Low carbon design and decarbonisation retro fit
- Communication and information
- Leadership
- Data collection



After

- Evaluation
- Reporting
- Events management
- Dissemination of good practice
- Town Centre Management
- Marketing
- Partnership working
- Data analysis



Source: Audit Wales

2.24 Given this reduction in capacity, local authorities need to work more closely with a broad range of partners; the wider public sector, housing associations, the third sector, and Town and Community Councils, especially where their intervention might be of a smaller scale or plays to a specific set of skills and/or responsibilities. Regeneration also needs to be better integrated across policy agendas, public sector priorities and by more efficient cross-professional practice. City deals could help with some of this, but the City Deal staff we spoke to stressed that they are often focussed on 'macro' level regional economic development and regeneration issues, not 'micro' level town-centre regeneration, although the Cardiff Capital Region City Deal has identified town-centre regeneration on its forward work programme for 2022.

Local authorities are mostly not using their powers to enable town-centre regeneration

2.25 Successful regeneration relies on local authorities involving the community, providing incentives for private developers to invest in the area, combined with effective use of enforcement powers. This balance of responsibilities promotes sustainable development whilst helping to ensure land and property owners keep their land or property in a suitable condition. Overall, local authorities are not providing these incentives or using the powers they have available to drive town-centre regeneration effectively and consistently.

2.26 Several powers already exist which enable councils to bring empty buildings or land back into use, clean up an area which causes an environmental health hazard, or force transfer of ownership of land or property through the use of a Compulsory Purchase Order (CPO). We found most of these powers are underutilised, and senior officers we interviewed acknowledged that there is a lot more for local authorities to do in using their wide-ranging powers to stimulate town-centre regeneration. Prohibitive factors include the cost and time involved in using these powers and, overall, officers we interviewed noted that the enforcement regime is neither agile nor effective at tackling problems. In March 2021, the Welsh Government published new guidance to help make the compulsory purchase process more understandable and transparent[28].

2.27 Councillors are especially critical of how well local authorities are performing in this regard. Just over two-thirds note that their council has not created town-centre development and/or investment zones, and 77% say they have not introduced incentives for town-centre development. 72% of councillors believe that their council is not proactively using enforcement powers to bring empty buildings or land back into use, whilst the vast majority (83%) say they are not proactively using CPOs to stimulate re-use of vacant and underused sites and buildings in town centres.

28 Welsh Government, Compulsory Purchase Order (CPO) Manual (Edition 1), March 2021

2.28 The Welsh Government has organised training for local authority councillors and officers to help ‘demystify’ enforcement powers to stimulate their use and application. Many of these do not require expensive and protracted action and can achieve the desired impact through a staged approach. **Exhibit 9** below sets out the options available to local authorities. These range from softer low-key and inexpensive actions to more intrusive and potentially costly last resort decisions. All options need to be pursued and setting out your stall early can change and influence landlord behaviour. In addition, the Welsh Government has set aside £15.2 million under its Empty Properties Enforcement Fund which is available to local authorities to support them to take enforcement action. Local authorities are required to submit an action plan to the Welsh Government detailing the properties they wish to take action against and the estimated funds they need.

2.29 From our review, it is clear that councils need to be joined up internally with policy aligned to deliver the right impact. If services – planning, environmental health, housing, property, land and legal – are not integrated, then local authorities will struggle to address these problems. Leadership and intent are essential.

Exhibit 9 – powers available to tackle empty properties

Local authorities have a wide range of powers available to help them tackle empty and derelict eyesore buildings to regenerate town centres.

Approach	Timescale	Potential actions
Advice and guidance	0 months to 2 years	• Advice to landlords on options for sale, rent and ownership • List of agents to help sell/rent • Discounted fees through Auctioneer Scheme • Identify and list potential Investors/ Developers • Use LA website to promote/advertise land/ buildings for owners
Softer Options	6 months to 2 years	• List of approved Builders/Architects • Develop and provide for free composite Schedule of Works • Home Improvement Agency • Council-run Private Sector Leasing scheme • Social lettings scheme to match applicants to private rented homes • Public Request Ordering Proposals • Direct purchase by LA or RSL • LOTS and HARPS to create homes above shops
Financial Assistance	6 months to 2 years	• Improvement grants linked to nominations to properties • Loans for improvement work (interest free or interest bearing) • Commercial lending advice • Discount VAT and/or Capital Allowance schemes

Approach	Timescale	Potential actions
Threat of enforcement	2 years or more	• S.215 of the Town and Country Planning Act 1990 • S.77-79 of the Building Act 1984 – dangerous structures, ruinous and dilapidated • Housing Acts 1985 and 2004 – improvement notices, EDMOs, demolition and clearance • S.79-80 of the Environmental Protection Act 1990 – statutory nuisance • S.4 of the Prevention of Damage by Pests Act 1949 – treat pests • S.29 Local Government (Miscellaneous Provisions) Act 1982 – boarding up • Listed Buildings/Urgent Works notice • Public Health Acts 1936 and 1961 – filthy and verminous • Naming and shaming landlords (publicity)
Debt Recovery	2 years or more	• Council Tax, Statutory Debts or Business Rates debt recovery (Bankruptcy, charging orders or Bailiffs) • County Court or Enforced Sales Procedure • Council Tax Premiums on Long-term Empty and Second Homes
Last Resort	2 years or more	• Prosecution • Compulsory Purchase Order • Empty Management Dwellings Order • Enforced Sales Procedure • Direct Purchase

Source: Welsh Government enforcement training given to local authorities

Future: The challenge of regenerating town centres in the future

03

Town centres can continue to play an important role at the heart of Welsh life, but local and national government need to drive an ambitious regeneration agenda to help create sustainable places

3.1 The pandemic has increased pressure on high street businesses already struggling, and store vacancy rates are expected to continue rise. However, opinions vary about the extent to which the pandemic will lead to long-term change in town centres. Some point to evidence of new trends towards localised shopping and resilient independent stores as a cause for optimism. Others that the decline of recent years will accelerate as we tackle the fallout of the pandemic. Clearly, there are challenges that need to be addressed. But there are also opportunities to exploit.

The Welsh Government has prioritised regeneration of town centres in the recovery from the pandemic, but needs to ensure the town-centre-first approach is central to its wider policy agenda

3.2 The Welsh Government published COVID-19 Reconstruction: Challenges and Priorities in October 2020[29]. The plan has eight short-term priorities one of which (**Priority 4**) is town-centre regeneration. The Welsh Government has set out a series of actions to help address the steady decline of town centres and the impact of the pandemic. These include:

- a new 'Strategic Sites Acquisition Fund' to enable local authorities to acquire land and/or high street premises to revitalise town centres;
- delivering a 'Town Centre First' agenda, prioritising integrated health and social care hubs in town centres;
- launching a dedicated fund to create additional facilities on high streets, to help revitalise town centres;
- providing better access to open spaces;
- creating remote working hubs; and
- making sure public services are more accessible.

29 Welsh Government, COVID-19 Reconstruction: Challenges and Priorities, October 2020

3.3 Town-centre regeneration remains a longstanding Welsh Government objective and has been reconfirmed as such in the recently published Programme for Government[30]. As noted earlier, much money has been set aside to support regeneration work under various initiatives in recent years. The Welsh Government's policy team for overseeing regeneration activity has, however, changed over this period, and local authorities are positive about their work and support. Many commented favourably on the support provided by the Welsh Government to local authorities to upskill and make better use of enforcement and legal powers to tackle longstanding blighted properties in town centres. Similarly, the more consultative and pragmatic approach to project development and sign-off was cited as evidence of improving responsiveness.

3.4 Key to the Welsh Government's regeneration work is its 'Town Centres First' approach, which looks to put the health of town centres at the heart of the decisions taken by the Welsh Government, local authorities, the wider public sector, businesses and communities. For example, encouraging the public sector to support towns by locating offices, facilities and services within them in order to drive footfall and create or sustain vibrancy. The approach therefore seeks to deliver the best local outcomes by aligning and integrating policies and resources to prioritise town centres.

3.5 Recent Welsh Government planning policy supports this direction of travel. For instance, **Planning Policy Wales – Edition 11**[31] has extensive content on the Welsh Government's vision for town centres, the assessments and tests that must be used to determine where retail and commercial development should go, and the town-centre focussed policies local authorities must work to implement. Similarly, **Update to Future Wales – The National Plan 2040**[32] includes a very strong town-centre-first policy approach.

3.6 This is a very ambitious agenda as it requires a high degree of integration between cross-cutting policy frameworks and decision making to promote town centres above much else. The challenge for Welsh Government is to ensure that all parts of their policy, funding and decision-making system are in sync and helping to deliver this ambition.

3.7 The Welsh Government is, however, only one of many players in this process and cannot create sustainable town centres without others playing their role, in particular local authorities and other public bodies. However, local authorities often lack capacity and skills to do everything and depend on others to get involved. But public sector partners are not joined up and integrated with local authorities and actively contributing to the town-centres-first agenda.

30 Welsh Government, Programme for Government 2021-2026, June 2021
31 Welsh Government, Planning Policy Wales: Edition 11, February 2021
32 Welsh Government, Future Wales: The National Plan 2040, February 2021

3.8 We have seen many examples of public bodies reducing their town-centre presence, moving more services online and to the periphery of towns. For instance, North Wales Police's relocation of its Wrexham town-centre police station at Bodhyfryd to a new facility in Llay on the outskirts of the town in 2019. These are often done for valid reasons – better cost, better quality and better environmental impact. But they can also work against the town-centre-first agenda. The Welsh Government needs to get this policy framework right with buy-in from all key partners to enable 'town centres first' to work in practice.

Many of the problems facing town centres can be addressed, but it requires national and local government to deliver integrated solutions and make brave decisions

3.9 Retail remains important, but it is not the main purpose of town centres in the 21st century and needs to be replaced with other activities. This oversupply of retail is mostly being manged haphazardly in town centres and primarily as a result of company failures, shop closures, loss of anchor institutions, public sector relocation and changing shopper habits. Many of these decisions are commercial ones driven by profit and risk. Local authorities need to be receptive to these market trends and accept that town centres are changing and plan to help manage this shift. From our research, to help create sustainable town places requires local authorities to apply the four 'I's – **Exhibit 10**.

Exhibit 10: the four 'I's of town-centre regeneration

Source: Audit Wales

Intention

Local authorities need to be clear on the purpose of their town centres and provide honest, strong and dynamic leadership to address the challenges they face

3.10 Local authorities know their towns and are crucial in leading, planning and implementing change to address the problems they face. As we have seen in earlier sections of this report, local authorities control key levers that can help create sustainable places. They have the legal powers to facilitate change, they have access to resources and have policy 'infrastructure' to draw on to deliver improvement. Importantly, they are also community leaders.

3.11 Local authorities need to therefore have a clear vision for the future of their town centres backed up by a plan for change. Importantly, they need to clearly set out their ambitions for their towns and show drive and direction. If local authorities are not committed to improving town centres, pledging resources and leading regeneration then it is hard to justify why others – businesses, social enterprises and public sector partners – should invest time, effort and money in doing so. Ambition encourages involvement, which leads to ideas which can attract funding. With so much uncertainty, now is the time to be bold and ambitious and to do different things and things differently.

3.12 The needs of towns are different and will therefore require different solutions. Local authorities need to ensure they have the right information to be able to identify the responses needed. It is clear that there is no 'one-size-fits-all' solution. Every town has to play to its local strengths and develop specific plans that reflect its unique situation. For those towns facing the greatest challenges, it is difficult to see successful regeneration happening without strong local authority involvement to steer activity, but also in use of powers from assembly of sites to assistance in funding.

3.13 However, local authorities need to also look at their area as a whole when prioritising regeneration and consider the interdependency of towns. As we have seen above, towns in Wales are co-dependent and serve different purposes. Regenerating independent places is more likely to make a greater economic and social impact than investing in dependent places. Towns with greater levels of independence provide core services for others and for scalability are a more attractive prospect for investment. And, with the advent of greater joint working through the creation of Corporate Joint Committees[33] there will be opportunities to strengthen regional strategic development planning, transport planning and promoting the economic wellbeing of areas.

33 Welsh Government, Corporate joint committees: draft statutory guidance, July 2021

3.14 High streets are getting smaller, shrinking into a central core, and local authorities need to be honest and open about this. Whilst retail should still be a focus, property must provide retailers with stores they need today, not 30 years ago. Smaller, more flexible units at ground floor level, with shorter leases – or even pop-up shops. Peripheral areas, where there is an excess of empty shops, must be restructured to enable their redevelopment for alternative uses – housing, community, recreation and leisure – to help deliver a more compact and sustainable high street.

3.15 Local authorities need to consider not only how town centres generate economic benefits, but also how they can help improve the health and wellbeing of people and enhance the local environment. With less demand for physical retail, local authorities need to consider alternative uses such as more housing, focussing on the heritage of their towns by encouraging new arts, cultural and leisure services and widening out the community and public realm benefits. Focussing on green and blue infrastructure – creating parks, open spaces, playing fields, woodlands, street trees, allotments, green roofs and walls and sustainable drainage systems – is an obvious area for growth.

3.16 Local authority senior officers and councillors we surveyed noted that the traditional decision-making model for overseeing regeneration is neither agile nor streamlined enough to keep pace with this rapidly changing world. Plans need to therefore be dynamic 'living' entities; developed and managed flexibly; subject to rigorous and regular evaluation; and adjusted to address problems in the moment not of the past. Based on our review, these are all areas where the success and impact of past approaches to regeneration often fall short.

Involvement

Local authorities are well-placed to prioritise and lead on place planning, but communities and businesses need to be fully involved

3.17 High streets and town centres are at the heart of the community, but without communities being involved, regeneration will go nowhere. Ultimately, people make the high street. Local authorities need to tap into local communities to find out what they want from their town centres and involve them in determining how empty retail space is used.

3.18 Historically, this has been a challenge. Our survey of senior officers, councillors and businesses found that councillors and the Welsh Government have more influence on local regeneration than any other stakeholder. Housing associations and public sector partners play an important role and also have greater influence than town and community councils and the third sector. However, residents – the people who live in our towns – were uniformly seen as having little or no influence over regeneration. Where it happens, it usually takes the form of consulting on established priorities and falls well short of people helping to identify, shape and agree solutions. This is a major failing.

3.19 Many citizens responding to our survey show a high degree of realism, acknowledging that towns change and do not stay the same. Regeneration is seen positively as something leading to improvement and not to be shied away from. They are stakeholders – the key stakeholders – but are often on the periphery of discussions and decisions. Without people owning regeneration plans then they are not going to succeed.

3.20 Community involvement in regeneration can come in many forms. Two of the more successful involvement initiatives have been the use of Place Plans, introduced under the Planning (Wales) Act 2015, and Business Improvement Districts (BIDs):

- **Place Plans**: Traditionally, planning authorities will consult with the local community as part of the approval process for an individual application. Place planning is a much more inclusive and longer-term process, capitalising on existing community resources to generate ideas and turn these into local priorities. With a good place plan, local authorities have an ongoing forum to test regeneration proposals, long before decisions are made, and ensure any proposals reflect the needs and wants of the local community.
- **Business Improvement Districts**: A BID is where local businesses lead and work together with partners to form a group to invest money and make improvements to a specific area such as town centres, by providing additional services above what is already available. BIDs can also be thematic, such as supporting the digital sector. A BID is set up through a legal ballot process – all businesses that pay business rates within the area, vote for or against a proposal document that sets out project activities and its aim to drive local economic regeneration of the specific area. If a vote is successful, all businesses will pay an extra amount referred to as a ‘levy’ on top of their business rates. The levy is then used to fund the projects in the proposal document. BIDs can be set up to run for up to five years and must then re-ballot.

3.21 Both of these approaches enable local communities to be more involved in the local planning decision-making process and we found some good approaches. For instance, the positive work of the Love Treorchy BID[34], the Place Plan developed by Newtown and Llanllwchairan Town Council[35] and the work of the Altrincham Landlords Forum[36]. These are all good examples of how an involved community can shape regeneration, building on the goodwill of local citizens and businesses to enhance their local area.

Informed

Local authorities need to value and use data to better understand their town centres and the impact of past regeneration projects to determine future priorities

3.22 Officers we interviewed acknowledge that they lack key information and data to help them understand the dynamics of the 'market' in their town centres. Footfall and empty properties are the most frequently cited and used metrics, but these tell you nothing of the impact of visitors to town centres – how much they spend, how often they return and why – nor retail profit margins and rental values. Data where it exists is focused on individual towns. Understanding the catchment demographics and shopping patterns for towns, and their regional interconnectedness, is weak. Local authorities have a key part to play in strengthening the quality and scope of data and would benefit from forging stronger partnerships with data specialists.

3.23 Digital data offers insight on travel movements, parking, mobile phone activity, social media interaction and Wi-Fi usage, and can provide cost-effective insights about the changing use of town centres. However, the collection and use of digital data as a way of increasing understanding, targeting, marketing and monitoring change do not figure strongly in many town-centre action plans we reviewed. Overall, we found that national and regional research that can help shape public sector and business strategies on town centres are widely available, but often not used[37].

34 lovetreorchy.co.uk

35 Newtown Town Council, Newtown and Llanllwchaiarn Place Plan

36 Altrincham Forward Newsletter February 2013

37 There is a wide range of useful data that can be drawn on including Understanding Welsh Places, CoStar, Centre for Retail Research, Centre for Cities and Centre for Towns to name a few.

3.24 Evaluating past regeneration schemes is a powerful improvement mechanism. Specifically in the context of regenerating town centres, evaluating what works and what does not is essential learning for the future. It provides good evidence for impending funding bids, informs policy development and enables an authority to understand the impact of regeneration on key targets and outcomes. Evaluation is at the heart of accountability and enables an assessment of whether the targeting of resources and interventions are value for money.

3.25 Overwhelmingly, our interviews and surveys found that local authorities do not fully evaluate their management and delivery of past regeneration programmes to help shape new plans. This is partly a reflection of inadequate information to judge regeneration in the round, and partly a result of reduced capacity. Irrespective, it also highlights poor use of resources. Since 2014, nearly £900 million has been invested or levered in to regenerating town centres, but it has fallen short in helping to create sustainable places. There is an imperative to therefore use what investment there is to best effect. More thought (and resource) needs to be given to learning and evaluation within local authorities to maximise the benefits of this investment.

Intervention

The changing face of town centres requires local authorities to become more interventionist

3.26 A lot of the actions needed to help create sustainable town centres cannot happen without some form of local authority intervention. However, local authorities have to involve citizens, local businesses and landlords to create a vision for their town, building trust and only then use their powers as leverage to intervene. In many cases, the combined threat of enforcement, along with the chance to be part of a strong vision can result in landlords and landowners voluntarily making changes required without the need for any formal action. From our research we have seen good examples of how local authorities are leading and intervening to create positive change – **Exhibit 11**.

Exhibit 11: local authorities need to become more interventionist to help create sustainable town centres

Working more closely with partners to address problems of fragmented ownership and confronting this issue head on.

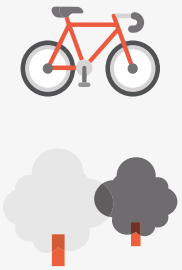
If landlords believe in your vision, the choice for them is obvious. The impact of Trafford Council's public realm transformation project and strategy for Altrincham enabled the council to tackle the complex problem of ownership and bring about positive change on the ground creating a more vibrant and diverse town centre. The council recognised that they had to lead and to take a whole town-centre approach facing the difficult issues head on if they were going to succeed.

Becoming adept at land acquisition and assembly through better and more consistent use of enforcement powers, both compulsory and voluntary purchase powers.

Enforcement can be very effective as a threat without necessarily having to see it through, when used alongside a clear vision and strong ambitions for the future. Stockton-on-Tees has suffered a similar fate to countless high streets up and down Wales. Stockton Council has met this challenge head on acquiring the rundown Castlegate shopping centre, hotel and multistorey carpark and plans to replace it with a riverside park, part of its longer-term vision of creating a stronger leisure and recreation focus in the town centre. Refocussing the town centre around the river to reconnect with the town's heritage is key and supports the council's green infrastructure agenda.

Creating the correct regulatory context by integrating land use planning and urban regeneration policy with more flexibility in planning to allow a broader range of uses to tackle empty retail and rundown buildings.

Mixed space hubs have been successful. The more successful spaces have a mixture of redevelopment, new development, start-ups, independent businesses and arts/heritage projects, all managed by the local community. For instance, the Midsteeple Quarter, Dumfries, a community benefit society redeveloping empty High Street properties to create a new neighbourhood with a mix of uses built on principles of local prosperity and wellbeing. Key to its success has been flexibility from the local authority in how it applies its land use planning and development control responsibilties to encourage urban renewal.



Source: Audit Wales

Appendices

1 Audit Methodology

2 The number of towns, villages and communities in Wales with more than 2,000 residents in each local authority

3 Welsh Government funding to local authorities in 2020-21 for town-centre regeneration

4 Business Improvement Districts

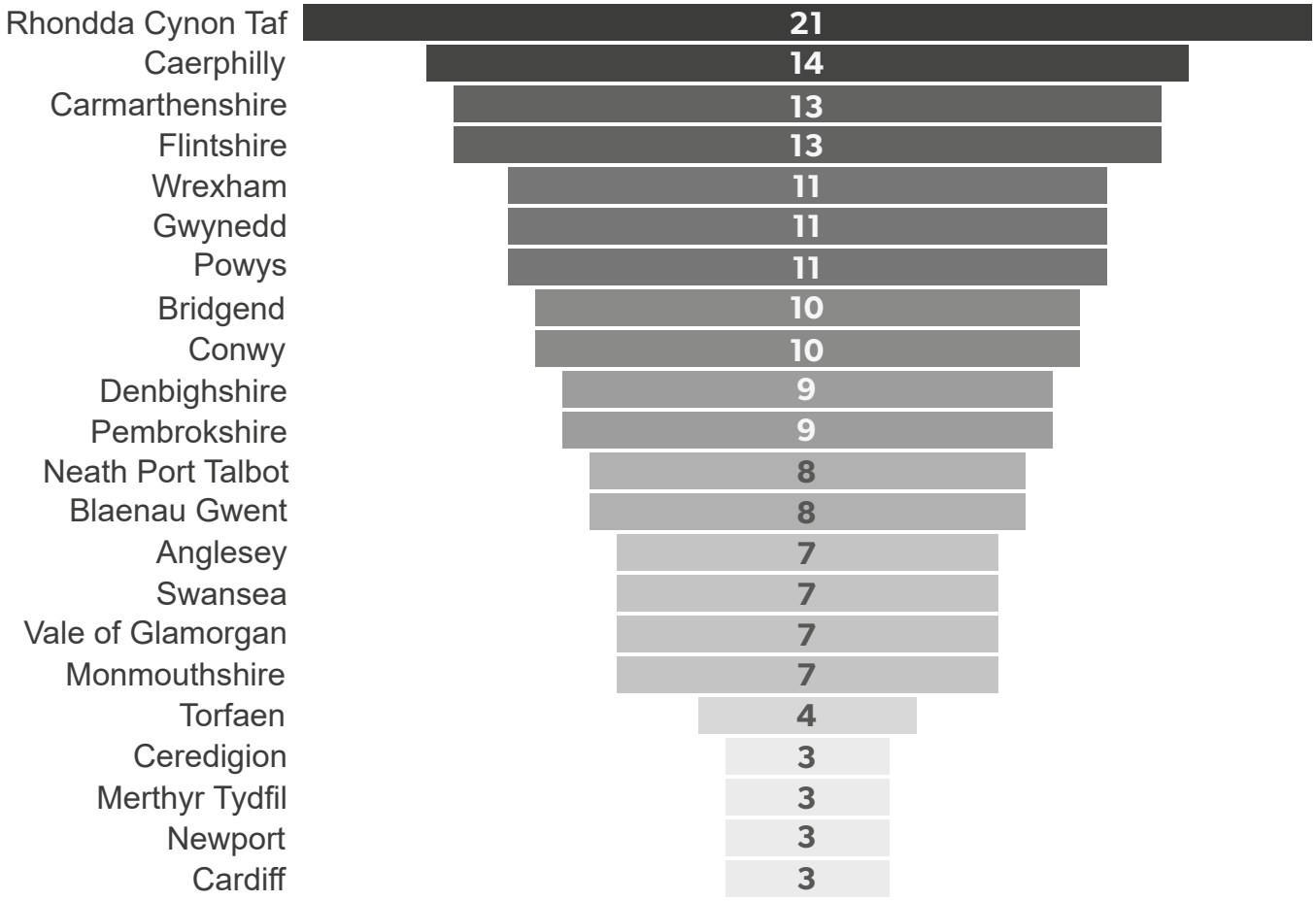
1 Audit Methodology

We completed our review between October 2020 and May 2021. We used a range of methods:

- **document review**: we reviewed national strategy, guidance, Welsh Government announcements and update reports, local authority plans, local and national performance reporting.
- **interviews**: we interviewed every local authority regeneration lead officer, members of staff of the Welsh Government's regeneration team, a range of representative local, regional and national organisations including the Institute of Welsh Affairs, staff of several universities, One Voice Wales, Community Housing Cymru and the Bevan Foundation for example.
- **focus groups**: we held three focus groups with elected members from across Wales to discuss their town centres.
- **data analysis**: we reviewed available data on town centres in Wales and drew on the work of Understanding Welsh Places, the Office for National Statistics and others.
- **surveys**: we ran four surveys with citizens, town-centre businesses, councillors (both principal and town and community) and local authority regeneration leads. The citizen and business surveys were provided online and supported by a series of social media campaigns to generate interest. A total of 1,984 citizens completed our survey and 442 businesses. We received 228 responses from councillors and 20 of the 22 councils completed the senior officer survey.
- **webinar**: we held a webinar to discuss our emerging conclusions in May 2021 and had attendance from over 160 people.

2 The number of towns, villages and communities in Wales with more than 2,000 residents in each local authority

See our data tool for the full information.



Source: Wales Institute of Social and Economic Research and Data/ Institute of Welsh Affairs, Understanding Welsh Places, December 2020. release. Analysis by Audit Wales

3 Welsh Government funding to local authorities in 2020-21 for town-centre regeneration

Council	Allocation
Swansea	£13,685,106
Newport	£9,519,515
Neath Port Talbot	£7,651,128
Wrexham	£7,320,131
Powys	£6,756,572
Blaenau Gwent	£6,226,708
Caerphilly	£6,167,264
Gwynedd	£5,906,725
Pembrokeshire	£5,471,983
Denbighshire	£4,805,649
Merthyr Tydfil	£4,665,766
Cardiff	£4,210,229
Isle of Anglesey	£4,067,000
Rhondda Cynon Taf	£3,623,725
Conwy	£3,147,125
Carmarthenshire	£3,116,103

Council	Allocation
Ceredigion	£2,807,136
Vale of Glamorgan	£2,067,500
Bridgend	£1,981,305
Flintshire	£1,965,309
Monmouthshire	£1,422,000
Torfaen	£1,000,025
TOTAL	**£107,584,004**

Source: Welsh Government

4 Business Improvement Districts

There are 18 BIDs in Wales.

Operating	Feasibility Stage	Terminated 2021
Aberdare	Newtown	Neath
Aberystwyth	Wrexham	
Bangor		
Caernarfon		
Cardiff		
Carmarthen		
Ebbw Vale (industrial BID)		
Llanelli		
Merthyr Tydfil		
Newport		
Pontypridd		
Port Talbot		
Rhyl		
Swansea		
Treorchy		

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Tai ac Adfywio
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Welsh Government

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21 September 2021

Dear Adrian

Response to the Audit Wales report on Regenerating Town Centres in Wales

The Welsh Government welcomes the findings of the report and offer the responses at Annex A to recommendations 1 to 3 contained within it.

The Deputy Minister for Climate Change (DMCC) announced on 8 September that the Ministerial Town Centre Action Group (MTCAG), which he will lead and will include our key stakeholders for town centre regeneration, will oversee the implementation of the recommendations made in this report and those of the recently published report by Professor Karel Williams; Small Town Big Issues.

In addition to this and as I outlined at the webinar you hosted on 2 September, three sub-groups will be established; one of which will lead on finding ways to incentivise town centre development but also disincentivise out of town development. A second group will look at how we can further streamline the funding offer under the Transforming Towns programme and simplify its processes. The final group will look at planning and engaging with communities so that they have a say in what happens in their town. Your team has indicated that they will be willing to be members of the working groups and further details will be shared with them over the coming weeks. I am very grateful for their support.

The Welsh Government has not offered a response to Recommendations 4 and 5 of your report as they are directed at local authorities.

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I would like to take this opportunity to thank you and your team for the diligence and openness in which this report was prepared.

Yours faithfully

Ian Williams
Deputy Director – Homes and Places

Annex A

Recommendation 1 – Non-domestic rates have not been reviewed in recent years, and the levels charged do not reflect the current rents being achieved in many town centres. We recommend that the Welsh Government review Non-domestic Rates to ensure the system better reflects town-centre conditions when the payments holiday ends in March 2022.

Accept *– Non-domestic properties are revalued periodically in line with requirements set out in primary legislation. The Valuation Office Agency is currently reassessing all non-domestic properties in Wales in preparation for the revaluation which will take effect on 1 April 2023. The Welsh Government carried out detailed research into potential reforms to the local government finance system in Wales over the previous Senedd term and published a Summary of Findings in February 2021. Ministers are currently considering options for reforming the system.*

The remit of one of the working groups to be established beneath the MTCAG is to look at what we can do to give town centres a competitive advantage with a particular emphasis on financial incentives in towns and disincentives out of town. This group has been formed to respond to the recommendations in the reports about the impact of charges such as car parking and non-domestic rates.

Recommendation 2 - Many town-centre businesses are impacted adversely by charging for car parking, access to public transport and poor transport infrastructure. We recommend that the Welsh Government work with local authorities to review transport challenges facing town centres and agree how best to address these.

Accept *- Llwybr Newydd: The Wales Transport Strategy outlines aims to achieve a shift away from private car use to more sustainable transport modes for the majority of journeys. To achieve this we will locate new public services such as education,*

health and leisure facilities close to where people live, and to existing public transport routes, adopting a Town Centre First approach. Parking policies for all types of vehicle should be aligned to driving modal shift to public transport and active travel, taking equality into account. Over the coming months we will be working with Local Authorities and Corporate Joint Committee's (as they are established) to develop regional transport plans to ensure that planning and transport solutions are tailored both to meet the objectives of Llwybr Newydd and the needs of different communities and different parts of Wales.

Recommendation 3 - The Welsh Government has directly provided and levered in just under £900 million through 13 funding schemes to help regenerate town centres. However, some aspects of the Welsh Government's management of the funding are considered problematic. To ensure local authorities are able to maximise the impact of funding and tackle the more difficult and longstanding problems that would help transform their town centres, we recommend that the Welsh Government:

- consolidate funding to reduce bureaucracy by streamlining processes and grant conditions and keeping requests for information and supporting materials to a minimum;
- move away from annual bidding cycles to multi-year allocations; and
- rebalance investment from capital to revenue to help local authorities address staff capacity and skills shortages.

Accept *– In March 2020, the Welsh Government launched Transforming Towns as a coordinated package of support for regeneration investment in town centres. The Welsh Government continues to streamline its offer and investments from March 2023 will typically be awarded to local authorities and/or local delivery partners as a rolling programme as follows:*

- ***Development funding*** *is for early work to support a future full project application. Eligible activity includes: desktop assessments, feasibility studies, site investigation and due diligence works, any masterplans or design briefs and Place-making Plans. Typically, a maximum grant intervention of 50% is provided.*
- ***Transforming Towns Strategic funding*** *is to support the delivery of a specific project where more than £250,000 grant or loan funding is required. Maximum grant intervention is 70%.*
- ***Transforming Towns Place-making Funding*** *is to support delivery of smaller schemes that require no more than £250,000 grant funding and is designed to be accessible to a number of delivery partners across the private, public and third sectors. The maximum grant intervention rate is 70%.*

The Transforming Towns consolidated guidance and application processes will be further developed to support the three elements of the programme.

It is accepted that funding over a longer timescale for regeneration investment would enable more strategic projects rather than encouraging the "chasing" of short-term grants. It would also facilitate regional working and co-operation. However, while it is always our ambition to set budgets over a longer period we are constrained by the budget settlement we receive from the UK Government. We currently only have a budget for 2021-22. The UK Government comprehensive spending review is currently taking place, which may provide a settlement over a 3-4 year period.

While there are examples of setting budget envelopes over a longer period, for example in relation to the 21st Century Schools these are in relation to capital budgets. It is particularly challenging to provide any spending area with longer-term certainty in regards to revenue budget. To do so would need careful management of stakeholder expectations and flexibility to manage changes to the budget envelope. However, the working group remitted to look at the Transforming Towns programme will give this further consideration.

By virtue of paragraph(s) vii of Standing Order 17.42

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