

Peredur Owen Griffiths MS
Chair of Finance Committee
Senedd Cymru
Tŷ Hywel
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2 February 2022

Dear Peredur

Further to my letter dated 8 November 2021 responding to your committee's **Report on the Scrutiny of the Senedd Commission Draft Budget 2022-2023**, I'm pleased to be able to provide an update on a number of the recommendations raised in the report. This update, on three of the Committee's recommendations (recommendations 4, 5 and 7), is detailed in **Annex 1**.

I would again like to thank the Committee for its scrutiny and to thank you for sharing the Committee's praise for the Commission's approach to outreach and engagement work during the Plenary debate on the budget. As noted in my previous letter we will provide the Finance Committee with regular reports on engagement activities to enable it to assess its value for money.

If there is any further information your Committee would like to have, please do not hesitate to let me know.

Yours sincerely



Ken Skates MS

cc Senedd Commissioners, Manon Antoniazzi, Nia Morgan

Croesewir gohebiaeth yn Gymraeg neu Saesneg / We welcome correspondence in Welsh or English



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Annex 1

Finance Committee Recommendations - Update

Recommendation 4. The Committee recommends that the Commission provides as much information as possible to the Committee on any additional costs that will feature in the budget for 2023-24 and beyond as soon as the Commission's goals, objectives and priorities for the Sixth Senedd are agreed.

At its December 2021 meeting, the Commission approved its Strategic Goals for the Sixth Senedd. I attach the "Commission on a page" infographic for information in **Annex 2**. The Corporate delivery plan is to be worked on now the Commission have agreed their strategic goals.

We welcome the opportunity to share any additional costs that will feature in the budget for 2023-24 with the Committee. Any additional costs will be driven by these new goals.

The Commission has yet to commence work on its Budget Strategy for 2023-24. The Commission's focus will be to adhere to the Committee's Statement of Principles.

In line with the Statement of Principles, the Commission's budget will be set to provide the minimum level of resources required to meet the anticipated level of demand, to ensure the Senedd can deliver its business and will not assume an increase in funding from one year to the next.

At this stage, additional costs specifically associated with the new strategic goals are in the process of being forecast. If the revised strategic goals result in a greater than inflationary budget increase (excluding the pay award) then full details will be provided within the 2023-24 budget document or sooner, if available.

The following may result in additional costs that cannot be absorbed within the current operational budget.

- Ensuring that the Senedd, its committees and Members can carry out their duties effectively may require investment, for example, to support additional committees, to respond to complex constitutional change, to improve business systems or to access additional capacity or specialist expertise.
- Any significant reshaping of the business timetable, to increase capacity for Senedd business, is likely to have implications for a range of services, staffing and estate/ICT investment.
- The need to respond to changing UK Security Threat Levels and the threat of a successful cyber security attack.
- Wellbeing support in the face of continuing workload pressures.
- Members' and committee appetite to drive the Commission's engagement strategy.



- Post pandemic agile futures means doing things differently, not necessarily more costly, but responding to requests for hybrid, flexible working methods from Members, groups and Commission staff and transforming the basis on which we deliver many of our services may involve financial investment.

In addition, if, during this Senedd, it becomes clear that the Commission needs to plan for any increase in the size of the Senedd, its budgetary strategy would need to be significantly reworked.

Recommendation 5. The Committee recommends that the Commission continues to provide periodical reports during the rest of the 2021-22 financial year on in-year costs and savings related to the impact of COVID-19.

The following tables provide an early snapshot of the financial implications of COVID-19, during 2021-22. This information provides an interim update of the impact of Covid-19 on the 2021-22 outturn and a final detailed update for 2021-22 will be provided, following the external audit for this financial year. These figures are provisional and are forecast figures as at 31 December 2021.

Impact on the provision for accrued annual leave and staff wellbeing

As highlighted in a previous letter to the Committee, International Accounting Standard (IAS) 19 - Employee Benefits requires the Commission to accrue for the cost of any unused leave entitlement accrued by Commission staff at 31 March in each financial year.

The provision as at 31 March 2020 was around £800k (representing 6.9 days of annual leave and 2 days of flexible leave accrued by each member of Commission staff). By 31 March 2021 this provision was around £1.3 million (an extra provision of £0.5m), as a result of certain staff not being able to take leave and others who have not wanted to take leave during the pandemic in 2020-21.

This continues to be actively addressed to ensure the wellbeing of staff, however where we could have expected this provision to reverse, this has not yet been the case. An additional £100k to £250k provision may be required by 31 March 2022. A supplementary budget is not required for this additional provision during 2021-22 as it is anticipated that this can be funded from the greater than anticipated level of staff vacancies seen during 2021-22 - as noted below.

Impact of increased vacancies, turnover and capacity constraints.

The uncertainty of the pandemic has resulted, during the past 18 months, in a reduced turnover of staff. Naturally as the pandemic has continued, the Commission is once again experiencing a return to more normal levels. This increase, combined with a number of other factors, including:

- specific posts temporarily frozen as a result of reduced services during covid which can now be released for recruitment,



- posts temporarily frozen pending the election and resulting Commission strategy, and
- new additional posts created to support the new capacity pressures arising from hybrid ways of working and new Committee structures,

has led to an increased level of vacancies to be filled..

Impact on Service Area Budgets – general expenditure

The impact of the COVID-19 pandemic on the general day-to-day expenditure of the Commission has again been varied during 2020-21 and the tables below provide an indication of where lower than anticipated expenditure has occurred and the impact on the project fund.

Table 1 - Reduced costs or savings against Service Budgets

Savings against Budget	2021-22	£
Staff travel Costs	111,000	
Reduced Utility costs	87,000	
Police and Security Costs	83,000	
MS related Commission expenditure*	57,000	
External translation costs	83,000	
Education and Events	49,000	
Postage	25,000	
Hospitality	23,000	
Total	518,000	

*includes MS international travel and engagement costs, which are funded from the Commission's operational budget.



Impact on the Commission Project Fund

Table 2 – Estimated Project Fund expenditure 2020-21

	Budget	Actual
Engagement and Outreach activities	£200,000	£50,000
Legislative Workbench	£240,000	£240,000
EFM Project Expenditure	£245,000	£380,820
- Additional EFM expenditure - Security/Safety/Covid related		£243,463
- Additional EFM expenditure - Sustainability		£230,000
ICT Project Expenditure	£275,000	£297,039
- Additional ICT expenditure - including covid related items		£391,826
Items delayed from 2020-21 due to Covid		£55,439
Total	£960,000	£1,888,587

The additional expenditure from the project fund has been, in part, funded by the reduced expenditure on service area budgets, highlighted in table 1 and, in part, from funding freed from a higher than anticipated level of vacant posts.

The Commission budget anticipates a prudent level of vacancies on average throughout the year.

During 2021-22 the number of vacancies has, on average, exceeded this estimate for reasons outlined above. This funding has been reallocated from the staffing budget to fund the additional demands on the project fund, as a result of the pandemic during 2021-22 and the potential increase in the provision for accrued annual leave.

Recommendation 7. The Committee recommends that the Commission provides updates on how the new ways of working and requirements for office space by the Welsh Government, as well as any proposals for Senedd reform, are impacting on the Commission's estate plans and needs for office space, particularly where this may have resource implications.

The Commission, at its 13 December 2021 and 31 January 2022 meetings, discussed a number of factors pertinent to the development of the Senedd Commission Estate Strategy.

These factors included long-term office accommodation needs for Members and staff, a more flexible and agile use of accommodation, the implications of Senedd Reform, the Senedd's regional presence and the Welsh Government's developing accommodation strategy.

Commissioners provided feedback on the strategic considerations outlined and requested additional information in some areas. This additional information is being collected and will be considered again by Commissioners to form the Commission's



Estate Strategy for the Sixth Senedd and beyond. A further update can be provided to the Committee later in 2022.



Annex 2 – Commission on a page

Welsh Parliament **Senedd Commission**

Purpose of 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.

Purpose of 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 Sixth Senedd



To provide outstanding parliamentary support



To have citizens at the heart of all we do



To use resources sustainably

Priorities for the Senedd Commission for the Sixth Senedd

- Providing support for Members across the range of business, and adapting to Members' needs.
- Responding to, and facilitating constitutional change, including strengthening interinstitutional networks and learning.
- Maintaining a good reputation and developing sustainable services.
- Listening to citizens and showing how we act on what they tell us; that we are their voice.
- Encouraging and inspiring citizens to be involved in our deliberations online and in person.
- Establishing the Senedd as the focal point of Welsh public life.
- Putting sustainability at the heart of all that we do.
- Building and developing a skilled, committed and diverse workforce, equipped with the technology and facilities to perform their roles.
- Effective planning and financial and project management, so we can respond quickly and flexibly to meet the needs of the Senedd.

Our Values #OneTeam



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

