

Peredur Owen Griffiths AS  
Chair of Finance Committee  
Welsh Parliament  
Tŷ Hywel  
Cardiff Bay  
CF99 1SN

24 March 2025

Dear Peredur

I am writing to provide you with the information and updates to the following recommendations as part of the follow up to the Committee's [Scrutiny Report of the Commission's Draft Budget 2025-26](#) as detailed below, including those agreed to be provided to the Committee by the end of this financial year.

- Recommendation 5 – Engagement with Members and Party Groups prior to the publication of the Draft Budget.
- Recommendation 12 – Update on development relating to pay agreements for Commission staff in 2025-26. This also provides for the Recommendations 4 and 5 from the 2024-25 scrutiny report.
- Recommendation 14 – update on plans for Artificial Intelligence software by the beginning of the 2025-26 financial year and setting out the governance arrangements and ethical considerations underpinning its use by Members, support staff and Commission staff.
- Recommendation 16 - planned projects for 2025-26, with estimated allocated funding (**Annex 2**)

As previously provided in relation to 2024-25 plans (Recommendation 11 - Report on Scrutiny of 2024-25 Draft Budget) we attach a 'SENEDD RESTRICTED' Report detailing the Communication and Engagement Plans for the forthcoming financial year (**Annex 3**)

The Commission confirms that the responses to the remaining recommendations will be provided in line with the [letter dated 5 November 2024](#) sent to the Committee.



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The Commission continues to be committed to openness and transparency with the Finance Committee. If you need further information or wish to clarify any of the information provided, please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Hefin David MS'. The signature is stylized and cursive, with a prominent initial 'H' and a long, sweeping tail.

Hefin David MS  
cc Manon Antoniazzi

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

# Annex 1

**Recommendation 5 - The Committee recommends that the Senedd Commission considers formalising its engagement with Members of the Senedd and Party Groups prior to the publication of the Draft Budget for future budget rounds and that sufficient time is provided to ensure that the outcomes of this engagement is able to influence budgetary decision making.**

**Response:**

The Commission will take the views of Members throughout the budget setting process. Its aim is to engage effectively with Members of the Senedd on the Senedd Commission's annual budget. By reflecting diverse perspectives and ensuring robust dialogue, the aim is to create a budget that truly reflects the needs and priorities of the Members and the wider public they represent.

The Medium-Term Resourcing Framework is in the process of being refreshed and will be presented to the Commission in April. Following this, a further budget development paper will be presented in early June, followed by initial engagement with party groups and, as necessary, individual Members.

After the first draft of the budget has been approved in July and detailed work is undertaken by officials during the summer, there will be further engagement with party group leaders, party groups and party chairs during September, prior to the Commission approving the final draft budget later that month.

**Recommendation 12 - The Committee recommends that the Senedd Commission provides updates on developments relating to pay agreements for Commission staff in 2025-26 and, if the pay awards are above the five per cent figure included in the Draft Budget, the Commission provides an explanation of how these payments will be funded.**

**Response:**

Following the Senedd's approval of the Commission's budget for 2025-26 in November 2024 and negotiations with the Trade Unions, the Commission agreed:

- a targeted uplift in pay for the bottom three grades for 2024-25;
- a 5% pay increase for all staff for 2025-26; and
- enhancements to maternity and paternity leave/pay.

### **Targeted Uplift for 2024-25:**

Following the completion of a benchmarking exercise, which identified a pay lag at the lower grades in relation to comparable grades within the Welsh public sector, the Commission agreed a targeted, consolidated uplift in pay for staff in the lower pay bands for 2024-25. This was confirmed following the approval of the supplementary budget on 22 October. The uplift in pay was to be back-dated to 1 April 2024 and was paid to staff in February 2025, following the implementation of the new HR/Payroll system.

### **Pay Award 2025 Onwards:**

The Commission agreed to a 5% uplift for all Commission staff from 1 April 2025, as part of the 2025-26 Commission budget strategy. This is in keeping with both the most recent UK Civil Service Pay Remit recommendation and the recently announced 2024-25 pay award for Welsh civil servants.

The Commission also proposes to return to an index-linked deal for 2026-27 and 2027-28, using the Annual Survey of Hours and Earnings (ASHE) as an index (as per the current pay deal). As part of the ongoing negotiation with Trade Union Side, we will revisit the "cap and collar" arrangements (currently at 3% and 1%). Commission Management Side will seek to negotiate an agreement with Trade Union Side in sufficient time to allow the Commission to plan and agree its budget submission for 2026-27.

### **Enhancements to maternity and paternity leave/pay:**

From 1 January 2025, the Commission staff maternity and paternity leave entitlements will be increased. Maternity leave with full pay will increase from six to nine months and paternity leave with full pay from three to four weeks, with these entitlements applying as from the first day of employment with the Commission (i.e. a day one right, with no qualifying service required).

The Commission will evaluate the impact of the pay award on Commission staff via the next Wellbeing Survey to be conducted in March, and we will provide an update to the Committee by the end of the summer term.

**Recommendation 14 - The Committee recommends that the Senedd Commission provides an update to the Committee on its plans for Artificial Intelligence software by the beginning of the 2025-26 financial year and sets out the governance arrangements and ethical considerations underpinning its use by Members, support staff and Commission staff.**

## **Response:**

A pilot study, started in 2024 aims to assess the potential benefits of using Artificial Intelligence (AI) across the Senedd. The pilot, which will include Members, their Support Staff and the Commission services, will focus on the use of Microsoft's Copilot for Microsoft 365 and Microsoft Teams Premium. It will help to determine if these Generative AI tools can help to enhance productivity, collaboration, and efficiency. The pilot will run up to the end of December 2025 and will inform a decision on broader implementation.

The Executive Board has approved £62,508 from the Commission Project Fund to cover licence costs up to the end of the pilot. Training and support will be provided using a blend of existing internal ICT support, together with Microsoft support services included as part of the licence costs. Licences are purchased on a monthly basis and can be removed from the Senedd account at the end of December if the outcome of the pilot is not to proceed.

## **Governance Arrangements**

The Commission has established two key groups to oversee AI usage:

- AI Governance Group (AIGG) - Chaired by the Head of Legal Service, who is also the Senior Information Risk Owner (SIRO), the AIGG oversees AI governance, sets risk tolerance, and addresses AI-related risks.
- AI Opportunities Group (AIOG) - Chaired by the Director of Communications and Engagement, this group identifies AI opportunities to improve services, adhering to AIGG's guidance during the pilot phase.

## **Ethical Considerations**

The Commission emphasises ethical AI use, adhering to principles such as:

- Compliance with Data Protection legislation, GDPR, and cyber security standards.
- Alignment with the Commission's values of Respect, Passion, and Pride.
- Transparency in AI usage, understanding its limitations, and addressing potential biases and inaccuracies.
- Avoiding over-reliance on AI to preserve skills and critical thinking.
- Proactively managing risks such as privacy concerns, disinformation, and security vulnerabilities.

The Microsoft products used in the trial have an advantage over other Generative AI products available currently, in that they:

- provide document citations that highlight the source of the data used to generate the response,

- they are part of the Senedd's existing Microsoft environment, helping to ensure security and data integrity is maintained and
- they can analyse internal Senedd data as well as publicly available Internet data when producing a response.

### **Member and Staff Involvement**

Members and staff have been invited to participate in this pilot. Licences have also been issued to staff in each Commission service. All participants will be supported by Data Governance and ICT throughout the pilot to help ensure they are able to make best use of the tools. Continual updates and engagement is built into the pilot to ensure effective collaboration and feedback.

The outcomes of the pilot will be assessed and will form the basis of a further report to the Executive Board in the Autumn. This report will help to establish whether a broader permanent implementation is justified.

**Recommendation 16 - The Committee recommends that the Senedd Commission provides a list of planned projects for 2025-26, with estimated allocated funding, before the start of the 2025-26 financial year and for such an approach to be adopted for future budgets.**

### **Response:**

The Portfolio Management Group meets regularly to prioritise which projects should receive funding from the Project Fund. The funding is generally approved in three tranches – the first committing ~70% of the Project Fund, the second two tranches committing the funding remaining in the project fund.

The prioritisation for projects to be delivered in 2025-26 is due to take place on 13 March, from which the first tranche of projects will be identified and the submitted via business case for approval by Executive Board. These projects will be 'mission critical' in nature and the 'must do's' for the Commission. It will include lifecycle projects from the Estates and Facilities Management and ICT Forward Work Plans of rolling replacement / maintenance works as well as projects put forward by service areas to support operational delivery.

Without pre-empting the approval process, projects which may be expected for consideration in the 2025-26 financial year are discussed in **Annex 2**.

## Annex 2

### Senedd Commission Project Fund Schedule 2025-26

At the time of writing, the Commission is finalising its project portfolio for 25-26, which will be completed in April.

The Commission conducts a full prioritisation and portfolio building exercise each year that starts with Executive Board agreeing a Portfolio Strategy prior to the financial year. The strategy sets out its ambition and goals for the project portfolio. Once this is agreed all candidates' projects are prioritised against each other to ensure the overall portfolio aligns with the Executive Board's direction.

Part of the strategy includes a decision on the level of investment for 25-26 – this has been set at £2.25m, as opposed to a £1.3m forecast level of investment last year.

Prioritisation workshops are taking place in March with approval due in April. The Commission will write to the Committee following the conclusion of the exercise setting out the complete project portfolio for 25-26.

Whilst the complete portfolio is not yet set, it is possible to provide the Committee with information on projects that already have a financial commitment agreed in 25-26, or which will be prioritised on the basis of a clear Commission / Senedd direction being set to do so. Such projects are set out below – the projects relating to Senedd Reform and Ways of Working will be funded from the ring-fenced amounts provided in the budget:

- Bay 32 – the project to secure future Senedd accommodation beyond 2032;
- Tŷ Hywel 26 – the project to reconfigure Tŷ Hywel to provide space for additional Members;
- Siambr 26 – the project to decant Plenary into Siambr Hywel and conduct works in the Siambr to expand it to accommodate additional Members;
- Insourcing – activity to progress the Commission's statement of principle that its preference is for services to be delivered in-house;
- People and Remuneration – this project will continue delivery into 25-26 after the successful delivery of the payroll and HR modules in 24-25.
- Customer Relationship Management / Online Engagement Tool project – the project to enhance engagement with the people of Wales through the introduction of a customer management system, and digital tools to allow Committee's engage with the public online;
- Senedd Business Management System (SBMS) replacement – a business critical project to procure a document management system for Senedd Business on the current contract expiring; and
- Co-Pilot – the continuation of the Commission's AI pilot into 25-26.

It is anticipated that the majority of the investment made (outside of the above) will be on critical and essential estates and ICT maintenance and life-cycle projects.

During 25-26 the Commission will administer a small £250K "invest to save" fund as part of the overall £2.25m investment, which projects that are able to demonstrate a positive return on investment can access. This is in line with, and will support, the Medium-Term Resourcing Framework's emphasis on finding efficiencies and a requirement to report against a Government Efficiency Framework.