

Comisiwn y Cynulliad Assembly Commission

NAFWC 2007 (Paper 2A)

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ASSEMBLY COMMISSION – THE FIRST SIX MONTHS

Purpose and summary of issues

1. This paper suggests a framework for the early work of the Assembly Commission, including the allocation of portfolio responsibilities, setting the strategic direction for the organisation, some issues which need to be tackled quickly and consideration of resource planning.

Recommendations (including priority deadline)

2. That the Commission agrees to set a strategic framework for 2007-2011. (Paragraphs 5-6)
3. That the Commission adopts cross-cutting portfolios. (Paragraphs 7-8)
4. That the Commission agrees to prioritise pressing matters and allocates a Commissioner to each priority area. (Paragraphs 9-10)

Discussion

Commission Strategy and Planning

5. To help us to be clear about the Commission's main priorities as we go into the budget-setting period, and to prepare for the big challenges and opportunities over the next four years, a strategic approach is needed which is shared by the Commission, the Executive Board and all staff of the APS. This would help as follows:-

- **A strategy taking us to 2011** – the Commission can set the broad direction and say what it would like to achieve during the Third Assembly. This would be supported by the outcomes the Commission would expect to see, which would be monitored over the period.
- **...to set the backdrop for operational planning** – Directors, services and teams would then take these strategic ambitions and turn them into plans to inform the

work of the APS. Individual staff would know how the work they do helps to achieve longer-term aims.

- **...and inform resource planning** – the 2008/9 Budget proposal must be laid by 24 September. A broad view of the ambitions of the Commission will inform this and the indicative budgets for 2009/11 which will be determined at the same time.

6. Ideas about strategic areas for the next four years which the Commission may wish to consider are attached as **ANNEX A**. Commissioners will have ideas about other strategic areas they would like to consider. To ensure that we can explore these properly, a half day session will be arranged for early July focusing upon the sort of organisation we need to be or to work towards over the next four years. This session could also look at risk and inform budget planning principles. The Shadow Commission endorsed an approach to dealing with risk (paper included as **ANNEX B**). As part of the discussion on strategy we can establish the risk appetite of the Commission and Executive Board.

RECOMMENDATION: That the Commission agrees to set a strategic framework for 2007-2011.

Portfolios

7. The Shadow Commission's way of working suggests that Commissioners would like to adopt portfolios. These could be informed by the strategic priorities set out above, and there are a few ways this could be done:-

- a) APS service organisation: linking portfolios with a Director or group of services has the advantage of simplicity and clarity, but can have the effect of creating boundaries, rather than encouraging cross-cutting, corporate working. It may also limit the strategic focus of the Commissioner.
- b) Cross-cutting portfolios: an emphasis on working across the main strategic themes of the Commission, would allow all Commissioners to work with relevant employees and service providers, and build links with wider civic society in the relevant area. This form is likely to promote more strategic working, although it will be more challenging as there may be a degree of overlap.
- c) As either a) or b) above, but also seeking out other Members with interests in key areas to use as reference groups – a network could be established, but very informally to avoid burdening Members with additional formal meetings.

8. Examples of portfolio options are attached as **ANNEX C**.

RECOMMENDATION: That the Commission adopts cross-cutting portfolios.

Early Issues

9. There are a few significant issues which will need early attention, and which can be programmed for the next Commission meeting:-

- Budget – The Commission is required by Standing Orders to lay its draft budget for 2008/9 by 24 September. At this point it will be considered by the Finance Committee which will report to the Assembly. The Commission should substantially

conclude its initial budget planning for 2008/9 by the summer recess. A supplementary Budget motion will need to be addressed in the autumn.

- Members' Salaries and Allowances – The Commission is given substantial responsibility under Standing Orders for determining or proposing the arrangements for salaries and allowances. Early consideration of the remuneration of Deputy Ministers, the Counsel General and others may be needed, as well as putting in place plans for a review.
- Best use of Assembly buildings – Some issues are outstanding from the considerations of the Shadow Commission and will need to be considered soon – these include the Pierhead and crèche proposals.
- Opening up the Assembly – new ways of working like use of petitions need to be explored.

10. In the interim, it would be helpful if individual Commissioners could take a special interest in the more pressing matters, in particular the budget.

RECOMMENDATION: That the Commission agrees to prioritise matters and allocates a Commissioner to each priority area.

Governance Matters

Financial implications

11. There are no direct financial implications arising from this paper, but the Commission's strategic approach will inform the budget setting process.

Risk Assessment

12. The paper proposes consideration of strategic risks alongside establishment of the wider aims of the organisation. There are some risks associated with the budget planning process as the time for consideration is curtailed, and it will be important to ensure that the process is robust to secure good standards of governance.

Compliance

13. There are no compliance issues associated with this paper.

ANNEX A

SOME OPTIONS FOR STRATEGY IN THE NEXT FOUR YEARS

Engagement in devolution – the next four years must demonstrate that the Assembly is working for all citizens and encouraging greater and more active participation in the democratic process. There will be greater incremental devolution through the 2006 Act, and there may be a referendum for greater legislative competence.

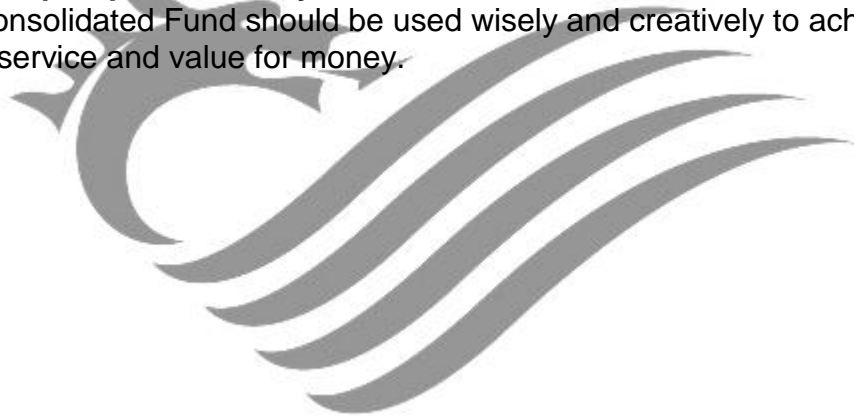
A bold response to cultural change – the Assembly will need to advance positively and show confidence and competence in embracing its new powers.

Respect, probity and good governance –to complement the above, all the Assembly does must be capable of intense external scrutiny, be transparent and reflect the diverse nature of Wales and its languages in how it deals with and involves the citizen.

Showing unity and leadership – although the nature of democratic debate means that there will always be differences of view, the Assembly and its Commission can be united in securing the best achievable quality of scrutiny and legislation, and in supporting the institution in its efforts to achieve this.

Sustainability – the Assembly has the responsibility to show leadership in the sustainability of its work and estate.

Stewardship of public money – the resources devolved to the Commission through the Welsh Consolidated Fund should be used wisely and creatively to achieve the best possible service and value for money.



Risk Management in the Assembly Commission**Background**

“Public perceptions of risk management are commonly framed around prevention, not creation. So-called ‘bonkers conkers’ stories and the banning for sale of mince pies by WI groups, paint the discipline in a very negative light. Yet all significant human development has involved risk: embracing it, not hiding from it.” (Institute of Risk Management)

“Erratic, inopportune risk-taking is an accident waiting to happen. At the other end of the scale, an organisation constantly erring on the side of caution with a risk-averse culture, is likely to stifle creativity and is not necessarily encouraging innovation, nor seeking or exploiting opportunities.” (“Thinking about your Risk” – HM Treasury, November 2006)

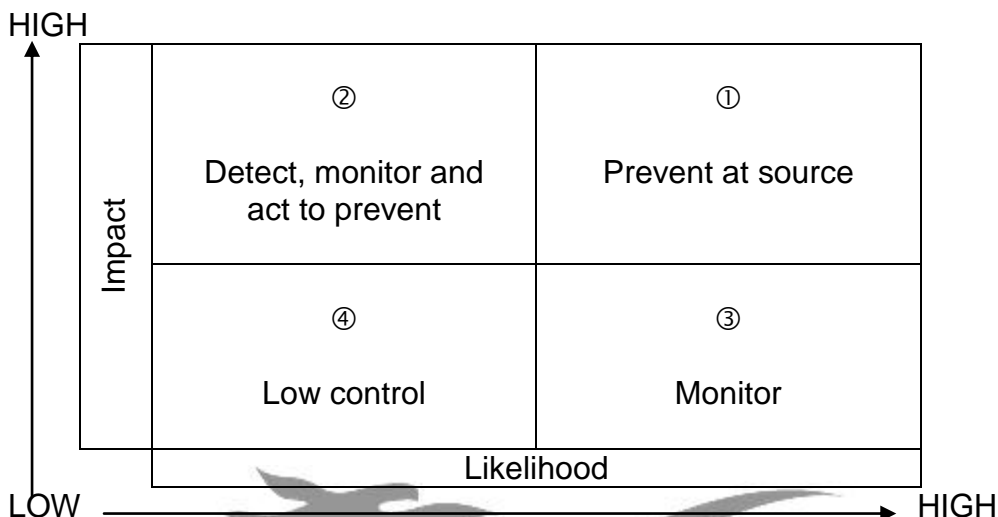
1. Risk management identifies the risks to an organisation’s operations and objectives, the likelihood and impact of these risks being realised and the arrangements to mitigate them. The starting point is what the organisation wants to achieve. Informed by the organisation’s appetite for risk, risks can be managed to support and ensure that achievement. Competent risk management is part of good governance.
2. All the activities of a forward-thinking organisation involve elements of risk. Risk management will be central to the Commission’s ability to take forward its objectives in the Third Assembly.

Issues

3. Definition of risk needs to be led by the objectives of the Assembly Commission, and not vice versa. This means that as part of the assessment of how best to deliver objectives, thought is given to eliminating the likely obstacles. It is not possible to identify all the risks before the objectives are identified, but the overall risk strategy can be informed by principles decided in advance.
4. How we manage risk and at which level in the organisation will be informed by the **appetite for risk** at different levels in the organisation. “Appetite” in this context means the level of risk we are happy to live with before something is done about it, and the amount of risk we are prepared to take to achieve objectives. A clear understanding of risk appetite will:-
 - Encourage managers to measure and compare risks
 - Identify resources that are being wasted on risks we are prepared to take and focus them on areas where the risk is higher and business critical
 - Help in setting objectives arising from the risks

The public sector has a lower risk appetite than others – it is constrained by statute, highly regulated and scrutinised, transparent and visible and uses public money. Caution is understandable. But there is scope for challenging an unduly risk-averse culture, if those who are best placed to manage risks are given the resources and authority to do so and are supported if an acceptable risk is realised.

5. Decisions about who needs to know about risk levels and makes decisions on dealing with them depend upon the likelihood and impact of the risk, and how significant it is to the organisation. This matrix sets out how risks might be considered in this context:-



The Commission will need to think about its risk appetite. This will inform the level at which risk management should be handled. Good practice is to make risk management part of everyone's job, so that all are encouraged to consider the risks of their day to day activities, manage them constructively and feel supported in doing so. An example of how the management of risk might be dealt with is as follows:-

- **Low risk** – management of risk is dealt with in the teams closest to the affected service, and if risks are unlikely to materialise and would have a low impact, limited resource might be used to deal with them.
- **Medium risk** – management delegated to teams but with escalation to responsible Directors if the risk score increases.
- **High risk** – managed by the relevant internal board, but with the Commission portfolio holder being kept in touch with the nature and management of the risk as part of regular reporting.
- **Critical risk** – the Commission would be advised of any high risks which are also business critical and would take decisions as to whether the risk should be taken.

6. The effects of the risks identified are likely to fall into the following categories:-

- **Reputational** – the organisation's reputation suffers through adverse public and media attention; misunderstanding or misinterpretation of its objectives;

- **Financial** – financial resources used inappropriately, results in challenge and/or scarcity;
 - **Legal** –failure to comply with laws or formal guidance result in legal challenge by a third party or auditor or external criticism;
 - **Political** – this effect is especially prevalent in an organisation which exists to serve elected representatives and is driven by democratic values. Events may have unexpected effects, possibly requiring a change of direction at short notice.
7. High level risks within APS are managed through the allocation of an owner for each, whose role it is to review and report back on steps taken to reduce the risk. Those managers who have the job of delivering particular objectives will identify the risks in relation to each and work to reduce these. Projects maintain a risk log specific to the tasks in hand and at an operational level, risks will be considered and monitored as part of regular planning and reviews. The current APS Risk Management Strategy is **ANNEXED** for background.
8. This is in line with good practice, but will need to be addressed in the light of the Commission's priorities and new ways of working. It may be that if a Commissioner has portfolio oversight of an objective, he/she should also receive regular reports on how the risks to that objective are being tackled and mitigated, and may take responsibility for alerting the Commission to matters of concern. The Commission may wish to receive regular overview reports on the small number of high level risks which relate to its objectives.

Recommendation

That the following approach to a risk management strategy for the Assembly Commission is endorsed:-

- The risk appetite of the organisation is established at an early stage;
- The management of strategic risks is closely connected to the objectives of the Commission;
- Ownership of these objectives also includes consideration of the risks which may prevent or limit their achievement;
- Any portfolio arrangement takes involves an appropriate role in risk management;
- The risk management arrangements within the Commission are led by these principles.

COMMISSION PORTFOLIOS – SOME IDEAS

Cross-cutting Portfolios

Presiding Officer – Special responsibility for promoting democratic engagement, excellent leadership, developing the Assembly’s future legislative powers and external relations.

Commissioner for the Improving Assembly – Improvement of services to Members and citizens; strategic planning; value for money; involving stakeholders

Commissioner for Assembly Resources – Management of Assembly assets; Assembly people (including employees, contractors, services provided to support AMSS); budget; Members’ salaries and allowances; efficiency and good governance.

Commissioner for the Assembly and the Citizen – Quality of scrutiny and the legislative process; external communication; ICT; citizenship education; lawfulness.

Commissioner for the Sustainable Assembly – Equality; language; environment and carbon neutrality; sustainable procurement and estate management.

Portfolios could reflect the main strategic objectives of the Commission.

Scottish Parliamentary Corporate Body Members - Portfolio Arrangements

The SPCB has agreed portfolio arrangements whereby members take a lead interest in specific service areas. These are currently as follows: -

Alex Johnstone MSP – Directorate of Technology & Facilities Management including building maintenance, IT and local office support

Tom McCabe MSP – Resources & Governance Directorate covering Procurement, Allowances and Finance Offices

Tricia Marwick MSP – Access & Information Directorate covering visitor services, events, public information, education and outreach, SPICe and the editorial content of the website and intranet as well as broadcasting and the broader aspects of media relations

Mike Pringle MSP – Corporate issues (including governance, equalities and Personnel issues) and Office Holders/Commissioners