

Agenda – Finance Committee

Meeting Venue:	For further information contact:
Video Conference via Zoom	Bethan Davies
Meeting date: 23 November 2020	Committee Clerk
Meeting time: 14.30	0300 200 6372
	SeneddFinance@senedd.wales

On 16 November 2020, the Committee resolved to exclude the public from today's meeting in accordance with SO 17.42.

- 1 Introductions, apologies, substitutions and declarations of interest**
- 2 Enabling changes to the Welsh Tax Acts – Technical briefing from Welsh Government officials**

(14.30–15.10) (Pages 1 – 12)

Andrew Hewitt, Tax Strategy, Policy and Engagement Division, Welsh Treasury

Laura Fox, Tax Strategy, Policy and Engagement Division, Welsh Treasury

Lynsey Edwards, Legal Services, Welsh Government

Supporting papers:

FIN(5)–23–20 P1 – Presentation slides
- 3 Finance Committee Legacy: Fifth Senedd**

(15.10–15.25) (Pages 13 – 18)

Supporting papers:

FIN(5)–23–20 P2 – Legacy inquiry scoping paper



4 Senedd Commission Draft Budget 2021–22: Consideration of Commission response

(15.25–15.40)

(Pages 19 – 43)

Supporting papers:

FIN(5)–23–20 P3 – Senedd Commission response to the Finance Committee report – 4 November 2020

FIN(5)–23–20 P4 – Letter from Suzy Davies, Commissioner – regarding financial implications of the COVID–19 pandemic – 4 November 2020

FIN(5)–23–20 P5 – Senedd Commission: Voluntary Exit Scheme – Workforce Review – 30 September 2020

5 Inquiry into the implementation of the Wales Act 2014 and operation of the Fiscal Framework: Citizen engagement paper

(15.40–15.55)

(Pages 44 – 59)

Supporting papers:

FIN(5)–23–20 P6 – Citizen engagement paper

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Document is Restricted

Llyr Gruffydd MS
Chair of Finance Committee
Senedd Cymru
Tŷ Hywel
Cardiff Bay
CF99 1SN

4 November 2020

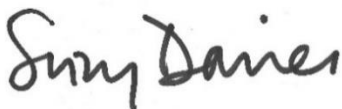
Dear Llyr

Thank you for your Committee's **Report on the Scrutiny of the Senedd Commission Draft Budget 2021-2022**, published on 21 October 2020. The Commission's response to the Finance Committee's recommendations is detailed in **Annex 1**.

I would like to thank the Committee for its scrutiny and I look forward to the debate on the Commission's budget motion next week.

I also welcome the Committee's conclusion. The Commission's approach is always to try to operate with openness, transparency and clarity, if there is any further information your Committee would like to have, please do not hesitate to let me know.

Yours sincerely



Suzy Davies

cc Senedd Commissioners, Manon Antoniazzi, Nia Morgan

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



Annex 1

Finance Committee Recommendations

Recommendation 1. The Committee recommends that additional information is provided on the costs and savings identified as a result of Covid-19, for the period up until the end of September. Additionally, the Committee would welcome a final update on the position at the end of this financial year.

Accepted.

An update on the financial implications of COVID-19 as at 30 September 2020 accompanies this letter. We will provide a final update for 2020-21 following the external audit for this financial year.

Recommendation 2. The Committee recommends that the Commission attends an evidence session with the Finance Committee in February 2021 to consider how long term projects have been prioritised and planned, including whether the new Sustainability plan and targets that are due to be in place from 2021 onwards will be implemented and how they are intended to influence decision making and funding.

Accepted.

We welcome the opportunity to share our long-term priorities and sustainability plans and targets with the Committee.

Recommendation 3. The Committee recommends that an annual report on the Voluntary Exit Scheme is provided to the Finance Committee in the Sixth Senedd and for the next financial year, to enable the Commission to demonstrate the value for money of this scheme.

Agreed in Principle.

A report on the Voluntary Exit Scheme accompanies this letter.

This report outlines the workforce benefits that have arisen from the VES. As noted in the report all posts, apart from one, have been reestablished/redistributed in the 18 months since the 2018-19 scheme.

The report evidences that benefits e.g. from changes to service area structures and from new skills introduced since the VES, have already been 'realised'. Any future benefits will solely arise from financial savings of staff being recruited at lower points within the salary structure. This annual benefit will diminish over time as staff progress up their pay band.

The Commission does not therefore intend to revisit the outcomes of this 2018-19 scheme as the October 2020 report provides a comprehensive summary of the overall outcomes and benefits.



Recommendation 4. The Committee recommends that, if a supplementary budget is required to reflect annual leave accrual, it should be accompanied by an assessment of any additional costs, alongside an update on sickness absence levels and the impact of the pandemic on staff welfare.

Agreed.

We will provide the Committee, as in previous years, with a copy of the Supplementary Budget Explanatory Memorandum before it is laid before the Senedd and incorporated into the Welsh Government budget.

At the same time, we will provide the Committee with commentary assessing whether there are any risks of additional costs being carried forward into 2021-22, alongside an update on sickness levels and the impact of the pandemic on staff welfare.

Recommendation 5. The Committee recommends that the Commission's communication plan clearly explains how priorities are set, how these will be measured and achieved, and how the plan seeks to raise the profile of work in Committees and the Senedd.

Agreed.

The Commission has supported a new communications and engagement strategy which focuses on the work of the committees. Whenever a committee launches an investigation into a policy area or service, the Citizen Engagement teams will work with them to find people with lived experience of those services.

By using that evidence of people with lived experience of services, we aim to show how the work of committees relates to the everyday lives of citizens. Further information is included in the Communications and engagement strategy outline provided in **Annex 2**.

Recommendation 6. The Committee recommends that the Commission pays particular attention to ensuring that engagement with those who are digitally excluded, difficult to reach, or unlikely to interact with the Senedd are at the forefront of its communication plan.

Agreed.

We have been developing our virtual engagement activities as face-to-face events have become more difficult during the current restrictions. A part of this we have also ensure



that we don't ignore those who are digitally excluded. Our online focus group work also includes phone sessions for those without secure broadband connections, or who would rather not engage in a virtual setting. Anecdotal evidence suggests this has real benefits, making it easier for people to find the time to take part, and eliminating the need to travel. We are also holding a series of virtual events in November considering the public's views on how we should emerge from the pandemic. It is early days, and we will be gathering evidence over the coming weeks to measure the success of these activities

Recommendation 7. The Committee recommends that the report on the Voluntary Exit Scheme should include additional details as to how the restructure of the Communications Directorate fits in with the aims of the scheme.

Agreed.

A report on the Voluntary Exit Scheme accompanies this letter and includes additional detail on the Communications Directorate..

Recommendation 8. The Committee recommends additional detail is provided to clarify the resources the Commission currently has available to support the Senedd in the EU transition period, the additional specialist resources referred to in evidence and how these resources will be accessed.

Agreed.

The Commission resources dedicated to support the Senedd in the EU Transition period are as follows:

- EU Transition Co-ordination – an additional responsibility allowance for a member of Commission staff who undertakes EU Transition co-ordination duties, in addition to his existing role (currently approved to end 31 December 2020). The EU Transition Coordinator maintains an overview of work strands being delivered relating to EU exit across the Senedd Commission, ensuring there is no overlap, and that gaps/delays are identified.
- The Brexit Academic Research Framework – this allows the Senedd to buy-in short-notice specialist expertise from a pool of academics and experts as needed. This expertise supplements the work of Senedd Research on highly specialist topics. To date, 25 pieces totalling 80 days work have been commissioned, examples of which include: the replacement of the EU Emissions Trading System; Future scenarios post-Brexit; the UK EEA-EFTA agreement and issues for Wales related to the UK-Japan agreement. The fund to support the Framework during 2020-21 and 2021-22 is £20,000 per annum with some potential for virement from the total £40,000 academic engagement fund in the 2021-22 draft budget if required.



- Business as usual - activity to support the Senedd during the EU transition period is also undertaken by other staff within the Commission as part of normal business. Activity is particularly focussed on the clerking teams supporting the EAAL and LJC Committees, the Senedd Research External and Constitutional Affairs team, Legal Services, and other part of the Commission, such as Translation and Reporting Service and Communications. Existing learning and development budgets will also be drawn on to provide expert and specialist training to staff working in these areas.



Annex 2 - COMMUNICATIONS AND ENGAGEMENT STRATEGY OUTLINE

Purpose and summary

1.The Commission's strategy for 2016-21 sets as a strategic goal "to engage with all the people of Wales and champion the Senedd" as well as to "communicate outwardly the work of the Commission"

2.Since taking up my post in September 2019, I've been working on a strategy to improve how we communicate and engage with the people of Wales in line with the Commission's strategic goals. In order to do that some changes are being made to the structure of the Communications and Engagement Directorate.

3.This paper outlines how those changes will impact the work of the Senedd and how it will change the work of the Commission. It will mean a much greater focus on social media as a means of speaking with and involving the public in our work.

Background

4. As the Senedd Commission's first Director of Communications and Engagement I've been tasked with making sure we deliver the strategic objective to Engage with the People of Wales and champion the Senedd. Much of the work we do is already making an impact towards this, but I want us to focus more relentlessly on telling the people of Wales what happens here, and involving them in our work.

5. Over the past four years the Commission has received three reports with a focus on engagement. They all outline similar challenges for our engagement and communications strategy; namely that social media should be at the heart of the Senedd's communications strategy and that citizens should be at the heart of everything we do.

6. The size of the task ahead is most starkly laid out by the 2018 Hansard Society Audit of Political Engagement which shows that citizens in Wales have the lowest score in the UK on "Interest in politics", "Knowledge of politics", and in their belief that "getting involved is effective".

7. The relative weakness of the media landscape in Wales is well documented, but not insurmountable. Through more targeted use of social media, we can tell the story of what the Senedd does in a way which reaches out and engages with citizens. In all news and media organisations with a strong social media presence, the key to engaging audiences is to have strong, engaging case studies as part of their reports; a way for the public to be interested in a story and engage with an article.



The Strategy

8. The strategy has four key drivers:

- a. The Citizen has to be placed at the core of everything the Senedd does.
- b. Digital communications must be placed at the centre of the Senedd's operations as a means of facilitating and democratising the engagement process.
- c. Communications must be streamlined and consistent - simple, engaging brand messages targeted at specific demographic groups.
- d. A 'Digital First' operation and culture; and to continuously improve upon digital competency, skill sets and delivery mechanisms.

The Citizen has to be placed at the core of everything the Senedd does.

9. Two years ago, Leighton Andrews said in his report that the Senedd should look at itself as a content producer. *"The aim should be to put people - rather than the organisation and its processes - at the heart of topical news stories and aim for an emotional connection."* This forms the basis of the new strategy.

10. We need to overcome the challenges posed by Wales' limited media infrastructure, rapid changes to the way people get and share news, and low levels of understanding of a (still) relatively new and changing constitution situation. This can be done by greatly enhancing and focusing on our social media output.

11. Through the work of the engagement team, committee inquiries often gather evidence by visiting all parts of Wales to hear the experience of people who are using particular services. This often involves compelling "real life" case studies of how services have helped or had a negative impact on their lives.

12. The information forms part of committees' deliberations, and is included in their reports published some weeks later, but might not be used in any other way. This needs to change.

13. We will use these evidence gathering sessions as a means of showing what the Senedd does to scrutinise the role of the Welsh Government and act as a voice for the public.



14. After filming interviews with those who give evidence, we will share their stories on our social media feeds as quickly as possible after the event. It will be edited and will have an accompanying article which can be targeted to different areas and to different demographics.

15. We have recently started using a new online engagement tool which makes it much easier for the public to contribute to the inquiries of committees. This will be embedded in our articles so that anyone who is interested in our case studies will be directed to the website and can give their views.

16. We will make it as easy as possible for citizens to participate in the work of the Senedd

Digital communications must be placed at the centre of the Senedd's operations as a means of facilitating and democratising the engagement process

17. The Communications team is currently working on a social media strategy for each channel (Facebook, Twitter, Instagram etc) so that we can tailor our output to the different demographics using different social media platforms.

18. Conversations with several Senedd Members reveals a real appetite for enhancing their social media profiles. Many Members make good use of platforms such as Facebook to engage and communicate with voters. **As we look ahead to the ongoing support we offer to Members in future, we will consider how greater training could be provided so that social media plays a more pivotal role in how MSs interact with the electorate.**

19. Building on the improvements which have already taken place we will ensure that Senedd TV is used more widely as a digital communication tool, including broadcasting events which take place at the Senedd

Communications must be streamlined and consistent - simple, engaging brand messages targeted at specific demographic groups

20. We will develop a clear "brand" for the Senedd, based on the idea of being "your voice"; a place where the concerns and issues important to the public are raised and discussed.

21. This will help us to build a bond with the public and nurture a relationship of trust.



22. We will develop a warmer, friendlier tone of voice for our social media platforms and website, whilst respecting the significance of our law-making and scrutinising work. We will be clear, concise and jargon-free.

23. By undertaking new market research we will be able to build a new suite of target audiences which will form the basis of our core messaging strategy.

24. The Senedd has not commissioned or gathered any audience insight for some time, and this makes it difficult for us to confidently recognise our audiences and target our messages accordingly. The media and digital landscape, consumer habits, and attitudes are changing rapidly. Therefore, we will work with a reputable external provider to gather current audience insight.



25. The current communications strategy (2016-20) has identified 4 audiences:

- **“Political professionals”**: employed to participate in the democratic system. The group can include elected representatives, political journalists, public sector officials and also public affairs or policy professionals who are employed to promote their clients’ or organisation’s political objectives.
- **“Political Activists”**: socially motivated to engage in the political process and forms an essential part of our customer base. They are informed and knowledgeable, hungry for information and opportunities to participate and influence the Senedd’s work. This group is not employed to participate in the democratic process, but is primarily made up of those who participate in political or social action. Existing data suggests that the proportion of the population that share these group characteristics is far smaller in Wales (4%)¹ in comparison with other parts of the UK (20% in Scotland) and UK averages (32%)².
- **“Political Observers”**: tend to access political news and information on a weekly basis and sometimes or rarely talk about politics with their friends, family and work colleagues. They may have some interest in specific political issues but tend not to take part in more formal, high level political activity such as contact their elected representative, attend meetings or rallies.
- **“The Politically Apathetic”**: this group is considered to have little or no interest in political issues, declare low levels of interest in political news and they never discuss politics with friends, relatives or fellow workers.

26. The new strategy will focus on the **“Political Observers”** and **“Political Apathetic”** which is likely to include the majority of voters.

27. In order to target those audiences most efficiently and successfully we will need to understand what they think of the Senedd.

28. With a busy 18 months ahead with major campaigns to deliver e.g. Name Change, Votes at 16 and the 2021 Welsh General Election, our communication efforts will need to



be as effective as possible. **We will base our efforts on evidence through robust data and current insights.**

29. This project would directly feed into the Commission's goal to *Engage with all the people of Wales and Champion the Senedd*. **We will build the profile of the Senedd, its work and its evolution into a parliament ahead of the 2021 Welsh General Election.**

30. The research will also support the development work around the new website and our efforts around social media, giving us additional insights to develop new approaches to content creation and audience engagement.

A 'Digital First' operation and culture; and to continuously improve upon digital competency, skill sets and delivery mechanisms.

31. In order to implement all these changes we will be creating a new team within the Communications Directorate whose sole focus will be on improving our social media strategy.

32. This will lead to the creation of new roles including a Head of Social Media and a Social Media Manager. They will work closely with the Engagement team as well as the News team to ensure that the evidence gathered by Senedd Committees can be used to inform, involve and engage with the public.

33. The team will not only lead on our social media output but also ensure that other teams across the organisation will increase their focus on social media as a way of engaging and communicating with the public.

34. The team could also be supported by a member of the Translation service to ensure that all our output can be published bilingually as quickly as possible.

35. The Covid pandemic has made face-to-face engagement activities impossible. At the same time it has enabled us to enhance our virtual provisions. Anecdotal evidence suggests this has real benefits, making it easier for people to find the time to take part, and eliminating the need to travel.

36. The Engagement team has redirected staff and resources towards improving our digital services, such as virtual tours and schools engagement work. We are also holding a series of virtual events in November considering the public's views on how we should emerge



from the pandemic. It is early days, and we will be gathering evidence over the coming weeks to measure the success of these activities.

37. While developing and improving our virtual resources, we are also mindful not to leave behind those who are digitally excluded. As we prepare focus group work for Committees as well as our own research work, we have held sessions over the phone as well as online so that we can hear from as many citizens as possible.



Llyr Gruffydd MS
Chair of Finance Committee
Senedd Cymru
Tŷ Hywel
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4 November 2020

Dear Llyr

Financial implications of the COVID-19 pandemic – update as at 30 September 2020.

I am writing following our recent evidence session on 5 October 2020, where we confirmed that a letter, updating the Committee on the financial implications of the COVID 19 pandemic as at 30 September 2020, was being prepared.

This follows our previous letter, dated 7 July 2020 which responded to your letter dated 4 June 2020 and your consideration of the impact that COVID-19 has had on the bodies directly funded from the Welsh Consolidated Fund.

This letter provides an update for the Committee, detailing the following:

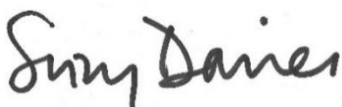
- the impact that COVID-19 has had on this year's finances, including any savings and extra costs, including a full break-down; and
- information on the impact on the funding provided to the Commission for its own activities and to fund the Remuneration Board's Determination.

I have provided this information in the attached annex.

I hope it provides the information you require.

As ever, if there is any further information your Committee would like, please let me know.

Yours sincerely



Suzy Davies

cc Assembly Commissioners, Manon Antoniazzi, Nia Morgan



Annex 1

Impact on the Project Fund

The 2020-21 Budget highlighted £1.515m of expenditure to be funded from the Commission's Project Fund. The current working forecast shows expenditure of £1.647m, as shown in the following table. As usual, proposals are adjusted to manage areas where possible spend is higher or lower than estimated.

Table 1 – Impact on the Project Fund

	Budget	30-Jun-20	30-Sep-20
Project Fund 2020-21	Amount £'000	Amount £'000	Amount £'000
Legislative Workbench Software	£600	£600	£514
Assembly Commission Senedd and Elections (Wales) Bill - Name Change	£45	£45	£45
Archiving	£65	£65	-
Plenary system	£50	£50	£11
Website	£80	£80	£80
Engagement and Outreach Activities	£250	£200	£51
Window replacement - feasibility review	£50	£50	£45
Fire door replacements	£80	£80	£80
Physical Security - delay project - Senedd	£225	£233	£233
Physical Security - delay project - Tŷ Hywel	£70	£270	£270
Fire Door installation		£92	£92
Tech Development for Hybrid Plenary		£30	£56
Pierhead Ventilation Works			£30
ICT Loan kit for Members			£40
Network security			£100
Total	£1,515	£1,795	£1,647

In summary, the main areas likely to be impacted by COVID-19 are:

- Engagement and Outreach activities – reduction of £199k
- Physical security (delay project) – increase of £208k, with expenditure brought forward from 2021-22
- Delay to 2019-20 activity (fire door installation/ventilation) – increase of £122k in 2021-22
- Additional COVID-19 requirements for Plenary – increase £56k
- Additional ICT and Network Security investment, £40k and £100k

This is an overall increase of £132k.



These are currently provisional figures and are likely to change as the financial year progresses and further demands and savings are identified. The Commission continues to regularly review the project fund forecast to identify changing priorities and to adjust accordingly.

This early identification of an underspend relating to engagement activity led the Commission to consider whether the available funds (once additional costs were covered) could be prioritised elsewhere or whether they could be returned to the WCF. It was agreed that the work to complete the physical security remodelling of Tŷ Hywel (intended for completion in 2021-22) should be brought forward into the 20-21 financial year. This would not only significantly improve physical security from attack, but the associated screening would help to reduce the spread of the virus, thus protecting those working in and passing through the reception area. The ICT projects identified were agreed as they are a direct response to the pandemic situation – providing equipment for MS and staff to be able to work remotely and to increase our resilience and cyber security at a time when virtual working is critical to Senedd business.

These changes have also slightly reduced pressure on the 21-22 project fund, which we reduced to £0.46 million from £1.055 million, as one of our actions to minimise the increase in the Commission's operational budget. Using resources wisely in this way remains one of the Commission's strategic goals.

Impact on the Annual Leave Provision

As highlighted in our previous letter, 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 £777,000. This represents an average of 6.9 days of annual leave and 2 days of flexible leave accrued by each member of Commission staff. The provision has been calculated as at 30 September 2020 and is five days higher than it usually is at this point in the year. If this trend continues, this would result in an additional £424k of provision required during 2019-20. Each year, the increase is budgeted to be around £25k, to reflect any increase in pay levels.

Work is now being concentrated on estimating the total provision required at 31 March 2021. As highlighted in our evidence session on 5 October 2020, Commission staff will accrue an additional 15 days of leave between 1 October 2020 and 31 March 2021, with limited opportunities to take annual leave. This could result in a significant impact on the Commission's outturn. Once an estimate has been calculated, it is anticipated that the Commission will submit a second supplementary budget for 2020-21. This will not increase the cash requirement.



This highlights that COVID-19 has meant that certain Commission staff have had to adjust their working patterns significantly to respond to the demands on the Commission. This has resulted in certain staff not being able to take leave, this is being addressed to ensure the wellbeing of staff.

Impact on Service Area Budgets – general expenditure

The impact of the COVID-19 pandemic on the general day-to-day expenditure of the Commission is varied and the information provided below is an indication, based on six months of actual data, where additional expenditure and savings have been experienced.

Table 2 – Additional Commission expenditure

Expenditure, from April 2020 to	June 2020 £	September 2020 £
Estates and Facilities – Screens, Signs, Sanitizer etc.	17,000	39,000
ICT – Zoom licences, Laptops, screens, keyboards etc.	51,000	78,000
Security - PPE	2,000	3,000
Homeworking allowance/Discretionary payments	TBA	0
Home DSE Assessments	TBA	0
Additional desks, chairs etc. following home DSE assessments	TBA	9,000
Reduction in catering income – additional contribution made by the Commission	TBA	105,000
Reduction in Tŷ Hywel car parking income (offset by reduced costs)	TBA	6,000
Reduction in Shop income	-	7,000
Total	70,000	247,000

In addition, £16,000 was also spent during the prior financial year (2019-20) on additional ICT equipment.



Table 3 – Reduced costs or savings for Service Budgets

Additional savings (estimate) April 2020 to	June 2020 £	September 2020 £
Reduced Utility costs	TBA	85,000
Travel Costs	TBA	77,000
Committee expenditure		12,000
Reactive maintenance/furniture		37,000
External translation costs		53,000
Cancellation of Youth Parliament and Votes@16 events etc	13,000	71,000
Printing, postage and courier charges		13,000
Total	TBA	348,000

Impact on the funding provided to the Commission to fulfil the obligations of the Remuneration Board’s Determination on Members Pay and Expenses.

The impact of the COVID-19 pandemic on the Remuneration Board’s Determination Budget is again varied and the information provided below is an indication of where additional expenditure has been required during the past six months.

Also provided is an indication of the types of expenditure where savings have been realised. As the Finance Committee is aware, this element of the over-all budget is outside the Commission’s control.

Expenditure, April to June 2020	June 2020 £	September 2020 £
ICT – Printers, Laptops etc.	13,000	13,000
Office equipment and set-up and PPE	2,000	7,000
Adverts and leaflets	5,000	4,000
Mail Redirection	1,000	1,000
Research	1,000*	-*
Working from Home Allowance	5,000*	-*
Total	27,000	25,000

*Estimate. Actual to September 2020 is less than £1,000.



Additional expenditure/losses (estimate) April 2020 to March 2021*	£
Homeworking allowance/Discretionary payments	TBA
Home DSE Assessments	TBA
Additional desks, chairs etc. following home DSE assessments	TBA
Redirection of post	TBA
Perspex screens for constituency offices	TBA
Additional deep clean for offices	TBA
New signage	TBA
Total	TBA

*No significant expenditure to date – these are potential areas of expenditure

Additional savings April 2020 to September 2020	£
Reduced travelling expenses	63,000
Total	63,000



Paper date: 30 September 2020

Author: Lowri Williams, Head of HR and Inclusion

Title: 2019 VES – Workforce Review

Purpose

In September 2019 the Finance Committee made the following recommendation: **The Committee recommends that an annual financial report on the long term benefits, including ongoing savings, of the Voluntary Exit Scheme is provided to the Committee identifying how the scheme has met the stated aims, specifically “Delivering long-term savings where possible and/or avoiding additional costs in meeting skill shortages”.**

This paper, produced for Finance Committee, presents the findings of a review as to whether the VES delivered on all its 4 stated aims.

Summary

In January 2018, the Commission agreed the outcomes of a Capacity review. Executive Board similarly agreed a capability review designed to complement its recommendations. The five-year People Strategy arising from the capacity and capability review was agreed in September 2018 and is designed to maximise capability through opportunities for structure review, skills development, and new ways of working. A Commission Voluntary Exit Scheme was launched in December 2018 designed to support this Strategy by delivering the following aims:

- **Allowing the organisation to respond to shifts in our skill requirements.**
- **Improving workforce efficiency.**
- **Facilitating organisational change; and**
- **Delivering long-term savings where possible and/or avoiding additional costs in meeting skill shortages.**

A total of 24 staff left the organisation between May and September 2019. Twelve months on, a review of the benefits arising demonstrates that the has maximised this opportunity corporately.



Background

At their meeting on 5 November 2018, the Assembly Commission agreed that a Voluntary Exit Scheme would be offered to all Assembly Commission staff. The Scheme was run based on an open application process, as was the case for previous schemes in 2010, 2012 and 2015. The Scheme was open to all permanent Commission employees at all grades.

43 applications were received and considered against the criteria designed to maximise the opportunity for efficiency and effectiveness gains. 24 applicants were granted VES on this basis.

An audit of the process was undertaken in September 2019 and concluded that the Scheme had appropriate and proportionate governance arrangements and was managed in a reasonable way. This review supports the audit by reviewing how effectively the VES met its aims.

Corporate Benefits

Financial - Whilst the scheme was not designed as a cost savings exercise, (the relevant aim was to deliver long-term savings where possible and/or avoid additional costs in meeting skill shortages), additional savings have been realised in a number of ways:

- Posts have been released either permanently for repurposing elsewhere in the Commission as corporate needs arise, or temporarily as services have deliberately built in a lag to assess the impact of VES before redesigning roles and structures.
- Where posts have been replaced through a restructure exercise, services have used the opportunity to redesign posts which has in such cases avoided the financial burden of additional new posts, or posts have been regraded to create a more appropriate team structure, with the additional benefit of a financial saving.
- Finally, additional savings have been created by the Commission appointment processes, replacing leavers at the top of their scale, with new starters on one of the first two points of the scale.

	Posts
Posts released	2
Posts replaced at lower grade	5
Opportunity to restructure	7
Replace like for like with new skills	8
on hold	1
Posts replaced at higher grade	1
	24

•

- Overall, 24 people left through the programme and 23 have been replaced to date. A saving on a direct comparison has been made of £72,000.

Turnover - The benefits of a VES over and above the usual staff turnover is the ability for greater control and the coordination of numbers for greater impact. However, this inevitably also creates a period of flux and ideally should settle as quickly as possible. Organisationally this has been the case – turnover reached its peak at 15% in November 2019 and is now reduced to 6.5% (September 2020). This provides a healthy turnover which is desirable for new skills and opportunities for further redesign without the risk of instability which can be a feature of higher turnover.

Absence - Given the current circumstances, the impact of the VES on absence is more difficult to assess. Absence has reduced from 2.2% in August 2019 (4.05% annual rolling average) to just 1.1% Aug 2020 (annual rolling average 3.03%). We know that for the most part this drop is in line with other sectors and is as a result of the pandemic; it is the case that a number of leavers under the VES scheme had experienced some substantial periods of absence which required longer-term support. This is no longer necessary.

Inclusion - This year we have seen very positive traction towards our aim of neutralising all pay gaps - across most groups the pay gap has reduced, and no group has seen an increase to the pay gap and the VES scheme has contributed to this through the exit of some longer serving staff members and senior management.

Directorate benefits

Whilst the scheme was designed to bring about corporate-wide benefits, those benefits are evident at the service level in the first instance and are dependent on effective service-level and workforce planning. The review has highlighted that the benefits sought are in evidence across all the services which released staff through the VES scheme – **every** vacancy arising from the scheme has been repurposed, redesigned, or enhanced. Whilst financial savings were not a main driver, the review has identified that the activities across services have delivered savings and avoided additional costs in meeting skill shortages.

Service areas that released a greater number of staff have been able to glean greater benefits through service or team restructures, whilst those with individual posts have realised opportunities to repurpose posts or change skills requirements. Detailed changes by Directorate are set out in Appendix 1.

The VES scheme also resulted in unexpected benefits, such as in the case of a small number of staff who did not meet the VES criteria but nevertheless concluded that retirement was the right course of action personally. This enabled several services to take the opportunity for further restructures and skills alignment.

Whilst we were never able to foresee a global pandemic, longer-term, the new and different skills and structures arising from the VES scheme have supported our ability to respond with greater agility.

Lessons Learned

The VES scheme has delivered on its aims, and its timing has enabled several changes across all services and has supported our continuing commitment to deliver effective services, with agility. This agility has been evidenced in our corporate response to the current pandemic. Culturally this should support further changes as we explore new ways of working and prepare for the Sixth Senedd.

Appendix 1 - Divisional VES changes

Senior Structure

Two Director posts were released through the VES scheme and are reported within the Annual Report and Accounts.

The Director of CAMS was deleted and re-created as the Director of Communications and Engagement. This coincided with a review of our engagement and communication strategies as part of our ongoing process of continuing improvement and provided the opportunity to look again at how we engage with the people of Wales. The creation of the role has redistributed some previous areas of responsibility to other commensurate posts and has enabled a further restructure of the Communications and Public Engagement services which will be finalised in 2020.

The Chief Legal Advisor post is still under review pending the needs of the 6th Senedd. In the meantime, a part-time interim arrangement is in place.

Business Directorate

Committee Services - Releasing three staff under the VES has allowed Committee Services to bring in new Plenary and Committee Clerks with skills and experience more relevant to the changing nature of our work. This is particularly relevant to working in an increasingly digital environment with an understanding of social media becoming an important part of many roles supporting committees. For all roles released, the key tasks were reviewed and adapted the job descriptions adapted to better respond to the changing demands of a committee as well as the central admin support for committees. The VES scheme has also identified team members who planned to retire, and this has enabled the service to plan more widely, redeploy some staff to other services with different needs and enact a succession plan to good effect.

Research Services - The Research Service released one post, and this provided the opportunity to reassess the role, the grade and the skills and subject expertise needed within that Committee-facing Team. This resulted in a restructure of the team and created efficiencies by re-grading the post from SEO to HEO. This has enabled the service to bring in new skills and helped to create a more balanced team with the skills and experience needed to face the challenges of post-Brexit scrutiny arrangements, and to be able to respond to changes in the constitution.

Legal Services - Whilst there were no successful VES applicants within the legal service (other than the Chief Legal Advisor), the scheme did identify personal opportunities for retirement. This has allowed the service to implement their desired structure and provided the planning time needed to redistribute responsibilities and support skills development. This post has not been replaced.

Resources Directorate

Financial Services - The implementation of the new NAV Finance System created efficiencies, by making many tasks automated. These changes, along with changes to the finance structure over time, opened new possibilities. It was identified that the skills mix within finance could be improved and resilience at qualified accountant level was adequate but had come at the expense of development opportunities for less senior staff. There was a jump from TS (AAT students) to qualified SEO level staff, with limited opportunity for development and succession planning or progression within the structure. The new structure following the VES, freed a senior post, which was repurposed to a more junior developmental post with a study support (ACCA). This has better distributed skills and knowledge and has resulted in greater resilience for the service. This was recruited to internally, from within the service area, which created a subsequent vacancy at entry-grade level. This entry-grade post is currently vacant and on-hold. The service is a good example of the numerous benefits achieved through a single planned exit - it has created a structure with development opportunities and made considerable savings (pay back was achieved within a few months) which are on-going within the service area. There will also be on-going savings as the EO post replaces the SEO post in future years, in addition to the existing vacancy at TS. Another outcome, which was also not anticipated was the breakdown of silos within the team.

Human Resources and Inclusion – Three roles were released through VES which enabled a restructure of the entire service. This has enabled one post to be deleted in favour of a new role with different skills sets designed to support future ways of working, and the release of an entry-grade post has been maximised by combining two teams to enable an enhanced service provision, greater consistency and efficiency. A further role was deliberately frozen for 12 months to understand the future needs of the Commission Project and Change Office (PMO). This has resulted in a financial saving. The role has subsequently been redesigned and in line with the Commission priority postings policy has been filled with an existing Commission secondee returning from long-term secondment. This has avoided the risk of an additional financial burden. Several other vacancies which have arisen during the restructure period has enabled the service to recruit different skills which has supported the restructure further.

EFM – one post was released within the service. This was not replaced.

Security Services - Releasing staff under the VES has enabled the service to bring in new people with skills and experience more relevant to the ever-changing nature of our work. Three posts released have reassessed skills requirements to respond to working in an increasingly digital and technical environment, supporting a new and

high-tech CCTV system, and new methods of working introduced to facilitate more efficient working practices including the introduction of body armour.

Governance and Assurance – One role was released in this area and whilst the team is small, this has enabled a restructure of the whole service, meeting all the criteria of the VES scheme as set out.

Communications and Engagement (formerly Commission and Member Support)

Translation and Reporting Services (TRS) - The departure of two TRS staff members has enabled the service to improve workforce efficiency by extending Welsh language skills requirements. This has reduced the Service reliance on adapted arrangements and unsuitable software as demands for Translation Services grows. As a result, the Service has reviewed future needs and recruited skills appropriate for those needs. This has facilitated and improved working practices, and provided much needed resilience. This has also resulted in a short term Financial saving in salary costs.

Commission and Member Support – Two posts were released through VES, and this coincided with a further vacancy. This enabled the service to restructure, combining roles across two teams into one post for greater efficiency and improved service delivery across the Executive Office and Private Office; and to redefine the roles with a more appropriate skill set for what is needed now and in the future. This change has enabled the service to be more responsive to the Llywydd's preferences and business needs, without additional costs/posts to meet skill shortages.

Communication and PAVVS – Three posts have been released in this area. All have been restructured, either to create greater capacity by supporting different ways of working in the North Wales offices or have been reviewed and are included within the pending communications services restructure.

END

Agenda Item 5

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted