

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

7 July 2020

Dear Llyr

Financial implications of the COVID-19 pandemic

I am writing in response to your letter dated 4 June 2020 and the Finance Committee's consideration of the impact that COVID-19 has had on the bodies directly funded from the Welsh Consolidate Fund.

Your letter requests that the Commission provides an update for the Committee detailing the following:

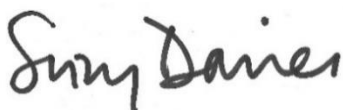
- the impact that COVID-19 has had on this year's finances, including any savings and extra costs, including a full break-down; and
- to include information on the impact on the funding provided to the Commission for its own activities and to fund the Remuneration Board's Determination.

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

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



Senedd Cymru
Bae Caerdydd, Caerdydd, CF99 1SN

✉ Sulafa.Thomas@senedd.cymru
☎ 0300 200 6227

Welsh Parliament
Cardiff Bay, Cardiff, CF99 1SN

✉ Sulafa.Thomas@senedd.wales
☎ 0300 200 6227

Annex 1

Funding provided to the Commission for its own activities

The following aims and principles are guiding the planning for emergence from lockdown and may result in additional costs or savings for the Commission.

Aims:

1. To support the delivery of Senedd business, in whatever interim form is required, as we emerge from lockdown.
2. Conduct a planned, phased return to the estate (RTE), including planning for a range of models for Plenary and committee business on the estate.
3. Ensure the Senedd can conduct the increased and more varied business expected from the government legislative programme and EU transition, through the autumn and into the new year.
4. To aid future planning for the delivery of business, use of the Estate and flexibility in workforce arrangements.

Principles:

The Commission will use the following principles to guide plans and decision-making. In conducting a phased return to the estate, the safety, health and wellbeing of staff, Members and visitors is paramount.

We will:

- Work to minimise the risk to Members, staff, visitors and Senedd business by planning ahead.
- Clearly and openly communicate and engage with staff, Members, and visitors as arrangements progress.
- Maintain working from home as the default position for staff until it is safe and in the interests of individuals' good mental health to do otherwise. Where staff must return to the estate for any period, we will prepare them in advance and brief them for their return to the estate.
- Prepare and brief Members and their staff if they are required to attend the estate for any period.
- Work with all stakeholders on the estate to:
 - o Open parts of the estate only where it is necessary and made safe, and only for as long as needed.
 - o Keep numbers on the estate to an essential minimum, until it is safe to do otherwise.
 - o Encourage a "come, meet, go" approach to using open parts of the



estate, until it is safe to do otherwise.

Responding to the demands of this challenging period, in line with these aims and principles, both in terms of entering and the gradual easing of lockdown has created additional costs and savings for the Commission. These can be identified as follows:

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 £1.795m, 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	Latest Forecast
Project Fund 2020-21	Amount £'000	Amount £'000
Legislative Workbench Software	£600	£600
Assembly Commission Senedd and Elections (Wales) Bill – Name Change	£45	£45
Archiving	£65	£65
Plenary system	£50	£50
Website	£80	£80
Engagement and Outreach Activities	£250	£200
Window replacement – feasibility review	£50	£50
Fire door replacements	£80	£80
Physical Security – delay project - Senedd	£225	£233
Physical Security – delay project - Tŷ Hywel	£70	£270
Fire Door installation		£92
Tech Development for Hybrid Plenary		£30
Total	£1,515	£1,795

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

- Engagement and Outreach activities – reduction of £50k
- Physical security (delay project) – increase of £208k, with expenditure brought forward from 2021-22
- Delay to 2019-20 activity (fire door installation) – increase of £92k in 2021-22
- Additional COVID-19 requirements for Plenary – increase £30k

This is an overall increase of £280k.



These are currently provisional figures and are likely to change as the financial year progresses and further demands are addressed. The Commission is actively considering whether savings can be made from the Project Fund.

Impact on the Annual Leave Provision

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 change in this provision from year to year (usually an increase as pay increases) is charged to the Commission's Statement of Supply. The increase in 2019-20 was £34,000 as a result of the increase pension contribution in 2019-20, increasing the "cost" of a day's leave.

The impact of an additional day of leave being accrued by each member of staff, and the effect of the 2019-20 pay award, could result in an accrual at 31 March 2021 of £880,000, an increase of £103,000. The budget for 2020-21 was set at £25,000.

If the number of days of leave accrued by 31 March 2021 increases by more than a day, the impact on the Commission's outturn could be significant. The impact of 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 during 2020-21 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 early indication of where additional expenditure has been required.

Also provided is an indication of the types of expenditure where savings may be realised. A full and comprehensive response is not currently possible, as the impact on resources is on-going.



Table 2 – Additional Commission expenditure

Expenditure, April to June 2020	£
Estates and Facilities – Screens, Signs, Sanitizer etc.	17,000
ICT – Zoom licences, Laptops, screens, keyboards etc.	51,000
Security - PPE	2,000
Total	70,000

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

Table 3 – Other potential costs and savings for Service Budgets

Additonal 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
Reduction in catering income	TBA
Reduction in Tŷ Hywel car parking income	TBA
Printing, postage and courier charges	TBA
Total	TBA

Additonal savings (estimate) April 2020 to March 2021	£
Reduced Utility costs	TBA
Multi-storey car park costs	TBA
Newspapers	TBA
Travel Costs	TBA
Cancellation/delay of events and training	TBA
Cancellation of Youth Parliament and Votes@16 events	13,000
Total	TBA



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 early indication of where additional expenditure has been required.

Also provided is an indication of the types of expenditure where savings may be realised. A full and comprehensive response is not currently possible, as the impact on resources is on-going. **As the Finance Committee is aware, this element of the over-all budget is outside the Commission's control.**

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

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 deepclean for offices	TBA
New signage	TBA
Total	TBA

Additional savings (estimate) April 2020 to March 2021	£
Reduced travelling expenses	TBA
Total	TBA



Remuneration Board decision log: Covid-19

The following decision log outlines decisions taken by the Independent Remuneration Board on support made available to Members and support staff during the Covid-19 pandemic.

Date of decision	Details	Cost implication Yes/No
24 March	Relaxing reporting requirements to access Temporary Staffing Allowance. This will allow Members to engage temporary relief staff, where required, to ensure business continuity.	Yes – if accessed.
31 March	Exceptional determination to delay applying ASHE index of 4.4 per cent to Members salaries from 1 April to 1 October 2020	Yes - saving
2 April	Homeworker allowance for support staff, payment of up to £26 per month per staff member (to be reviewed after three months)	Yes – at Members’ discretion to allow staff to claim.
	<p>Issued guidance on flexible working options to Members for their staff</p> <p>Agreed to introduce a temporary special leave policy to cover caring responsibilities due to the cessation of routine caring provisions, or the requirement to care for family members due to illness.</p> <p>Special leave could also be used for volunteering needs arising from the pandemic (up to 5 days special leave). Any paid special leave that is granted by the employing Member would be subject to the usual rules regarding the Use of Assembly Resources.</p>	No



21 May	Encourage consideration of undertaking DSE assessments for support staff homeworking	Yes – depending on how DSE assessments are delivered and how new needs are paid for. The Board are considering the matter.
26 June	Homeworker allowance for support staff, payment of up to £26 per month per staff member (to continue until the Welsh Government ease restrictions for non-key workers).	Yes – at Members’ discretion to allow staff to claim.



