

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

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:

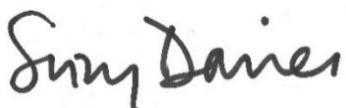
- the impact that COVID-19 has had on this year's finances, including any savings and extra costs, including a full break-down; and
- information on the impact on the funding provided to the Commission for its own activities and to fund the Remuneration Board's Determination.

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

