

Peredur Owen Griffiths MS
Chair of Finance Committee
Senedd Cymru
Tŷ Hywel
Cardiff Bay
CF99 1SN

9 November 2023

Dear Peredur,

Thank you for your Committee's **Report on the Scrutiny of the Senedd Commission Draft Budget 2024-2025**, published on 20th October 2023. The Commission's response to the Finance Committee's recommendations is detailed in **Annex A**.

I am pleased that the Committee supports the overall request for resource in 2024-25, and that it welcomes the inclusion of a dedicated budget lines for Senedd Reform and Ways of Working programmes in the draft budget. It is the Commission's intention to provide as much transparency as possible in presenting costs attributable to both these programmes in future budgets.



I am also pleased that the Committee noted the difficulties that the late timing of the UK Autumn Statement, and in particular the lack of certainty regarding the amount of funding available in the Welsh Consolidated Fund has on the Commissions ability to set its budgets at an appropriate level within the context of the public sector funding situation in Wales.

I am pleased that the Committee recognise the support provided by the Commission in supporting its staff and their wellbeing. We continue to be committed to ensuring all our staff have the right support in these more pressurised times.



I note your comments on the omission of detail in the draft budget on engagement and more detailed Project funding information. I welcome your recommendations that we provide this information at a time when the detailed planning work has been completed and the information therefore provided by the Commission is more mature. It was never our intention to not provide the information to the Committee but as we move forward to the Medium Term Resource Framework, our detailed work which establishes the required information is later in our financial year.



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

I would like to thank the Committee for its scrutiny, and I look forward to the debate on the Commission's budget motion on the 15th November. If there is any further information your Committee would like to have, please do not hesitate to let me know.

Yours sincerely

A handwritten signature in black ink, consisting of the name 'Ken' followed by a stylized, cursive signature that appears to be 'SS' or similar initials, all enclosed within a large, loopy oval shape.

Ken Skates MS

cc Senedd Commissioners, Manon Antoniazzi, Kate Innes

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



Annex A

Finance Committee Recommendations

Recommendation 1. The Committee notes the ‘Senedd Commission Draft Budget 2024-25’ and, subject to the comments and recommendations in this report, supports the overall request for resource in 2024-25, and recommends the Senedd supports this budget.

Noted

Recommendation 2. The Committee recommends that the Commission, in accordance with the Statement of Principles, continually seeks to improve processes and accrue efficiencies and that progress is reported to the Finance Committee before the draft budget for 2025-26 is laid.

Accepted

“ Accounting Officers should ensure they have the appropriate mechanisms in place to ensure effective monitoring and reporting of departmental efficiency savings, and that all public servants in their departments are aware of and follow the guidance set out in the Government Efficiency Framework published by the Government Finance Function in HMT in July 2023”.

This places a new emphasis for the Commission on delivering efficiency in a way which is quantifiable and reportable. We will be required as an organisation to comply with the reporting requirement as from 2024-25.

As part of the Ways of Working programme and the Medium Term Resource Framework a focus on continuous improvement will become the main driver of service delivery across the organisation. We will prepare a report for the Finance Committee prior to the laying of the 2025-26 Draft budget of our progress.



Recommendation 3. The Committee recommends that the Commission provides an update on the impact that any savings made in 2023-24 will continue to have on its services and any planned projects for 2024-25 by the end of the 2023-24 financial year.

Accepted

The Commission is monitoring closely any impact from the savings made during 2023-24, whether they be because of the Supplementary budget savings or those required to fund the "in year " cost of living payment. Savings identified as part of this process are not in the main recurring savings. Certain energy savings have generated recurrent savings, and we will monitor and evaluate those throughout the remainder of the year. We do recognise the impact that the cost of living payment could have on the project delivery as unfunded projects impact may roll forward into 2024-25 and beyond. We will provide a report on impact before the end of March 2024 to the Committee which will include identified impact into 2024-25 for both services delivery and project delivery

Recommendation 4. The Committee recommends that the Commission:

- **informs the Committee when it has reached a pay agreement for 2024-25, including any non – recurrent pay awards: and**
- **evaluates the impact of any pay agreement of the staff and shares its findings with the Committee.**

Accepted

The current pay deal remains in place until March 2025. The Commission will provide an update to the Committee of any changes to that agreement which impact on 2024-25 once the pay negotiations for the next pay deal have been completed. The Commission, as part of the pay deal negotiation process, will be undertaking an evaluation of the impact of the final pay agreement on staff. The Commission will share that evaluation with the Committee once the process has been fully completed.



Recommendation 5. The Committee recommends that the Commission provides regular updates on the budgetary impact of any decisions taken in relation to Commission staff pay within the 2024-25 financial year, and, if any additional payments are to be made, explain how these payments will be funded whilst sustaining current levels of service.

Accepted

The Commission will provide an update to the Committee on the budgetary impact of any decisions taken in relation to Commission staff pay within the 2024-25 financial year. The Commission will inform the Committee if any additional payments are to be made to Commission staff, and evidence how these payments will be funded whilst sustaining current service levels on a timely basis once negotiations are completed.

Recommendation 6. The Committee recommends that the Commission continues to regularly survey staff to monitor the impact of workloads, including staff mental and financial wellbeing, and provides the Committee with the outcomes of such exercises by the end of the current financial year.

Accepted

The Commission will continue to conduct its wellbeing survey of Commission staff, which covers the four pillars of wellbeing (i.e., physical, mental, financial and connectivity) and will provide an update to the Committee with a summary of its findings relating to this financial year once it is available. The next staff survey takes place in March and the Committee may find it helpful to have the results of the full year's surveys in one report which would be able to be provided in the summer term of 2024.



Recommendation 7. The Committee recommends that Commission provides further information about the Cardiff 2032 project, including clarity on whether issues such as windows replacement and the future of the lease forms part of that project, and asks the Commission to engage Members fully on such issues to ensure their views are reflected in any proposals

Noted

The Commission notes the request for further information and offers to provide a technical briefing to the Committee to provide the relevant information. The Commission understands the importance of engaging Members fully on the Bay 2032 project, to seek their views and to reflect those views in any future proposals, and notes the request in support of this. The Commission will be undertaking a broad engagement programme with Members over the coming months and will provide an update on this engagement activity to the Committee in spring 2024.

Recommendation 8. The Committee calls on the Commission to provide a list of planned projects for 2024-25, with estimated allocated funding, before the start of the 2024-25 financial year and for such an approach to be adopted for future budgetary requests.

Accepted

We welcome the change in the timetable for the provision of this information and the Commission will provide a list of planned projects for 2024-25 with estimated allocated funding before the start of 2024-25 financial year. We will also ensure that this information is provided in each subsequent year to the same timetable. Significant known projects will continue to be noted in the Draft budget with the final agreed list provided later.

Over the course of the last year, the Commission has set up the 'Project Management Group' to prioritise project funding as well as any underspends which arise in year. Services



wishing to access funding in addition to operational budgets must produce a business case explaining the context of their proposal, the risks of it not going ahead and how the proposal is consistent with the both the Corporate Delivery Plan and Strategic Goals.

The lead time for preparing the draft budget does not support provision of a detailed list of projects so far in advance of the financial year. Large scale projects with specific deadlines will of course be known and planned for, for example the replacement of the Payroll system, but indicative figures are difficult to provide in advance of the tender processes being completed.

The process to prioritise project spend for 2024-25 will start in January 2024. The position each year is dynamic, and the eventual list of projects delivered may differ from the initial proposal as the PMG seek to dynamically re-prioritise available funding during the year when circumstances change, and priorities evolve. The change will enable better quality information on project delivery to be provided to the Commission.

Recommendation 9. The Committee recommends that the Commission provides further information about the nature of the external consultancy services provided to the Independent Remuneration Board of the Senedd and associated costs.

Accepted

Further detail of the external consultancy services and associated costs included in the Independent Remuneration Board's draft budget is set out below.

External Consultancy Services (£90,000 – 2024-25; £30,000 – 2023-24)

The Independent Remuneration Board has identified three pieces of specialist project work which it may undertake during 2024-25 financial year. A total of £90,000 has been allocated in the draft budget to the delivery of these proposed projects. Once procurement on the projects has been completed, a split between each project for funding will be confirmed.

These are:

- a potential Phase 2 of the Members' support staff pay and grading review, to address any recommendations from Phase 1 to ensure the pay and grading framework for support and political group staff is fair and reflects the roles and



responsibilities required of staff to support Members appropriately. Phase 1 of the staffing pay, and grading review is underway with the support of independent experts.

- a review of Members' pay to ensure that this is benchmarked against relevant comparators and adequately reflects the changing roles and responsibilities of Members and office holders in the Seventh Senedd.
- As part of the Members' pay review, the Board is also exploring options for undertaking engagement with the public to inform the Board's decisions.

Pay benchmarking and review requires specialist expertise and experience, particularly given the unique nature of Members' roles, the Member – Support Staff employment framework and the political sensitivities involved in reviewing Support Staff and Members' pay. Having external, independent advice (rather than it being undertaken in-house by Senedd Commission staff) is important to the credibility of the process and legitimacy of any conclusions with key stakeholders.

All requests for funds for these projects will be made through the Portfolio Management Group who review the business case presented for reasonableness and make a recommendation to the Accounting Officer on allocation and release of budget funds. The Portfolio Management Group is chaired by the Chief Financial Officer.

Recommendation 10. The Committee recommends that the Commission continues to explore initiatives to reduce energy usage, both in relation to the Commission estate and Members' constituency offices, with the aim of achieving better value for money

Noted.

The Commission, through both its sustainability strategy and environmental management system, is committed to continual environmental improvement and lowering our carbon footprint on the way to *net zero*. We have a programme of work which includes review of new and emerging technologies and their suitability for the estate; to reduce consumption and ensure value for money is achieved for the public purse.



We recognise the desire to reduce the carbon impact and running costs of constituency offices and will explore the best way to support this with colleagues in Members Business Support and with the Independent Remuneration Board.

We will continue to engage with the Committee and Members of the Senedd as our work develops over time.

Recommendation 11. The Committee recommends that further information regarding the Commission's engagement proposals for 2024-25, and associated costs, are included within the Commission's draft budget in future years, and that the Committee is provided with an update of these details as soon as possible.

Accepted

Plans for 2024-25 are in development as part of the Commission service planning and we will provide the information before the end of this financial year. With regards to future years, the Communications and Engagement Strategy is agreed per Senedd term. With the introduction of a new 2-year commission service planning cycle, we will be able to provide engagement plans as part of this planning cycle.

