

Response to the Llywydd's Committee – office relocation and report recommendations

As part of its scrutiny process of the Electoral Commission's 2024/25 estimate, the Committee asked the Commission to provide some additional information relating to our forthcoming office move. This detail is included here alongside some information on finance procedures and future working.

Electoral Commission, Wales - office relocation

a. Exit from Companies House and dilapidations

On 19 September 2022 the lease for the Electoral Commission, Wales at Companies House expired and we extended our stay under a licence to occupy. This licence was further extended on 19 September 2023.

The current premises provide desk space for nine people with 13 members of the Commission's staff currently based in Wales (excluding the Electoral Commissioner). This means that the current space does not allow the Wales team to work together at any one time and limits when other Wales-based staff can attend.

The Commission looked to find alternative premises that could accommodate the full team (as well as any other colleagues based in Wales or visiting the office) when required, and our initial hope was to find a larger space within Companies House. We engaged with the Government Property Agency who were confident that they could find an alternative space within the building. This process was then delayed due to Companies House being unable to advise the GPA of space availability until April 2024.

The Commission was then informed of the GPA's intention to sell Companies House, which resulted in having to look at alternative office space away from the building.

We suggested to the GPA that the Commission should be exempt from paying dilapidation costs on vacating the premises, which was agreed. As an interim measure, we negotiated a rolling one-month licence to occupy which allows to only provide a one month notice period to vacate the premises.

b. Premises search

We initially contacted a variety of property agents in the public and private sector to assess market availability. No appropriate public sector premises were identified as part of this exercise.

An excess of 15 premises were viewed and assessed based on location, size, local amenities, rental costs and scope of potential fit-out. Following the assessment three premises were included as part of a shortlist and James William House was chosen as the preferred option (please see Appendix for further information).

c. Fit-out programme

The professional market was tested and four fit-out contractors submitted tenders for the works, with the costs varying significantly. The successful contractor submitted the lowest costs, which were £21.4k lower than the next lowest contractor, and £62k lower than the highest.

The fit-out works are scheduled to commence during the first week of January 2024 and are expected to take 6-8 weeks. These works will include the installation of new air-conditioning, the updating of the LED lighting, the repositioning of a wall to create extra space within the main office which will also enable the reconfiguration of the toilets and installation of a shower. The office space will comprise of 16 workstations, a meeting room with a retractable wall that will enable the space to switch between 1 and 2 meeting spaces that can accommodate 16 people. A breakout area will be created that can be used for collaborative project work, as well a space for private 1-to-1 meetings and also a meeting booth for meetings that do not require privacy. A kitchen and dining area will be incorporated into the office space, and staff will benefit from improved network connectivity and videoconferencing facilities.

The new premises will allow us to:

- Offers potential for future growth both in terms of the Wales team and for other EC staff who would want to be based in Wales.
- Host meetings of various groups (e.g. the Wales Electoral Coordination Board, the Senedd Political Parties Panel etc) within the office rather than having to rely on virtual meetings or pay for external venues.
- Work as a full team within the office space
- Allow other colleagues based in Wales with the flexibility to work from the office on their chosen day
- Allow colleagues based in other offices the option to visit and work from the office space in a more flexible way

d. Accessibility

The Committee asked about accessibility arrangements within the new premises. All elements of the fit-out will have accessibility in mind, which will include wheelchair accessibility, at least two sit to stand desks and DDA compliant kitchen worktops. The office will benefit from both new LED lighting and air-conditioning, which is a significant upgrade on the office space at Companies House. Disabled bathroom facilities will also be included.

Companies House (current premises)

Current Licence Fee	£20,276.76 per annum. This cost is zero rated for VAT.	We do not have a lease at Companies House and have been on a licence to occupy since 19 September 2022. Under this agreement we pay a monthly licence fee of £1,689.73 per month, which is inclusive of all utilities, rates, Government Property Agency (GPA) fees, and Facilities Management fees.
Floor Area	1,162.5 ft ²	The current cost per square foot is £17.44.
Previous Rent	£10,556.00 per annum. This cost was zero rated for VAT.	This was the rent payable up until the end of our previous lease.
Previous Service Charges	£9,173.32 per annum. This cost was zero rated for VAT.	This was the amount paid during the final 12 months of the previous lease.
Previous Business Rates	£4,174.56 per annum. This cost was zero rated for VAT.	This was the amount paid during the final 12 months under the previous lease.
Total Costs	£23,903.88 per annum. This cost was zero rated for VAT.	This was the combined costs for the rent, rates and service charges during the final 12 months of the previous lease.
Total Cost per Square Foot	£20.56.	This is based upon the overall costs for rent, rates and service charges.

James William House (new premises)

Proposed Rent	£44,160.00 (including VAT)	This is the annual rent stated in the draft lease. This rental cost would commence at the beginning of year 2, following a reduced rental cost in year 1. The cost per square foot is £19.20 per including VAT.
Proposed Rent (year 1)	£14,719.20 (including VAT)	The draft lease offers a reduced annual rent in year 1. This reduced level of rent is instead of a rent-free period.
Proposed Service Charges	£13,800 (including VAT)	The proposed service charge cap is £6 per square foot (inc VAT) per annum, and the cost shown is based upon the maximum charge for year 1.
Proposed Business Rates	£17,120	The figure shown is an estimate provided by the landlord. Business Rates are usually zero VAT.
Floor Area	2,300 ft ²	
Additional Running Costs		
Electricity	Not currently known	
Cleaning	Not currently known	

Financial processes within the Electoral Commission

a. Commission funding for 2024/25: addressing the issues of under-investment

The Commission has identified several areas of underinvestment that demand immediate attention to fortify our operations:

Cybersecurity Infrastructure: In light of a recent sophisticated cyber-attack on the Commission, it has become imperative to fortify our cybersecurity measures. The evolving landscape of cyber threats necessitates staying at the forefront of technology. Therefore, a substantial portion of the increased investment we seek is earmarked for ongoing enhancements in cyber resilience. It's crucial to acknowledge that the dynamic nature of these threats may require additional investment in the subsequent years to effectively manage emerging risks.

Financial and Procurement Capability: To ensure value for money, we plan to bolster the capabilities of our accounting and procurement teams. This strategic investment aims to elevate standards in commercial transactions and refine our internal financial accounting, budgeting, and monitoring functions. Concurrently, the expansion of our internal audit services mandates absorbing increased fees for more insight and testing, as does our external auditors, the National Audit Office, following heightened testing during the 2022/23 closure of accounts.

Human Resources Development: Investing in our human resources functions is pivotal for advancing data collection and monitoring related to equality, diversity, and inclusion. This initiative will inform our recruitment and staff retention processes, fostering a workplace that values diversity. Additionally, we are committed to enhancing learning and development opportunities for our workforce, aligning with our commitment to employee growth.

All proposed enhancements are underpinned by a resolute commitment to value for money and exemplary governance practices.

b. Engagement in the funding of the Commission in 2025/26

Looking ahead to the fiscal year 2025/26, the Commission remains steadfast in promptly informing the Llywydd's Committee of any financial pressures that may necessitate seeking supplementary funding. We will diligently pursue mitigations to financial pressures, aligning our actions with the expectations placed on the Commission. Furthermore, we are eager to share in-year performance details and invite further engagement to ensure transparency and mutual understanding.

In conclusion, we sincerely appreciate your continued support, and we are dedicated to fostering open and transparent dialogue. Your funding is instrumental in achieving our strategic objectives, and we look forward to your ongoing partnership.

3. Future communication between the Commission and the Committee

In response to recommendation 3, we are committed to ensuring that the Committee are regularly updated on our work to ensure effective scrutiny. In 2024 we propose a series of regular meetings to ensure decisions impacting the estimate are relayed promptly. A provisional programme for these meetings is included below. We will also ensure that we provide additional written updates on any emerging issues.

Period / 24	Agenda items
Q1	Follow up scrutiny session on 2023 supplementary estimate
Q2	Update on operational and corporate planning and discussion on KPIs (including evaluation of regulatory activity) Introduction to new Chief Executive
Q3	PCC election wash-up Annual report and accounts
Q4	Financial scrutiny session on 2025/26 estimate

Appendix: Premises Search – Further Information

Premises	Size (sq ft)	Advertised Annual Rent	Cost (per sq ft)	Car Parking Spaces	Specification	Notes	Rent Free Period
James William House	2,300	£59,400	£25.83	3	City Centre Comfort Cooling LED lighting	This 4 th floor office space was the ideal size to incorporate all of the necessary requirements to bring the office up to the standard of the London office. 6 additional workstations, breakout areas, improved meeting areas and accessibility. During lease negotiations the landlord offered a lower rent, which is £44,160 inclusive of VAT (£19.20 per sq ft).	8 months from commencement of lease. Additional 6 months at year 6.
Southgate House	1,886	£55,260	£29.30	1	City Centre Comfort Cooling	The space at Southgate House had potential, however significant fit-out works would have been required. The lighting needed to be upgraded to LED and the space would not allow for an adequate uplift in available workstations. The communal areas were dated and required a significant, and the route to the office from the main reception would not be ideal for staff and visitors with mobility issues.	None offered
Helmont House	2,089	£76,249	£36.50	4	City centre Air conditioning	Initially the preferred option. Defects were reported to the landlord that would require remedial work, however the landlord was slow to engage and resistant to conduct some of the works. Issues with water supply and essential infrastructure (air-conditioning and swipe card access controls located in a riser cupboard within another tenant's demise)	None offered