

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

15 July 2025

Dear Peredur

In our letter dated **24 March 2025**, providing an update to the Commission's response to the Finance Committee's recommendations made in the **Report on the Scrutiny of the Senedd Commission Draft Budget 2025-2026**, we committed to provide further information on the recommendations according to our initial response letter dated **5 November 2024**.

As requested in your letter of 3 June 2025, we provide our responses to the remaining recommendations in the Annex 1, ahead of the Autumn scrutiny session on the Draft Budget 2026-2027, as below:

- Recommendation 2 – Commission budget preparations and engagement with Members
- Recommendation 3 – process improvements and efficiencies
- Recommendation 6 – Senedd Reform costs
- Recommendations 7 & 8 – Cardiff Bay 2032 project
- Recommendation 11 – Pierhead review project
- Recommendation 15 – staff wellbeing
- Recommendation 17 – update on long term project plans - **Annex 2**

The MTRF for the period 2025-26 to 2027-28 was agreed by the Commission at its meeting in June and is provided as **Annex 3 (Senedd Restricted)**.

Your Committee's recommendations relating to energy reduction initiatives in Members' constituency offices are also addressed in the attached Annex, and we provide a link to our recently published [Annual Sustainability Report 2024-25](#).



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The Commission continues to seek to be fully transparent with the Committee. Should you have any questions on the information provided, we will be happy to respond.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Hefin David', written in a cursive style.

Hefin David MS

cc Senedd Commissioners, Manon Antoniazzi, Ed Williams

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



## Annex 1 - Finance Committee Recommendations

**Recommendation 2. The Committee recommends that the Senedd Commission undertakes regular scrutiny sessions with the Committee to discuss how the Commission's budget preparations are evolving for the 2026-27 financial year.**

The Committee's letter dated 3 June 2025 further requested:

**'an update on how the Commission's budgetary preparations are developing for next year, so we can understand what a 'steady state' budget will look like beyond the election in May 2026; and**

**outline plans for engagement with Members you will undertake before the Commission's draft budget is published.'**

(This response also covers Recommendation 5 from the Committee report: The Committee recommends that the Senedd Commission considers formalising its engagement with Members of the Senedd and Party Groups prior to the publication of the Draft Budget for future budget rounds and that sufficient time is provided to ensure that the outcomes of this engagement is able to influence budgetary decision making).

The Commission agreed to take part in scrutiny sessions with the Committee to provide updates on both the preparation of the budget for 2026-27 and progress with the Bay32 procurement.

Commission officials and a representative from Avison Young attended a scrutiny session with the Committee in September 2024 and March 2025 to provide updates on Bay32.

The Commissioner for Budget and Governance and Commission officials attended Party Group meetings in June to explain the key issues arising in the Medium-Term Resourcing Framework and the assumptions that are intended to underpin the 2026-27 budget submission, due before Committee in October.

The detailed workings for the budget will be undertaken over the summer recess period. The intention and commitment of the Commission is to set a budget which is prudent whilst supporting delivery of the Commission's core objectives. However, as the 2026-27 budget will reflect the full cost of Senedd Reform and an additional 36 Members, it will inevitably show a significant increase in cost compared to 2025-26. This is not unexpected and the Commission has used the Regulatory Impact Assessment as a benchmark against which to control costs when undertaking these preliminary budget calculations.

The 2026-27 budget will also include funds to meet the costs arising as a result of the election itself, including: winding up payments, resettlement grants for Members, redundancy payments for Support Staff, provision of an ICT kit allocation for all returning Members,



engagement ahead of the election and the official opening. This budget will be ring-fenced and any surplus returned to the Welsh Block.

2026-27 will also be the final year in which the budget for Senedd Reform is ring-fenced. After this period it will become part of the operational budget and the usual budget setting process, referencing the GDP deflator as a measure of prudence.

The operational budget is under the direct control of the Commission and the intention is to return the steady state budget to one which reflects the wider public sector context. We will continue to challenge processes and seek to accrue efficiencies which will be reflected in the baseline. However, the overall budget may diverge from the deflator where decisions are taken with a different consequential; for example, the budget for the Independent Remuneration Board's Determination.

The Bay 32 project will also impact on future budget asks. It is likely that in 2026-27 the Commission will need to re-value the Right of Use asset for Ty Hywel and return a significant amount of capital to the Welsh Consolidated Fund. Welsh Government is aware of this and has advised the Commission not to reflect this in the initial budget that is put forward for 2026-27 but to adjust via supplementary as and when contracts are in place. Welsh Government is a key stakeholder in this project and attends a Joint Assurance Board to keep apprised of progress. There will be no costs associated with building works in the 2026-27 budget; the Bay 32 budget will be designed to support project costs only.

**Recommendation 3 - The Committee recommends that the Senedd Commission, in accordance with the Statement of Principles, explains:**

- **how it seeks to improve processes and accrue efficiencies;**
- **how processes to generate savings have changed in light of the changes to the Commission's budget caused by Senedd Reform; and**
- **how this approach will develop beyond the 2025-26 financial year;**

**and that progress is reported to the Finance Committee on these matters before the draft budget for 2026-27 is laid.**

The Commission is committed to prudent budgeting and securing value for money from its delegated budget.

The Commission has established a Medium-Term Resourcing Framework in order to set a clear strategic approach for developing Commission budget requests to the Senedd that balances the required resourcing to deliver Commission priorities with transparent budgetary restraint, which includes the use of tools such as the GDP deflator and a target workforce



establishment level (within which envelope the Commission endeavours, through detailed planning, to remain each year).

The Commission's Corporate Plan sets out corporate priorities which are used to inform the Medium-Term Financial Plan; those strategic plans then inform the detailed annual service plans, for each area of Commission activity, and the annual budget, which aligns resources to delivery each year.

The Commission's Chief Finance Officer has, in recent months, been leading an on-going corporate exercise to identify efficiency gains being accrued across the organisation; this will lead to specific annual reporting on efficiencies in future, within the Medium-Term Resourcing Framework, in accordance with the UK Government's Efficiency Framework requirements.

As we move to supporting a larger Parliament, we have started to consider delivery models and scrutinise the way in which we provide services to Members, to provide assurance that the services we provide are appropriate, efficient and effective and maintain consistency with our commitment to not extrapolate resource in line with the expanded Senedd. To that end we are working to develop a service catalogue and target operating model for the 7<sup>th</sup> Senedd. This work will, again, inform our resource planning through the MTRF and annual budget cycle.

**Recommendation 6 – The Committee recommends that the Senedd Commission continues to show separation of ring-fenced budgets and sets out in budget documentation how Senedd Reform costs compare to the Regulatory Impact Assessment estimates in future budgets.**

The approach of the Commission has been to use ring-fenced budgets where appropriate to aid transparency and particularly where there is financial uncertainty.

To date, the Senedd Reform budget has been ring-fenced and this has facilitated control of expenditure and transparency around the costs. The budget requirement for 2026-27 is still subject to decisions that will not be made until after the election. We, therefore, remain committed to ring-fencing the budget for one more year. Doing so means that the Commission can manage its budget dynamically as the structure of the Seventh Senedd emerges.

Once the Seventh Senedd is established, although we can report on the level of budget that has been allocated for the increase, it will become much harder to record the costs that are driven by Senedd Reform. For example, whilst the Determination will reflect the pay and allowances for 96 Members, it will no longer be possible, at that point, to accurately report the specific element of Member costs that is directly attributable only to having 36 additional Members.



With regards to Bay 32, this is a project for which costs will always be discrete and identifiable. Once the project ends, there will be no need for on-going budget provision. It is therefore sensible to keep this as a ring-fenced amount for the duration of the project.

**Recommendation 7 – The Committee recommends that the Senedd Commission attends public evidence sessions in relation to the Cardiff Bay 2032 project, with the first taking place soon after the outline business case is agreed.**

The Commission has undertaken two 'in person' sessions with the Committee to update on progress with the project, including one public session. The next update will be provided at an appropriate milestone in the procurement process noting that the Outline Business Case will undergo further iterations. The Commission remains keen to engage with the Committee and will respond positively and proactively to any requests for information and/or further engagement.

**Recommendation 8 – The Committee recommends that the Senedd Commission provides information regarding how decisions relating to the Cardiff Bay 2032 project will be taken, including when Members of the Senedd will be involved in such decisions and related timescales.**

Key decisions in the Bay 32 project will be made by Commission on the advice of officials. The next key decision will be to select the preferred solution. This will be made following:

- The conclusion of the current competitive dialogue process (expected to run until October 2025);
- The preparation of robust business cases, in line with the 5-case model using the appraisal methodologies set out in the Green Book; and
- Full, external OGC Gateway Reviews at key decision-points which will provide an assessment of the projects readiness to move to the next stage and provide assurance to the Commission when making its decisions.

Member needs are at the heart of the Bay 32 project. As such, Members have been consulted on the initial requirements, which have directly informed the Commission's decisions to date. These have been reflected in the proposals received so far from the market and will be reflected in the invitation to submit final bids.

The project is currently in its procurement phase which must be carefully managed in-line with procurement law to ensure a fair competition. Following the submission of final bids, Members will be further involved in the detailed design phase via suitable mechanisms, such as a Member Reference Group or other means as advised by design specialists. This engagement will complement the additional engagement with Members and Groups throughout the budget process, and will inform the Commission's detailed consideration of relevant matters throughout the Autumn, leading to a decision, it is currently expected, on a preferred outcome by this winter.



**Recommendation 11 – The Committee recommends that the Senedd Commission provides further information about the Pierhead Review Project within three months of the review’s conclusion**

Proposals for next steps on the Pierhead project, informed by external professional advice, are to be considered by the Commission’s Executive Board this month. We will, of course, update the Committee once any conclusion to this review activity has been reached.

**Recommendation 15 – The Committee recommends that the Senedd Commission continues to monitor changes in staff wellbeing through staff surveys and provides the Committee with updates on the results of those surveys and the actions taken to mitigate pressures on staff ahead of the election in 2026.**

The most recent Wellbeing survey was conducted in May 2025, with a response rate of 74%, representing 375 responses from Commission staff. This continues to be a high response rate and shows positive engagement from staff. The last Wellbeing survey was conducted in Spring 2024.

The findings are generally positive, with the metrics generally moving in the desired direction compared to the previous survey in Spring 2024:

**Aims of the Wellbeing Strategy 2022-25:**

- 79% agree the organisation does a good job of embedding wellbeing into the workplace culture. This has increased by 3% since Spring 2024.
- Just over 4 out of 5 of respondents (82%) agree that they are able to 'bring your whole self to work' -be authentic at work without judgement. This has decreased slightly since Spring 2024 (84%).

**Physical health**

- As with mental health, respondents’ rating of their physical health increased from 3.49 in the Spring 2024 survey to 3.56 in the Spring 2025 survey.
- The percentage of respondents who say they have worked whilst unwell has significantly reduced from 47% in Spring 2024 survey to 39%.

**Mental health**

- Since the Spring 2024, there has been a marked increase in staff rating of their mental health – increasing from 3.31 in the Spring 2024 survey to 3.35 in the Spring 2025 survey.
- There has been a reduction in the number of staff who say they have experienced work-related stress over the last 6 months; now at 47%, compared to 50% in the two previous years.



- Staff views on workload remain the same as the Spring 2025 survey, with 77% of staff saying their workload is about right for their hours. 19% of respondents said they have too much work and 4% of respondents said they do not have enough work for their contracted hours.
- The 3 main causes of work-related stress continue to be: workload, last minute demands/deadlines and providing cover for a role, however the percentage of respondents citing these are contributing factors have reduced.

### **Social connection**

- The vast majority feel supported and connected to their team, and agree their line manager cares about their wellbeing (94% and 95% respectively). These are comparable to the previous survey.
- 94% feel their line manager communicates well.
- 89% feel valued by their management team (the highest result since the question was first asked in 2020).

### **Working arrangements and general support for staff**

- 91% of respondents were satisfied or very satisfied with their working arrangements and the majority (86%) had no current concerns about their health, safety or wellbeing with regards to attending site to work.
- There is a substantial level of awareness regarding the available wellbeing support mechanisms, with seven out of the eight surveyed mechanisms achieving an awareness rate of 80% or higher.

### **Financial wellbeing**

In addition, in Recommendation 12, the Commission committed to: 'evaluating the impact of pay award on Commission staff via the next Wellbeing Survey to be conducted in March - will provide an update to the Committee by the end of the summer term.'

The Wellbeing survey was conducted in May 2025 rather than March. This was due to the fact that, as the 2025-26 pay award was applied to staff pay from 1 April 2025 (actually paid in the 30 April pay run), it would not have been possible to ask questions about the impact of the pay award prior to May.

The questions asked in order to evaluate the impact of the pay award, were:

1. On a scale of 1 to 10, with 10 being fully agree and 1 being fully disagree, to what extent do you agree that you are fairly paid?

Across all responses, the average number was 7.5/10. This demonstrates that across the board most people broadly agree that they are fairly paid. Within the highest represented grades, HEO (92 responses) and SEO (54 responses), the average number was 7.7 and 7.9 respectively.



2. From April 2025, Commission staff were awarded a 5% increase in basic pay. How satisfied were you with this pay award? To what extent do you agree that the 5% pay increase has, or will, improve your financial well-being?

87% of respondents were satisfied or very satisfied with the 2025-26 pay deal. This suggests that the pay deal was very positively received by staff. 73% of respondents agreed or strongly agreed that the pay deal improved their financial wellbeing. Across both questions, the EO grade were most positive about the pay deal, with 90% of EOs satisfied or very satisfied, and 79% agreeing or strongly agreeing that it would improve their financial wellbeing. Staff at SEO grade were least satisfied, with 81% agreeing or strongly agreeing they were satisfied with the pay deal. Looking at free text responses to comments from staff about the pay deal, the reason for this could be that for staff on the top point of the SEO grade, the increase tipped them into the next level of pension contributions, so the actual increase to pay was perhaps not as much as what was expected by some (although free text responses also indicate that staff do appreciate that long term this is a benefit to their pension pot).

3. How satisfied were you with the backdated uplift in pay? To what extent do you agree that the backdated uplift in pay improved your financial well-being?\*

\* Only asked for staff at TS, EO grades, and pay points 1-3 of the HEO grade who received a backdated uplift in pay.

Across all responses, 95% were satisfied or very satisfied with the backdated uplift. This is overwhelmingly positive. 77% of all respondents agreed that the backdated uplift would improve their financial wellbeing.

Respondents were asked: 'In your own words, how has the pay award (5% increase / backdated uplift or both) impacted you? Is there anything else you would like to tell us, or ask, about pay and reward?'

95 responses were received. The most common themes were:

The pay deal was fair / had a positive impact	37
Pay increase will be absorbed by or is exceed by the increases to the cost of living	34
Backdated uplift in pay for TS, EO and some HEO roles could/should have been rolled out to all, or to those at point 4 of HEO / SEOs	8
Provides more peace of mind about the future.	6
The pay deal / uplift has meant I can now put money in savings	5
It has meant I have been able to buy something I wanted to	4
Tipped us over into the next level of pension contributions, so the increase was not as much as was expected	4



Enabled me to clear debt	3
Security pay should be reviewed due to different working arrangements	3
It has improved the balance between grades where lower grades felt left behind	3

**Recommendation 17 – The Committee recommends that the Senedd Commission provides the Committee with details of its long-term project plans up to 2032, including estimated costs of individual projects, if known.**

The Commission maintains a three-year project pipeline, alongside its portfolio of strategic priority change projects (Bay 32, Siambr 26, Ty Hywel 26 and Pierhead).

The project pipeline largely comprises estate and ICT infrastructure items derived from their respective 5-year ICT and 10-year EFM forward work programmes, and other items where it is known an asset will need renewal in-line with the Commission’s Contract Schedule. This pipeline is delivered via annual portfolio’s – the 2025-26 portfolio as currently planned is set out in **Annex 2**

The Estates forward work programme includes a mix of significant items such as plant replacement, items related to the Commission’s Carbon strategy, and other projects to ensure the effective management of the estate.

The ICT forward work programme includes rolling programmes of broadcasting infrastructure renewal as items such as cameras and other equipment reaching end-of-life, alongside rolling programmes to renew and make more efficient our ICT infrastructure and to ensure our cyber-security is robust and in-line with the Commission’s risk appetite.

The Commission’s current forecast shows the estimated aggregate cost of the 3-year pipeline to be £7.1m. This will in all likelihood exceed the available resourcing over the period by a considerable margin, requiring the Commission to conduct annual prioritisation exercises.

Regarding the remaining strategic priority change projects, both Siambr 26 and Ty Hywel 26 will be completed in the 2025-26 financial year. The Pierhead project is in its scoping phase and currently has no significant budget – this project is seeking to find a means of operating the Pierhead on a commercial basis and as such is looking to reduce costs to the public purse.

The Bay 32 project is a major, long-term initiative currently in the procurement phase. It will enter the detailed design phase next year after selecting a preferred accommodation solution for the Senedd. The 2025-26 budget allocates £2.055m for procurement and early design. Future annual costs prior to works commencing are expected to be broadly in-line with this budget, pending ongoing competitive dialogue progress and further progress in the Commission’s regular budget development. Final long-term costs will be determined after



bidder proposals and business case updates. The Commission is evaluating a range of commercial options to ensure maximum value for money, following Welsh Government and HMT Green Book guidelines.

### **Initiatives to reduce energy in relation to Members' constituency offices, with the aim of achieving better value for money**

The Commission, through the Sustainability and Members' Business Support teams, is currently developing information to make available to Members to support them to reduce energy use at constituency and regional offices. It is anticipated that the guidance will be finalised before the start of Summer recess. The guidance will build on information provided to Members in relation to energy efficiency measures that can be taken at home.

Looking ahead to the Seventh Senedd, and recognising there is an opportunity for Members to consider energy efficiency when identifying constituency offices, the Commission will include appropriate guidance on energy efficiency considerations as part of its Welcome support offered following the 2026 Welsh General Election.

Finally, although not an energy reduction measure, the Commission has launched a pilot to explore the viability of Members using the Commission's energy contract, with the aim of assessing whether this could offer a value for money alternative for Members with their energy bills.



## Portfolio Management Project List – June 2025

Tranche	Project Name	25-26 Cost	Cumulative Cost	Column1
1	Zscaler Platform Renewal (software that provides secure internet access)	£ 57,400	£ 57,400	
1	Customer Relationship Management/Online Engagement Tool (CRM/OET) Software	£ 158,157	£ 215,557	
1	Microsoft AI (Co-Pilot) Pilot	£ 48,000	£ 263,557	expect BC in time for Nov
1	Service development (including creche business case)	£ 47,000	£ 310,557	
1	Legislation Management System Replacement Project Phase I (Discovery)	£ 87,500	£ 398,057	
1	Broadcast Infrastructure Upgrade - Phase 5: Main Control System and IP 'Gateway' Equipment	£ 240,000	£ 638,057	
1	Senedd Business Management System	£ 125,000	£ 763,057	
1	ICT Infrastructure - Cisco Wireless LAN Controller Replacement	£ 27,000	£ 790,057	
1	CCTV Kit - Hardware Replacement	£ 50,000	£ 840,057	
1	Broadcasting and Audio Visual (AV) - Phase 6: Senedd Committee Room Microphone and Audio System	£ 190,000	£ 1,030,057	
1	People and Remuneration (PaR) - HR and Payroll software - Phase 2	£ 44,500	£ 1,074,557	
1	Broadcasting & Audio Visual - Senedd TV Replacement Project	£ 125,000	£ 1,199,557	
1	ICT Infrastructure - Cisco Core Switch Replacement	£ 65,000	£ 1,264,557	
1	Senedd Building Management System (BMS) Replacement Project	£ 750,000	£ 2,014,557	
1	Ty Hywel and Senedd Accessibility Improvements	£ 45,000	£ 2,059,557	
1	ICT Infrastructure - Hypervisor Software Replacement	£ 100,000	£ 2,159,557	
1	ICT Infrastructure - Internal Firewall Replacement Project	£ 20,000	£ 2,179,557	

1	Legislation Management System Replacement Project Phase II (Implementation)	£ 130,000	£ 2,309,557	
	Invest to Save	£ 50,000	£ 2,359,557	
	<b>AFFORDABILITY LINE</b>			
2	IT Service Management Tool	£ 9,000	£ 2,368,557	
2	Pierhead Conservation Support and Repairs Programme	£ 50,000	£ 2,418,557	
2	ICT Infrastructure - Annual Cyber Security Assessment - Penetration Testing	£ 20,000	£ 2,438,557	
2	Commission ICT Kit Replacement Programme - 26/26 Refresh	£ 99,820	£ 2,538,377	
2	Broadcasting & Audio Visual (AV) - Phase 7: Ingest Servers	£ 90,000	£ 2,628,377	
2	Phased Replacement of Lights in the Pierhead Building to LED	£ 50,000	£ 2,678,377	
2	Phased Replacement of Lights in Senedd Building to LED	£ 150,000	£ 2,828,377	
2	Audio Visual (AV) & Translating and Reporting Service (TRS) - Replacement Mobile Interpretation System	£ 45,000	£ 2,873,377	
2	Broadcasting & Audio Visual (AV) - Siambr Public gallery Screens	£ 165,000	£ 3,038,377	
2	ICT Infrastructure - Network Segmentation Project	£ 50,000	£ 3,088,377	
2	Senedd Lighting Control System Feasibility Study	£ 60,000	£ 3,148,377	
2	Ty Hywel Air Handling Unit (AHU) & Chiller Replacement Specification Development	£ 30,000	£ 3,178,377	
2	ICT Infrastructure: Project Consultancy Days	£ 20,000	£ 3,198,377	
2	Pierhead External LED Lighting Replacement	£ 60,000	£ 3,258,377	
2	Ty Hywel Radiator Valve Replacement	£ 135,000	£ 3,393,377	
2	Senedd Lift 3 (Neuadd-Oriel public lift) Upgrades	£ 164,000	£ 3,557,377	

2	Senedd Rumble Strip Replacement	£ 60,000	£ 3,617,377	
2	Ty Hywel External Door (4th floor, car park and substation) Replacement	£ 25,000	£ 3,642,377	
2	Welsh Parliament Building Voice Alarm and Ty Hywel Public Address System	£ 180,000	£ 3,822,377	
I2S	Improving analysis of consultation responses	£ 30,000	£ 3,852,377	
I2S	Digital access to newspapers	£ 20,000	£ 3,872,377	
I2S	dtSearch Replacement (advanced text and data search software)	£ -	£ 3,872,377	