Manon Antoniazzi
Prif Weithredwr a Chlerc y Senedd
Chief Executive and Clerk of the Senedd

23 September 2024

Mark Isherwood MS
Chair of Public Accounts and Public Administration Committee
Senedd Cymru
Tŷ Hywel
Cardiff Bay
CF99 1SN

Dear Mark,

Public Accounts and Public Administration Committee Report on the Scrutiny of Accounts 2022-23

Update on recommendations

I am writing to provide you with further updates as agreed in our letter of the 29 January 2024. I am pleased to enclose a response to the following recommendations in the Annex to this letter.

> **Recommendation 1.** The Commission should keep the Committee updated on their progress in implementing projects as part of the Carbon Neutral Strategy ahead of the Committee's scrutiny of the next financial year's Accounts, including their spend by project, their progress to date and an indication of any overspends or underspends.

> **Recommendation 4.** The Commission should update the Committee on the work of the groups looking into the role of Artificial Intelligence within the Senedd ahead of the Committee's scrutiny of the Accounts for 2023-24.

> **Recommendation 5.** The Commission should consider, in future, implementing recruitment schemes, as part of its Workforce Plan, to encourage applications from individuals from a variety of socio-economic and geographic backgrounds, to ensure the Senedd better reflects the nation it represents. The Committee would appreciate updates on how this could be implemented and any targets the organisation has for addressing the present imbalance

Your Committee's recommendations relating to the provision of updates on the Project fund and Welsh suppliers are also addressed in the attached Annex.

Senedd Cymru
Bae Caerdydd, Caerdydd, CF99 1SN
Contact@senedd.cymru
0300 200 6565

Welsh Parliament
Cardiff Bay, Cardiff, CF99 1SN
Contact@senedd.wales
0300 200 6565

The Commission's approach is always to try to operate with openness, transparency and clarity. As ever, if there is any further information your Committee would like, please let me know.

Yours sincerely,

Manon Antoniazzi

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Prif Weithredwr a Chlerc y Senedd / Chief Executive and Clerk of the Senedd

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

Annex

Recommendation 1.

The Commission should keep the Committee updated on their progress in implementing projects as part of the Carbon Neutral Strategy ahead of the Committee's scrutiny of the next financial year's Accounts, including their spend by project, their progress to date and an indication of any overspends or underspends.

Update

The Commission provides information as part of the Commission's regular reports and updates on its energy saving initiatives and progress with the carbon neutral strategy, in both the Sustainability Annual Report and summarised in the Commission Annual Report and Accounts, published on the Senedd website at the links below.

The Commission has not undertaken significant capital works as part of the Carbon Neutral Strategy in the past year due to the limited resources available. However, work has progressed well with the Cardiff Heat Network project, including installation of most of the equipment on the Senedd estate needed for its effective operation. The connection and associated plant is being provided by Cardiff Council; the Council's grant funding covering installations at anchor clients' premises.

Sustainability Annual Report

Commission Annual Report and Accounts

Recommendation 4

The Commission should update the Committee on the work of the groups looking into the role of Artificial Intelligence within the Senedd ahead of the Committee's scrutiny of the Accounts for 2023-24.

Update

Over the past 18 months, the Senedd Commission has been considering generative AI tools can be harnessed to assist parliamentary work and how to capture the opportunities and mitigate the risks which arise from the use of this technologies.

As a relatively young, digitally driven parliament, we are keen to be at the forefront of developments, exploring AI tools within the existing Microsoft environment. We have met with party groups to share our work and are holding regular meetings with a smaller group of Members to ensure their views and ideas form a central part of our planning.

Governance

Two working groups (an AI Governance Group and an AI Opportunities Group) have been established to take a considered, responsible approach to the use of AI, recognising the potential benefits in terms of improving efficiency and productivity, and enabling new capability and insights. We also recognise the significant risks related to copyright, bias, privacy, ethical considerations, security risks, disinformation and lack of transparency amongst others.

A proposal has been agreed that suggests that this risk should be considered a Corporate Risk. An AI Policy has also been developed that provides guidance on the safe and appropriate use of AI.

Enabling the secure use of AI in the Senedd

Microsoft is at the forefront of developing generative AI applications. Given that we mostly use Microsoft software to support our work, it was an obvious first step to consider whether and how their Generative AI tools could assist us.

Microsoft offer a range of generative AI applications and we are assessing the benefits of three of these applications; Microsoft Copilot (you may hear this referred to by its previous name of Bing Chat Enterprise or Copilot for Bing), Copilot for Microsoft 365 (M365) and Microsoft Teams Premium.

Microsoft Copilot (Formally Bing Chat Enterprise)

Copilot for Bing provides essay style answers to the questions (prompts) the user presents it with and uses an interface similar to Google search (see below). Users can use Copilot to generate content, analyse or compare data, summarise documents, learn new skills, write code, and much more.

All system users across the Senedd were given access to Copilot on 22 March 2024. Training materials and guidance for the appropriate use of the system has been published on the Members and Staff Intranet sites.

Copilot for Microsoft 365 (M365) and Teams Premium

Neither of these products are included in our current licence agreement with Microsoft. Therefore, both will require us to incur an additional cost.

In April 2024 the Executive Board approved funding for a trial of Copilot for Microsoft 365 and Teams Premium. This trial will provide an analysis of the tool's potential impact on productivity, collaboration and efficiency.

The funding will allow us to provide service areas with a small number of each licence in order to test the features, and determine if these products should be adopted by the Senedd.

We are testing both products as some (but not all) of the features available through Copilot for 365 are also available in Teams Premium. If users only require the Teams Premium features, this would reduce the overall licencing costs.

The project team are currently conducting rigorous technical testing of the software to ensure it operates correctly and meets with compliance and security requirements.

We are also seeking nominations from Heads of Service to take part in the trial starting in September.

Recommendation 5

The Commission should consider, in future, implementing recruitment schemes, as part of its Workforce Plan, to encourage applications from individuals from a variety of socio-economic and geographic backgrounds, to ensure the Senedd better reflects the nation it represents. The Committee would appreciate updates on how this could be implemented and any targets the organisation has for addressing the present imbalance

Update

Following our response to the recommendation provided in January, and in line with the D&I Strategy and Medium Term Resourcing Framework, the Commission began (in September) the recruitment for the Commissions third Ymlaen (our internship for ethnic minority graduates) scheme. The scheme has been successful in improving the number of people applying for roles within the Commission, the conversion rates and the numbers of staff from black and minority ethnic backgrounds. The Commission will build on its success, with a view to changing scope of the next internship to focus on offering such opportunities to people from lower socio economic backgrounds.

The Commission recognises that achieving social mobility requires continuous effort and a proactive approach to addressing barriers that individuals from diverse socio-economic backgrounds may face. Therefore, with the support of the new workplace equality network for those staff from lower socio-economic backgrounds (RISE), we will continue to increase participation in socio-economic background disclosure to better understand our workforce and tailor our initiatives accordingly; implement more inclusive recruitment strategies to attract and support candidates from under-represented socio-economic backgrounds; and provide targeted career development and mentorship programs to ensure that all staff members have equal opportunities for growth and advancement.

The Commission is reliant on getting fuller data sets, particularly from existing staff disclosing the social economic status, and our Senior Social Mobility Champion has taken a leadership role in sharing their personal journey through a series of blogs to encourage disclosure and thus ensure a richer data set.

Contracts awarded to Welsh suppliers

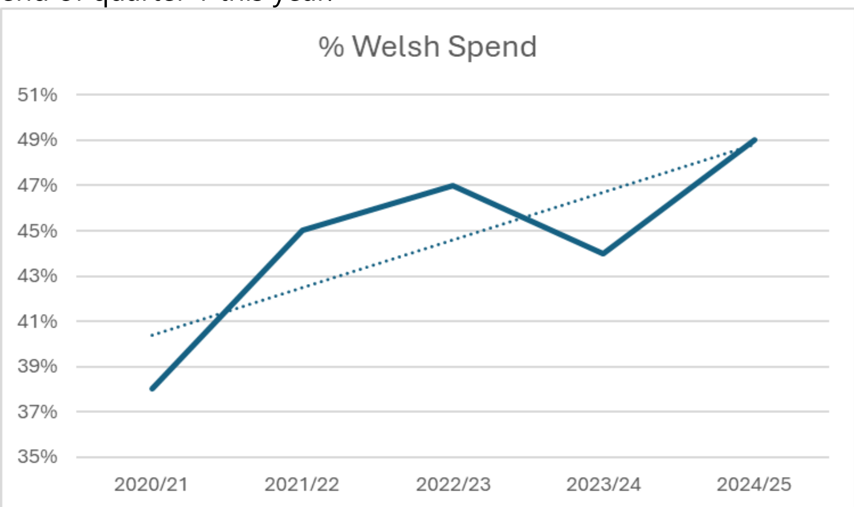
The Commission committed to providing details about contracts awarded to Welsh suppliers by the Commission, on an annual basis, provided by size of contract in the future, to include contracts up to £10,000, between £10,000 and £50,000, between £50,000 and £100,000 and in excess of £100,000.

Update

All contracts which exceed £25,000 are managed centrally by the Commission's Procurement team. Management of contracts below £25,000 is delegated to Service Areas. The Commission continually explores ways to increase spend with Welsh suppliers. We do this through market research and early engagement with suppliers. The Commission monitors Welsh spend performance through a Key Performance Indicator – current performance as of Q1 of 2024-25 is 49% - the previous financial years details are discussed below.

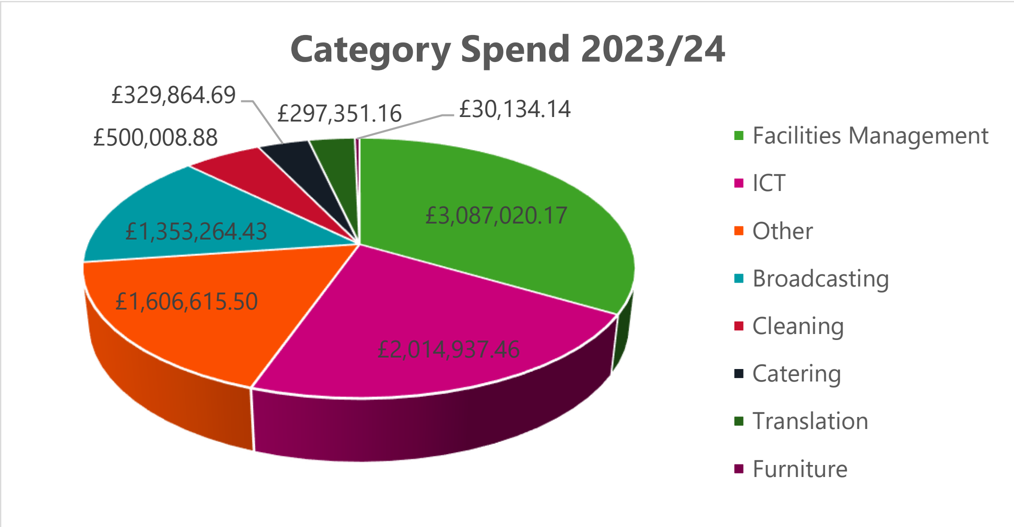
Spend with Welsh Suppliers

Spend with Welsh based suppliers reduced from 47% at the end of 2022/23 to 44% at the end of 2023/24. This was due in part to some one-off contracts, namely Digital Archiving where we spent £125K through our AV contractor Bow Tie, and on the HR/Payroll project with Midland HR where we have spent £110K on set up costs, (while also having paid Zellis for our existing HR/Payroll system). These two contracts account for 2.5% of our spend. However spend has bounced back to 49% at the end of quarter 1 this year.



Where we spend our Money

In 2023/24, we spent circa £9.4M on bought-in goods and services, 44% of this sum was spent in Wales. Almost two thirds of this expenditure is on either facilities management or ICT.



Who we spend our money with

In 2023/24 our top suppliers in terms of spend are shown below. The supplier we spend most with is CBRE, our facilities management contractor.

Supplier name	Spend
CBRE (facilities management)	£1,580,159
Bowtie Television (broadcasting)	£1,353,264
EDF Energy	£1,002,317
Softcat (ICT)	£978,587
Total Support Services (cleaning)	£498,560
ESS Catering	£327,956
Penna (executive search)	£250,734
Centreprise (ICT)	£230,889
Testun (Welsh translation)	£153,854
Digitalraid (ICT)	£141,964

In 2023/24 45% of spend with CBRE was passed on to Welsh sub-contractors.

Welsh Spend by Category

Welsh Spend by Category - 2022/23										
	Qtr 1		Qtr 2		Qtr 3		Qtr 4		Cumulative Spend 2022/23	
Category	**Spend**	**Percentage**	**Spend**	**Percentage**	**Spend**	**Percentage**	**Spend**	**Percentage**	**Cumulative Spend**	**Cumulative Percentage**
Broadcasting	£88,000.00	4%	£89,250.00	4%	£94,500.00	5%	£93,600.00	3%	£365,350.00	4%
Catering	£25,987.75	1%	£12,389.31	1%	£54,856.11	3%	£28,186.33	1%	£121,419.50	1%
Cleaning	£8,687.56	0%	£8,075.47	0%	£9,420.75	0%	£13,680.35	0%	£39,864.13	0%
Facilities Managemer	£613,824.30	27%	£238,673.70	12%	£285,830.84	15%	£425,811.84	15%	£1,564,140.68	17%
Furniture	£25,347.00	1%	£38,891.94	2%	£14,733.30	1%	£26,190.00	1%	£105,162.24	1%
ICT	£98,100.60	4%	£93,424.96	5%	£100,453.95	5%	£112,084.66	4%	£404,064.17	4%
Other	£250,580.94	11%	£423,013.29	20%	£341,964.29	17%	£342,806.63	12%	£1,358,365.15	15%
Translation	£62,328.70	3%	£32,655.44	2%	£84,209.20	4%	£82,460.23	3%	£261,653.57	3%
Total Local Spend	£1,172,856.85	52%	£936,374.11	45%	£985,968.44	50%	£1,124,820.04	41%	£4,220,019.44	47%
Total Spend	£2,256,712.59		£2,073,204.22		£1,961,509.32		£2,774,073.48		£9,065,499.61	

Welsh Spend by Category - 2023/24										
	Qtr 1		Qtr 2		Qtr 3		Qtr 4		Cumulative Spend 2023/24	
Category	**Spend**	**Percentage**	**Spend**	**Percentage**	**Spend**	**Percentage**	**Spend**	**Percentage**	**Cumulative Spend**	**Cumulative Percentage**
Broadcasting	£92,600.00	5%	£87,050.00	4%	£109,250.00	7%	£96,600.00	3%	£385,500.00	4%
Catering	£34,769.00	2%	£31,202.52	1%	£39,143.25	2%	£37,683.20	1%	£142,797.97	2%
Cleaning	£9,413.30	0%	£8,551.65	0%	£9,551.77	1%	£7,767.33	0%	£35,284.05	0%
Facilities Management	£497,386.50	26%	£373,970.70	16%	£440,749.99	26%	£670,492.37	19%	£1,982,599.56	21%
Furniture	£5,691.60	0%	£14,960.74	1%	£777.60	0%	£8,401.20	0%	£29,831.14	0%
ICT	£40,895.88	2%	£126,870.14	6%	£124,864.73	7%	£202,260.23	6%	£494,890.98	5%
Other	£186,261.19	10%	£216,235.01	9%	£123,265.53	7%	£217,889.99	6%	£743,651.72	8%
Translation	£55,917.74	3%	£57,171.47	3%	£77,551.68	5%	£106,964.30	3%	£297,605.19	3%
Total Local Spend	£922,935.21	48%	£916,012.23	40%	£925,154.55	55%	£1,348,058.62	38%	£4,112,160.61	44%
Total Spend	£1,903,730.65		£2,284,370.72		£1,667,011.89		£3,545,610.01		£9,400,723.27	

Spread of contracts awarded last year by contract value

Contract value	Number of contracts	Welsh contracts
>£100k	18	8
>£50k	5	1
>£10k	43	18
<£10k	252	125

Project fund

The Committee would like to hear from the Commission on an annual basis with a breakdown of the projects actioned as part of the project fund and the funding allocated to these individual projects. This information should be provided ahead of the Committee's annual scrutiny of the Commission's Accounts.

Update

During 23-24 the Commission made the decision to make a cost of living payment to staff to support them through this this difficult financial crisis. To afford this, as part of a series of measures spending was paused on projects not yet started which had a non critical timeline In December 2023, once the Executive Board were confident that funds were again available, the decision was made to prioritise infrastructure projects such as the CCTV replacement and upgrade, along with projects that had a critical timeline for delivery such as the Payroll and HR system.

Below is a list and expenditure detail for the project fund for 2023-24.

Project/Item	Budget Assigned £000
PB2 - proof of concept CRM / OET	£24
Zoom licences	£2
North Wales relocation	£56
PB3 - Archiving	£125
PB1 - CCTV hardware replacement & upgrade	£250
PB1 - Phase 6 fire door replacement	£81
PB1 - Flagpole replacement	£37
Bay 2032 - Strategic Outline Case	£62
Broadcast Encoder System (Firewall)	£8
PB3 - CR1,2,3 camera / vision switching	£399
PB1 - Laptop refresh - commission	£84
Remuneration Board Pay and Grading Review	£7
PB1 - PaR project	£72
Emergency CCTV Works	£19
Security Control Room Critical Power	£20
Low Voltage (LV) Air Circuit Breakers (ACB) Critical Spares	£37
UPS replacement	£11
Critical Spares for lifts across the Cardiff Bay Estate	£22
Common Area Phone Refresh	£11
Tablets Replacement Programme 24 to 25	£19
Desktop Hardware Replacement	£95
LED Office Lighting - Phase 5	£41
Programme Management Tool additional feature	£5
Total	**£1,487**