

Welsh Parliament

Public Accounts and Public Administration Committee

Scrutiny of Accounts 2020-21

Senedd Commission



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Chair's foreword

The role of the Public Accounts and Public Administration Committee is to hold publicly funded bodies to account on how they spend public money. Central to this role, is our scrutiny of the annual reports and accounts of public bodies. The new Public Accounts and Public Administration Committee agreed to continue with this valuable work established by our predecessor Committees and to include annual scrutiny of the Senedd Commission's Annual Reports and Accounts. We believe that it is important to reflect on the performance of the corporate body for the Senedd that has responsibility for the provision of property, staff and services to support Members.

It has been a challenging year for the Senedd Commission as it has continued to adapt its working arrangements and operate within the ongoing global pandemic. All the while continuing to work towards reaching its corporate goals and targets while ensuring staff health and wellbeing have been at the forefront of its priorities. We commend the Senedd Commission on its performance during the last 12 months as it strives for excellence in public sector economy, efficiency and effectiveness.

Alongside these challenges there has been a renewed impetus towards greater sustainability in the way the Senedd Commission manages its estate. While the pandemic has been a catalyst for achieving some of these goals, moving forward there will be a need for commitment from all to deliver the cultural changes that will be required to fulfil the Senedd Commission's potential in becoming fully carbon neutral.

The coming years provide an opportunity for the Senedd Commission to continue on its journey of transforming into an innovative, inclusive and sustainable exemplar organisation and we hope the recommendations contained in this report will help shape this.

Recommendations

- Recommendation 1.** In the interests of greater transparency we recommend, that in advance of annual scrutiny of the accounts, the Commission provide the Committee with details summarising and collating underspends and setting out any decisions taken to reallocate underspends. It would be helpful for this to be in a similar format to the letter provided to the Finance Committee.....8
- Recommendation 2.** In order to assist the Commission in increasing its spend on suppliers from Welsh based companies, we recommend that it undertakes an exercise to split contract spend limits i.e. into brackets of <10k, <50K <100k, <500K and over 500K and analyse the financial spread of contracts awarded to identify opportunities to break down larger contracts and to increase the likelihood of smaller Welsh based companies successfully bidding for contracts. We would welcome a six monthly update on progress in this area.....11
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1. Introduction

- 1.** The Senedd Commission (“the Commission”) is a corporate body whose purpose is to provide the Welsh Parliament with the property, staff and services it needs to fulfil its functions. The Commission itself is made up of five Members of the Senedd: the Llywydd and four other Members nominated by the largest political groups in the Senedd.
- 2.** As a corporate body, the Commission owns property and employs staff to manage the Senedd’s estate and resources; to support parliamentary proceedings; and to engage with the people of Wales.
- 3.** The Senedd Commission’s accounts can be grouped into two distinct areas:
 - The employment of parliamentary staff, maintenance of the Senedd estate, and the provision of other parliamentary resources and services.
 - The salaries, associated on-costs and allowances of Members of the Senedd and their support staff, which is determined by the Independent Remuneration Board of the Senedd.
- 4.** The Commission’s accounts report both on financial matters over which it has control (the former), and financial matters over which does not (the latter). This year, the Commission’s Annual Report and Accounts 2020-21 were subject to audit by Ann-Marie Harkin, Executive Director of Audit Services at Audit Wales. The unqualified audit opinion was signed on 22 June 2021. The Auditor General for Wales had no significant observations to make on the Commissions financial statements for 2020-21.
- 5.** We took evidence from Manon Antoniazzi (Chief Executive and Clerk of the Senedd), Ken Skates MS (Senedd Commissioner with responsibility for Budget and Governance) and Nia Morgan (Director of Finance, Senedd Commission) on 6 October 2021. Our findings are set out below.

2. Scrutiny of the 2020-21 Accounts

Financial and operational performance

- 6.** We are pleased that the Annual Report and Accounts 2020 – 21 were laid ahead of time and are well presented, with effective use of diagrams and infographics.
- 7.** We note that the Commission reported an aggregate underspend of £985,000 against its total net budget (excluding Annually Managed Expenditure or 'AME') of £58.6 million or 1.7% of the approved budget.
- 8.** Our predecessor Committee was not supportive of the Commission's current KPI that sought to maximise Commission expenditure. The accounts report performance against the measure or target that the underspend is between 0% and 1.5% of the overall Commission controlled budget (KPI 11). The then Committee recommended:
- "the Senedd Commission should remove any future KPIs that set to minimise under expenditure, and focus instead on using financial resources as efficiently as possible".*
- 9.** The Commission responded that the indicator is useful internally and corporate performance indicators would be reviewed during 2021-22. Additional indicators to provide clarity on efficiency would be considered and put in place by 2022-23.
- 10.** During this year's scrutiny, we heard that underspends are monitored closely and the Commission reprioritises spending to the areas where it's needed to respond to pressures as they arise.¹
- 11.** We recognise that the Commission takes a considered approach to managing its underspend but welcome its commitment to reviewing its corporate performance indicators and will await the outcome of this in terms of its KPI relating to underspends. We share our predecessor Committee's view that great clarity is needed to ensure that money is spent efficiently.

Recommendation 1. In the interests of greater transparency we recommend, that in advance of annual scrutiny of the accounts, the Commission provide the Committee with details summarising and collating underspends and setting out any decisions taken to reallocate

¹ Record of Proceedings (RoP), 6 October 2021, paragraph 18

underspends. It would be helpful for this to be in a similar format to the letter provided to the Finance Committee.

Impact of Covid

12. The Commission wrote to the Finance Committee on 26 May 2021 with information about costs and savings due to the Covid-19 pandemic during 2020-21. This included an annex showing changes to the Project Fund budget, which increased by a net £176k. The letter also highlighted £160k of other additional Commission Covid-19 expenditure mainly in relation to ICT equipment, home office equipment, estate signage, sanitiser, PPE and a reduction in Senedd shop income.

13. The letter provided details of the reduced costs or savings made, the aggregate value of which was £985k in 2020-21. The net impact of this and the additional Covid-19 costs (£160k) was an overall net saving of £825K. We note that the Commission used £474K of this to fund the increased demand on the Project Fund, maintenance and sustainability work on the estate, including lift maintenance, fire alarm replacement and LED lighting, a new recruitment system and new MS office access control. The remaining £408k remained 'unutilised' at the end of the year.

14. The Commission has needed to adapt planning, decision-making and risk management in response to the pandemic especially given the focus has changed over the past year from supporting virtual business to planning a return to the office.

15. The Executive Board (plus Chief Legal Advisor, Head of Governance and the Llywydd's senior support officials) retained operational responsibility for managing the Commission's response to the pandemic with escalation to the Llywydd for political or significant decisions.

16. We note that a Group was established to begin the process of planning for a return to the estate and communicate decisions to Members, staff, media and public. The Group has been replaced by a Covid Reporting and Monitoring group, who monitor changing Covid regulations that impact on the Commission and advise Executive Board, develop and review risk assessments and monitor data on the impact on the health and wellbeing of the workforce.

17. We are pleased to hear that close monitoring of the budget and early identification of savings, for example, travel and subsistence, enabled funding to be reprioritised to provide

equipment for homeworking, and make the adaptations needed to the office environment. This includes creating virtual and hybrid meeting spaces for staff required on site.²

18. We welcome the increased communication and strengthened governance arrangements which have enabled the Commission to identify and respond in a timely manner to emerging issues and challenges.

Procurement and Contractors

19. Our predecessor Committee made recommendations regarding the proportion of contracts to Welsh Suppliers and that the Commission should increase procurement from Welsh suppliers of goods and products that are of Welsh origin unless not available or not at a reasonable cost. It also recommended that the Commission should take steps to enable more Welsh companies to bid for contracts, such as by breaking up large contracts into smaller ones.

20. We note that in March 2020, the Cabinet Office produced a Procurement Policy Note (PPN) giving direction that “contracting authorities should act now to support suppliers at risk so they are better able to cope with the current crises and to resume normal service delivery and fulfil their contractual obligations when the outbreak is over” and continues: “contracting authorities should also take action to continue to pay suppliers at risk due to Covid-19 on a continuity and retention basis.”

21. In its Accounts, the Commission considered each contract separately and paid £363,000 to support and secure supply contacts while not receiving services. We note and are content that these are reported as being in line with Cabinet Office directions and will have been considered by the external auditors.

22. The Commission measures its progress of increasing procurement from Welsh suppliers through a KPI which is set at 43% of supplier spend to be with Welsh based companies by the end of this Senedd. The Accounts report that the Commission’s 2020-21 procurement spend with Welsh suppliers is 38%, down from 39% last year.

23. We asked whether the Commission was in a position to reach its target of 43% this year noting every additional percentage of public procurement across Wales leads to the creation of additional jobs and a boost to the Welsh economy.

24. We heard that the pandemic has impacted negatively on the proportion of the Commission’s expenditure with suppliers based in Wales, due to reductions in spend through

² RoP, 6 October 2021, paragraph 11

catering and broadcasting contracts. To monitor progress, the Committee would appreciate a six monthly update.

25. We also heard that a significant portion of the Commission's expenditure is on energy, heating and ICT contracts with major companies outside of Wales because these services are not provided by Welsh based companies. We note the efforts being made by the Commission to break down larger contracts into smaller units to better understand what services can be provided from within Wales, and to connect and engage with the Welsh market. Staff resources have been allocated to do this, and the Commission is "pushing us hard" and will be "analysing and reanalysing" its expenditure to do the best it can, but meeting the target of 43% is going to remain a challenge.³

26. We recognise the challenges in attaining a target of 43% of supplier spend to be with Welsh based companies but we are not convinced by the reasons as to why this target has not been met. We believe that the target figure may need to reflect that this target is likely to be met by continual year-on-year growth over a period to bring it within the Commission's reach.

Recommendation 2. In order to assist the Commission in increasing its spend on suppliers from Welsh based companies, we recommend that it undertakes an exercise to split contract spend limits i.e. into brackets of <10k, <50K <100k, <500K and over 500K and analyse the financial spread of contracts awarded to identify opportunities to break down larger contracts and to increase the likelihood of smaller Welsh based companies successfully bidding for contracts. We would welcome a six monthly update on progress in this area.

Staffing

27. Over the past few years our predecessor Committee's scrutiny of the Commission's Accounts has focused largely on staffing matters. In particular, voluntary severance schemes, staff numbers, equal opportunities for ethnic minority communities and staffing from all socio-economic groups and absence rates.

28. We note that the Commission has a balanced workforce in terms of gender, across its overall workforce, as well as its Executive Board and Leadership Group. However, a greater proportion of women work part-time than men (28.6% and 6.4% for women and men respectively). Mean and median salaries are higher for women than men, although this pay gap has reduced. The mean gender pay gap in 2020-21 was -5.3% and the median -9.8%.

³ RoP, 6 October 2021, paragraph 97

29. The LGBTQ+ pay gap is small and changed from a positive gap to a slightly negative one. The reason given is an increase in people declaring themselves LGBTQ+, particularly at lower pay grades.

30. The previous Public Accounts Committee recommended that the Commission build on work to engage with ethnic minority communities and other groups and disclose the ethnicity pay gap. In response to these recommendations the Commission has changed how it reports information in this area.

31. We note that the ethnicity pay gap is significant. Mean pay gap is 27.8% and the median 38.9%. Both are higher than last year (20.9% and 23.6% for the mean and median respectively).

32. The equality pay audit 2021 states the following main drivers:

- A limited number of BAME staff employed by the Commission as an overall percentage of the overall workforce; and
- BAME staff mainly being employed at lower bands on the pay scale (57% of BAME staff are at the Apprentice / Team Support level).

33. In the Diversity and Inclusion Annual Report 2020-21, the Commission describes work undertaken with ethnic minority communities to gain a more diverse range of candidates for the Apprenticeship scheme, but recognises greater challenges in terms of representation in the more senior grades.

34. We are pleased to see the reporting of Diversity and Inclusion data has been expanded to show analyses of the age, gender and race profile of candidates by number of candidates and success rates.

35. The Commission reports 5.0% of the workforce have declared that they identify as having a disability with 83.1% saying they identify as not having a disability. 11.9% of staff this year have not declared whether or not they identify as having a disability.

36. The Commission also reports on disability pay gap. It reports that median pay lead that non-disabled staff have over staff identifying with a disability is 0.0% for the median total salary.

37. We asked how the success of initiatives to increase diversity within the Commission work force were being measured particularly in terms of attracting staff from ethnic minority groups. We welcome the Commission's recognition that more needs to be done to ensure the organisation is more representative given data highlights that it is under represented particularly at senior and decision-making level.

38. We were told the Commission has introduced inclusive branding and now advertises on a broader spectrum of platforms and has targeted recruitment campaigns. We welcome the work being undertaken to work alongside community leaders and members of Business in the Community Cymru and public sector bodies more broadly.⁴

39. We heard about the creation of a new graduate internship program which will aim to bring in diverse talent at senior grades and a targeted development and coach scheme for existing staff that identify as Black, Asian and Minority Ethnic. We were also told:

"Every recruitment campaign is looked at from a diversity and inclusion perspective, and we're engaging with specialist partners to help us develop a disability action plan, exploring lessons learned from last years' experience of different ways of working".⁵

40. Evidence was provided to us setting out that work is undertaken to identify and measure against the relevant data benchmarks to ensure data analysis is meaningful across protected characteristics, particularly to BAME data.⁶

41. Social mobility/Class pay gap is not monitored or reported but the Commission has said that from 1 April 2021, it will collect, analyse and report on socio-economic/social mobility diversity data to help better understand the socio-economic make-up of job applicants and workforce. It also says it will consider how to gather information on social mobility for current staff and applicants, as well as subscribing to the Office for National Statistics (ONS) to get benchmark data.

⁴ RoP, 6 October 2021, paragraph 107

⁵ RoP, 6 October 2021, paragraph 108

⁶ RoP, 6 October 2021, paragraph 109

42. We are pleased that the Commission is collecting data about socio-economic/social mobility but recognise that the Commission is only several months into collecting this data. It is therefore too early to have an overview or analysis of that data. We welcome the commitment given to us by the Commission to write to us in April 2022 with an update on progress of socio-economic benchmarking. This will allow the Commission to provide the Committee with a full 12-month data set to 31 March 2022.⁷

43. We welcome the initiatives the Commission has introduced and its ongoing efforts to increase diversity within its workforce and note that this remains an area that requires further development and improvement.

Recommendation 3. We recommend that the Senedd Commission continues to work to understand drivers resulting in the low representation within their workforce from ethnic minority communities and lower socio-economic groups and strengthens policies and takes actions to reduce perceived barriers and pay gaps for these and other diverse groups.

44. In its Legacy Report, the Public Accounts Committee of the Fifth Senedd said:

"We have also taken a keen interest in the Senedd Commission's annual staff surveys as part of our scrutiny of their annual reports and accounts. In our report on the 2019-20 Accounts, we recommended that the Commission should ensure that future staff surveys are consistent from year to year to ensure that meaningful conclusions about long-term trends can be drawn from their findings. We also recommended that similar questions are asked to the staff surveys of other legislatures and public bodies to allow for the results to be benchmarked. We suggest that our successor Committee follows up on this area during the scrutiny of the Senedd Commission's 2020-21 Accounts".⁸

45. A Commission staff survey was undertaken in December 2020, previous surveys were also undertaken in, December 2018 to January 2019 and May 2017. This latest survey was managed by an external company for the first time. The only KPI linked to this survey is a "Civil service happiness score". Comparisons are shown to results for previous years with a "not directly comparable" "Engagement score".

⁷ Letter from the Chief Executive and Clerk, Senedd Commission, 22 October 2021

⁸ Public Accounts Committee 2016 – 2021, Legacy Report, paragraph 124 (March 2021)

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- 46.** The “happiness score”, from the latest survey, together with corresponding Engagement score from the previous three surveys, are consistently above the Civil Service Median scores.
- 47.** This was the only score published from this survey. Unlike the Welsh Government and other public service organisations including Audit Wales, the results of the survey are not available in the public domain.
- 48.** On this basis, the Public Accounts Committee recommended in 2019 that the Commission makes public the overall results for each individual question in the staff survey. This should include comparative data over a three-year period. The Commission responded in March 2020, accepting the recommendation, subject to consultation.

“The Commission will provide the Committee with an update once consultation has taken place”.⁹

- 49.** In oral evidence, the Chief Executive and Clerk confirmed that headline results of the annual Commission staff survey had been published¹⁰ and are available on the Senedd Commission website.¹¹
- 50.** We are pleased to note that the Commission’s performance was marginally better than the industry benchmark across all the findings of the staff survey. This is encouraging and assures us that the Commission’s work to engage with its staff is working well.
- 51.** A number of initiatives to support staff, particularly during the pandemic, were explained to us and we heard that the staff survey results highlighted that staff are clear about what is expected of them and feel well informed and supported. Commission performance has remained high through the prioritisation of projects, regular communication between teams, a flexible approach to working hours and other business continuity actions.¹²
- 52.** Throughout the pandemic, the Commission has prioritised staff wellbeing and health and were told this was a guiding principle for activities such as ensuring line managers and colleagues were talking regularly and there have been wellbeing check in activity. This has provided data to executive board which has been used with absence data and workforce trends

⁹ [Letter](#) from the Senedd Commission, 18 March 2020

¹⁰ RoP, 6 October 2021, paragraph 126

¹¹ [Link](#) to 2020 survey, published Feb 2021.

¹² RoP, 6 October 2021, paragraph 131

to help executive board take decisions in good time and adopt new or different approaches as necessary.¹³

53. In relation to senior staffing matters we queried whether any thought had been given to reducing layers of management within the organisation. We were pleased to hear that the Commission is undertaking a Capacity Review and look forward to hearing more detail on the aims, progress and outcomes of this review by next spring.

Sustainability

54. The Commission reached the end of its second Carbon Reduction Strategy during 2020-21, which included a set of sustainability targets to 2021. In its Sustainability Report for 2020-21, it notes the change of use of the estate due to the pandemic has “profoundly changed” its environmental impacts.

55. The sustainability annual report 2020-21 also sets out performance in meeting the key targets:

- Reduce energy emissions by 30 per cent by 2021, based on 2012-13;
- Improve the efficiency of business-related car travel by 10% by 2021, based on 2013-14;
- Achieve zero waste to landfill by 2021;
- Transition from waste management to sustainable resource management by 2020-21; and
- Reduce water consumption by 5% by 2021, based on 2014-15.

56. The Commission reports it achieved the targets set out in the first three bullet points above, but notes work on transitioning to sustainable resource management was in progress, adding “work on plastic packaging continuing”.

57. In terms of the target set out in the final bullet point above, the Commission reports its consumption of potable water has increased by 1.6% compared with 2014-15 (the baseline year) against its target to reduce it by 5%. It explains its consumption is “influenced largely by public demand and this year we experienced some maintenance issues”.

¹³ RoP, 6 October 2021, paragraph 132

58. The Commission has recently published a new Carbon Neutral Strategy. This will include a three stage approach to becoming Carbon Neutral by 2030 with:

- Short term (2021-23) – behavioural change, business management improvements, monitoring and continued LED lighting work;
- Medium term (2023-26) – air conditioning, connect to district heating network, installing solar in Senedd and Ty Hywel; and
- Longer term (by 2030) – air-source heat pumps for hot water, MS travel and subsistence for electric vehicle travel only.

59. We heard that the Commission will continue to work on decreasing its carbon footprint but it will be challenging to maintain the low level of business travel to work that has been achieved while staff have been working from home. As staff return to the office and business travel increases post pandemic new methods of encouraging staff to use public transport will be explored as well as assistance to purchase electric vehicles. Furthermore, continued use of technology will be encouraged to ensure staff do not have to travel when there is no need to do so.

60. In looking to the future, there are cultural changes that will be required to reach the target of carbon neutrality by 2030 and planning is already underway to work towards this. Guidance and leadership will be needed as well as commitment from the Commission as a whole to drive that change in behaviour.¹⁴

61. We are pleased with the progress the Senedd Commission has made in meeting its sustainability targets and this must be commended. There will an important role for this committee in monitoring progress and contributing to ensuring the cultural changes that are required to keep sustainability at the forefront of the Commission’s activities. We hope that the Commission will continue to perform well in this area.

62. We discussed the challenges in understanding the impact of and helping Members, their staff and commission staff to reduce carbon emissions when working at home and in their day-to-day work. We look forward to receiving guidance from the Commission as to how this can be achieved.¹⁵

¹⁴ RoP, 6 October 2021, paragraph 146

¹⁵ RoP, 6 October 2021, paragraph 147-148

63. We commend the Commission on publishing the 10 year Carbon Neutral Strategy. We recommend that meeting these goals and aspirations within the strategy will need to build on experience from delivering services during the pandemic supported by clear guidance, leadership and commitment.

Single use plastics

64. The Committee and Youth Parliament have pressed the Commission for action on single use plastics. The Sustainability Report for 2020-21 states that progress has "been delayed due to the pandemic, but *"we will continue to eradicate sources of single-use plastic where possible in the future"*.

65. We recognise the work of the Youth Parliament in placing greater focus on the reduction of single use plastics and the significant efforts by the Commission to reduce usage of such plastics. We were assured that the use of single use plastics is now minimal and work is ongoing with suppliers to look at the types of plastics products arrive in.¹⁶ We welcome and congratulate the Commission on its progress in this area.

Recommendation 4. We recommend the Commission provide a six monthly update on the use of single use plastic.

¹⁶ RoP, 6 October 2021, paragraph 144