

Accounts Scrutiny 2022-23

Senedd Commission

December 2023



The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

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Welsh Parliament

Public Accounts and Public Administration Committee

Accounts Scrutiny 2022-23

Senedd Commission

December 2023



About the Committee

The Committee was established on 23 June 2021. Its remit can be found at:
www.senedd.wales/SeneddPAPA

Current Committee membership:



**Committee Chair:
Mark Isherwood MS**
Welsh Conservatives



Adam Price MS
Plaid Cymru



Natasha Asghar MS
Welsh Conservatives



Mike Hedges MS
Welsh Labour



Rhianon Passmore MS
Welsh Labour

As a Senedd Commissioner, Adam Price recused himself from this inquiry:



Adam Price MS
Plaid Cymru

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Recommendations

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. Page 20

Recommendation 2. The Commission should provide six-monthly updates to the Committee, starting in Spring 2024, on the progress of the Ways of Working Strategy and the resources that have been allocated to delivering the projects associated with the Strategy.....Page 25

Recommendation 3. As part of the Annual Report and Accounts, the Commission should consider including an estimate of the likelihood of a risk occurring, to better inform future consideration of the Senedd’s risk profile. Page 29

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..... Page 29

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.Page 42

Recommendation 6. The Workforce Plan and any outputs from the Medium-Term Resourcing Framework should be shared with the Committee as soon as they are available, to ensure that we are updated on the Commission’s future planning around Senedd Reform and under the Ways of Working StrategyPage 43

Recommendation 7. The Commission should set out how it intends to reflect on the views of Members and their staff as part of their future planning under the Ways of Working Strategy and any other stream of work that addresses the implications of Senedd Reform.....Page 43

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, including the Llywydd and four other Members nominated by the largest political groups in the Senedd. 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.
 - 2.** The Commission's budget is subject to scrutiny by the Senedd's Finance Committee. The budget for 2024-25 was scrutinised by the Finance Committee on 5 October 2023, and reported on in October. The Commission responded on 9 November. Accordingly, due to a number of cross-cutting issues, a series of similar issues are considered in the Public Accounts and Public Administration (PAPA) Committee and Finance Committee's reports.
 - 3.** The Commission's Annual Report and Account 2022-23 ('the Accounts') were laid before the Senedd on 29 June 2023.
 - 4.** The Accounts were subject to audit and were given an unqualified 'true and fair' and regularity audit opinion. The audit was conducted by Ann-Marie Harkin (Executive Director of Audit Services), who signed the audit certificate and report, on behalf of the Auditor General for Wales, on 28 June 2023. This audit considered the financial statements of the Accounts and specified tables within the Remuneration Report and Staff Report.
 - 5.** The remainder of the report was not subject to audit. However, the Auditor is obliged to consider the other section and note any material inconsistencies with the financial statements and knowledge obtained during the course of the audit. No such issues are noted in the audit report.
 - 6.** The Committee made seven recommendations in its Scrutiny of Accounts 2021-22 report, published in December 2022. The Commission responded to the recommendations on 16 February 2023, accepting each of them. They wrote to the Committee with subsequent updates on 6 May 2023 and 11 July 2023.
 - 7.** The Committee heard from Manon Antoniazzi (Chief Executive and Clerk of the Senedd), Ken Skates MS (Senedd Commissioner with responsibility for Budget and Governance), Kate Innes (Director of Finance, Senedd Commission) and Ed Williams (Director of Senedd Resources) on 12 October 2023. The Committee's findings are outlined below.
-

2. Financial and operational performance

Overall end-of-year position

- 8.** The Commission's budget for 2022-23 was approved on 17 November 2021 and amended through supplementary budgets dated May 2022 and January 2023.
- 9.** The Commission reports an aggregate underspend of £1.7 million against its total net revised budget of £63.9 million, or 2.7% of the revised budget.
- 10.** Net resource outturn related to Commission only expenditure (which excludes Annual Managed Expenditure ('AME') and Members costs) was £43.9 million, compared with £41.0 million in 2021-22, an increase of 7.1%. This was an underspend of £1.5 million, or 3.2%, compared with the revised budget of £45.3 million.
- 11.** Separate from these figures was an underspend of £273,000, or 1.6%, in respect of the budget for the Independent Remuneration Board (IRB). This compares with an underspend of £169,000 in 2021-22 and £577,000 in 2020-21.
- 12.** Table 1 below outlines the Commission's year-end position, between 2017-18 and this set of Accounts.

Table 1: Commission year-end position (£'000)

Resources:	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
For use by the Senedd Commission:						
Budget (£'000)	37,013	37,887	40,291	41,953	41,695	45,326
Outturn (£'000)	37,748	38,216	39,818	41,574	40,954	43,862
Under/(over)spend (£'000)	(735)	(329)	473	379	741	1,464
Under/(over)spend (%)	(2.0%)	(0.9%)	1.2%	0.9%	1.8%	3.2%
In respect of Remuneration Board decisions:						
Budget (£'000)	15,532	15,701	15,697	16,172	15,619	16,802
Outturn (£'000)	14,408	14,731	14,956	15,595	15,450	16,529
Under/(over)spend (£'000)	1,124	970	741	577	169	273
Under/(over)spend (%)	7.2%	6.2%	4.7%	3.6%	1.1%	1.6%

- 13.** The Commission also includes an analysis of net outturn, reflected below in Table 2. For the first time, separate lines are included for the administrative

support resources dedicated to the Independent Remuneration Board (IRB) and the Office of the Standards Commissioners.

Table 2: Analysis of net resource outturn 2022-23 (£'000)

	Outturn	Analysis of approved budget	Outturn compared with approved budget	Analysis of revised budget	Outturn compared with revised budget	Outturn 2021-22
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue expenditure						
Staff salaries and related costs	27,171	27,417	246	27,241	70	25,367
Non staff costs	10,810	13,478	2,668	11,075	265	12,908
Capital charges - non cash	5,224	2,250	(2,974)	6,290	1,066	2,099
Gross revenue expenditure	43,205	43,145	(60)	44,606	1,401	40,374
Gross revenue income applied	(73)	(220)	(147)	(220)	(147)	(61)
Net revenue expenditure	43,132	42,925	(207)	44,386	1,254	40,313
Capital expenditure*	380	500	120	516	136	641
Net resource outturn (Commission expenditure)	43,512	43,425	(87)	44,902	1,390	40,954
Members' salaries allowances and related costs	16,529	17,552	1,023	16,802	273	15,450
Election related costs - revenue	-	-	-	-	-	1,399
Election related costs - capital*	-	-	-	-	-	506
Support for Remuneration Board	274	-	(274)	352	78	-
Office of the Standards Commissioners	76	165	89	72	(4)	-
Resource outturn	60,391	61,142	751	62,128	1,737	58,309
Members' Pension finance costs	1,822	1,800	(22)	1,800	(22)	1,660
Total net resource outturn	62,213	62,942	729	63,928	1,715	59,969

14. The Committee notes:

- £70,000 underspend on staff salaries and related costs (0.3% of the revised budget).
- £265,000 underspend on non-staff costs (2.4% of the revised budget).
- £1.1 million underspend on capital charges – non-cash (16.9% of the revised budget).
- £136,000 underspend on capital (26.4% of revised budget).

15. The Commission notes that the underspend against the budget for its own use “falls outside the Commission’s target range of 0.0 per cent to 1.5 per cent of budget”¹. It attributes this to larger than anticipated underspends against the amounts budgeted for IFRS 16 Leases, specifically on depreciation and notional interest charges. It stated:

*“Excluding non-cash items, the outturn was £38.3 million against a budget of £38.6 million, resulting in an underspend of 0.84 per cent, well within the Commission’s target range and reflective of the proactive approach to managing Commission resources”.*²

16. In relation to the revised capital budget underspend of £136,000, or 26.4% of the revised budget, the Commission says:

*“2022-23 saw a return to the more usual expenditure on estate maintenance and ICT rolling kit replacement following a year of having to prioritise spend in response to managing the pandemic”.*³

Independent Remuneration Board

17. The outturn reported for supporting the IRB was £274,000, £78,000 below the revised budget of £352,000 (or 22.2% less than the revised budget).

18. In an effort to improve transparency, the Commission included a separate line for the IRB in its First Supplementary Budget 2022-23, dated May 2023. The

¹ Senedd Commission Annual Report & Accounts 2022-23, p153

² Senedd Commission Annual Report & Accounts 2022-23, p153

³ Senedd Commission Annual Report & Accounts 2022-23, p153

figure originally allocated was £259,000, which was subsequently increased by £218,000 in the supplementary budget, giving a revised budget of £477,000.

19. In the subsequent Second Supplementary Budget 2022-23, dated January 2023, the Commission reduced this figure by £125,000 to £352,000, to reflect staff vacancies.

20. On resources in respect of IRB decisions, the underspend from the Members' Salaries and Allowances budgets was £1,023,000, against the originally approved budget of £17.6 million, dated November 2022, and £273,000 against the revised budget of £16.8 million, dated January 2023.

21. The Accounts also note that the IRB approved a cost of living payment of £600 to all Support Staff, funded by the Determination.

Office of the Commissioner for Standards

22. The outturn is listed as £89,000, or 53.9% less than the original approved budget, dated November 2022, and £4,000, or 5.6%, more than the revised budget, dated January 2023.

Project fund

23. In our report on the Accounts 2021-22, the Committee recommended:

*“Recommendation 1. 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”.*⁴

⁴ Public Accounts and Public Administration Committee, Accounts Scrutiny 2021-22: Senedd Commission, December 2022

24. In her letter of 6 May 2023, the Chief Executive and Clerk provided a breakdown of the £1.1 million assigned to 17 projects, which can be found in Table 3 below.

Table 3: Project Fund – funding allocated to projects, 2022-23⁵

Project / Item	Budget Assigned £000
Customer Relationship Management & Online Engagement Tools	£66
Project and Programme Management System	£69
Service Level Agreement: Police vehicle replacement and equipment upgrade	£65
Post-pandemic return to the estate – re-equipping of desks in Ty Hywel	£37
Pierhead toilet refurbishment works	£45
Senedd door security upgrade	£30
Ty Hywel Block 1A return to estate adaptation works	£70
Cyber security enhancement project	£154
Rolling Ty Hywel fire door replacement (Phase 5)	£80
Rolling energy saving LED office lighting upgrade	£100
Senedd Building Management System replacement feasibility study	£20
Senedd Siambr LED lighting upgrade	£45
Senedd smoke detection equipment renewal	£20
Senedd UV water treatment system repair	£50
Professional advice on future strategic options for Senedd estate	£50
Cost of living payment to Commission staff	£97
Replacement Broadcast Encoders and Social Media Streaming System to continue live-feed of Senedd proceedings	£62
Total	£1,060

Learning from the COVID-19 pandemic

25. During the Committee’s scrutiny of the Accounts 2021-22, the Chief Executive and Clerk told the Committee that the Commission hoped to complete its review of the effectiveness of their response to the COVID-19 pandemic by the end of Autumn 2022 term.

26. The Committee recommended:

“... the Commission provide an update to the Committee, ahead of the scrutiny of next year’s Accounts, of the learnings from the review of the effectiveness of their response to the COVID-19 pandemic. The update should include details about how efficiencies, costs, and savings from changes to ways of working and how services were delivered during

⁵ Letter from Chief Executive and Clerk of the Senedd to PAPAC, 6 May 2023

the pandemic have been incorporated into current practices, and how these savings have been made recurrent. [Recommendation 3]⁶.

27. In response to the report, the Chief Executive and Clerk agreed to the recommendation and to provide an update ahead of annual scrutiny in Autumn 2023. A copy of the Lessons Learned Internal Audit Review, completed in March 2023, was sent to the Committee alongside other related updates in a letter dated 11 July 2023.

28. The review summarised the Commission's response to the COVID-19 pandemic and reflected on the impact upon delivering Senedd business, governance and decision-making, and the wellbeing of staff. It set out a series of actions undertaken by the Commission in relation to these areas, along with a breakdown of the lessons learned as a result of their experience.

29. When asked about the main findings of the report, the Chief Executive and Clerk told the Committee:

"The key findings, I think, were that the Commission was able to make an investment in technology to adapt quickly and effectively to new ways of working, which enabled the Senedd to continue its work. I think there was an internal focus, then, on timely and effective decision making, clear communication, use of digital capabilities, and health and safety and well-being. And the well-being, I think, is the third area that I dwell on, because this was at the core of our approach to the pandemic, whether people were working on the premises or remotely".⁷

30. In relation to lessons learned, she explained:

"I think the ability to make temporary changes to rules of procedure that showed that we could be agile and adaptable in a crisis is something that we have been able to incorporate in this work. We've been able to rely on that learning to have virtual and hybrid committees as part of the repertoire that we're now able to call upon. Committees have also drawn on that learning in terms of being able to access a richer variety and diversity of witnesses, including from

⁶ Public Accounts and Public Administration Committee, Accounts Scrutiny 2021-22: Senedd Commission, December 2022

⁷ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p33

*more far-flung geographical places, and that has added value, obviously, to our scrutiny and inquiry work”.*⁸

31. She also identified investments in information and communication technology and software as being a “key component in the Senedd’s resilience”, which has now fed into the Senedd’s approach to estate planning. She explained that this new approach meant that parliament “may no longer need ever-expanding estates to accommodate legislators”, which will be incorporated into their organisational ways of working strategy⁹.

32. On staff wellbeing, the Chief Executive and Clerk outlined a series of principles that would be continued indefinitely by the organisation:

*“... timely and effective communication, about making sure we're well informed of the staff's state of mind in terms of pulse surveys, providing suites of tools to support well-being, and encourage virtual team meetings, so that we are strengthening morale and a sense of common purpose”.*¹⁰

Our view

33. The Committee is encouraged by the lessons learned from the COVID-19 pandemic and that the innovations from this challenging period are now being maintained to the benefit of staff and Members. The impact of this new way of working on future estate planning is particularly noteworthy, given the forthcoming impact of Senedd reform on the organisation. The Committee will reflect on these themes later in this report.

⁸ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p34

⁹ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p35

¹⁰ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p36

3. Operational performance

Previous scrutiny

34. As part of the scrutiny of the Commission's Accounts 2019-20, the Committee recommended:

"The Senedd Commission should lead by example by setting ambitious financial management KPIs that strive for more than just an unqualified audit opinion. The targets should consider the effectiveness, economy and efficiency with which the Commission uses its resources, and should be put in place no later than the 2022-23 financial year [Recommendation 2]".¹¹

35. In response to the recommendation, the Commission "noted" it and stated:

"... we will review the corporate performance indicators during 2021-22 and consider whether any additional indicators would provide additional clarity on the effectiveness, economy and efficiency with which the Commission uses its resources. These will be put in place during 2022-23".¹²

Context

36. In the Accounts, the Commission says that it has reviewed its KPIs at the start of the Sixth Senedd, with the corporate KPI report for 2022-23 the first year of reporting on KPIs since this review¹³. The Commission explains that the previous years' data is not available for all indicators.

37. The Accounts set out 15 KPIs against the Commission's three strategic goals, compared with 17 KPIs for 2021-22. Of these 15 KPIs, they comprise 9 KPIs that are the same as 2021-22, albeit the targets may differ (where stated), 2 were included in 2021-22 but the Commission has amended how it measures performance against them, and 4 that are new for 2022-23. The following KPIs, along with their relevant strategic goals, were included in 2021-22 but not in 2022-23:

¹¹ Public Accounts Committee, Scrutiny of Accounts 2019-20: Senedd Commission, November 2020

¹² Letter from Chief Executive and Clerk of the Senedd to Public Accounts Committee, 20 January 2021

¹³ Senedd Commission, Annual Report and Accounts 2022-23, p33

- Strategic goal: to provide outstanding parliamentary support
- KPI3 – MS/MSS satisfaction survey for providing outstanding parliamentary support.
- KPI4 – stretch indicator – MS/MSS satisfaction survey for supporting Members to work in their preferred language.
- Strategic goal – to have citizens at the heart of all we do
- KPI6 – participation in relevant international parliamentary networks.
- Strategic goal – to use resources sustainably
- KPI9 – reach as a result of promotion of committee inquiry and report launches.
- KPI12 – happiness score from the staff survey is at, or above, the Civil Service Median Score.
- KPI16 – stretch indication – percentage of business travel emission associated with car use.

38. When asked about the process of reviewing the KPIs, the Chief Executive and Clerk told the Committee:

“We had a review of our KPIs, and that starts with a service-level review of what is useful for us to measure. There was a particular change in the communications and engagement KPIs, because of the adoption of a new communications strategy”.¹⁴

Performance in 2022-23

Summary

39. Senedd Research analysis of the Corporate KPI Report for 2022-23 shows:

- Six KPIs were met or exceeded;
- Four KPIs were almost or mostly met;

¹⁴ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p56

- One KPI has a target of the end of the Sixth Senedd with no milestone targets set out in the Accounts; and
- Targets were not set out for four KPIs.

40. In the report, the Commission states:

*“During the Covid-19 pandemic the Senedd Commission adapted to the changing situation and some of our ways of working adjusted as a result. This should be borne in mind when making direct comparisons year on year”.*¹⁵

Engagement (KPIs 5-7)

41. The Commission approved a new Communications and Engagement Strategy in 2022-23, which “focusses on reaching new audiences, particularly those who feel their voices have not traditionally been heard by institutions like the Senedd”¹⁶. The Commission has three KPIs under its strategic goal of having “citizens at the heart of all we do”, including:

- KPI5 – citizen engagement. Whilst this KPI is not new the Commission has amended how it evaluates performance against it, which it says now combines all the activity of the Engagement Service, including events, tours, education sessions, the Welsh Youth Parliament, citizen engagement support for committees and visitors to the Senedd. Whilst no target is set out, the Commission explains this new measure will be used as a benchmark for future performance. Their data shows that, in 2022-23, 93% of the Welsh public were aware of the role of the Senedd, 95% had an understanding of the work of the Senedd and 89% were likely to participate in the Senedd’s work in the future.
- KPI6 – followers of Senedd corporate media channels. Overall, the figures have increased by around 7,000 in 2022-23 compared to 2021-22, an increase of 6.4%. There is no target set for this KPI.
- KPI7 – engagement with media distribution platforms. This KPI relates to how the Commission engages in the promotion of Committee inquiry and report launches, with a significant increase shown in 2022-23

¹⁵ Senedd Commission, Annual Report and Accounts 2022-23, p33

¹⁶ Senedd Commission, Annual Report and Accounts 2022-23, p74

compared to 2021-22 and 2020-21, with a spike in activity from December 2022.

Welsh learners (KPI11)

42. The Commission reports a significant increase in the average number of enrolled Welsh language learners, up from 59 to 103 compared to 2021-22.

Carbon Neutral Strategy (KPI14)

43. The Commission's Carbon Neutral Strategy has a commitment to £925,000 of financial investment with the intention of saving 582t of carbon by 2030, with financial savings of £360,000 over the period. £130,000 was to be invested during 2021-23, with a carbon saving of 241t and a financial saving of £150,000 over the three years to 2023.

44. The Sustainability Report for 2022-23¹⁷ summarises the Commission's performance against these targets, showing two of the four projects have been completed, including "behavioural change and good housekeeping" and "monitoring – additional meters and software"¹⁸. Two projects remain outstanding:

- Building management system improvement (three buildings), which is described as being 50% complete.
- LED lighting – continued replacement review of controls. This is estimated as being 75% complete.

45. The KPI target refers to a reduction of the Commission's carbon footprint from 1150t in 2019-20, the baseline year, to 500t by 2030. The Commission reports that the target of 955t by March 2023 has been met, at 827t¹⁹, achieved through winter efficiency measures aimed at reducing the Commission's consumption of gas.

46. When asked how this target had been achieved, with two of the projects outstanding, the Director of Senedd Resources explained:

"... a significant part of that was the energy-saving measures that we brought in. So, lowering the heating set point across the estate made a significant difference... for example using the zonal system on Fridays on the estate, and other days, to make sure that we're as

¹⁷ Senedd Commission, Sustainability: Annual report 2022-23

¹⁸ Senedd Commission, Sustainability: Annual report 2022-23, p18-19

¹⁹ Senedd Commission, Annual Report and Accounts 2022-23, p39

*energy efficient as possible, in addition to the life-cycle projects that you can see in the list, helped us deliver that target*²⁰.

47. When asked to confirm whether the Commission were on track to hit their medium-term targets, the Director confirmed that they were²¹.

48. The Commission says it is seeking to adopt the Welsh Government's methodology for calculating "Scope 3 emissions", which includes purchased goods and services, along with business travel²².

49. It will also include the impact of home working, which it estimates will add 290t to its carbon footprint. However, this increase is offset by a reduction of 300t in commuting and, as such, "*may demonstrate(s) a net benefit [emphasis added by Commission]*"²³. It also sets out other targets for waste, plastic, water and food. Whilst these are not covered by KPIs, the results for 2022-23 include²⁴:

- Gas use decreased by 20%, with electricity use up 1%.
- Waste consumption increased by 27% compared to the previous year, but no waste was sent to landfill.
- Travel at around half of pre-pandemic levels.

50. In relation to including Scope 3 emissions, the Commission says:

*"Whilst initially based on spend alone, until more detailed information from suppliers is available, it will effectively double our carbon footprint - adding around 900 tonnes to it. This gives us a clear starting point though and is something we are keen to press ahead in tackling"*²⁵.

51. When asked about the Commission's ability to deliver investments for the carbon neutral strategy, given ongoing inflationary pressures, the Director for Senedd Resources stated:

"... we are in line with our strategy and our estimated cost. There's a project review process, project by project, and we are on track with

²⁰ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p59

²¹ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p61

²² Senedd Commission, Annual Report and Accounts 2022-23, p96

²³ Senedd Commission, Sustainability: Annual report 2022-23, p14

²⁴ Senedd Commission, Sustainability: Annual report 2022-23, p20-25

²⁵ Senedd Commission, Annual Report and Accounts 2022-23, p96

each of those projects with no significant underspending and no significant overspending".²⁶

Spend with Welsh suppliers (KPI15)

52. Following recommendations made by the Committee as part of the scrutiny of the Accounts 2020-21²⁷, the Commission's target for spend with Welsh suppliers has been increased from 43% to 50%, to be achieved by the end of this Senedd term. The Commission reports that, over the last twelve months, it has increased its spending with Welsh suppliers from 45% to 47%²⁸. It says it will "continue to raise awareness of contract opportunities with Welsh-based suppliers".

53. The Commission's Audit and Risk Assurance Committee, at its meeting of 15 June 2022, questioned how the number of contracts awarded to Welsh suppliers was measured and reported. It explained that the Head of Governance and Assurance would be working with the Head of Procurement to discuss how this might incorporate the Welsh economic impact of suppliers, as opposed to simply suppliers with a presence in Wales²⁹.

54. When asked about how these discussions had progressed, the Director for Senedd Resources explained:

*"... some organisations in the public sector do take that simple measure of the postcode of the head office. We require, through our main contracts, that the contractors use Welsh suppliers and the supply chain as much as possible, within the law, I hasten to add, but we emphasise that through our contractual requirements and we monitor that".*³⁰

55. The Chief Executive and Clerk went on to say:

"You'll have seen that we're at 47 per cent now, and we have a stretch target of 50 per cent. It is going to be more difficult as we get closer to contracts like software licensing and so on, where it is more

²⁶ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p63

²⁷ Public Accounts and Public Administration Committee, Scrutiny of Accounts 2020-21: Senedd Commission

²⁸ Senedd Commission, Annual Report and Accounts 2022-23, p39

²⁹ Audit and Risk Assurance Committee, 15 June 2022

³⁰ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p66

challenging for us to source the services from within Wales, but I'm sure we'll be reporting back to you regularly on how that's going".³¹

Our view

56. The Committee is encouraged by the Commission's performance in relation to a series of KPI measures, in particular on spend with Welsh suppliers, the Carbon Neutral Strategy and Welsh language learners. The Committee would welcome continuing updates on the Commission's progress against their medium-term goals arising out of the Carbon Neutral Strategy, as well as their progress in achieving a stretch target of 50% of spending with Welsh suppliers.

57. The Committee acknowledges the challenges posed by rising costs in delivering key Carbon Neutral Strategy projects and would like to be updated on the Commission's activities in this area, to ensure the Commission remains within its estimated spend and is able to deliver the projects necessary to hit the medium-term and long-term targets set in the Strategy.

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.

³¹ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p67

4. Governance and internal controls

Governance structure

58. Whilst there have not been any changes at Chief Executive or Director level, there have been movement in senior staff including a change in Chief Finance Officer³² and Chief Legal Adviser, who had previously performed the role on a secondment and consultancy basis (since August 2019)³³.

59. The Commission's governance structure includes two independent advisory bodies, the Audit and Risk Assurance Committee (ARAC) and the Remuneration Committee. The ARAC reviews the "comprehensiveness, reliability and integrity of assurances and whether they meet the Commission and Accounting Officer needs", whilst the Remuneration Committee makes recommendations on the remuneration and terms of service of the Senedd Clerk and other senior posts.

60. The latter committee replaced the former Remuneration, Engagement and Workforce Advisory Committee. When asked about the motivation for doing this, the Chief Executive and Clerk explained:

"As the Commission's needs and priorities develop and vary over time, obviously, the nature of the contribution it requires from its independent advisers needs to adapt as well. In that particular case, the remuneration committee has a core brief of providing advice to the Commission on the salaries of senior staff and the performance of senior staff. We had expanded that to include other workforce-related issues as well... we have established separate diversity and workforce engagement steering groups, which are going to be respectively chaired by two very well-qualified independent advisers, and they then continue to do the core work of reporting on senior remuneration whilst adding value to the Commission by doing these closer investigations into subjects that are of importance to us".³⁴

61. The ARAC's terms of reference, meeting agendas and summary minutes are publicly available, whilst they also publish a series of reports including an annual report, forward work programme and audit plan.

³² Senedd Commission, Annual Report and Accounts 2022-23, p115

³³ Senedd Commission, Annual Report and Accounts 2022-23, p137

³⁴ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p71

62. In the Accounts, the Commission notes that Internal Auditors have reviewed the effectiveness of the Independent Remuneration Board (IRB) and that the review of the effectiveness of the Executive Board was ongoing³⁵. As part of the Committee’s scrutiny of the Commission’s 2021-22 Accounts, the Clerk and Chief Executive told the Committee about other reviews of governance structures, including the new senior management arrangements:

*“We will have an opportunity to look at the effectiveness of these changes when we undertake our next regular review of the internal governance arrangements. That will happen in this autumn term—not the Senedd term, the autumn term—in the current financial year, and it’ll be a review of the work of our executive management board and our leadership team, which is a broader group of heads of service. We will be looking at that as we move forward”.*³⁶

63. When asked about the findings from the review of the effectiveness of the Independent Remuneration Board, the Chief Executive and Clerk explained:

*“I think it did expose some important themes that needed to be addressed: a lack of shared understanding around the relationship between the Commission and the board, possibly a loss of confidence and trust in the board from some sections of the Members and support staff, and concerns about the complexity and difficulty of interpreting the determination. I mean, those are findings that were the board’s findings, and in the first place for them to address, but those are issues that concern us too in the Commission and concern me as accounting officer”.*³⁷

Ways of working

64. In March 2022, the Commission amalgamated its Estate Strategy, Sustainability (Carbon Net Zero) Strategy and two previously completed reviews (the Agile Futures and Capacity Reviews) into an integrated Ways of Working (WOW) strategy, along with an associated delivery programme³⁸.

65. The WOW strategy and programme is intended to deliver the Commission’s “back-office response to Senedd Reform” and set out its vision and ambition for

³⁵ Senedd Commission, Annual Report and Accounts 2022-23, p128

³⁶ RoP, Public Accounts and Public Administration Committee, 6 October 2022, p90

³⁷ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p81

³⁸ Senedd Commission, Annual Report and Accounts 2022-23, p86

how it supports the Senedd³⁹. Senedd reform and WOW are identified by the Commission as the two major transformational change programmes.

66. The Accounts refers to the formation of the Strategic Planning Unit, which oversees the relationship between the WOW and Senedd reform programmes⁴⁰. The ARAC noted, in November 2022, that this Unit comprised mainly of “repurposed posts”⁴¹.

67. When asked about the governance structure for the Strategy, the Director of Senedd Resources confirmed that he was Senior Responsible Officer (SRO) for the project, with a programme board with representatives from all the key service areas. The board also maintains regular dialogue with the ARAC. He went on to say:

*“... we have three work streams. There are identified work stream leads, and there are five live projects, again with project leads and project groups... We've also established, because we've got two change programmes running at the same time, a small unit called the strategic planning unit that helps the executive board manage those two change programme(s). There's a regular programme report that goes from the strategic planning unit to the executive board to report on the health of the programmes and to help us manage the governance”.*⁴²

68. When asked about the skillset of the staff associated with the Strategic Planning Unit, the Director confirmed there were three roles within the unit, including a Head of Unit, a Programme Manager and a Programme Co-ordinator⁴³. When asked about how the unit ties together the Ways of Working Strategy with Senedd reform (which is reflected in the risk register, as detailed below), the Director explained:

“The functions are to assist the executive board with the corporate planning, so it leads on the corporate delivery plan for the organisation, it leads on programme co-ordination between the Senedd reform and the ways of working programmes, and under the

³⁹ Senedd Commission, Annual Report and Accounts 2022-23, p86

⁴⁰ Senedd Commission, Annual Report and Accounts 2022-23, p84

⁴¹ Audit and Risk Assurance Committee, 21 November 2022

⁴² RoP, Public Accounts and Public Administration Committee, 12 October 2023, p111

⁴³ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p121

corporate planning banner it leads on service planning and the development of the medium-term resourcing framework as well”.

Assurance

69. The Commission outlines its assurance framework in the Accounts⁴⁴ and explains that Independent Advisers provide support and constructive challenge to the Committee and its work⁴⁵. In November 2022, three new Independent Advisers took up post, replacing those who had previously served a four-year term⁴⁶.

70. When asked about the appointment of the Independent Advisers, the Chief Executive and Clerk confirmed they were advertised openly with a “robust recruitment process”, confirming that she, the Deputy Chief Executive and Clerk and Director of Senedd Business, and the main Independent Adviser, Robert Evans, who chairs the ARAC, were involved in the appointment process⁴⁷. The Chief Executive and Clerk subsequently wrote to the Committee to confirm the arrangements for appointing the Independent Advisers, including details of an executive search, the arrangements for advertising and shortlisting and interview arrangements⁴⁸.

71. When asked about how the Independent Advisers influence the work of the Senedd, she explained:

*“... we will benefit from their advice in the area of diversity, in the area of workforce engagement. I'm also hoping that the committee will help us keep an eye on the overall structure of the organisation, particularly at senior levels. There is work starting on that now, which we'll be able to report back to you on in due course”.*⁴⁹

Our View

72. The Committee acknowledges the importance of the Ways of Working strategy, particularly as the Senedd prepares for reform ahead of the forthcoming Senedd Elections. The Committee is concerned about the resources devoted to delivering such transformational work and would appreciate updates about the

⁴⁴ Senedd Commission, Annual Report and Accounts 2022-23, p126

⁴⁵ Senedd Commission, Annual Report and Accounts 2022-23, p128

⁴⁶ Senedd Commission, Annual Report and Accounts 2022-23, p129

⁴⁷ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p75

⁴⁸ Letter from Chief Executive and Clerk to Chair, 3 November 2023

⁴⁹ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p79

resourcing implication of delivering the Strategy, particularly as the legislative process for reform accelerates.

Recommendation 2. The Commission should provide six-monthly updates to the Committee, starting in Spring 2024, on the progress of the Ways of Working Strategy and the resources that have been allocated to delivering the projects associated with the Strategy.

5. Risk profile

Overview

73. The Commission maintains a Corporate Risk Register and identifies the following risks as being “most significant” for 2022-23⁵⁰:

- Cyber-security;
- Compliance with Data Protection legislations (Commission);
- Dignity and respect;
- UK-related constitutional change;
- Senedd reform (added in 2021-22);
- Regulatory framework (added in 2021-22);
- Corporate capacity and capability (added in 2022-23).

74. The Commission includes these risks due to their “ongoing severity (particularly due to their potential impact) and largely due to external influences over which we have little or no control”⁵¹. The Annual Report and Accounts doesn’t identify the likelihood of risks occurring and their impact upon the Commission.

75. The following risks have been removed from the Corporate Risk Register during 2022-23:

- Coronavirus – this risk was removed from the Register in September 2022, with a view to re-escalating it if it became necessary; and
- Compliance with Data Protection legislation (Senedd Members) – the risk had been escalated to reflect the need for awareness for the new cohort of Members following the Senedd Elections in May 2021. Whilst it was removed from the Register in January 2023, it continues to be managed at a senior level with ongoing mitigations.

Cyber security

76. The Commission describes cyber security as one of its “most significant risks”, with regular updates provided to the Executive Board and independent audit and

⁵⁰ Senedd Commission, Annual Report and Accounts 2022-23, p41-43

⁵¹ Senedd Commission, Annual Report and Accounts 2022-23, p41

scrutiny work undertaken, including the ARAC's consideration of the annual internal audit reports on the subject⁵². It's also explained that senior ICT officials attend ARAC meetings twice-yearly to provide further updates, including the presentation of a detailed Cyber Security Assurance Report. In addition, further assurance is provided by a report on progress against all internal audit recommendations relating to cyber security. The Commission says:

"During the year, additional resources have been allocated to further strengthen controls and to bolster awareness-raising activity".⁵³

77. When asked about any additional resources allocated to combat the risk posed by cyber security, the Chief Executive and Clerk explained that it was "high on the agenda" of the ARAC and, over the course of the year, they'd introduced an "additional ICT security and compliance officer within the cyber security team to help guide our response to cyber incidents"⁵⁴. She went on to say:

"We've also completed another significant project to establish a security operations centre. That was completed late last year, and that is a centralised resource delivered through a third party to provide continuous assessment and analysis of the Senedd's cyber security. So that's a dedicated team of analysts monitoring networks and systems, and responding to security events in real time".⁵⁵

78. The Chief Executive and Clerk also confirmed that two groups were looking at the Commission's approach to Artificial Intelligence (AI) and looking at how to "mitigate the risks to general data protection regulation" and also how to "make the best and most innovative use of AI"⁵⁶. She explained that the Commission was considering repurposing a vacant post to create a new role in this area, as well as working with an external company.

⁵² Senedd Commission, Annual Report and Accounts 2022-23, p41

⁵³ Senedd Commission, Annual Report and Accounts 2022-23, p41

⁵⁴ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p123

⁵⁵ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p123

⁵⁶ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p124

Senedd reform

79. In the Committee’s report on the Commission’s Accounts for 2021-22, we recommended:

“The Commission should keep the Committee updated about the work of the Risk Assurance Committee specifically in relation to future planning around Senedd reform, with a particular focus on future staffing and funding considerations. [Recommendation 2]”⁵⁷

80. The Commission wrote to the Committee on 11 July 2023 with an update on the ARAC’s work. The update noted that the ARAC had been updated at their 21 November 2022 meeting on the governance arrangements for the reform project, including the role of the Senedd Reform Programme Board. The letter explained:

“As well as preparing for the parliamentary business of the Seventh Senedd, this also included co-ordinating and supporting the passage of the Senedd Reform Bill and the reform of the Determination on Members’ Pay and Allowances and delivering the Ways of Working Programme and business as usual”⁵⁸

81. The letter notes that the Senedd Reform risk, under the Corporate Risk Register, had been updated to include “additional risks around the potential impact of the changing economic climate on budgets, capacity, and political decisions on the direction of travel”⁵⁹. It notes that the ARAC was “assured” about the governance arrangement in place as well as the approach to project management but that they acknowledge “the challenges around allocating time and resources to supporting the legislative scrutiny process alongside delivering the Programme workstreams and business as usual activities”⁶⁰.

Corporate capacity and capability

82. The Commission says this risk has been added to the Register “...in recognition of the need for robust mechanisms to help ensure the right people,

⁵⁷ Public Accounts and Public Administration Committee, Scrutiny of Accounts 2021-22: Senedd Commission, December 2022

⁵⁸ Letter from Chief Executive and Clerk to Chair, 11 July 2023

⁵⁹ Letter from Chief Executive and Clerk to Chair, 11 July 2023

⁶⁰ Letter from Chief Executive and Clerk to Chair, 11 July 2023

with the right skills, are available, to support the resilient and adaptable workforce in delivering the significant transformational changes”⁶¹.

83. As part of the Commission’s Medium-Term Resourcing Framework, the Commission is developing a Workforce Plan with the intention of helping “ensure the right people, with the right skills, are available, to support a resilient and adaptable workforce”⁶².

Our view

84. Whilst the Committee believes that the Annual Report and Accounts provides a comprehensive breakdown of the risks facing the Senedd, and the strategies involved in mitigating those risks, we note that it doesn’t identify the likelihood of a risk occurring.

Recommendation 3. As part of the Annual Report and Accounts, the Commission should consider including an estimate of the likelihood of a risk occurring, to better inform future consideration of the Senedd’s risk profile.

85. The Committee is interested in the Commission’s work with Artificial Intelligence and would like to be kept updated on activities in this area and how they will tie in with the Ways of Working Strategy.

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.

⁶¹ Senedd Commission, Annual Report and Accounts 2022-23, p42

⁶² Senedd Commission, Annual Report and Accounts 2022-23, p42

6. Staff

Staff numbers

86. As noted in the table below, after remaining fairly static over the previous three years, total staff numbers (full-time equivalent or 'FTE') have increased by 13 FTE to 473 FTE in the year to 31 March 2023. The increase is spread over three categories of staff, albeit there is a greater increase in employed and seconded staff, compared to temporary/casual staff. The average FTE over the year to March 2023 is 473.4 FTE, an increase of 15.8 FTE or 3.5% compared with that for the year to March 2022.

Table 4: Trend in FTE staffing (FTE)

	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23
Total FTE	444.6	454.1	459	461	460	473
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Average FTE	451.2	442.8	453.4	461.3	457.6	473.4

87. As shown in the table below, the pay of employees on the 50th (median) and 75th percentiles for 2022-23 each increased by 2.7% compared with 2021-22. The pay of an employee on the 25th percentile in 2022-23 increased by 14.2% compared to 2021-22.

Table 5: Trend in median pay (£)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2022-23 v 2021-22
Pay of an employee on the 25th percentile ¹				£25,459	£27,271	£31,137	14.2%
Pay of an employee on the 50th percentile (median pay)	£33,304	£34,315	£37,647	£38,362	£39,360	£40,422	2.7%
Pay of an employee on the 75th percentile ¹				£48,531	£49,793	£51,137	2.7%

Note: ¹prior to 2021-22, disclosure was required for median pay only.

88. The Commission reports that a £500 cost of living payment was provided to staff on the Team Support and Executive Grade 1 pay bands, both of which fall

below the UK salary average, phased across January, February and March 2023⁶³. All staff were paid at least the Living Wage⁶⁴.

Staff sickness and absence

89. Sickness rates are reported as a percentage and also days lost per person. There is no explanation why one indicator shows an annual decrease and the other an increase. The sickness rates decreased to 2.83% from 3.03%, remaining below the pre-pandemic levels that ranged between 3.66% and 4.00%, as shown in the Table below.

Table 6: Sickness absence rate (%)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Rolling 12 month average sickness absence rate	3.77%	3.66%	4.00%	2.07%	3.03%	2.83%

90. The sickness absence rate for the year increased to an average of 7.4 days lost per person, up from 6.7 days in 2021-22⁶⁵. It's noted that this remains below the ONS benchmark used to monitor sickness. 1,076 days were lost due to absences relating to mental health, which accounts for 30% of the total absence, compared to 1,453 days and 48% of the total in 2021-22⁶⁶. The Commission reports this as a return to pre-pandemic levels.

Staff turnover

91. The Commission reports an increase in turnover for 2022-23 to 9.08%, up from 7.21% in the previous year, but below the 4-year average of 9.42% and the UK average for voluntary resignation rate, which stood at 16.4% according to Xpert HR⁶⁷.

92. The Commission's Workforce, Recruitment, Pay Gap Report and Equal Pay Audit Report 2022-23 shows that 37.8% of turnover was at the Team Support grade, with a further 32.4% at Management Band 2 (Higher Executive Office or 'HEO'). 5.4% of the turnover was at Executive Band 1 and Senior staff (including the Chief Executive and Directors)⁶⁸. The Commission says:

⁶³ Senedd Commission, Annual Report and Accounts 2022-23, p153

⁶⁴ Senedd Commission, Annual Report and Accounts 2022-23, p139

⁶⁵ Senedd Commission, Annual Report and Accounts 2022-23, p146

⁶⁶ Senedd Commission, Annual Report and Accounts 2022-23, p146

⁶⁷ Senedd Commission, Annual Report and Accounts 2022-23, p146

⁶⁸ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p22

“Overall, turnover has remained fairly static over the last three years with no movement at Executive Band 1 until this reporting year and minor movement at senior staff level in 2022. The low turnover at executive and senior levels could impinge on our ability to address underrepresentation from either a talent management and/or recruitment perspective at senior decision-making level. At the same time, we are pleased that our staff want to stay in our workforce and value their contribution”.⁶⁹

93. In 2022-23, 41 people left the Commission and 24 of them undertook a formal exit interview⁷⁰. The reasons provided for leaving included the workload, management style, harassment or discrimination, the nature of the work and lack of promotion opportunities, as well as to become self-employed, retire or for promotion. The Commission explains:

“We will continue to monitor our leavers’ exit data and act on insights where required, to make improvements to policies or identify where interventions are needed which include but is not limited to e.g. learning and development for line managers, policy design, workforce planning, job design and reviewing the labour market landscape”.⁷¹

94. When asked about whether the Commission had analysed turnover by length of service, as opposed to grade, the Chief Executive and Clerk explained:

“It tells us that over the last five years, the majority of leavers had less than three years’ service, but retention rates beyond that were consistent. Most of our staff leave through resignations, or they transfer to other Government departments. And given the nature of the work we do and the pace, we do occasionally employ people on fixed-term contracts, and that will have contributed to those statistics”.⁷²

⁶⁹ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p22

⁷⁰ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p41

⁷¹ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p43

⁷² RoP, Public Accounts and Public Administration Committee, 12 October 2023, p134

95. The Chief Executive and Clerk was also asked about the geographical distribution of their staff, with an analysis of where there is a higher concentration of particular grades within the organisation. She explained:

"I would say that the ways of working offer us some opportunities to break out of a cycle of having to employ people who live within close proximity to the office in Cardiff. We do have one other office, as the committee will be aware, up in north Wales, so that is something—. We certainly want to take advantage of talented people who want to contribute to our work, wherever in Wales or, indeed, wherever, full stop, they live".⁷³

96. When asked about the difficulty in addressing areas of under-representation or in attracting new talent to the organisation, because of low turnover, the Chief Executive and Clerk explained:

"... with turnover, as with everything else, it's a matter of balance. Too much turnover and there is instability, and we're losing precious skills and corporate experience that is very valuable; too little and we can stagnate...

in terms of under-representation of people with protected characteristics, then it certainly doesn't make our life any easier, and we do have fairly low turnover at senior and executive levels, so we bank the benefits of that, which I've just described. But we approach potential under-representation from two angles... as well as seeking new talent from a diverse field of candidates and trying to make sure that there are as few barriers as possible to people applying for jobs here, then we do try to develop the existing talent we already have within the Commission as well so that they proceed within the organisation and are promoted".⁷⁴

⁷³ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p136

⁷⁴ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p138-139

Diversity of the workforce

97. The Commission publishes an annual Diversity and Inclusion Report, which includes detailed policies, actions and figures, alongside the Accounts. The Commission also publishes the Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, which was previously published as two outputs.

Gender

98. The Commission's overall workforce, as at 31 March 2023, was balanced in terms of gender. The Commission notes that women "represent 48% of staff in our three most senior pay bands, slightly reduced from 50% last year"⁷⁵.

99. For the first time, there is no pay gap in median pay, but mean salaries are higher for women than men. The mean gender pay gap in 2022-23 was -4.8%, down from -6.5% in 2021-22⁷⁶.

100. No staff identified as non-binary or trans.

Ethnicity

101. In June 2022, the Commission wrote to the Committee with updates on progress against the Committee's recommendations⁷⁷. These are related to the Committee's work seeking to understand the drivers resulting in low representation within the workforce from ethnic minority communities and lower socio-economic groups, as well as the policies to reduce barriers for these and other diverse groups.

102. The Committee, during its scrutiny of the Commission's Accounts for 2021-22, encouraged the Commission to stay in touch with updates, as and when they arise, of staff recruitment projects aimed at boosting the diversity of the organisation, as well as on the progress of the YMLAEN initiative, amongst others⁷⁸.

103. 91.6% of the Commission's workforce identify as white, with 4.5% identifying as ethnic minority and 3.9% preferring not to say⁷⁹. The Commission reports that, according to 2021 Census data, 15.7% of the people in Cardiff identify as being

⁷⁵ Senedd Commission, Diversity and Inclusion: Annual Report 2022-23, June 2023, p25

⁷⁶ Senedd Commission, Diversity and Inclusion: Annual Report 2022-23, June 2023, p29

⁷⁷ Letter from Chief Executive and Clerk of the Senedd to Chair, 29 June 2022

⁷⁸ Public Accounts and Public Administration Committee, Scrutiny of Accounts 2021-22: Senedd Commission, December 2022

⁷⁹ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p14

from an ethnic minority community, whilst 5.1% of people in Wales do⁸⁰. It goes on to say:

*“45.5% of our staff who identify as from an ethnic minority (10 out of 22) are employed at our lowest pay band (TS grade). This has decreased from 57.1% in 2021 and 50% in 2022”.*⁸¹

104. The proportion of external applications from ethnic minority candidates increased to 13% in 2022-23, up from 11.0% in 2021-22 and 7.7% in 2020-21⁸². 4.9% of external jobs were offered to ethnic minority candidates, down from 7.5% in 2021-22. No internal jobs were offered to ethnic minority candidates, compared to 5.3% in 2021-22.

105. In relation to the pay gap, the ethnicity pay gap (in relation to hourly pay) is significant, but has decreased for a second consecutive year. The mean pay gap is 23.5%, down from 26.1% in 2021-22 and 28.1% in 2020-21. The median pay gap has decreased more significantly to 23.6%, down from 35.8% in 2021-22 and 38.9% in 2020-21, bringing it into line with the mean pay gap⁸³. The Commission explains:

*“... caution is needed when reviewing this pay gap, as due to the small numbers of staff declaring themselves to be of an ethnic minority, even small changes to our staffing profile will have an impact”.*⁸⁴

106. It notes that the primary reasons for the ethnicity pay gap is the limited number of ethnic minority staff employed by the Commission, as an overall percentage of the overall workforce, and the uneven distribution of ethnic minority staff, who are mainly employed at lower bands on the pay scale⁸⁵.

⁸⁰ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p29

⁸¹ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p29

⁸² Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p14

⁸³ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p16

⁸⁴ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p77

⁸⁵ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p77

Socio-economic background

107. Candidates from professional backgrounds dominated external and internal recruitment, as well as the Commission’s existing staff, with only 27.1% of job offers made to candidates from a working-class background, albeit this was an increase from 24.0% in 2021-22. 19% of internal job offers went to working-class candidates, down from 20% in 2021-22. The Commission notes that the national benchmark is 39%⁸⁶. It explains:

*“As this is a partial data set, we will continue to monitor this data and candidate feedback until we report next year on a full annual data set”.*⁸⁷

Other pay gaps

108. The Commission reports that 7.4% of the workforce have declared that they identify as having a disability, compared to 6.3% in 2021-22⁸⁸. There is no median pay gap for people identifying with a disability and an inverse gap regarding median pay of 1.28%⁸⁹.

109. 4.7% of Commission staff identify as LGBQ+ as at 31 March 2023, compared to 4.2% at 31 March 2022, with a non-disclosure rate of 13.5%⁹⁰. The LGBQ+ pay gap was 0.0% and an inverse 6.3% for the mean.

Actions

110. The Commission sets out a series of actions that are planned or ongoing that are intended to “address under-representation of ethnic minority staff as decision-making level”⁹¹. These actions include:

- Developing a new behavioural framework which aligns with our organisational values.

⁸⁶ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p37

⁸⁷ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p65

⁸⁸ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p13

⁸⁹ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p16

⁹⁰ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p32

⁹¹ Senedd Commission, Diversity and Inclusion: Workforce, Recruitment, Pay Gap Reporting and Equal Pay Audit Report, June 2023, p87

- Developing a Resourcing and Talent Management Strategy that supports inclusive resourcing and talent management of existing workforce.
- Refreshing candidate guidance, hiring manager training and including inclusive recruiting principles in Recruitment Policy following Recruitment Team training.
- Continue to monitor conversion rates across the protected characteristics for internal and external campaigns of all candidates and make any required changes to processes.
- Through our Attraction Plan, pilot different advertising strategies, including translation into community languages and targeted outreach.
- Continue to work with workplace equality networks to identify how to better support progression of all staff including staff with protected characteristics.
- Monitor diversity of hiring panels and increase the number and diversity of panel members.

Surveys

111. In our report on the Commission's 2021-22 Accounts, the Committee recommended:

"The Commission should share a summary of the results of each pulse survey, when available, with the Committee with a focus on mental ill health, indices of mental ill health and staff absences more generally. The Committee also looks forward to reviewing the results of the annual staff survey for 2022. [Recommendation 5]"⁹²

Wellbeing survey

112. In her update to the Committee in May 2023, the Chief Executive and Clerk provided a summary of the Wellbeing Survey's result, which took place in March and April 2023, in which 63% of staff responded⁹³. It showed:

⁹² Public Accounts and Public Administration Committee, Scrutiny of Accounts 2021-22: Senedd Commission, December 2022

⁹³ Letter from Chief Executive and Clerk of the Senedd to Chair, 6 May 2023

- 79% of respondents agreed the organisation does a good job at embedding well-being into the workforce culture (an increase of 2% from September 2022).
- 83% agreed they were able to bring their “whole self” to work (an increase of 2% from September 2022).
- 63% of respondents agreed the Commission’s senior management role models and encourages well-being at work, with 22% disagreeing and 15% responding that they didn’t know (this is the first instance the question has been asked).

113. The core question results identified two areas in need of attention:

- 51% of staff had worked while unwell over the previous 12 months (up from 43% in March 2022 and September 2022); and
- 40% of staff had experienced anxiety or stress over the previous six months which was partly or wholly work related. While flagged for immediate attention, the score for this measure has decreased at each survey since March 2021.

114. Five metrics were identified as “may need attention”, including the following statements:

- Staff agree that the organisation does a good job of embedding wellbeing into workplace culture.
- Mental wellbeing rating.
- Staff who feel workload is too high for the hours they were able to work.
- Staff agree they feel connected across services.
- Staff agree that the Senedd provides enough support and information regarding financial support and options.

115. When asked about instances of staff working whilst unwell, the Chief Executive and Clerk provided some further information:

“One of the benefits of having these surveys is that we can identify issues like this. And as you say, in some cases, there will be an increase in people working whilst unwell, because they are actually well enough to work, it's just that they're not well enough to come into the

office, and that might be acceptable. But we've recognised the need for more guidance on this, because we certainly need people who are unwell to take time to become well again, because we want them back, resilient, as quickly as possible".⁹⁴

116. The Chief Executive and Clerk also addressed in the other area requiring attention, explaining:

"... we do have a working environment here that can be demanding, and we're fortunate to have a committed workforce here. So, it is important that we have a well-being strategy in place—it's a three-year strategy—to underpin our corporate well-being activity. It covers four pillars: physical, mental, financial and social connectivity... We also continue to raise awareness of mental health issues through promotion of initiatives such as the World Mental Health Day, which was just this week, and we have health and employee assistance programmes providing support and advice to employees and line managers to help those affected and impacted by mental health in the workplace".⁹⁵

117. She went on to note that it was important to build a culture where everyone can "prioritise good mental health, whatever role we play in the organisation"⁹⁶.

Mental health

118. The update also contained information about mental health, providing information from the Commission's Wellbeing Pulse Survey⁹⁷. The response includes a graph to show, of the staff who had experienced it, the factors that caused work-related stress, which included:

- Workload – 59%.
- Last-minute demands/deadlines – 46%.
- Providing cover for another role/additional duties to their own – 29%.
- Lack of support from management – 25%.

⁹⁴ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p156

⁹⁵ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p158

⁹⁶ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p159

⁹⁷ Letter from Chief Executive and Clerk of the Senedd to Chair, 6 May 2023

119. All of these scores were higher in the survey in March 2023, than in September 2022, most notably in relation to working additional/duties and providing cover for others, which increased significantly.

People Survey 2023

120. The Chief Executive and Clerk also provided a summary of the finding from the Commission’s People Survey 2022-23, which took place in March 2023. The score for all of the themes was above 60%, with the lowest score for Leadership and Managing Change (64%), followed by Learning and Development (66%). albeit both themes showed a 1 percentage point increase compared to the previous survey.

121. All other themes had scores of over 70%, albeit four of the twelve measures had decreased since the previous survey, with the biggest decrease for Reward and Recognition which showed a decrease of 3 percentage points. In relation to the latter point, the Chief Executive and Clerk explained:

*“I think there's probably an element of a reflection of the cost-of-living crisis in there... In terms of recognition, one initiative I'll mention is that we have now had staff recognition awards two years running, which are fabulous events.. It's that kind of way in which we try to take the time to recognise achievements, congratulate each other and involve everybody in the work as one big team”.*⁹⁸

122. The Director of Senedd Resources expanded on this point, explaining:

*“... we've tried to recognise the inflationary pressures through a targeted cost-of-living payment and then a more general cost-of-living payment. As Manon said, we very much recognise, on the reward side, the pressures that are being felt, and just to add that, looking forward, we are literally just about to start the negotiations on the future pay deal for staff with our trade union side colleagues”.*⁹⁹

⁹⁸ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p163

⁹⁹ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p164

Capacity Review and Medium-Term Resourcing Framework

123. As noted earlier in the report, the Commission added a risk around corporate capacity and capability to its Corporate Risk Register. The Commission explains this was done “..in recognition of the need for robust mechanisms to help ensure the right people, with the right skills, are available, to support the resilient and adaptable workforce in delivering the significant transformational changes”¹⁰⁰.

124. The first phase of the Commission’s Capacity Review had been completed in 2021-22 and reported to the Leadership Team and Executive Team in that year. The Commission explained, in its 2021-22 Accounts, that some recommended actions had been completed around workforce capacity and the flexible use of resources, whilst “time-critical” recommendations are “being delivered”¹⁰¹. The remaining activity has now been incorporated into the aforementioned Ways of Working strategy, with coordination from the Strategic Planning Unit¹⁰², as noted earlier in this report.

125. The Commission reports, as part of the Medium-Term Resourcing Framework, a Workforce Plan is being developed to “ensure the right people, with the right skills, are available, to support the resilient and adaptable workforce”¹⁰³.

126. When asked about the impact of inflationary and costs pressures on the organisation’s staff and how the Commission would seek to motivate and encourage staff, the Chief Executive and Clerk stated:

“I think that creating the right culture is very important in an organisation, and we are lucky to have a very committed workforce—our staff surveys show this. As you say, there are a range of ways in which we look at benefits we can offer staff working here. It’s a very competitive recruitment environment. We want and need to be good employers. We have won recognition in the wider world for being good employers, and we need to maintain that.”¹⁰⁴

127. The Director of Senedd Resources went on to say:

“The workforce plan is a key part of the resourcing framework, and, as I say, built on the assumption that our staffing capacity would come

¹⁰⁰ Senedd Commission, Annual Report and Accounts 2022-23, p42

¹⁰¹ Senedd Commission, Annual Report and Accounts 2021-22, p29

¹⁰² RoP, Public Accounts and Public Administration Committee, 12 October 2023, p121

¹⁰³ Senedd Commission, Annual Report and Accounts 2022-23, p42

¹⁰⁴ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p94

under pressure. A key part of that, in terms of the benefits that you asked about, Chair, was looking at pathways, so where we recruit people and how we develop them so we can build a career development opportunity pathway for people at a time where, as I say, we may not be recruiting to every single post. We're at the start of that, but that is detailed work that is now under way. We do have an outline workforce plan that sets out the framework within which measures such as that will be taken forward".¹⁰⁵

Our view

128. The Committee notes that the Commission's results on employing staff from a lower socio-economic background remain below the National Benchmarks. We are interested in reviewing the data on this, as we note the data provided in these Accounts is only partial.

129. Whilst the Committee is hugely enthusiastic about the work already being done to address areas of under-representation within the Senedd, including through projects like YMLAEN, we remain concerned that the organisation is not reflective of Wales in terms of its employees' socio-economic background. In addition, any future Workforce Plan should reflect on how the organisation can attract talent from across Wales, as the Senedd continues to embrace a hybrid mode of working and delivering services.

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.

130. The Committee is concerned about the capacity of the Commission to deliver the services required to facilitate the work of the Senedd, whilst also preparing for an increased Parliament in the future, given the ongoing costs and inflationary pressures faced by the public sector across Wales. We acknowledge the importance of the Medium-Term Resourcing Framework and the Workforce Plan that is being developed, as there are significant challenges associated with supporting more Members, whilst also maintaining the level of service provided to date.

¹⁰⁵ RoP, Public Accounts and Public Administration Committee, 12 October 2023, p96

131. It's vital that the views of Members and their staff are considered as part of this work, to ensure the organisation continues to meet the needs of the Parliament. The role of the ARAC and the newly-appointed Independent Advisers is vital in shaping the future direction of the Senedd.

Recommendation 6. The Workforce Plan and any outputs from the Medium-Term Resourcing Framework should be shared with the Committee as soon as they are available, to ensure that we are updated on the Commission's future planning around Senedd Reform and under the Ways of Working Strategy.

Recommendation 7. The Commission should set out how it intends to reflect on the views of Members and their staff as part of their future planning under the Ways of Working Strategy and any other stream of work that addresses the implications of Senedd Reform.

Annex A: List of oral evidence sessions.

The following witnesses provided oral evidence to the committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed on the [Committee's website](#).

Date	Name and Organisation
12 October 2023	<p>Manon Antoniazzi Chief Executive and Clerk of the Senedd, Senedd Commission</p> <p>Ken Skates MS Senedd Commissioner with responsibility for Budget and Governance</p> <p>Kate Innes Director of Finance, Senedd Commission</p> <p>Ed Williams Director of Senedd Resources, Senedd Commission</p>