

Scrutiny of the Senedd Commission Draft Budget 2024-25

October 2023



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Scrutiny of the Senedd Commission Draft Budget 2024-25

October 2023



About the Committee

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

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1. Introduction

Background

1. The Senedd's Standing Order 20.13 states that:

“Not later than 1 October in each financial year, a member of the Commission must lay before the Senedd a draft budget for the Commission setting out the amounts of resources and cash which the Commission proposes to use for the following financial year and provisional amounts for the subsequent two years or for such other period as the Commission has agreed with the Welsh Ministers.”¹

2. The Finance Committee (the Committee) is responsible for reporting on this draft budget. Standing Order 20.14 states that:

“The responsible committee's report may recommend variations in the amounts proposed in the draft budget provided that the net effect of those variations would not increase the aggregate amounts of resources or cash proposed in the draft budget for the Commission.”²

3. The Senedd Commission's (the Commission) Draft Budget for 2024-25 (the draft budget) was laid on 29 September 2023.³ The Committee considered the Commission's proposals at its meeting on 5 October 2023,⁴ taking evidence from:

- Ken Skates MS, Commissioner for Budget and Governance;
- Manon Antoniazzi, Chief Executive and Clerk of the Senedd;
- Kate Innes, Chief Finance Officer, Welsh Parliament.

1 Standing Orders of the Welsh Parliament

2 Standing Orders of the Welsh Parliament

3 Senedd Commission, *Draft Budget 2024-25*, September 2023

4 RoP, Finance Committee, 5 October 2022

2. Senedd Commission Draft Budget 2024-25

Context

4. The Committee has issued a Statement of Principles⁵ it expects Directly Funded Bodies ('DFBs')⁶ to have regard to when formulating budget requests.⁷ The Committee is currently in the process of reviewing the Statement of Principles, having consulted the DFBs in May 2023.⁸

Statement of Principles for DFBs:

- Budget requests should be set in the context of the long term financial funding situation in Wales and funding pressures in the wider public sector.
- Requests should show how annual and multi-annual objectives will be prioritised, monitored and achieved.
- DFBs should not assume an increase in funding, regardless of the block grant change as any increase to their funding reduces resources available to other devolved public bodies.
- DFBs should continually seek to improve processes and accrue efficiencies.
- Where any increases in funding are requested, these should be backed by evidence both of the need, benefit and attempts that have been made to reduce such costs. Also, the consequences of not obtaining the requested increase in resource should be made clear and quantified.

5. On 12 July 2023, the Minister for Finance and Local Government wrote to the Committee to set out various factors to inform the forward financial planning for DFBs as they prepare their budgets for the 2024-25 financial year.⁹ The funding situation for the Welsh Government will not be clear until the UK Autumn Statement is announced on 22 November 2023.

5 Finance Committee, [Statement of Principles that the Finance Committee of Senedd Cymru expects Directly Funded Bodies to have regard to when making budget proposals](#), May 2019

6 The directly funded bodies are those funded directly from the Welsh Consolidated Fund and include: Audit Wales; the Public Services Ombudsman for Wales and the Senedd Commission.

7 Finance Committee, [Agenda](#), 8 July 2021

8 [Letter from the Chair of the Finance Committee to the Directly Funded Bodies](#), 4 May 2023

9 [Letter from the Minister for Finance and Local Government to the Chair of the Finance Committee](#), 12 July 2023

Scrutiny of the Senedd Commission's Draft Budget 2023-24

6. The Committee laid its report on the Commission's draft budget for 2023-24 on 21 October 2022.¹⁰ The Plenary debate on the Commission budget for 2023-24 was originally scheduled for 16 November 2022, the day before the UK Autumn Statement,¹¹ however this was pushed back to 23 November 2022. The Commissioner wrote to the Committee on 21 November 2022 confirming that the Commission's final budget did not reflect any changes to the draft budget which the Committee had scrutinised.¹² However, he said that:

*"... in a departure from normal procedures I will commit to an in-year review by the Commission, as a responsible public body, to find savings and accelerate efficiencies. This will reflect the reality we face today, rather than that which existed during the Budget setting process over the summer."*¹³

7. During the Plenary debate on 23 November 2022, the Commissioner added that in-year adjustments to the budget would be required to "reflect the additional pressures facing the entire wider public sector in Wales".¹⁴

8. The Commission laid a Supplementary Budget for 2023-24 in May 2023, reducing its budget by £435,000.¹⁵ This comprised cuts to the Accommodation and Facilities budget of £208,000, Project Fund budget of £120,000 and ICT budget of £107,000. The Committee welcomed this variation to the Commission's budget in its report on the First Supplementary Budget 2023-24, published in July 2023.¹⁶

9. In giving evidence to the Committee on 5 October 2023, the Commissioner explained how these reductions had impacted on the Commission's budget management in 2023-24:

"... there were really hard choices for the supplementary budget, but the Commission prioritised protecting services and the vast

10 Finance Committee, [Scrutiny of the Senedd Commission Draft Budget 2023-24](#), October 2022

11 HM Treasury, [Autumn Statement 2022](#), 17 November 2022

12 [Letter from the Commissioner for Budget and Governance to the Chair of the Finance Committee](#), 21 November 2022

13 [Letter from the Commissioner for Budget and Governance to the Chair of the Finance Committee](#), 21 November 2022

14 Plenary, [RoP, 23 November 2022](#), paragraph 167

15 Senedd Commission, [Supplementary Budget 2023-24: Explanatory Memorandum](#), 24 May 2023

16 Finance Committee, [Scrutiny of Welsh Government First Supplementary Budget 2023-24](#), July 2023, Conclusion 2

*majority of capital investment ... through contract renegotiation.*¹⁷

10. It was confirmed that the savings were not recurrent,¹⁸ with the exception of a reduction in fuel duty.¹⁹ The Commissioner indicated that the impact of these reductions in 2023-24 would also be felt in 2024-25 in respect of “estate and facilities management”.²⁰

11. The Chief Executive provided further details on the pressures caused by these reductions, stating that “it did impact our ability to withstand further unexpected pressures later in the year, which is what we did face”.²¹ However, the Chief Executive assured the Committee that “the impact was a manageable one and we were able to ring-fence and protect services and capital investment at that point” but that “We've had to go a little bit beyond that ... to afford the cost-of-living payment”.²²

The Senedd Commission’s Draft Budget 2024-25

12. The Commission’s overall budget proposals for 2024-25 is £72.195 million, compared to £67.643 million included in the draft budget 2023-24²³ and the revised figure of £67.208 million in the first supplementary budget 2023-24.²⁴ This represents an increase of £4.552 million compared with the budget for 2023-24 (£4.987 million when comparing with the first supplementary budget figures). This is an increase of 6.7 per cent (7.4 per cent compared to the first supplementary budget). However, the Commission does not have control over all of this budget as pay and allowances for Members and their staff are set by the Independent Remuneration Board (see paragraph 15 below).

13. Commission related expenditure (which excludes Members’ related expenditure), including depreciation, increases by £3.126 million or 6.6 per cent compared with the final budget 2023-24 (or £3.561 million or 7.6 per cent compared with the first supplementary budget 2023-24).

14. The majority of this increase is attributed to two ring-fenced budgets: Ways of Working (comprising a new budget line amounting to £1.531 million) and Senedd

17 Finance Committee, RoP, 5 October 2023, paragraph 34

18 Finance Committee, RoP, 5 October 2023, paragraph 48

19 Finance Committee, RoP, 5 October 2023, paragraph 52

20 Finance Committee, RoP, 5 October 2023, paragraph 34

21 Finance Committee, RoP, 5 October 2023, paragraphs 32-33

22 Finance Committee, RoP, 5 October 2023, paragraphs 32-33

23 Senedd Commission, [Draft Budget 2024-25](#), September 2023

24 Senedd Commission, [Supplementary Budget 2023-24: Explanatory Memorandum](#), 24 May 2023

Reform (an increase of £1.494 million compared to the budget for 2023-24). Other changes are summarised below and in Table 1:

- Commission related expenditure (excluding the aforementioned ring-fenced budgets and interest and depreciation), is £41.531 million, up £1.013 million or 2.5 per cent on the budget for 2023-24 (this is an increase of £1.448 million or 3.6 per cent on the supplementary budget 2023-24).
- Members' salaries and related costs are £19.180 million, an increase of £1.346 million or 7.5 per cent compared with the budget for 2023-24.
- The budget to support the Independent Remuneration Board increases by £80,000 to £627,000.
- The budget for the Office of the Standards Commissioner is unchanged at £101,000.
- Commission depreciation and interest charges are £5.360 million, down £912,000.
- Members' pension finance costs are £1.8 million, unchanged from 2023-24.
- There is a line for 2024-25 only, highlighting £315,000 "savings to be identified".

15. A lesser focus is given in this report to the budget for the Remuneration Board's Determination. Pay and allowances for Members and their staff are set by the Independent Remuneration Board, so the Commission does not have control over setting this budget. Funding for the Commission and resources linked to the Remuneration Board Determination are separated following an inquiry by the previous Finance Committee into the Commission's use of the Remuneration Board's Determination underspend.²⁵ Any underspends against this Determination are therefore returned to the Welsh Consolidated Fund.

²⁵ Finance Committee (Fifth Senedd), The Assembly Commission's use of the Remuneration Board's Determination underspend, May 2018

Table 1: Senedd Commission Draft Budget 2024-25

Budget Heading	2023-24		2024-25	Change 2023-24 to Draft Budget 2024-25			
	Draft Budget	Supplementary	Draft Budget	From Draft Budget 2023-24		From Supplementary Budget 2023-24 (where different)	
Commission Related Expenditure	£000	£000	£000	£000	%	£000	%
Staff salaries and related costs	£28,357	£28,357	£29,663	£1,306	4.6%	-	-
Accommodation and facilities	£6,069	£5,861	£5,991	£-78	-1.3%	£130	2.2%
ICT costs	£2,801	£2,694	£2,731	£-70	-2.5%	£37	1.4%
Other costs	£1,961	£1,961	£2,061	£100	5.1%	-	-
Total Revenue Expenditure	£39,188	£38,873	£40,446	£1,258	3.2%	£1,573	4.0%
Total Income	£-170	£-170	£-100	£70	-41.2%	-	-
Capital Expenditure	£500	£500	£500	£0	0.0%	-	-
Project Fund	£1,000	£880	£1,000	£0	0.0%	£120	13.6%
Savings to be identified	£0	£0	£-315	£-315	-	-	-
Total operational resource (excl. interest / depreciation)	£40,518	£40,083	£41,531	£1,013	2.5%	£1,448	3.6%
Interest Charges	£866	£866	£610	£-256	-29.6%	-	-
Depreciation and amortisation	£5,406	£5,406	£4,750	£-656	-12.1%	-	-
Ring-fenced project budgets							
Senedd Reform costs	£571	£571	£2,065	£1,494	261.6%	-	-
Members' salaries and related costs arising from Senedd Reform	£0	£0	£0	£0	-	-	-
Ways of Working	£0	£0	£1,531	£1,531	-	-	-
Total Commission related expenditure	£47,361	£46,926	£50,487	£3,126	6.6%	£3,561	7.6%
Members' salaries and related costs	£17,834	£17,834	£19,180	£1,346	7.5%	-	-
Budget for Office of the Standards Commissioner	£101	£101	£101	£0	0.0%	-	-
Budget to support the Independent Remuneration Board	£547	£547	£627	£80	14.6%	-	-
Members' pension finance costs	£1,800	£1,800	£1,800	£0	0.0%	-	-
Total Commission budget	£67,643	£67,208	£72,195	£4,552	6.7%	£4,987	7.4%

16. When asked why the Commission had used the figures for the final budget for 2023-24, as agreed on 23 November 2022, as its baseline for the 2024-25 draft budget, rather than the reduced figure presented in its first supplementary budget 2023-24 in July 2023, the Commissioner explained that this is “standard practice” and that “we don’t amend the comparative figures unless it’s a permanent change”,²⁶ adding that:

“... the savings achieved are delivered through delaying activity, rather than a permanent reduction to our cost baseline, and ... some of the projects that have been paused will be delivered in future years; they’ve not been cancelled ... so, the original laid budget comparisons for 2023-24 are the most appropriate numbers to use.”²⁷

17. In terms of the impact that a late UK Autumn Statement would have on the Commission’s budget-setting process for 2024-25, the Commissioner stated that:

“... our budgetary cycle is far from ideal, with the preparation taking place and the laying of the draft budget six months before the start of the financial year and the huge amount of change that can happen in that six-month period.”²⁸

18. The Commissioner added that the Commission is unable to respond to potential tax changes or have an understanding of the Welsh block funding for the following year and would, as a result “have to make greater use of a supplementary budget request to address” such issues if they arose.²⁹

19. The Commissioner also indicated that he would welcome the Business Committee looking at the financial procedures outlined in Standing Orders relating to the Commission’s budget, to explore where any changes could be made to improve current timescales.³⁰

Medium Term Resourcing Framework

20. In its draft budget document, the Commission states that it has developed a Medium Term Resourcing Framework to identify, understand and estimate future cost pressures ahead of budgeting.

26 Finance Committee, RoP, 5 October 2023, paragraph 46

27 Finance Committee, RoP, 5 October 2023, paragraph 46

28 Finance Committee, RoP, 5 October 2023, paragraph 36

29 Finance Committee, RoP, 5 October 2023, paragraph 36

30 Finance Committee, RoP, 5 October 2023, paragraph 39

21. This framework includes a rolling three-year Medium Term Financial Plan and a Workforce Plan, including a Target Establishment for permanent staffing numbers (workforce issues are considered in more detail in Chapter 3).

22. When asked how the Commission's budget planning will be different under the new framework, the Chief Finance Officer explained that "the budget preparation process itself will remain unchanged",³¹ adding that:

*"The medium-term resource framework is a high-level planning mechanism tool ... that will continually be going on in the background, looking at projects, prioritising, looking at resources, looking at the funding requirements of everything that we would potentially like to do ... So, it creates really rich information for us to input into the budget process, so, our budgeting will become more accurate ... it's about enabling us to plan solutions in advance and we will become more strategic in budgeting and in how we deliver these multi-year projects."*³²

23. The Chief Finance Officer pointed to the savings of £315,000 identified in the draft budget as an example of the framework in action, explaining that:

*"We've been using the medium-term resource planning as a tool for this year ... We've looked at our resources, we've budgeted for our resources and what we have is the saving. So, the £315,000 saving that we see as a line and a target for savings, we will then now, in the autumn, take that and work through our processes within the framework and identify how we address that."*³³

Committee view

24. The Committee notes that the late timing of the UK Autumn Statement and, in particular, the lack of certainty regarding the amount of funding available in the Welsh Consolidated Fund for 2024-25 and future years, makes it difficult for the Commission to set its budget at appropriate levels, within the context of the public sector funding situation in Wales.

31 Finance Committee, RoP, 5 October 2023, paragraph 56

32 Finance Committee, RoP, 5 October 2023, paragraph 56

33 Finance Committee, RoP, 5 October 2023, paragraph 57

25. The Committee is grateful for the views provided by the Commission of how the current timing of the budget cycle impacts on its financial planning. We have sympathy with the Commission's position and will consider these views as part of the Committee's wider review of the budget protocol, and our ongoing review of the Statement of Principles.

26. The Committee recognises the difficult decisions that the Commission has taken within this financial year to find in-year savings both in the supplementary budget 2023-24 and the subsequent exercise to fund a cost of living payment to staff (considered in more detail under Chapter 3). The Committee notes that the majority of these savings are non-recurrent. However, we would like further clarity from the Commission on the impact that any savings made in 2023-24 will continue to have on both services provided and delayed planned projects.

27. The Committee was pleased to hear that the Commission's new rolling Medium Term Resourcing Framework will actively look to identify savings. This demonstrates that the Commission is adhering to the Statement of Principles in continuing to seek to improve processes and accrue efficiencies, both in terms of reducing costs and maximising income.

28. The Committee notes that the Commission's budgetary proposals were based on the budget for 2023-24, as agreed by the Senedd in November 2022, and not the revised budgetary figure outlined in the first supplementary budget 2023-24, which showed a reduction of £435,000.

29. The Committee has previously called on Directly Funded Bodies to remove any underspends or in-year funding returned to the Welsh Consolidated Fund from their baseline, to provide clarity and transparency on the size of budget requests made from one year to the next.³⁴ Although the Committee accepts the reasons provided by the Commission for basing its budget for 2024-25 on the figures initially agreed by the Senedd for 2023-24, it is disappointing that the reductions subsequently made, through the first supplementary budget for 2023-24 in July 2023, were not referenced in the draft budget document for clarity and for comparative purposes, especially as budget revisions were committed to during the Plenary debate to agree the Commission's budget for 2023-24.

Recommendation 1. The Committee notes the 'Senedd Commission Draft Budget 2024-25' and, subject to the comments and recommendations in this

³⁴ See: Finance Committee, [Annual scrutiny of the Wales Audit Office and the Auditor General for Wales](#), November 2022, Recommendation 15; Finance Committee, [Annual Scrutiny of the Public Services Ombudsman for Wales](#), November 2022, Recommendation 8; Finance Committee, [Scrutiny of the Senedd Commission Draft Budget 2023-24](#), October 2022, Paragraph 68

report, supports the overall request for resource in 2024-25, and recommends the Senedd supports this budget.

Recommendation 2. The Committee recommends that the Commission, in accordance with the Statement of Principles, continually seeks to improve processes and accrue efficiencies and that progress is reported to the Finance Committee before the draft budget for 2025-26 is laid.

Recommendation 3. The Committee recommends that the Commission provides an update on the impact that any savings made in 2023-24 will continue to have on its services and any planned projects for 2024-25, by the end of the 2023-24 financial year.

3. Workforce

Staffing

30. The draft budget notes that the Medium Term Resourcing Framework (mentioned in Chapter 2) includes a Workforce Plan that “will involve setting a Target Establishment ... to ensure the Commission’s people resources continue to align with Commission priorities within the available resourcing envelope”.³⁵

31. The Chief Executive told the Committee that the Workforce Plan “looks at how we make sure that our capacity is correct in different areas”;³⁶ and the Commissioner explained that the plan “ensures that we are able to identify where the need is greatest”.³⁷

32. The draft budget states that over 70 per cent of the Commission’s total operating expenditure (excluding earmarked budgets, depreciation and interest) relates to staffing costs.³⁸ A long-term pay agreement is in place for Commission staff based on historic pay inflation in Wales, capped at 3 per cent. The draft budget assumes a 3 per cent increase in line with this agreement, following a 2.4 per cent pay award in 2023-24.³⁹

33. In relation to how the Commission would respond to alternative pay awards for staff in 2024-25, beyond the assumed 3 per cent increases included in the draft budget, the Commissioner explained that:

“the budget's staff costs have been calculated based on the current maximum cap of the existing agreement between the unions and the Commission, and that's 3 per cent.”⁴⁰

34. The Chief Executive added that:

“There will be a lot of negotiation in the coming year about the successor to the pay deal that we have at the moment. It is something that we keep an eye on, but we have to ... keep that

35 Senedd Commission, [Draft Budget 2024-25](#), September 2023, page 15

36 Finance Committee, RoP, 5 October, paragraph 62

37 Finance Committee, RoP, 5 October, paragraph 67

38 Senedd Commission, [Draft Budget 2024-25](#), September 2023, page 17

39 Senedd Commission, [Draft Budget 2024-25](#), September 2023, page 17

40 Finance Committee, RoP, 5 October 2023, paragraph 69

within the context of what is affordable and reasonable for us to ask for as a responsible public body.”⁴¹

35. When asked about how its approach to the workforce compares to the wider public sector, the Commissioner said that:

“... we participate in regular forums with the Welsh sponsored bodies, and have a good understanding across the wider section of pay, well-being and retention in the public sector. I think, in terms of our comparison with those other bodies, we're in a very strong position. We have a resilient workforce.”⁴²

36. In terms of staff well-being scores, the Commissioner added that:

“the staff survey found that overall well-being for the Commission is good, when compared to industry average. I accept that the results found that 21 per cent of staff are at risk of having poor well-being, but that compares to an industry average of 40 per cent, so we are again in a strong position.”⁴³

37. At the Committee's request, the Commission provided a copy of the Senedd Commission Staff Survey for 2022-23 in subsequent correspondence.⁴⁴

Cost of Living Payments

38. On 19 January 2023, the Chief Executive wrote to the Committee to highlight a £500 cost of living payment that was to be provided within the 2022-23 financial year to staff on below £32,000 full-time equivalent salary.⁴⁵ This was followed, on 24 May 2023, by a letter from the Commissioner which provided information regarding survey work undertaken by the Commission to understand the impact of a £500 cost of living payment for staff on lower salaries.⁴⁶

39. Since then, the Committee has exchanged correspondence with the Minister for Finance and Local Government regarding both the likelihood of potential consequential awards from UK Government pay awards for public sector staff and the £1,500 payment to Welsh Government civil servants. The Minister wrote to the

41 Finance Committee, RoP, 5 October 2023, paragraph 78

42 Finance Committee, RoP, 5 October 2023, paragraph 74

43 Finance Committee, RoP, 5 October 2023, paragraph 74

44 [Letter from the Commissioner for Budget and Governance to the Chair of the Finance Committee](#), 11 October 2023

45 [Letter from the Chief Executive and Clerk to the Senedd to the Chair of the Finance Committee](#), 19 January 2023

46 [Letter from the Commissioner for Budget and Governance to the Chair of the Finance Committee](#), 24 May 2023

Committee on 1 August 2023, stating that “current statements” from the UK Government indicate there will not be consequential funding for Wales, meaning that pay awards would be funded from existing budgets.⁴⁷ The Minister added that “we would expect our Directly Funded bodies to ... look to absorb the costs from current budget settlements”.⁴⁸

40. The draft budget refers to a cost of living payment to all staff below director level in 2023-24.⁴⁹ A letter from the Chief Executive to the Committee on 29 September 2023 confirmed that:

“The proposed payment will be the full £1,500 to staff at grades TS [team support] to G6 [grade 6] and will be made in two instalments in this financial year at an anticipated total cost of £824,000.”⁵⁰

41. The letter added that “the expenditure is affordable, subject to savings being made”.⁵¹

42. During the Committee’s evidence session on 5 October 2023, the Chief Executive explained how the Commission had approached this issue:

“When this first emerged in the beginning of the summer, we sought a steer from the Commission, who met in August to consider options ... When we reconvened in September, we had prepared some more in-depth analysis of the various options that we had for payments in the current year. We also had a letter from the First Minister underlining the fact that there was no additional funding coming from the UK Government for any part of the public sector, and that, therefore, there was an expectation that the Commission would bear that in mind in deciding how to manage the budget in-year ...

47 Letter from the Minister for Finance and Local Government to the Chair of the Finance Committee, 1 August 2023

48 Letter from the Minister for Finance and Local Government to the Chair of the Finance Committee, 1 August 2023

49 Senedd Commission, *Draft Budget 2024-25*, September 2023, page 17

50 Letter from the Chief Executive and Clerk to the Senedd to the Chair of the Finance Committee, 29 September 2023

51 Letter from the Chief Executive and Clerk to the Senedd to the Chair of the Finance Committee, 29 September 2023

The majority decision then was to press ahead and make the offer, with further work still to come on prioritising exactly which parts of the budgets the savings will be coming from.”⁵²

43. The Commissioner also provided clarification on how the Commission intends to fund this payment from existing budgets:

“The money is going to be found through in-year savings from spend that was not committed or required. That amounts to £280,000. There's also a targeted recruitment freeze ... from which we're going to be saving around £415,000. So, £130,000 is yet to crystallise, but this will come through savings from projects, and also from smaller budget lines as well. As at the end of September, we required only a further £20,000 to be identified.”⁵³

44. In terms of the impact of the recruitment freeze on the Commission's workforce, the Chief Executive added that:

“the Commission is very supportive of us considering staff welfare, because the human resource isn't infinitely extendable, and we need to make sure that our teams don't suffer from too much workplace stress and that the situation becomes unsustainable.”⁵⁴

45. When asked about the impact of savings required to fund this payment, the Commissioner stated that it “is going to be felt right across the organisation ... due to reduced budgets and reduced staff and resources”.⁵⁵ However, the Commissioner confirmed that “key priorities, including Senedd reform and ways of working, have been protected”.⁵⁶ The Commissioner also clarified that:

“The Commission ... has only agreed to savings that are specific to the current year's budget—so, no support services or activities have been permanently ceased. But it does mean that for the remainder of the year, there will be reduced travel opportunities, reduced events, and publications will not be purchased, as has happened in previous years—we'll be reducing the volume of publications that are purchased.

52 Finance Committee, RoP, 5 October 2023, paragraph 21

53 Finance Committee, RoP, 5 October 2023, paragraph 18

54 Finance Committee, RoP, 5 October 2023, paragraph 62

55 Finance Committee, RoP, 5 October 2023, paragraph 23

56 Finance Committee, RoP, 5 October 2023, paragraph 23

Training is going to be provided predominantly in-house for the rest of the year, and projects that have not started have now been paused, with the exception of multi-year projects.”⁵⁷

46. The Commissioner added that these reductions would also have an impact on budget planning in 2024-25, stating that “it's not necessarily going to be the case that we're back to normal” next year.⁵⁸

47. A further letter was issued to the Committee by the Commission on 3 October 2023 which refers to a request from the PCS Union for the Commission “to consider the option of making further additional cost of living support payments to its staff”.⁵⁹ It added that:

“The PCS Union has informally indicated that the further payment might involve a sum of £3,000 per member of staff in the next financial year. The provision for such a payment to Commission staff would be in the order of £1.6m which would be almost 4% of the Commission operating budget before ringfenced programme budgets, twice the amount we are facing in this financial year.”⁶⁰

48. The letter concludes that “As the request has not been made formally and or agreed, we are unable to consider it within our budgets for 2024-25”.⁶¹

49. The Committee also received correspondence from the PCS Union relating to these issues on 11 October,⁶² which stated that:

“PCS has long been ready to negotiate a settlement that would mitigate the real-terms decrease in the pay of Commission staff and bring the ongoing dispute to an end.”⁶³

50. When asked how the Commission would fund such a request for 2024-25, the Commissioner explained that:

57 Finance Committee, RoP, 5 October 2023, paragraph 23

58 Finance Committee, RoP, 5 October 2023, paragraph 25

59 Letter from the Commissioner for Budget and Governance to the Chair of the Finance Committee, 3 October 2023

60 Letter from the Commissioner for Budget and Governance to the Chair of the Finance Committee, 3 October 2023

61 Letter from the Commissioner for Budget and Governance to the Chair of the Finance Committee, 3 October 2023

62 Letter from the PCS Union to the Chair of the Finance Committee, 11 October 2023

63 Letter from the PCS Union to the Chair of the Finance Committee, 11 October 2023

“At the level that's been requested, the cost would be way in excess of £1 million, which we simply wouldn't be able to find, and so we'd be in a position where we would have to request a supplementary budget.”⁶⁴

Committee view

51. The Committee notes that the pay uplifts for Commission staff have been restricted to 2.4 per cent this financial year and are budgeted at 3 per cent within the 2024-25 draft budget. The Committee further notes the Commission's proposals to provide its staff with a cost of living payment of £1,500 in the 2023-24 financial year and the difficult decisions that have had to be made in order to fund such payments from within existing in-year budgets. We also note correspondence from the PCS Union on these issues.⁶⁵

52. The Committee appreciates efforts taken by the Commission to highlight that the assumed pay award included within the draft budget may be subject to change and for setting out potential additional payments that could be made to staff and how this could impact on the draft budget 2024-25.

53. The Committee notes the financial impact that any pay award to staff above that budgeted for would have on the Commission's budgetary position. The Committee recognises that the Commission's pay awards have led to significant reductions in real terms income over the past two years for Commission staff. However, given the scale of funding that might be required, the Committee also recognises that it will be difficult for the Commission to fund additional pay awards without either significant additional cuts to services and/or a supplementary budget.

54. The Committee has previously stated that it cannot take a view on operational matters within the Directly Funded Bodies that are the responsibility of senior leadership within those organisations,⁶⁶ and it is therefore not appropriate for the Committee to express a position on matters relating to pay for Commission staff. Nonetheless, the Committee has a natural interest in the financial impact of such decisions on the Commission, particularly where these may impact on drawdown from the Welsh Consolidated Fund or the Commission's ability to support the Senedd. The Committee therefore asks for

64 Finance Committee, RoP, 5 October 2023, paragraph 64

65 [Letter from the PCS Union to the Chair of the Finance Committee](#), 11 October 2023

66 See: [Letter from the Chair of the Finance Committee PCS and Prospect Audit Wales branches regarding staff pay](#), 22 November 2022

regular updates on these developments ,in terms of the pay agreement for staff in 2024-25.

55. The Committee notes information provided by the Commission on its staff survey responses and recognises that they compare favourably to wider public sector averages. However, in light of decisions taken to fund a cost of living payment in 2023-24, including a recruitment freeze, the Committee is concerned that staff may be subject to additional workload pressures.

56. We recognise the support provided by the Commission in this area and the positive steps taken by the Commission to monitor the wellbeing of its staff. We therefore strongly believe that this approach should continue so that appropriate support is provided to staff facing financial difficulties and/or wellbeing challenges.

Recommendation 4. The Committee recommends that the Commission:

- informs the Committee when it has reached a pay agreement for 2024-25, including any non-recurrent pay awards; and
- evaluates the impact of any pay agreement on staff and shares its findings with the Committee.

Recommendation 5. The Committee recommends that the Commission provides regular updates on the budgetary impact of any decisions taken in relation to Commission staff pay within the 2024-25 financial year, and, if any additional payments are to be made, explain how these payments will be funded whilst sustaining current levels of service.

Recommendation 6. The Committee recommends that the Commission continues to regularly survey staff to monitor the impact of workloads, including staff mental and financial wellbeing, and provides the Committee with the outcomes of such exercises by the end of the current financial year.

4. Ring-fenced Budgets and Project Funding

Resourcing Senedd Reform

57. The Senedd Cymru (Members and Elections) Bill⁶⁷ was introduced on 18 September 2023 and the accompanying Explanatory Memorandum and Regulatory Impact Assessment (RIA) provides cost estimates relating to the proposals.⁶⁸ The Committee will consider the financial implications of the Bill separately, and held an evidence session with the Commission on the cost estimates on 11 October 2023.⁶⁹

58. The figures relating to financing these proposals in the draft budget for 2024-25 are “prepared using the cost estimates submitted to the Welsh Government for inclusion” in the Bill’s RIA, and amount to £2.065 million.⁷⁰ This comprises:

- £1.399 million capital costs (Members offices and ICT kit for new staff);
- £642,000 for staffing costs (including three new posts); and
- £23,000 for non-staff costs.

59. When asked to explain the reasons why the costs for 2024-25 relating to Senedd Reform differed to those included within the RIA for the Bill, the Chief Executive explained that:

“... what we're seeing is the difference between the high-level estimates that were prepared for inclusion in the regulatory impact assessment a good six months ago now and what happens when it comes to actual budgeting.”⁷¹

60. The Chief Executive added that “the upshot is that our budget for 2024-25 has increased by £124,000”, and that includes “a reduction in our expectation of staff use during the coming year by £241,000, and the capital budget up by £365,000. So, the net result of that is £124,000”.⁷²

67 [Senedd Cymru \(Members and Elections\) Bill, as introduced](#)

68 [Senedd Cymru \(Members and Elections\) Bill, Explanatory Memorandum](#)

69 Finance Committee, [Agenda](#), 11 October 2023, items 3 and 6

70 Senedd Commission, [Draft Budget 2024-25](#), September 2023, page 11

71 Finance Committee, RoP, 5 October 2023, paragraph 85

72 Finance Committee, RoP, 5 October 2023, paragraph 85

Ways of Working Programme

61. The Commission established the Ways of Working (WOW) Programme in March 2022. It is split into three main workstreams: The Cardiff Bay Workstream which covers estate projects to prepare for a larger Senedd (as set out in the Senedd Cymru (Members and Elections) Bill) and provides long-term accommodation beyond the 2032 Tŷ Hywel lease. Other workstreams cover a regional base for Commission services outside Cardiff and producing a Strategic Development and Delivery Framework.

62. Funding requests aligned to the WOW Programme for 2024-25 include:

- Cardiff Bay 2032 project - £1.25 million;
- Programme management - £101,000;
- WOW strategy delivery - £100,000;
- Legal costs - £50,000; and
- Pierhead review project - £30,000.

63. In its report on the draft budget 2023-24, the Committee recommended the Commission considers the benefits of purchasing the Tŷ Hywel freehold and it provide regular updates of estate options.⁷³ In its response, the Commission said that property advisors, Avison Young, were due to provide initial advice in late Spring 2023 and that, subject to approval, options would be expected to be prepared during this calendar year.⁷⁴ According to the draft budget 2024-25, the resources requested “represent provision for enabling progress to be made on any selected option which will need to be expedited given the Tŷ Hywel lease is ending in 2032”.⁷⁵

64. When asked about the Cardiff Bay 2032 project, the Commissioner stated that “it's absolutely essential that Members are fully engaged throughout the process”,⁷⁶ adding that:

“it is a long-term project, the first stage of which is the development of the strategic outline case. The Llywydd has

⁷³ Finance Committee, *Scrutiny of the Senedd Commission Draft Budget 2023-24*, October 2022, Recommendation 4

⁷⁴ *Letter from the Commissioner for Budget and Governance to the Chair of the Finance Committee*, 30 March 2023

⁷⁵ Senedd Commission, *Draft Budget 2024-25*, September 2023, page 14

⁷⁶ Finance Committee, RoP, 5 October 2023, paragraph 80

specifically raised this project already in discussions with party group leaders within the last few weeks, and that's the starting point of a greater degree of engagement that you'll see in the coming weeks and months.”⁷⁷

65. The Commissioner also confirmed that the future years costs of the project “will be included as part of the Commission operational budget, so you'll be able to scrutinise that fully”.⁷⁸

66. When asked whether the costs of the project would be the same irrespective of whether an increase in the membership of the Senedd would happen or not, the Commissioner stated that:

“Senedd reform is a key driver for our change programme and costs over the coming years. But it's not the only driver for change. Changes in the way that Members are working, as well as the Commission's strategic priorities, are also driving the change programme. So, we'd still have some ways of working costs, regardless of whether Senedd reform proceeded.”⁷⁹

67. The Commissioner identified these costs as relating to:

“... the bay 2032 project, which has to proceed, due to the lease expiring on Tŷ Hywel; the regional work stream ... the Pierhead review as well; and all Commission and Member costs associated with embedding new ways of working on a sustainable basis.”⁸⁰

Project Fund

68. The draft budget documentation sets out that the Project Fund is for projects with expenditure over and above the delegated service budgets, and remains unchanged at £1.0 million in 2024-25. Additionally, £500,000 capital expenditure is budgeted for.

69. In previous years' budgets, the Commission has set out the intended priority projects to be supported under the combined Project Fund and capital budget, with estimated funding assigned to these headings. There is no equivalent table

⁷⁷ Finance Committee, RoP, 5 October 2023, paragraph 80

⁷⁸ Finance Committee, RoP, 5 October 2023, paragraph 80

⁷⁹ Finance Committee, RoP, 5 October 2023, paragraph 82

⁸⁰ Finance Committee, RoP, 5 October 2023, paragraph 82

this year, however, the Commission identifies key projects to be considered for prioritisation in 2024-25, which includes:

- replacement of the payroll system;
- replacement of the Senedd Business Management System; and
- Audio Visual (AV) and Broadcasting.⁸¹

70. When asked which allocations are earmarked for each project, the Commissioner mentioned that “three main projects are going to be pursued”,⁸² which include replacement payroll systems costing £190,000; Senedd business management system replacements amounting to £360,000; and a further £445,000 on broadcast infrastructure updates.⁸³

71. The Chief Executive added that:

“We have a dynamic method of project management, and this is part of the reason why we can't give you chapter and verse now on what our project fund is being spent on, because we are reprioritising at various points during the year to make sure that the projects we deliver are the ones that are most critical to the operation of business. And then, we will report back to you on the progress of that, as we go on.”⁸⁴

72. Further details regarding the Commission’s planned projects for 2023-24 and 2024-25 was also provided, at the Committee’s request, in subsequent correspondence.⁸⁵

Funding to support the Independent Remuneration Board of the Senedd

73. The draft budget sets out the cost of administrative support for the Remuneration Board as a separate budget line, outside core Commission work; an approach first adopted when the Commission submitted its first supplementary budget for 2022-23 in May 2022.⁸⁶

81 Senedd Commission, [Draft Budget 2024-25](#), September 2023, page 16

82 Finance Committee, RoP, 5 October 2023, paragraph 93

83 Finance Committee, RoP, 5 October 2023, paragraph 93

84 Finance Committee, RoP, 5 October 2023, paragraph 33

85 [Letter from the Commissioner for Budget and Governance to the Chair of the Finance Committee](#), 11 October 2023

86 Senedd Commission, [Supplementary Budget 2022-23: Explanatory Memorandum](#), May 2022

74. Following the supplementary budget request in 2022-23, the funding for this budget line increased by £218,000,⁸⁷ although it was subsequently reduced by £125,000 due to staff vacancies. However, overall budgets to support the Remuneration Board have been increasing from £352,000 in 2022-23 to £547,000 in 2023-24 to £627,000 in 2024-25.

75. For 2024-25, this budget comprises Commission staff costs of £482,000; fees and expenses for Board Members of £47,000 and other costs and expenditure, such as commissioning external expertise amounting to £98,000.

76. The Commissioner explained why these costs had increased in recent years:

“the staffing costs reflect a static establishment head count in line with the Commission medium-term resourcing framework, but it will include, of course, staff pay awards, which will account for previous increases in budget. Ninety-thousand pounds is being allocated for remuneration projects for 2024-25 Their estimated needs and the requirements of the work programme will of course be kept under review by the board as its work programme evolves.”⁸⁸

77. The Commissioner also stated that:

“guidance is being developed by the chair of the IRB and the accounting officer that will provide guidance and processes for, first of all, all resource requests from the independent remuneration board, and also, secondly, any requests for authority to spend project provision allocations.”⁸⁹

78. The Chief Executive also explained that “as accounting officer, it's my job to make a decision on the reasonableness, which is the criterion I'm allowed to use, of remuneration board requests”.⁹⁰ She added that:

“the principle of independence is very important—that the remuneration board should make its own decision about its programme of work and what information it requires. It is undertaking, for example, a fairly major review of pay and

87 Senedd Commission, [Supplementary Budget 2022-23: Explanatory Memorandum](#), May 2022

88 Finance Committee, RoP, 5 October 2023, paragraph 104

89 Finance Committee, RoP, 5 October 2023, paragraph 108

90 Finance Committee, RoP, 5 October 2023, paragraph 109

grading of member support staff, which I believe Members have welcomed.”⁹¹

Committee view

79. The Committee continues to support the additional transparency provided by the separation of ring-fenced budgets, such as that for Senedd Reform and the Ways of Working Programme, and welcomes confirmation that underspends on these budgets will be returned to the Welsh Consolidated Fund. This is essential in terms of ensuring transparency as the Commission prepares to implement changes arising from the Senedd Cymru (Members and Elections) Bill, if passed by the Senedd.

80. The Committee notes the costs earmarked for Senedd Reform in the draft budget and that detailed costs relating to the implementation of the Senedd Cymru (Members and Elections) Bill is contained in the accompanying Regulatory Impact Assessment. These cost estimates, which go beyond the 2024-25 financial year, will be scrutinised separately by the Committee during the autumn term.

81. The Committee welcomes the update regarding the Ways of Working Programme. However, the Committee believes that additional information should be provided to explain the scope of the Cardiff Bay 2032 project in particular, and the outcomes it expects to achieve. The Committee has previously made recommendations relating to the Commission’s estate, including asking the Commission to explore issues relating to the lease of the Tŷ Hywel building, and its obligations in terms of replacing windows.⁹² We therefore call on the Commission to provide further clarity on this aspect of the Ways of Working Programme and to engage with Members on its intended outcomes. It will be crucial for the Commission to ensure that Members are informed and consulted on what will be a large multi-year project with a significant cost.

82. The Committee notes that the need to make in-year savings in 2023-24 has impacted on planned projects and will have a knock-on effect on future years. The Committee has also recognised that, while accepting that projects are managed in an agile fashion, including a list of planned projects and associated funding in previous draft budget documentation has been beneficial for transparency and scrutiny.

⁹¹ Finance Committee, RoP, 5 October 2023, paragraph 109

⁹² See: Finance Committee, [Scrutiny of the Senedd Commission Draft Budget 2023-24](#), October 2022, Recommendation 4; Finance Committee, [Scrutiny of the Senedd Commission Draft Budget 2022-23](#), October 2021, Recommendation 6

83. Whilst we appreciate the details provided by the Commission on the projects being taken forward in 2023-24 and 2024-2025⁹³ and accept that projects need to be managed dynamically, particularly within the context of an uncertain financial context, we believe such information should be included in the draft budget. Omitting such details for 2024-25, when that information had been provided in previous years, hints at a rolling back of transparency which we find disappointing.

84. The Committee notes the increase in administrative and consultancy support for the Independent Remuneration Board of the Senedd over the past two years and within this draft budget. The Committee believes that, due to the nature of the relationship between the Commission and Remuneration Board, both need to work together to explore ways to ensure processes are efficient, sustainable and to avoid duplication of resource. The Committee is particularly interested in the levels of funding provided to the Remuneration Board which is earmarked to source external consultancy support, and would like the Commission to provide further information about the nature and costs of this aspect of the Board's work.

Recommendation 7. The Committee recommends that the Commission provides further information about the Cardiff 2032 project, including clarity on whether issues such as windows replacement and the future of the lease forms part of that project, and asks the Commission to engage Members fully on such issues to ensure their views are reflected in any proposals.

Recommendation 8. The Committee calls on the Commission to provide a list of planned projects for 2024-25, with estimated allocated funding, before the start of the 2024-25 financial year and for such an approach to be adopted for future budgetary requests.

Recommendation 9. The Committee recommends that the Commission provides further information about the nature of the external consultancy services provided to the Independent Remuneration Board of the Senedd and associated costs.

⁹³ Letter from the Commissioner for Budget and Governance to the Chair of the Finance Committee, 11 October 2023

5. Engagement and Sustainability

Engagement

85. Last year, the Committee recommended the Commission sought Members views to better understand the engagement work they wish to take forward and provide an update on how such proposals can be delivered within existing budgets.⁹⁴ In its response, the Commission stated that the Director of Communications and Engagement would attend Chairs' Forum and that plans to engage Members would be finalised "in the coming months".⁹⁵

86. There is no mention of engagement in the budget documentation and costs for engagement are not shown separately. By comparison, the 2023-24 budget documentation included £200,000 for priority projects relating to "engagement and outreach activities".⁹⁶

87. When asked why the draft budget did not include details of the Commission's engagement plans for 2024-25, the Commissioner explained that "it's actually quite a simple, straightforward answer ... it's because we deemed that communications and engagement were so similar, we joined them together".⁹⁷

88. The Commissioner explained that the Senedd's Director of Communications and Engagement had proactively sought the views of Members on the engagement work that they wish to take forward, adding that "two main themes have emerged"⁹⁸ as a result of those discussions:

*"a request for additional work from the citizen engagement team, with a specific focus, actually, on underrepresented communities; and then also a review of how Members use the estate."*⁹⁹

89. The Commissioner added that, as a result of those requests and demands from other Committees "resources have been reallocated to the citizen engagement team to bolster capacity" and that team "has actively engaged with, I

94 Finance Committee, [Scrutiny of the Senedd Commission Draft Budget 2023-24](#), October 2022, Recommendation 8

95 [Letter from the Commissioner for Budget and Governance to the Chair of the Finance Committee](#), 30 March 2023

96 Senedd Commission, [Draft Budget 2023-24](#), September 2022, page 15

97 Finance Committee, RoP, 5 October 2023, paragraph 124

98 Finance Committee, RoP, 5 October 2023, paragraph 132

99 Finance Committee, RoP, 5 October 2023, paragraph 132

believe, more than 3,000 people across 40-odd different inquiries”.¹⁰⁰ A further update on the Commission’s engagement activities during 2023 was provided to the Committee in subsequent correspondence.¹⁰¹

Sustainability

90. In its report on the Senedd Commission’s Draft Budget 2023-24, the Committee recommended the Commission adopt a more collaborative approach to reducing energy use on the Senedd estate, and also requested information on outcomes, costs and savings.¹⁰²

91. The Commission’s Annual Sustainability Report for 2022-23 was published in June 2023.¹⁰³ When asked about the savings brought about by the Commission in this area, the Commissioner explained that:

“... with our ability to zone the heating system, we were able to save ... £5,000 of gas last winter. And, indeed, we're planning on further reductions in the coming winter. We're going to reduce the set-points again for temperature and we're going to carry on providing heating going into certain Commission staff areas in Tŷ Hywel on quieter days to make further savings. But given the higher prices that we'll be paying, we expect this to save an additional £11,000 this winter, or a total of £20,000 over the total amount that we were paying before we started to take action.”¹⁰⁴

92. The Commissioner also mentioned plans to reduce electric consumption across the Senedd estate,¹⁰⁵ and the Commission’s involvement in the Cardiff heat exchange, which will deliver benefits from 2026.¹⁰⁶

Committee view

93. The Committee is pleased with the progress made by the Commission in achieving its sustainability goals. In particular, the Committee notes positive developments in terms of reducing energy use and associated utility costs.

100 Finance Committee, RoP, 5 October 2023, paragraph 133

101 [Letter from the Commissioner for Budget and Governance to the Chair of the Finance Committee](#), 11 October 2023

102 Finance Committee, [Scrutiny of the Senedd Commission Draft Budget 2023-24](#), October 2022, Recommendations 2 and 3

103 Senedd Commission, [Sustainability: Annual Report 2022-23](#), June 2023

104 Finance Committee, RoP, 5 October 2023, paragraph 116

105 Finance Committee, RoP, 5 October 2023, paragraph 117

106 Finance Committee, RoP, 5 October 2023, paragraphs 119

94. However, the Committee believes that the Commission could be more ambitious in its approach to sustainability. In particular, the Committee urges the Commission to explore innovative methods of making changes aimed at reducing utility costs and providing better value for money in the long-term. The focus of such efforts should be on developing initiatives to reduce energy usage on both the Commission estate and in Members' constituency offices. We are also keen for the Commission to ensure that projects to increase efficiency and to reduce the Senedd's carbon footprint are not adversely affected by the need to make savings.

95. The Committee welcomes the engagement work conducted by the Commission and appreciates the information provided by the Commission on its engagement activities for 2023. We also note the steps taken by the Director of Communications and Engagement to consult Members on these matters. However, the Committee is disappointed with the lack of detail and associated costs in the draft budget relating to the Commission's engagement activities, particularly as such information has been provided in previous years. This gives the impression that engagement is not as high a priority for the Commission as it once was, and we ask for further information on the initiatives planned for 2024-25, including accompanying costs.

Recommendation 10. The Committee recommends that the Commission continues to explore initiatives to reduce energy usage, both in relation to the Commission estate and Members' constituency offices, with the aim of achieving better value for money.

Recommendation 11. The Committee recommends that further information regarding the Commission's engagement proposals for 2024-25, and associated costs, are included within the Commission's draft budget in future years, and that the Committee is provided with an update of these details as soon as possible.