

Scrutiny of the Senedd Commission Draft Budget 2025-26

October 2024



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October 2024



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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Conclusion and Recommendations

Conclusion 1. The Committee notes the Senedd Commission’s intention to remove the £456,000 relating to staff back-pay from its budgetary proposals for 2025-26 should the First Supplementary Budget 2024-25 be approved by the Senedd on 22 October, and expects that these figures are removed from the Commission’s final budget prior to its consideration by the Senedd later in the autumn term.Page 25

Recommendation 1. The Committee notes the ‘Senedd Commission Draft Budget 2025-26’ and, by majority, recommends the Senedd supports this budget, subject to the comments and recommendations in this report.Page 24

Recommendation 2. The Committee recommends that the Senedd Commission undertakes regular scrutiny sessions with the Committee to discuss how the Commission’s budget preparations are evolving for the 2026-27 financial year.....Page 24

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

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

and that progress is reported to the Finance Committee on these matters before the draft budget for 2026-27 is laid.Page 24

Recommendation 4. The Committee recommends that the Senedd Commission shares a copy of its Medium Term Resource Framework with the Committee to enable a greater understanding of how it is driving forward efficiencies and in order hold such processes to account.....Page 24

Recommendation 5. The Committee recommends that the Senedd Commission considers formalising its engagement with Members of the Senedd and Party Groups prior to the publication of the Draft Budget for future budget rounds and that sufficient time is provided to ensure that the outcomes of this engagement is able to influence budgetary decision making.....Page 24

Recommendation 6. The Committee recommends that the Senedd Commission continues to show separation of ring-fenced budgets and sets out in budget documentation how Senedd Reform costs compare to the Regulatory Impact Assessment estimates in future budgets.....Page 32

Recommendation 7. The Committee recommends that the Senedd Commission attends public evidence sessions in relation to the Cardiff Bay 2032 project, with the first taking place soon after the outline business case is agreed.Page 32

Recommendation 8. The Committee recommends that the Senedd Commission provides information regarding how decisions relating to the Cardiff Bay 2032 project will be taken, including when Members of the Senedd will be involved in such decisions and related timescales.Page 32

Recommendation 9. The Committee recommends that the Senedd Commission explains:

- what mechanisms will be in place regarding agreeing dilapidation payments at the end of the Tŷ Hywel lease;
- how it is ensuring that any current or future projects on the building are aiming to reduce such liabilities; and
- how these costs will be absorbed by the Cardiff Bay 2032 project and whether such costs will be ring-fenced in future.Page 33

Recommendation 10. The Committee recommends that the Senedd Commission provides information regarding its estate strategy over the next 5 to 10 years by the beginning of the 2025-26 financial year, including details of any large scale projects being undertaken within that timeframe and associated costs, where available.Page 33

Recommendation 11. The Committee recommends that the Senedd Commission provides further information about the Pierhead Review Project within three months of the review’s conclusion.Page 33

Recommendation 12. The Committee recommends that the Senedd Commission provides updates on developments relating to pay agreements for Commission staff in 2025-26 and, if the pay awards are above the five per cent figure included in the Draft Budget, the Commission provides an explanation of how these payments will be funded.Page 42

Recommendation 13. The Committee recommends that the Senedd Commission shares details of its benchmarking exercise with senior management staffing structures in other UK parliaments with the Committee.....Page 42

Recommendation 14. The Committee recommends that the Senedd Commission provides an update to the Committee on its plans for Artificial Intelligence software by the beginning of the 2025-26 financial year and sets out the governance arrangements and ethical considerations underpinning its use by Members, support staff and Commission staff.....Page 42

Recommendation 15. The Committee recommends that the Senedd Commission continues to monitor changes in staff wellbeing through staff surveys and provides the Committee with updates on the results of those surveys and the actions taken to mitigate pressures on staff ahead of the election in 2026.
.....Page 42

Recommendation 16. The Committee recommends that the Senedd Commission provides a list of planned projects for 2025-26, with estimated allocated funding, before the start of the 2025-26 financial year and for such an approach to be adopted for future budgets.....Page 45

Recommendation 17. The Committee recommends that the Senedd Commission provides the Committee with details of its long-term project plans up to 2032, including estimated costs of individual projects, if known.....Page 45

1. Introduction

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 2025-26: Planned Step Change' (the Draft Budget), was laid on 27 September 2024.³ The Committee considered the Commission's proposals at its meeting on 3 October 2024⁴, taking evidence from:

- Hefin David MS, Commissioner for Budget and Governance;
- Manon Antoniazzi, Chief Executive and Clerk of the Senedd;
- Ed Williams, Director of Senedd Resources;
- Simon Hart, Interim Chief Finance Officer, Senedd.

¹ [Standing Orders of the Welsh Parliament](#)

² [Standing Orders of the Welsh Parliament](#)

³ Senedd Commission, [Draft Budget: 2025-26](#), September 2024

⁴ Finance Committee, RoP, 3 October 2024

2. Senedd Commission Draft Budget 2025-26

4. The Committee has issued a Statement of Principles⁵ it expects Directly Funded Bodies ('DFBs') to have regard to when formulating budget requests. The Committee is currently in the process of reviewing the Statement of Principles, having consulted the DFBs in May 2023.⁶

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 19 July 2024, the then Cabinet Secretary for Finance, Constitution and Cabinet Office wrote to the Committee to set out various factors to inform the forward financial planning for DFBs as they prepare their budgets for the 2025-26 financial year.⁷

6. According to the Draft Budget:

"The Commission has kept these principles firmly in mind in the preparation of its budget estimate for 2025-26. The estimate is transparent and the evidence of the need for, and benefit from,

⁵ Finance Committee, [Statement of Principles](#), July 2021

⁶ [Letter from the Chair of the Finance Committee to the Directly Funded Bodies, 4 May 2023](#)

⁷ [Letter from the Cabinet Secretary for Finance, Constitution and Cabinet Office to the Chair of the Finance Committee, 19 July 2024](#)

the resources requested is provided in the narrative of this [budget] document.”⁸

7. When asked how the Commission considered the Statement of Principles when formulating its budgetary proposals, the Commissioner stated that:

“... fundamentally, one of the first things that I, when I became a commissioner, was briefed on and became aware of and worked into my everyday life was the Finance Committee's five statements of principles. Everything we do is geared towards that for directed funded bodies, and I think it's really important, particularly that last one ... '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.’”⁹

The Senedd Commission's Draft Budget 2025-26

8. The overall Commission budget for 2025-26 is £84.301 million¹⁰, compared to £72.195 million at the Draft Budget 2024-25. This represents an increase of £12.106 million compared with the Draft Budget 2024-25, or 16.8 per cent. 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 11 below).

9. Commission related expenditure (which excludes Members' related expenditure), including depreciation, increases by £10.582 million or 21 per cent compared with the Draft Budget 2024-25. More than half of the increase is attributed to Senedd Reform (an increase of £4.417 million) and Ways of Working (£0.865 million), both of which are set out as “ring-fenced” project budgets and are explored in greater detail under Chapter 3.

10. Commission related expenditure (excluding these two ring-fenced project budgets and interest and depreciation), is £46.135 million, up £4.604 million or 11.1 per cent on the Budget 2024-25. Other costs include:

- Members' salaries and related costs are £20.525 million, an increase of £1.345 million or 7 per cent compared with the Budget 2024-25;

⁸ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 26

⁹ Finance Committee, RoP, 3 October 2024, paragraphs 21-22

¹⁰ Senedd Commission, [Draft Budget: 2025-26](#), September 2024

- the budget to support the Independent Remuneration Board decreases by £25,000 to £602,000;
- the budget for the Office of the Standards Commissioner increases by £4,000 to £105,000;
- Commission depreciation charges are £5 million, down £250,000;
- Members' pension finance costs are £1 million, a reduction of £800,000; and
- there is a ring-fenced budget of £1 million for election-related expenditure.

11. 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.¹¹ Any underspends against this Determination are therefore returned to the Welsh Consolidated Fund.

¹¹ Finance Committee (Fifth Senedd), [The Assembly Commission's use of the Remuneration Board's Determination underspend](#), May 2018

1: Senedd Commission Draft Budget 2025-26 (£'000)¹²

	2024-25	2025-26	Change 2025-26 from 2024-25		2026-27	2027-28
Commission Related Expenditure	£000	£000	£000	%	£000	£000
Staff Salaries and Related Costs	£29,663	£32,351	£2,688	9.1%	£33,033	£34,281
Accommodation and Facilities	£5,991	£6,229	£238	4.0%	£6,372	£6,520
ICT Costs	£2,731	£2,944	£213	7.8%	£3,009	£3,047
Other Costs	£2,061	£2,172	£111	5.4%	£2,108	£2,095
Total Revenue Expenditure	£40,446	£43,696	£3,250	8.0%	£44,522	£45,943
Total Income	-£100	-£61	£39	-39.0%	-£61	-£61
Capital Expenditure	£500	£500	£0	0.0%	£500	£500
Project Fund	£1,000	£2,000	£1,000	100.0%	£1,000	£1,000
Savings to be Identified	-£315	£0	£315	..	£0	£0
Total Operational Resource	£41,531	£46,135	£4,604	11.1%	£45,961	£47,382
Interest Charges	£610	£600	-£10	-1.6%	£590	£580
Depreciation Charges	£4,750	£5,000	£250	5.3%	£5,000	£5,000
Ring-fenced project budgets						
Senedd Reform Costs	£2,065	£6,482	£4,417	213.9%	£6,830	£5,399
Ways of Working	£1,531	£2,396	£865	56.5%	£2,256	£1,933
2024-25 Back Pay Provision		£456	£456	..		
Total Commission Related Expenditure	£50,487	£61,069	£10,582	21.0%	£60,637	£60,294
Member Related Expenditure						
Members' Salaries and Related Costs	£19,180	£20,525	£1,345	7.0%	£21,129	£21,751
Members' Salaries and Related Costs arising from Senedd Reform	£0	£0	£0	..	£10,569	£10,569
Budget for the Office of the Standards Commissioner	£101	£105	£4	4.0%	£108	£110
Administration Budget for the Independent Remuneration Board	£627	£602	-£25	-4.0%	£598	£614
Election Related Expenditure	£0	£1,000	£1,000	..	£2,500	£0
Members' Pension Finance Costs	£1,800	£1,000	-£800	-44.4%	£1,000	£1,000
Total Commission Budget	£72,195	£84,301	£12,106	16.8%	£96,541	£94,338

¹² Senedd Commission, Draft Budget 2025-26, September 2024 and Senedd Research calculations

12. The Draft Budget document states that:

“2025-26 is the final year of the 6th Senedd, requiring significant additional delivery by the Commission to ensure the Senedd and the Commission are prepared for the enlarged 7th Senedd. It is the first year of significant increase in budget requirements as set out in the published Regulatory Impact Assessment (RIA) for Senedd Reform change.”¹³

13. When appearing before the Committee, the Commissioner described the Draft Budget as a “step change”, adding that:

“The reason for that step change is because we've been tasked by two thirds of the Parliament—a two-thirds majority of the Parliament—to engage in Senedd reform, and that was carried through a democratic vote of the Parliament. It's now up to the Parliament to decide whether they wish to fund, and the committee themselves to decide, whether this should be funded in the way that we propose. My argument today is that there isn't really any other way of doing it.”¹⁴

14. The Commissioner went to on to say that there were “four key pressures on the budget”, explaining that:

“... the four areas we've got to find money for are, fundamentally, Senedd reform, which is an about £6.4 million increase this year; ways of working, which is the Bay 32 project ... that's about £2.4 million; and critical infrastructure projects ... And finally, the pay award for staff.”¹⁵

15. The Commissioner also stated that “these were unavoidable pressures that have led to this 16 per cent increase to deliver a 60 per cent increase in the size of the Senedd”¹⁶ and that these costs compare favourably with other parliaments, noting that “the Scottish Parliament is £195,000 more expensive per Member than the Senedd”.¹⁷

16. In terms of the 11 per cent increases in operational costs contained within the Draft Budget that is not related to either Senedd Reform or Ways of Working, the

¹³ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 7

¹⁴ Finance Committee, RoP, 3 October 2024, paragraph 23

¹⁵ Finance Committee, RoP, 3 October 2024, paragraph 24

¹⁶ Finance Committee, RoP, 3 October 2024, paragraph 25

¹⁷ Finance Committee, RoP, 3 October 2024, paragraph 130

Commissioner explained that this was due to “circumstances beyond the Commission”, stating that:

“The issue is that, first of all, we've got the pay deal ... and the pay deal is very much part of the operational budget. And that 5 per cent is higher than we bargained for, and that is because of factors beyond our control ...

And the other issue is the fact that we are required to do more this year. So, there are additional committees that will be running ... So, they require staffing, and that has required four temporary staff to come in to clerk those committees. So, that has also added to the operational budget.”¹⁸

17. The interim Chief Finance Officer added that:

“... the operational budget does include other elements. So, it includes non-pay items, like accommodation and ICT costs, and those are under a bit of pressure as well. So, ICT in particular has gone up by 7 per cent—it's a worldwide phenomenon ... post COVID, ICT is costing more. But critically, that operational budget line includes the project fund ... So, in addition to the very fulsome update around the 9 per cent, there are other elements that make it 11.01 per cent overall.”¹⁹

18. When asked about the Commission’s future budgets, beyond the 2025-26 financial year, the Commissioner said:

“Well, if you think of it logically, we've got to prepare for another additional 36 Members. You're not going to get the whole accommodation sorted in a year. We're going to decanter to the Siambri in Tŷ Hywel, so that's going to be a challenge that isn't going to happen in one budget year. Then we're going to have to move back. New Members' offices will need to be populated, and when new Members come in, there's going to be a whole load of induction and additional costs with that. So, the step change isn't a one-year step change, it's a two-year, two-and-a-half-year step change. What the aim would be though is to reach that steady state in the seventh Senedd.”²⁰

¹⁸ Finance Committee, RoP, 3 October 2024, paragraphs 49-51

¹⁹ Finance Committee, RoP, 3 October 2024, paragraphs 82

²⁰ Finance Committee, RoP, 3 October 2024, paragraph 203

Back Pay Allocation

19. The Draft Budget includes a ring-fenced amount of £456,000 “to provide funds for a potential back payment of the agreed adjustment to Commission staff lower pay bands in order to settle the 2024-25 pay negotiations and to seek to settle the next pay deal”.²¹ This has been included in the Draft Budget because of a delay in the Welsh Government bringing forward its First Supplementary Budget 2024-25, which normally includes supplementary budget requests made by the DFBs, due to the UK General Election.²²

20. The Committee scrutinised the Commission’s supplementary budget request²³ on 22 May.²⁴ Following the evidence session, the Committee wrote to the Commission to request further information.²⁵ The Commission responded on 19 July, providing information on how it was engaging with Members to prioritise services.²⁶ The Senedd will consider the First Supplementary Budget 2024-25 on 22 October 2024 and further consideration of these issues are included in the Committee’s report.²⁷

21. When asked what the impact of the delay in the Welsh Government laying its First Supplementary Budget for 2024-25 on the Commission’s budget setting process, the Commissioner stated that:

“... so we gave evidence ... in ... May, on the supplementary budget. We were very pleased to have your approval of that and support, with some very clear recommendations for engaging with Members in the future. The Welsh Government’s supplementary budget will be debated on 22 October, so we should see the supplementary budget cleared by then. I would hope that Members would follow the recommendation of the Finance Committee and support the supplementary budget, if it was a recommendation—I assume it was a supporting note, anyway. That would take out £456,000 from the draft budget,

²¹ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 14

²² Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 14

²³ Senedd Commission, [Supplementary Budget 2024-25: Explanatory Memorandum](#), May 2024

²⁴ Finance Committee, RoP, 22 May 2024

²⁵ [Letter from the Chair of the Finance Committee to the Senedd Commissioner for Budget and Governance, 23 May 2024](#)

²⁶ [Letter from the Senedd Commissioner for Budget and Governance to the Chair of the Finance Committee, 19 July 2024](#)

²⁷ [Finance Committee, First Supplementary Budget 2024-25, October 2024](#)

because that would go in as back pay and would represent that saving then to the 2025-26 budget.”²⁸

22. The Commissioner also explained that:

“The impact it's had has been more on engagement with trade unions and the development of the framework for a three-year pay deal. Because of that, because we've been delayed with that, it's been very difficult to progress properly trade union negotiations ... But we've been able to manage into the draft budget the amount of money we need, which I think was £456,000, to cover those costs. So, it's not been an insurmountable problem, and the benefit it will have is if, after 22 October, the supplementary budget is passed, then we could take that out, run the back pay, and carry on then with the deal with the trade unions, which should be moveable then and possible to continue.”²⁹

Savings and Efficiencies

23. Unlike the 2024-25 budget, there is no target in the Draft Budget for “savings to be identified”.³⁰

24. The Commissioner explained that the Commission had been able to produce savings in previous budgets by delaying critical infrastructure projects³¹ (costs relating to projects are considered in greater detail under Chapter 5). However, the Commissioner stated that this was not possible for 2025-26, explaining that:

“... we've had in-year savings in the last couple of years, and I think that sponge has been squeezed probably as dry as you are going to be able to squeeze it without having a direct impact on what Members and members of the public see.”³²

²⁸ Finance Committee, RoP, 4 October 2024, paragraph 11

²⁹ Finance Committee, RoP, 4 October 2024, paragraph 15

³⁰ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, Table 2

³¹ Finance Committee, 3 October 2024, paragraph 24

³² Finance Committee, 3 October 2024, paragraph 103

25. The Commissioner added that he had:

“... asked for a list of things we could cut from the £2 million that is there that isn't compulsory for us to spend, but it would have an impact on Members.”³³

26. The Commissioner went on to provide a list of examples of services that could have been cut:

“... things like Members' training and development—£115,000. ... Members like to travel internationally. We could stop that. That would save £55,000. Staff training across the Senedd Commission. We could end staff training completely. Reactive maintenance. Well, if we stopped fixing the gate, it would save money, but it would impact on security. Members' travel. One of the things I'd be interested to explore, actually, is committee visits. Do committees really need to go on visits anymore when we've got Teams?

... And events, engagement and education—our outreach to schools, bringing schools in. We could end that. We'd save £100,000 ... We could close the Senedd out of term time as well, out of sitting hours. We could prevent the building from being open during protests. There's a whole load of things that we could do that could bring in money, but every single one of them would diminish our ability to link with the public as a Parliament, and it would diminish, you as Members, your abilities to act as Members comparable to Parliaments such as the House of Commons or Holyrood.³⁴

27. The Commissioner concluded that this would be a “backward step” but that “if it is the will of the Finance Committee, and it is the will of the Senedd, then that is what we would have to do”.³⁵

28. The Commissioner also told the Committee that:

“The Commission has taken the decision this year that to work on the kind of minimal savings you might be able to find that would directly impact Members that I've mentioned would take away from the work that is being done to deliver a Parliament

³³ Finance Committee, 3 October 2024, paragraph 103

³⁴ Finance Committee, 3 October 2024, paragraph 104

³⁵ Finance Committee, 3 October 2024, paragraph 104

fit for 2030. And I think if we start going down the route of savings, it will mean that we'd need to engage with Members and make sure that Members are happy with some of those savings that will be unpalatable.”³⁶

The Medium Term Resourcing Framework

29. The Medium Term Resourcing Framework (MTRF) was introduced by the Commission ahead of the 2024-25 budget round to identify, understand and cost future cost pressures ahead of budgeting. The Commission states, for the medium term, that its assumption is that its “financing requirements will be in excess of available resourcing”.³⁷ It adds:

“The Commission therefore needs to understand and mitigate the gap between the two in order to continue to deliver against agreed priorities whilst also supporting the core business needs.”³⁸

30. This framework includes a rolling three-year Medium Term Financial Plan and a Workforce Plan, including a Target Establishment for permanent staffing numbers (costs relating to the workforce is explored in Chapter 4). When comparing to provisional estimates of the Total Commission Budget for 2025-26 and 2026-27³⁹, the Draft Budget 2025-26 shows increases of £7.0 million and £4.5 million for 2025-26 and 2026-27 compared to the forward estimates in the 2024-25 document.⁴⁰

31. When asked how the Commission identifies efficiencies within its budget processes, the Commissioner stated that:

“... the medium-term resourcing framework does exactly that ... That's what it is there for. It only came in in 2022, so it's new, but it's a rolling three-year programme, and it is designed to do exactly that. I've looked at it in detail, and I'm convinced that it will continue to deliver savings once we reach a steady state, after the step change. But I'm not convinced that we can

³⁶ Finance Committee, 3 October 2024, paragraph 139

³⁷ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 12

³⁸ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 12

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

⁴⁰ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 32

introduce those savings when we're asked to increase our work."⁴¹

32. The Chief Executive also provided examples of how the MTRF is identifying efficiencies:

*"... when we went through our service planning exercise this year, we identified the need for 16 more staff members. So, we've ended up asking for four temporary staff members in addition. The rest of that pressure was absorbed within the organisation through the efficiency judgments that you're recommending. So, there's a lot of work that is already built into the bottom line, a lot of savings built into the bottom line that we have identified, as the Commissioner said, through the operation of our medium-term resourcing framework."*⁴²

33. The Commissioner confirmed that he was unable to provide examples of savings made under the MTRF in the Draft Budget, but explained that:

*"... once we're into a steady state following the step change into the seventh Senedd, it will deliver savings, because that's its job."*⁴³

34. The Commissioner also explained how the MTRF had influenced the Commission's current spending plans:

"At this point in time, it's telling us that if you want to deliver savings, they've got to be in those unpalatable areas. But what it does do is it gives us a clear assessment of the long-term future workforce needs, so it gives us that target. All we want in a budget, really, is predictability, and we haven't had that this year and next year, but the MTRF will deliver that predictability. It will give us the opportunity to identify where staff are lacking skills and development and may need experience and movement, and may need training ...

It'll give us very good succession planning ... It also gives clear milestones for delivery, but they've got to be linked to the other outside pressures—like Senedd reform, like ways of working and Bay 32—that we've been tasked to deliver, and ad hoc

⁴¹ Finance Committee, RoP, 3 October 2024, paragraph 126

⁴² Finance Committee, RoP, 3 October 2024, paragraph 128

⁴³ Finance Committee, RoP, 3 October 2024, paragraph 142

committees that the Government and the Senedd want us to do.”⁴⁴

Engagement with Members

35. The Commissioner explained that engagement with Members on the Draft Budget is “massively important”⁴⁵, and explained a number of actions taken by the Commission to engage with Members at an early stage prior to its publication of the Draft Budget this year:

“... one of the things we've done is set up a Members reference group, which is partly about the works in Tŷ Hywel, but we've also got a Siambr group as well to talk about adaptations to the Chamber and discuss those things in order for Members outside of the Commission to have a direct say ... So, the shape of the Chamber has been driven by, not the Commission, but by Members who are not part of the Commission and not part of the Government even, to drive some of this stuff. And the same with the adaptations to Tŷ Hywel.”⁴⁶

36. The Commissioner also stated that he “wanted to see better engagement than previously” because of the large increases involved in the Draft Budget, and explained that he, as well as members of the Commission’s senior management team, discussed the Draft Budget with party groups in the Senedd prior to its publication. He went on to say that:

“... a detailed briefing paper was presented to groups ... And some of the questions that were asked ... really did help us inform some of the things we wanted to do. It also enabled me to identify those Members who had concerns and I had further conversations with them.”⁴⁷

37. The Commissioner added that:

“What I'd like to do in future is perhaps have a formalised, codified process for consultation on the budget and, rather than doing it in September, perhaps do it in July, before Members go away for the summer so that they can think about

⁴⁴ Finance Committee, RoP, 3 October 2024, paragraph 143

⁴⁵ Finance Committee, RoP, 3 October 2024, paragraph 70

⁴⁶ Finance Committee, RoP, 3 October 2024, paragraph 68

⁴⁷ Finance Committee, RoP, 3 October 2024, paragraph 69

it. And I think that having that process would enable Members to buy more closely into some of the decisions we've got.”⁴⁸

38. Further details regarding the Commission’s approach to engaging with Members on future service delivery was provided in correspondence from the Commissioner, in response to a recommendation made by the Committee in its report on the 2024-25 draft budget.⁴⁹

Committee View

39. The Committee notes the Commission’s Draft Budget 2025-26 and that this is a “step change” budget with the majority of the increases required to deliver an enlarged Senedd in May 2026. We also recognise that the Draft Budget is putting into practice the decision taken by the Senedd, by passing the Senedd Cymru (Members and Elections) (Wales) Act 2024⁵⁰ earlier this year (costs relating to Senedd Reform are considered in further detail under Chapter 3). We also note the Commissioner’s view that the increases included are because of “unavoidable pressures” that are largely beyond the Commission’s control. The Committee believes that the the Senedd should support the Commission’s overall request for resource in 2025-26, subject to the comments and recommendations outlined below. Peter Fox MS does not agree that the Senedd should support this budget because of his objection to the principle of Senedd Reform but otherwise supports the views expressed in this report.

40. The Committee welcomes that the Commission continues to apply the Statement of Principles when preparing its budgetary proposals, particularly when justifying the substantial increase in its funding for 2025-26. We also note the information relating to the ring-fenced budgets (explored further in Chapter 3) and in the tables outlining the budget details included in Annex 2 of the Draft Budget document⁵¹, as well as the additional information on operational costs provided by the Commissioner and the Interim Chief Finance Officer during the evidence session.

41. However, the Committee believes that having such a short period to scrutinise and report on the Commission’s budget does make it challenging to drill down and get an understanding of what is driving changes in costs across the Draft Budget. This makes it difficult to get the assurances we would like on the

⁴⁸ Finance Committee, RoP, 3 October 2024, paragraph 70

⁴⁹ [Letter from the Senedd Commissioner for Budget and Governance to the Chair of the Finance Committee, 19 July 2024](#)

⁵⁰ [Senedd Cymru \(Members and Elections\) \(Wales\) Act \(asc 4\)](#)

⁵¹ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 32

appropriateness of the overall Commission's annual budget, particularly this year given the large increases involved.

42. Likewise, the Committee notes the Commission's early indication of the nature of its budgetary proposals beyond 2025-2026. However, the Committee wants to be kept informed of how these budgets are being developed to get a better idea of what a "steady state" budget beyond the 2026 election will look like and to ensure a clear and transparent approach to future budgeting.

43. The Committee has previously received correspondence from the Commission asking for "Standing Orders to be revised so that the Commission's budget timetable could be moved to a later date".⁵² The letter also reiterates views expressed by the previous Commissioner during last year's evidence session on the Draft Budget that the Commission would be "really grateful" if Business Committee could look again at the Standing Orders relating to the Commission's budget procedures as the current "budgetary cycle is far from ideal".⁵³

44. The Committee has pursued these issues with the Welsh Government on behalf of the Commission⁵⁴ and notes that discussions are ongoing.⁵⁵ In the meantime, we believe there are actions that the Commission should take to enhance its engagement with the Committee on its budgetary plans prior to the Draft Budget being laid, on or before 1 October. We therefore call on the Commission to attend regular scrutiny sessions to discuss how budget preparations are evolving for the 2026-27 financial year.

45. The Committee notes that the Commission has had to prepare its Draft Budget without knowing whether its supplementary budget request, which is incorporated within the First Supplementary Budget 2024-25, will be agreed by the Senedd. The Committee has previously considered this request and wrote to the Commission noting its agreement in principle to the allocation of such funds in May 2024.⁵⁶

46. We accept that these costs have been included in the Draft Budget as a contingency measure in case the supplementary budget is not agreed and note that the costs will be removed from the Commission's final budget, should this request be agreed by the Senedd on 22 October.

⁵² [Letter from the Senedd Commission to the Chair of the Finance Committee, 11 December 2023](#)

⁵³ [Finance Committee, RoP, 5 October 2023, paragraph 36](#)

⁵⁴ [Letter from the Chair of the Finance Committee to the Cabinet Secretary for Finance, Constitution and Cabinet Office, 4 July 2024](#)

⁵⁵ [Letter from the Cabinet Secretary for Finance, Constitution and Cabinet Office, 1 August 2024](#)

⁵⁶ [Letter from the Chair of the Finance Committee to the Senedd Commissioner for Budget and Governance, 23 May 2024](#)

47. The Committee notes the evidence provided regarding in-year savings that were made in 2023-24 and how the Commission’s Medium Term Resourcing Framework (MTRF) is intended to drive efficiencies. We also recognise that the MTRF is having an impact on the way that the Commission manages its budget and that it is designed to deliver savings. We note that the Commission has provided the Public Accounts and Public Administration Committee with a copy of the MTRF as a private document⁵⁷, and ask if it could also be shared with the Finance Committee.

48. We also note the reasons provided by the Commission for not setting a savings target in its Draft Budget and that cutting areas in the budget for 2025-26 would be a “backward step”. However, whilst we agree that the lack of savings for the next financial year is understandable because of Senedd expansion, the Committee believes that the inclusion of targets with the aim of generating savings are essential to guard against a culture of complacency developing within the Commission. The Statement of Principles makes it clear that it expects Directly Funded Bodies to “continually seek to improve processes and accrue efficiencies”⁵⁸ and we believe that the Commission should not be immune from this principle because of Senedd expansion and should actively seek reductions in its budgetary lines wherever possible.

49. Like any other organisation in the Welsh public sector, the Commission needs to be mindful of the wider economic outlook when managing its budget and needs to demonstrate how it accrues efficiencies alongside any increases in its budget. In particular, the Committee expects the Commission to be able to evidence how efficiencies are being sought and realised on an annual basis.

50. The Committee also believes that the significant changes to the Commission’s budget brought about by Senedd Reform should be used as an opportunity to improve processes relating to generating efficiencies. We have previously recommended that the Commission continually seeks to improve processes around making savings on an annual basis.⁵⁹ We believe this is more important than ever given the cost increases included in this year’s Draft Budget.

51. The Committee recognises the steps taken by the Commission to engage with Members and party groups in the Senedd ahead of the Draft Budget being published this year. We also welcome the Commission’s openness as well as its commitment to establish processes for budgetary engagement with Members, particularly given the significant increases included for 2025-26 and provisionally

⁵⁷ Public Accounts and Public Administration Committee, [Agenda](#), 9 October 2024

⁵⁸ Finance Committee, [Statement of Principles](#), July 2021

⁵⁹ Finance Committee, [Scrutiny of the Senedd Commission Draft Budget 2024-25](#), October 2023

for 2026-27. We believe this approach should be formalised in future years, including building in sufficient time to ensure that views expressed prior to the Draft Budget being published can influence budgetary outcomes.

52. The Committee is grateful to the Commission for providing an indication of the nature of its budgetary proposals beyond 2025-2026. However, the Committee wants to be kept informed of how these budgets are being developed to get a better idea of what a “steady state” budget beyond the 2026 election will look like and to ensure a clear and transparent approach to future budgeting.

Recommendation 1. The Committee notes the ‘Senedd Commission Draft Budget 2025-26’ and, by majority, recommends the Senedd supports this budget, subject to the comments and recommendations in this report.

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

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

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

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

Recommendation 4. The Committee recommends that the Senedd Commission shares a copy of its Medium Term Resource Framework with the Committee to enable a greater understanding of how it is driving forward efficiencies and in order hold such processes to account.

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

Conclusion 1. The Committee notes the Senedd Commission's intention to remove the £456,000 relating to staff back-pay from its budgetary proposals for 2025-26 should the First Supplementary Budget 2024-25 be approved by the Senedd on 22 October, and expects that these figures are removed from the Commission's final budget prior to its consideration by the Senedd later in the autumn term.

3. Ring-fenced Budgets

53. There are three ring-fenced budgets contained in the Draft Budget, with any underspends against these budgets to be returned to the Welsh Consolidated Fund:

- Senedd Reform (£6.482 million);
- Ways of Working (£2,396 million); and
- Election costs (£1 million).⁶⁰

54. The 2024-25 back-pay provision of £456,000 which is linked to the Commission's Supplementary request and considered in further detail in Chapter 2, is also included as a ring-fenced budget.⁶¹ As noted under Chapter 2, this is a precautionary measure by the Commission and would only be required if the Supplementary Budget request is not authorised.

Senedd Reform

55. The 2025-26 budget for Senedd Reform of £6.482 million is split across:

- Capital costs of £3.874 million;
- Additional staff costs of £1.776 million, relating to 47.9 Full-time Equivalent (FTE) staff (according to the Draft Budget, this compares with an original Regulatory Impact Assessment (RIA) estimate of 59.9 FTE⁶²);
- Non-staff costs of £445,000; and
- Posts approved prior to 2025-26 of £387,000.⁶³

56. The Draft Budget states that:

"... for 2025-26, the anticipated uplift in Senedd Reform-related costs (including the Siambr and Ty Hywel works) is £3.9 million. (Adjusted for inflation and pay awards, the original RIA

⁶⁰ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, pages 17-18

⁶¹ Senedd Commission, [Supplementary Budget 2024-25: Explanatory Memorandum](#), May 2024

⁶² Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 17

⁶³ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 18

estimate for 2025-26 was £3.37 million.) This is equivalent to a 4.67% (adjusted 5.39%) increase on 2024-25.”⁶⁴

57. When asked to explain why the Draft Budget includes costs relating to Senedd Reform which are higher than the estimates contained in the RIA for the Senedd Cymru (Members and Elections) (Wales) Act 2024,⁶⁵ the Commissioner clarified that:

“From the RIA ... the staffing costs from that have gone down. So, we've made the case there: 59.9 full-time equivalent to 47.9 FTE, which is a £400,000 saving in that figure, roughly.

Where the costs have gone up has been in capital costs, but the net increase from the RIA to the draft budget is £400,000. That is not a huge figure for a capital project estimate.”⁶⁶

58. The Commissioner told the Committee that the increases in capital costs related to the work required to enlarge the Siambr to accommodate 96 Members:

“The Senedd was originally designed to be able to be expanded without too much work, but it was designed to be expanded to 80 Members. So, what you would do is take out a row of door frames and change it slightly. You still could have done that with 96, but you would have needed benches, so you would have had House of Commons or Stormont-style benches in the Chamber ... Members expressed a view through the consultation process that they did not want that, because it would mean that not every Member would have a place; they'd have to squash up and the information technology and speaking systems would be inferior for backbenchers compared to frontbenchers.”⁶⁷

59. The Commissioner added that:

“... it was decided through consultation with Members that the public would be better served by Members having their own desk, their own facility, and being able to be viewed and

⁶⁴ Senedd Commission, *Draft Budget: 2025-26*, September 2024, page 10

⁶⁵ *Senedd Cymru (Members and Elections) (Wales) Act (asc 4)*

⁶⁶ Finance Committee, RoP, 3 October 2024, paragraphs 145-146

⁶⁷ Finance Committee, RoP, 3 October 2024, paragraph 147

scrutinised individually in the Chamber by people in the gallery
...⁶⁸

Ways of Working - Cardiff Bay 2032

60. Costs relating to Ways of Working in the Draft Budget are £2.396 million and includes both a Cardiff Bay Workstream and a Regional Working Workstream.⁶⁹

Cardiff Bay 2032

61. In relation to the Cardiff Bay 2032 project, the Draft Budget document states that:

“This project will provide the Commission with long-term, secure accommodation beyond the 2032 end of the Tŷ Hywel lease (which currently accommodates Member offices and facilities, Commission staff and Welsh Government). This project is in its early stages but has a tight timetable to ensure accommodation is ready by 2032.”⁷⁰

62. The Committee’s report on the Draft Budget 2024-25 recommended that the Commission provides further information about the Cardiff 2032 project and how Members would be engaged with in its development.⁷¹ In December 2023, the Commission approved a Strategic Outline Case.⁷² The Commission has attended private sessions with the Committee regarding the Tŷ Hywel 2032 project on 6 March⁷³ and 18 September 2024.⁷⁴ The Commissioner provided Members with an update on the Cardiff Bay 2032 project, stating that:

“There’s a lot to be said on Bay 32 at the moment. We’ve moved from a single procurement source to three potential procurement sources, and the idea is that that will, over 50 years, reduce the cost, because you’ll be able to find better procured services through a series of choices than you would if you had to go with a monopoly, although the procurement process will be a bit costly in the short run because obviously

⁶⁸ Finance Committee, RoP, 3 October 2024, paragraph 147

⁶⁹ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 20

⁷⁰ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 19

⁷¹ Finance Committee, [Scrutiny of the Senedd Commission Draft Budget 2024-25](#), October 2023, Recommendation 7

⁷² Senedd Commission, [Minutes](#), 11 December 2023

⁷³ Finance Committee, [Minutes](#), 6 March 2024

⁷⁴ Finance Committee, [Minutes](#), 18 September 2024

*you're dealing with three instead of one. I think that's a net saving over time."*⁷⁵

63. When asked whether the Commission, as the tenant of the Tŷ Hywel building, was responsible for dilapidations and repairs, the Director of Senedd Resources told us:

*"As the anchor tenant, it's our responsibility while we're here, and we undertake reactive maintenance all of the time across the estate. But obviously, if we were to decide not to renew the lease, then we would be into a negotiation around dilapidations. But as I say, that is a negotiation."*⁷⁶

64. In terms of costs, the Commissioner confirmed that:

*"... the Bay 32 project will absorb a lot of this in that the ongoing needs for a sustainable and modern building will be addressed through that."*⁷⁷

65. When asked what role the Committee will have in decisions about the Cardiff Bay 2032 project, the Commissioner explained that:

*"You've got your statutory role, you can call us in at any time for a discussion on the budget, but I think we should be more structured and strategic than that. What I'd like to be able to do is come here and give a direct evidence session on Bay 32."*⁷⁸

66. The Commissioner also told Members that:

"I would suggest perhaps the committee holds a session with me and staff at a later date when the process has gone down the road a little bit further. I'd be happy to do something public on the record, but I think perhaps precede it with a technical briefing that covers the commercially confidential aspects of it. The commercially confidential aspects we would not want to discuss in public because that would damage our ability to deliver, but we could certainly then have a public session on the broader aspects and the public interest bits that demonstrate

⁷⁵ Finance Committee, RoP, 3 October 2024, paragraph 156

⁷⁶ Finance Committee, RoP, 3 October 2024, paragraph 33

⁷⁷ Finance Committee, RoP, 3 October 2024, paragraph 38

⁷⁸ Finance Committee, RoP, 3 October 2024, paragraph 156

value for money. So, I'm making an offer to you now: if you want to call me in for that, I'd be happy to do it.”⁷⁹

Pierhead Review

67. The Draft Budget refers to a Pierhead Review Project within the Ways of Working budget, with costs amounting to £130,000 for 2024-25.⁸⁰

68. When asked about this project, the Commissioner told Members that:

“The Pierhead project is currently going through an options analysis. We’ve already worked on the north Wales office, the Siambwr and Senedd building, Tŷ Hywel—all these are covered in the budget. So, we need to start looking now at an options analysis for the use of the Pierhead. That options analysis is going to include expanding commercial use. I think if there’s a building that really has potential for expanding commercial use, it’s the Pierhead, because of its iconic status.”⁸¹

69. The Commissioner added that it is “early days” and that it “will be concluded in the next two to three months”.⁸²

Committee View

70. The Committee welcomes the clear way in which costs relating to delivering an increase in membership of the Senedd is presented in the Draft Budget. In particular, we continue to support the transparency provided by the separation of ring-fenced budgets for Senedd Reform, Ways of Working and election costs. As stated in our views under Chapter 2, the enlargement of the Senedd amounts to significant organisational change that will involve higher costs. We believe these costs should be presented in the clearest way possible to enable them to be held to account and we believe the Draft Budget achieves this aim.

71. We also note that costs relating to Senedd Reform in the Draft Budget has increased from the estimates presented in the Regulatory Impact Assessment (RIA)⁸³ for the Senedd Cymru (Members and Elections) (Wales) Act 2024⁸⁴, which

⁷⁹ Finance Committee, RoP, 3 October 2024, paragraph 157

⁸⁰ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 20

⁸¹ Finance Committee, RoP, 3 October 2024, paragraph 166

⁸² Finance Committee, RoP, 3 October 2024, paragraph 166

⁸³ Senedd Cymru (Members and Elections) (Wales) Bill, [Explanatory Memorandum](#), September 2023

⁸⁴ [Senedd Cymru \(Members and Elections\) \(Wales\) Act \(asc 4\)](#)

the Committee considered during its passage through the Senedd.⁸⁵ We note that these costs amount to significant percentage increases in the costs of delivering Senedd Reform, and also recognise that they are offset in part by the staff costs for Senedd Reform in 2025-26 being lower than what was estimated in the RIA.

72. We note the information provided by the Commissioner during the evidence session in relation to the Bay 2032 project, which builds on the helpful information shared by the Committee in two private technical sessions regarding the project held on 6 March⁸⁶ and 18 September.⁸⁷ While the Committee found these private technical briefings helpful, we welcome the Commissioner's willingness to appear before the Committee in public session to give evidence on this project.

73. We recognise that aspects of the project will be commercially sensitive. Where possible, the Committee favours public evidence sessions to ensure that the project progresses with integrity and in a transparent manner so that the Committee and the public at large are able to understand more about the project and the associated costs involved.

74. As it is clear that the project is progressing to a stage where more detailed options are being considered, and as cost estimates are developed, it is important that the Committee and Members of the Senedd are informed of developments at regular intervals. Clarity is also needed regarding who will make decisions relating to this project and how the Committee and Members more widely will be available to influence and meaningfully contribute to the Commission's consideration. This includes timescales and an indication of when Members of the Senedd will be able to vote on this matter in Plenary.

75. The Committee has previously commented on the Commission's estate strategy and particularly its lease obligations and the extent to which it is responsible for the maintenance of the Tŷ Hywel building.⁸⁸ The Committee notes the Commission's obligations for repairs and maintenance on the Tŷ Hywel estate during the term of the lease and that responsibility for dilapidations is subject to negotiation between the Commission and the landlord if the lease is not renewed. However, we call for further clarity on this issue and ask the Commission to provide details of arrangements for agreeing any dilapidation payments in a

⁸⁵ Finance Committee, [Financial implications of the Senedd Cymru \(Members and Elections\) Bill](#), January 2024

⁸⁶ Finance Committee, [Minutes](#), 6 March 2024

⁸⁷ Finance Committee, [Minutes](#), 18 September 2024

⁸⁸ Finance Committee, [Scrutiny of the Senedd Commission Draft Budget 2024-25](#), October 2023, Recommendation 7

scenario where the Commission does not extend the lease or purchase Tŷ Hywel. The Committee also notes that these costs may be absorbed within the Cardiff Bay 2032 project, but that this is not fully explained in the Draft Budget and we call for clarity on this point.

76. The Committee notes that supporting Senedd Reform and Ways of Working involves the delivery of significant capital projects which are high risk, complex and expensive. Due to their likely impact on the Commission's budgetary plans in 2025-26 and beyond, the Committee calls for further clarity on the Commission's long-term estate strategy, and asks for a strategic capital plan covering the next 5 to 10 years to be provided, including any estimated costs, if known at this stage.

77. The Committee notes the information provided by the Commissioner relating to the Pierhead Review project and recognises that this is at an early stage in development, with the results to be known in "two or three months". The Committee agrees that the Pierhead building has commercial potential and asks to be updated on progress to ensure that any plans will maximise the usage and value for money from this part of the Senedd estate.

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

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

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

Recommendation 9. The Committee recommends that the Senedd Commission explains:

- what mechanisms will be in place regarding agreeing dilapidation payments at the end of the Tŷ Hywel lease;
- how it is ensuring that any current or future projects on the building are aiming to reduce such liabilities; and

- how these costs will be absorbed by the Cardiff Bay 2032 project and whether such costs will be ring-fenced in future.

Recommendation 10. The Committee recommends that the Senedd Commission provides information regarding its estate strategy over the next 5 to 10 years by the beginning of the 2025-26 financial year, including details of any large scale projects being undertaken within that timeframe and associated costs, where available.

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

4. Workforce

Impact of Pay Agreements

78. The Draft Budget document confirms that “the majority of the Commission’s operational revenue expenditure relates to staffing costs” and that a pay agreement for 2025-26 is yet to be agreed.⁸⁹ The Draft budget includes a provision for a 5 per cent pay award in the staffing budget for 2025-26. The assumption for the two following years is 3 per cent.⁹⁰

79. The Commissioner identified the pay award for staff as one of the four key pressures in the Draft Budget, explaining that:

“... we've had a Government in Westminster that has offered, across the board, 5 per cent to Government workers, and so has the Welsh Government offered the same pay award. Now, our trade unions are saying to us that it is not unreasonable, then, for them to ask for the same award, and, in the Government of Wales Act 2006, it also says that the Senedd Commission should be broadly comparable pay to Welsh Government staff. So, we couldn't justify not negotiating that 5 per cent as well.”⁹¹

80. The Commissioner provided further information to explain how the pay awards for Commission staff relate to pay deals already agreed with staff in the Welsh Government:

“... if a deal is being offered at 5 per cent to Welsh Government staff, we can't stick at 3.1 per cent within the Senedd Commission, because it would go against the principles of the Government of Wales Act, and you would see, as we said in the supplementary budget, that our mission is to bring parity to the lowest paid staff in the Commission with the lowest paid staff in the Welsh Government—it would end us being able to achieve that. And I think that that wouldn't be either within the principles of the law nor would it be acceptable to trade unions or staff.”⁹²

⁸⁹ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 14

⁹⁰ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 17

⁹¹ Finance Committee, RoP, 3 October 2024, paragraph 24

⁹² Finance Committee, RoP, 3 October 2024, paragraph 49

81. The Commissioner told us that the provision in the Draft Budget for the pay award is “£1.5 million, which is a 5 per cent increase”⁹³ but that:

“... this is subject to negotiation as well; don't forget that the trade unions still have a mandate for strike action within the Commission—not within the Welsh Government, but within the Commission—and those negotiations are ongoing. What we want to do is to get to a three-year cyclical stable pay deal.”⁹⁴

82. The Commissioner added that this would “give much more stability and predictability to the budget” and that “[we] won't need then future supplementary budgets to deal with these things, and we won't get these surprises”.⁹⁵

83. The Commissioner also confirmed that:

“There are other issues, of course, within that, which are pensions and also the increments between staff levels, because we've needed people to be able to progress up their pay scales ... So, the overall staff budget increase comes in at 9.06 per cent, not just the 5 per cent.”⁹⁶

84. The Committee received correspondence from the PCS Union Senedd branch on pay negotiations on 7 October 2024.⁹⁷ It stated that:

“The PCS Senedd Commission Branch ... welcomes the inclusion of a 5% pay award to staff for 2025-26 and will not oppose its implementation. PCS has been in dispute with the Commission since the autumn of 2022 and has successfully achieved a mandate each time it has balloted its members. Its third successive strike mandate is still active. Although the award is not likely to be sufficient to end the dispute formally, it is a step in the right direction and should to some degree lessen the significant real terms pay cut suffered by staff in recent years. If this budget is passed by the Senedd, the Branch will look to engage with the Commission on future years, to see whether an agreement can be found to limit uncertainty for staff and the institution.”⁹⁸

⁹³ Finance Committee, RoP, 3 October 2024, paragraph 64

⁹⁴ Finance Committee, RoP, 3 October 2024, paragraph 64

⁹⁵ Finance Committee, RoP, 3 October 2024, paragraph 64

⁹⁶ Finance Committee, RoP, 3 October 2024, paragraph 50

⁹⁷ [Letter from the PCS Union to the Chair of the Finance Committee, 7 October 2024](#)

⁹⁸ [Letter from the PCS Union to the Chair of the Finance Committee, 7 October 2024](#)

Workforce Planning

85. As mentioned in Chapter 2, the MTRF includes a rolling three-year Medium Term Financial Plan and a Workforce Plan, including a Target Establishment for permanent staffing numbers. Within the MTRF, the workforce plan aims to manage and adjust staffing to areas of need and:

“... will require a sophisticated and mature approach to skills mapping and agility in our recruitment and deployment of staff. This will be particularly relevant as we move to a larger Senedd and evolve our staff requirements alongside developments in technology ...”⁹⁹

86. The Commissioner explained how the MTRF was being used in relation to staff costs:

“We haven’t got a redundancy or a staff reduction policy, but we have got a policy whereby the medium-term resource framework is continually analysing the effectiveness of staff. So, the medium-term resource framework ... It’s continually, on a three-year rolling basis, reviewing where staff are deployed, and workforce planning is a fundamental part of that.”¹⁰⁰

87. However, the Commissioner told Members that this was challenging at present because “if that was a steady-state situation, great, and we could find reductions in staff numbers over a three-year process, it could happen” but that:

“... out of 536 staff, we’ve only increased by four in the last year. But we’ve been tasked by the Senedd to increase the size of the Senedd.”¹⁰¹

88. The Chief Executive added that:

“... when we went through our service planning exercise this year, we identified the need for 16 more staff members. So, we’ve ended up asking for four temporary staff members in addition. The rest of that pressure was absorbed within the organisation through the efficiency judgments that you’re recommending. So, there’s ... a lot of savings built into the

⁹⁹ Senedd Commission, *Draft Budget: 2025-26*, September 2024, page 17

¹⁰⁰ Finance Committee, RoP, 3 October 2024, paragraph 124

¹⁰¹ Finance Committee, RoP, 3 October 2024, paragraph 124

bottom line that we have identified ... through the operation of our medium-term resourcing framework.”¹⁰²

89. When asked if the Commission had any plans to flatten its staffing structure to generate efficiencies, the Commissioner stated that:

“It’s a really good point. One of the things I first asked for when I became a Senedd Commissioner was an organic structure of the organisation. It isn’t that hierarchical, in that there are many layers, but you do get a lot of middle-band rather than lowest band staff, and that’s because you’ve got committee clerks, legal experts, researchers—who are key and fundamental to the work we do—that are on the higher level of the organisation. So, it’s more like a bulge in the organisation rather than a triangle. But we wouldn’t be able to do our work without that.”¹⁰³

90. The Commissioner added that:

“And I think if you start talking, when we go into Senedd reform, about reducing clerking teams and things like that, when, actually, we’re going to have an increased-size Parliament, that becomes really difficult, doesn’t it, because you’re going to have more committees. You’re only going to be rehiring staff again. So, if you went through flattening the structure, you’d be going through redundancy programmes. Redundancy programmes cost money. And you could, then, be rehiring these staff later when Senedd reform happens.”¹⁰⁴

91. On this point, the Chief Executive also explained that:

“... we do wish to reassure ourselves from time to time that we are comparable with similar organisations, and we did have a look ... at the comparison between our senior structure and other Parliaments in the UK, and that gave us some comfort that our structure is typical of parliaments and is unremarkable in that sense. And so I’d be happy to share that note, if it was useful.”¹⁰⁵

¹⁰² Finance Committee, RoP, 3 October 2024, paragraph 128

¹⁰³ Finance Committee, RoP, 3 October 2024, paragraphs 119-120

¹⁰⁴ Finance Committee, RoP, 3 October 2024, paragraphs 119-120

¹⁰⁵ Finance Committee, RoP, 3 October 2024, paragraph 129

Use of Artificial Intelligence

92. The Draft Budget states that the Commission will evolve its staff requirements “alongside developments in technology and in particular, the use of Artificial Intelligence to supplement our resource”.¹⁰⁶

93. The Commissioner confirmed that Artificial Intelligence (AI) “is having a very definite impact”¹⁰⁷ and explained how the Commission was approaching the use of this technology:

“You will see that the head of communications has been to groups to talk about what is happening with AI. There is an AI governance group, which is chaired by the head of legal services, that looks at the risks involved and some of the consequences for the way the Senedd Commission does its work, and who holds the information that AI might generate.”¹⁰⁸

94. The Commissioner added that:

“... there's also an AI opportunities group, which is chaired by the director of communications and engagement, that looks at what are the opportunities we can bring into this. And I know there are Members in every group that are fascinated by these things ... and therefore I think it would be helpful for Members to engage with that.”¹⁰⁹

95. The Director of Senedd Resources confirmed that the costs of AI to the Commission was £15,000 for licensing¹¹⁰, adding that:

“... it's quite a low amount because it's within the Microsoft package that we already have as an organisation. We're just rolling out licensing now on a pilot basis, so the ask in the budget is relatively low at this point, but it's going to develop over time, I'm sure.”¹¹¹

¹⁰⁶ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 17

¹⁰⁷ Finance Committee, RoP, 3 October 2024, paragraph 187

¹⁰⁸ Finance Committee, RoP, 3 October 2024, paragraph 187

¹⁰⁹ Finance Committee, RoP, 3 October 2024, paragraph 192

¹¹⁰ Finance Committee, RoP, 3 October 2024, paragraph 197

¹¹¹ Finance Committee, RoP, 3 October 2024, paragraph 197

Staff Wellbeing

96. In its report on the Commission’s 2024-25 draft budget, the Committee recommended that the Commission continues to regularly survey staff to monitor the impact of workloads, including staff mental and financial wellbeing, and provide the Committee with the outcomes of such exercises by the end of 2023-24.¹¹²

97. The Commission provided a summary of results from its March 2024 “pulse survey” compared to results from “autumn” 2023, as well as the number of actions taken in response to these, in correspondence with the Committee in September 2024.¹¹³

98. The Commissioner told Members that the reduction in staff training and the recruitment freeze “does have a well-being impact”.¹¹⁴ The Chief Executive provided further information on this point:

“We have noticed a definite negative impact on staff well-being as a result of the recruitment pauses that we had to introduce to balance the books last year ... when we surveyed staff about the effect of this on their well-being, over a third of them said that there had been a negative effect from this measure.”¹¹⁵

99. The Chief Executive added that:

“We also saw in the autumn of 2023 ... a peak in staff reporting that they felt they had too much work to do, which was followed by a rise in sickness absence in the following months, and of course that's a graphic illustration of the importance of enabling staff to operate at peak productivity and not overburdening them. This has been raised with us formally by the unions as well, and so it's something we're very much taking forward.”¹¹⁶

¹¹² Finance Committee, [Scrutiny of the Senedd Commission Draft Budget 2024-25](#), October 2023, Recommendation 6

¹¹³ [Letter from the Senedd Commissioner for Budget and Governance to the Chair of the Finance Committee, 23 September 2024](#)

¹¹⁴ Finance Committee, RoP, 3 October 2024, paragraph 180

¹¹⁵ Finance Committee, RoP, 3 October 2024, paragraph 186

¹¹⁶ Finance Committee, RoP, 3 October 2024, paragraph 186

100. The Chief Executive also confirmed that “by far the greatest element in our sickness absence is mental health”.¹¹⁷

101. In terms of the steps being taken by the Commission to address these issues, the Chief Executive stated that:

“We have a well-being strategy. All our senior leaders in the senior leadership team have signed up to a well-being charter, and each service area now has a well-being plan. So, we have a suite of resources available. We have an equalities network that we call Mindful, which helps staff balance work-life matters.”¹¹⁸

102. The Chief Executive added “[we] have seen an improvement in sickness absence rates, which is encouraging”¹¹⁹ and confirmed that:

“We’re in the middle of surveying ... and so we’ll have the results of that in a month or so, and that will give us a good snapshot of how well our well-being measures are working and whether there are gaps that we need to fill in the coming months and years.”¹²⁰

Committee View

103. The Committee notes that a pay agreement for Commission staff is currently being negotiated with trade unions and that the Draft Budget includes a pay award in the region of five per cent. The Commission also notes the obligations of the Commission to ensure that the terms and conditions of employment of its staff are “broadly in line with those of the members of the staff of the Welsh Government” under the Government of Wales Act 2006¹²¹ and that the Commission is aiming to retain parity with Welsh Government pay levels in line with this requirement. We also note correspondence with the PCS Union on this matter.¹²²

104. 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 organisations¹²³, and it is therefore not

¹¹⁷ Finance Committee, RoP, 3 October 2024, paragraph 186

¹¹⁸ Finance Committee, RoP, 3 October 2024, paragraph 187

¹¹⁹ Finance Committee, RoP, 3 October 2024, paragraph 186

¹²⁰ Finance Committee, RoP, 3 October 2024, paragraph 186

¹²¹ [Government of Wales Act 2006 \(Chapter 32\) Schedule 2, Paragraph 3\(4\)\(b\)](#)

¹²² [Letter from the PCS Union to the Chair of the Finance Committee, 7 October 2024](#)

¹²³ [Letter from the Chair of the Finance Committee PCS and Prospect Audit Wales branches regarding staff pay, 22 November 2022](#)

appropriate for the Committee to express a position on matters relating to pay for Commission staff. However, the Committee notes the Commission's plans to secure a stable pay deal and to avoid the need for supplementary budgets.

105. The Committee would like to be kept updated on progress in relation to these issues given their impact on the Commission's budgetary plans in line with recommendations made last year in relation to the 2024-25 budget round¹²⁴, and we reiterate those views again for 2025-26.

106. The Committee notes the processes that are in place through the MTRF regarding managing the workforce and adjusting staffing to areas of need. We also recognise that finding reductions in staffing numbers is particularly challenging in the context of Senedd Reform and the need to support an increase in Members from 2026 onwards.

107. We further note that the Commission believes there is little room to reduce staffing budgets and welcome that a benchmarking exercise has taken place with similar organisations to provide assurances that the senior management structure in the Senedd is "typical of parliaments". We are grateful to the Chief Executive for offering to share those details and ask for such information to be provided.

108. The Committee is interested in the way AI software is used within the Commission and welcomes the assurances provided by the Commissioner that the rollout of this software was being accompanied by rigorous investigation of governance, ethical and security issues. We are also encouraged by the approach taken to explore the opportunities presented by AI and how it can benefit Members, support staff and Commission staff.

109. The Committee supports continued consideration of AI to ensure the Commission, Members and staff can benefit from efficiencies in these developments, and asks the Commission to keep the Committee updated on progress.

110. The Committee welcomes that the Commission is taking steps to understand staff views, the reasons for levels of sickness within the organisation and the impact of this on the wider workforce. The Committee also recognises the proactive approach adopted by the Commission to support staff wellbeing and notes the networks available and the services provided.

¹²⁴ Finance Committee, [Scrutiny of the Senedd Commission Draft Budget 2024-25](#), October 2023, Recommendation 5

111. Nonetheless, the Committee notes with concern the increase in both sickness absences for Commission staff in 2023-24 and particularly the increase in the proportion of these absences due to mental health. The Committee notes the suggestion that this increase may have been impacted by increased workloads and pressures linked to two cost savings exercises during the 2023-24 financial year.

112. Although we recognise the efforts made by the Commission in this area, the Committee believes that both the increase in workloads and the scale of change leading up to Senedd Reform mean that the Commission will need to continue with this approach in supporting staff in the coming year, and asks for further information on the actions taken in this area.

Recommendation 12. The Committee recommends that the Senedd Commission provides updates on developments relating to pay agreements for Commission staff in 2025-26 and, if the pay awards are above the five per cent figure included in the Draft Budget, the Commission provides an explanation of how these payments will be funded.

Recommendation 13. The Committee recommends that the Senedd Commission shares details of its benchmarking exercise with senior management staffing structures in other UK parliaments with the Committee.

Recommendation 14. The Committee recommends that the Senedd Commission provides an update to the Committee on its plans for Artificial Intelligence software by the beginning of the 2025-26 financial year and sets out the governance arrangements and ethical considerations underpinning its use by Members, support staff and Commission staff.

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

5. Project Fund

113. The Project Fund has increased to £2 million in 2025-26 from £1 million in 2024-25 “to reflect the period of significant life cycle replacement of major plant and infrastructure”.¹²⁵

114. In addition to existing forward work programme of maintenance / repair to ICT infrastructure and the estate, key projects considered for prioritisation during 2025-26 will be:

- Building Management System which controls the facilities of the Senedd building;
- lift upgrades for the Senedd building;
- chiller unit end of life replacements;
- air handling system end of life replacement;
- police body armour;
- Senedd TV system end of life replacement;
- ICT infrastructure update; along with; and
- completion of multiyear projects started in 2024-25.¹²⁶

115. The Commissioner told the Committee that critical infrastructure projects was one of the four main elements that were driving the increases in the Draft Budget, stating that:

“... the savings we brought to you in the past were as a result of critical infrastructure projects that we had delayed. You will see around the building ... things that are not working as they should. I was just talking to security this morning; sometimes the security gate fails and they've got to push it across themselves. It's supposed to be automatic. That's a dangerous thing. That's not secure ... Well, the cost of that gate is about £60,000 to replace. The cumulative cost of delaying that will

¹²⁵ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 10

¹²⁶ Senedd Commission, [Draft Budget: 2025-26](#), September 2024, page 22

be more over time, because you're bringing someone in to repair it all the time."¹²⁷

116. The Commissioner also provided a list of life-cycle replacement projects and the risks of not including those within the 2025-26 budgetary proposals:

*"There's a whole host of very expensive things that are coming to an end that will fall over. We've already had a problem with closed-circuit television. CCTV nearly collapsed last year. And if it had, it would have effectively meant that the Senedd couldn't sit—that's how important that one was. The other one is, as I've already mentioned, the lifts ... Delaying, delaying and delaying increases the risk, and these things are not cheap. Those lifts were £300,000."*¹²⁸

117. The Commissioner also told Members that the "Senedd lift upgrades to lift 3 in the Neuadd is £150,000,"¹²⁹ adding that:

*"The building management system replacement also runs heating, lighting, cooling, air source—that's at the end of its life. Delay it another year, you've got problems. That's £500,000."*¹³⁰

118. He also told Members that "what I'd like to do is give you this list and you can look through and you can see what we need to do".¹³¹

119. When asked whether the projects included in the Draft Budget could be pushed back to future years, the Commissioner told Members that "they can't be put off indefinitely"¹³² and that:

*"I think the problem is we've already done that. A lot of stuff has already been put off. Some of it will be, though. Where we can, we will delay stuff into future years. Don't forget that the Commission's only got a year's budget; it doesn't get a three-year budget, and is not able to hold reserves."*¹³³

¹²⁷ Finance Committee, RoP, 3 October 2024, paragraph 24

¹²⁸ Finance Committee, RoP, 3 October 2024, paragraph 172

¹²⁹ Finance Committee, RoP, 3 October 2024, paragraph 93

¹³⁰ Finance Committee, RoP, 3 October 2024, paragraph 173

¹³¹ Finance Committee, RoP, 3 October 2024, paragraph 173

¹³² Finance Committee, RoP, 3 October 2024, paragraph 173

¹³³ Finance Committee, RoP, 3 October 2024, paragraph 170

Committee View

120. The Committee supports the ways in which projects within the Commission's Project Fund are being managed dynamically both in year and across years to fit in with Commission priorities, and that this enables the Commission to respond to unexpected issues that arise and the availability of funding. We also recognise that some projects that have been underfunded or pushed back over recent years are in need of essential upgrades.

121. Whilst we recognise the need for investment in these areas, the Committee calls for an updated project list given the significant sums of money involved. We are grateful to the Commission for providing such information in response¹³⁴ to a recommendation we made last year¹³⁵ and ask for this to be provided alongside the Draft Budget documentation in future years.

122. Elsewhere in this report (under Chapter 3) we have asked for further clarity on the Commission's long-term estate strategy. We believe that an understanding of the Commission's long term project pipeline would also be beneficial, including estimated costs of individual projects if known, and how this is connected to any dilapidation work the Commission is required to address in the Tŷ Hywel building at the end of the current lease in 2032. This will help inform the Committee's consideration of budgetary changes linked to the project fund.

Recommendation 16. The Committee recommends that the Senedd Commission provides a list of planned projects for 2025-26, with estimated allocated funding, before the start of the 2025-26 financial year and for such an approach to be adopted for future budgets.

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

¹³⁴ [Letter from the Senedd Commissioner for Budget and Governance to the Chair of the Finance Committee, 19 March 2024](#)

¹³⁵ [Letter from the Senedd Commissioner for Budget and Governance to the Chair of the Finance Committee, 19 March 2024](#)
