

Y Pwyllgor Cyllid

FIN(3)-21-10 : Papur 3

Cyllideb Ddrafft Comisiwn y Cynulliad 2011-12 – Gohebiaeth rhwng Cadeirydd y Pwyllgor Cyllid a'r Llywydd

Ynghlwm fel atodiadau i'r papur hwn ceir llythyr o Gadeirydd y Pwyllgor Cyllid at y Llywydd yn dilyn ystyriaeth y Pwyllgor o gyllideb ddrafft Comisiwn y Cynulliad, a'r ymateb o'r Llywydd a'r Brif Weithredwr a Chlerc y Cynulliad.

Gwasanaeth y Pwyllgorau

Annex 1

Y Pwyllgor Cyllid Finance Committee

Dafydd Elis Thomas AM
Presiding Officer
Chair, National Assembly for
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National Assembly for Wales
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10 November 2010

Dear Presiding Officer,

1. Thank you for giving evidence to the Committee on Monday in relation to the National Assembly Commission's draft budget for 2011-12.
2. In the subsequent private session Members discussed Annex B to the draft budget which, as you told the Committee, analysed the Commission's proposed expenditure in terms of its strategic goals. The Committee felt the link between your proposed expenditure and the strategic outcomes you are trying to deliver is an important element of your budget. They were particularly interested in this because, with resources under particular pressure following the Comprehensive Spending Review, one of the themes that the Finance Committee is pursuing in relation to the Government's draft budget is the way in which resources are being allocated and prioritised to delivering strategic outcomes. However, after the discussion, Members felt they would have liked some more information on how the Commission had determined the level of expenditure that should be committed to each strategic goal in order to deliver it. In turn, they were unclear about how the Commission monitored delivery of each objective and went about reallocating

resources in the light of achievements. I wonder if we could ask you for a note on this.

3. A particular example of this, but a concern in its own right, is the UNO project which has seen a considerable change in its expenditure profile over the last couple of years. Members noted that the roll out has proved more complex than expected and that a significant level of resource has had to be put into resolving problems that have arisen. The Committee would appreciate a note on how the Commission has monitored this project, and the expenditure on it, in relation to the delivery of its strategic goals and how the reallocation of resources has impacted up the delivery of the other goals.
4. Members also discussed the progress with the early severance scheme. They noted that you had received more applications for this than you could accept and, as you know, were reassured that in determining whom might be released you had, focused on protecting the skills and experience required by the Assembly. However, after the meeting members wondered how many applications for voluntary severance had been received and what action you had taken to maintain the morale of those staff who had wanted to leave the Assembly but whose applications had been refused.
5. In a similar vein, Members noted the continuing pressure that staff would be under facing the challenges of the coming year with reducing numbers and increasing demands. Members would like to know how the Commission measured staff morale and ensured it was maintained, in particular, whether you undertook a regular survey of staff attitudes in order to inform your decisions.
6. In the public part of the meeting you also agreed to provide the Committee with the following information:
 - the links to the information on the Commission's web site that show expenditure by strategic goal in previous years. (Alternatively, if it is simpler, would you provide the Committee with tables, comparable to Annex B, for previous years.)
 - details, and the value, of the efficiency savings that had been achieved through the provision of services shared with other bodies;

- a note on the way which electricity is procured (this followed a question on whether you had considered doing this through consortium arrangements with other public sector bodies.)

7. As you know the Committee has a very tight deadline to report on the Assembly Commission's draft budget and would be grateful if I could have a response by close on Monday 15 November.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Angela Burns', with a stylized flourish at the end.

Angela Burns

Cadeirydd, y Pwyllgor Cyllid

Chair, Finance Committee



Angela Burns AM
Chair
Finance Committee
National Assembly for Wales
Cardiff Bay
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16 November 2010

Dear Angela

Assembly Commission Draft Budget 2011-12

Thank you for your letter of 10 November. We are pleased to provide the information that you requested.

Achievement of Strategic Goals

Following the creation of the Assembly Commission in 2007 five strategic goals were agreed for the term of the Third Assembly, as set out in our Draft Budget document. These goals are used to guide and inform decision making on services and activities provided by the Commission and for all projects that are developed as part of our ongoing improvement programme.

For 2008-09 onwards the Commission's annual budget documents have set out how our spending proposals relate to the Strategic Goals. Likewise, at the year-end our laid Annual Reports and Accounts since 2008-09 set out the

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actual cost incurred in delivering against each goal – these are available on the Assembly’s website: http://www.assemblywales.org/abthome/abt-nafw/abt-commission/about_us-annual-reports.html. The graph at **Annex A** demonstrates the movement of spend against each goal since 2008-09.

Each year a [Strategic Plan](#) is agreed between the Commission and the Management Board headed by the Chief Executive, setting more detailed objectives for the year. Again, the Strategic Plan is structured around the five strategic goals. Having set this direction, a bottom-up approach is then used by Assembly services to identify priorities and resource requirements. New spending proposals have to be justified in terms of the contribution that delivery will make to achievement of the strategic goals and the documentation we have introduced specifically requires the costs of each project to be allocated against the goals.

Operational delivery of services and projects is delegated from the Commission to the Chief Executive. The Chief Executive and Management Board have a comprehensive corporate performance management framework in place, consisting of:

- the system of internal control - this is the totality of policies, procedures and practices relating to governance, risk and opportunity and the management of resources (our risk registers are also structured around the five strategic goals);
- strategic goals, organisational values and corporate delivery objectives providing the focal point for service-based business plans;
- a formal process for Performance Management and Development Review of every member of staff, linking the day-job with an individual’s role in delivering the strategic direction;
- change programme and project management disciplines;
- a monthly corporate performance dashboard measuring performance against key objectives and milestones, aligned to our strategic goals - <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-directorates/abt-commission-management-board.htm?ds=7%2F2010&submit=Submit>;
- a monthly financial management report advising on financial performance against budget and risks to the approved budget and projected outturn - <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-directorates/abt-commission-management-board.htm?ds=7%2F2010&submit=Submit>;

- a monthly HR dashboard report on the Commission's staffing performance indicators – this is published internally on the staff intranet; and
- an annual interim and year-end review of the effectiveness of the system of internal control in supporting achievement of the Commission's goals. This provides evidence for the Statement on Internal Control in the Annual Accounts.

To further improve forward planning and maximise the use and impact of resources, in July 2009 the Chief Executive established a Change Programme Board to oversee development and delivery of improvement projects aligned to the strategic goals. A summary of current and horizon projects is attached at **Annex B**. The Committee has separately been provided with information on the Unified Network Organisation (UNO) project and an additional note is provided in this letter.

The Management Board provides a "Management Board report to the Commission" on progress and achievements made against each of the Strategic Goals. These are published with Commission papers at <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-agendas.htm?ds=5%2F2010&submit=Submit>.

An Audit Committee of three external/independent advisers and one Commissioner, William Graham, advises the Chief Executive as Accounting Officer. It is itself advised by our Internal Auditor and the Wales Audit Office. The Committee works in accordance with Audit Committee best practice and gives assurance with regard to having a sound system of internal control that supports the achievement of the policies, aims and objectives of the Commission whilst safeguarding the public funds and assets for which the Accounting Officer is personally responsible. Its Annual Report is published online - <http://www.assemblywales.org/abthome/abt-nafw/abt-commission/abt-commission-agendas.htm?act=dis&id=184045&ds=5/2010>.

Your letter asked how we reallocate resources in the light of achievements and in response to decisions to increase resources in particular areas, for example the UNO project. Each month the Management Board reviews a Financial Management Report which includes a risk assessment on the forecast outturn. In tandem, the Change Programme Board reviews progress against agreed projects. Two critical reviews of every project have been undertaken over the past few months to assess whether and where resources need to be redeployed. Together, these processes enable us to make decisions based on risks and benefits on where to re-prioritise spend. This is

done by accelerating projects, postponing them or changing their scope. For example, we decided to reduce planned spend in 2010-11 on replacing Senedd Siambwr software and other hardware in the Senedd in order to increase funding for the UNO project.

UNO Project

The UNO project creates a new IT system which is independent of Welsh Government systems, allowing the Assembly to make its own decisions about future provision of and contract arrangements for ICT. It builds upon the Assembly's strong reputation for using technology to promote and widen engagement. It will also create substantially improved business continuity for the whole network. The system's design was based upon an extensive consultation exercise with all users; Members, their staff and Assembly staff.

Between July and October this year, the system was installed for 800 users at over 80 locations, including Tŷ Hywel, constituency offices and in homes. This has proved to be extremely challenging and we know that there are problems which we are working to resolve, although Commission staff have received feedback that improvements are being recognised too. We regret any inconvenience and, with our contractor Siemens, we are working to remedy the problems.

As reported to the Committee previously, the fully estimated costs of the UNO project exceeded the initial indications as reported to the Commission. The Commission considered the revised estimates and, in view of the anticipated benefits of the project and the fact that costs would be saved if all the work was undertaken at one time, the Commission decided to proceed. The Commission receives reports on the project at each meeting and the lead Commissioner, Peter Black, is regularly consulted about aspects of delivery and timing. Commissioners were clear that the costs should be controlled closely and kept within the allocated budget, rather than seeking supplementary funding in the current year. This has been achieved in two ways:

- a full review of the Commission's budget for 2010-11 was undertaken by Assembly staff, savings were made and projects realigned to enable the increased costs to be met. A realistic assessment of the capacity to deliver other projects planned for the current year was made and some were deferred to next year (see reference above); and
- the UNO project was firmly managed and controlled in terms of spend and time, using tested project methodology and firm change

control. We anticipate that the cost of the project will be in line with the agreed budget.

We do not believe that the necessary realignment of spend in the current year prevented the Commission from delivering against its priorities. The exercise in driving efficiencies, robust budget analysis and control has helped Assembly staff to prepare for the budget planning process for the next three years.

Voluntary departures and impact on staffing

The voluntary departure scheme for Assembly staff during the summer resulted in 34 applications, 25 of which were approved. This equates to around 7 per cent of the Assembly staff and these staff will have left by 10 December. In order to help manage expectations, staff were informed of the criteria that would be used to assess applications, so this would have gone some way to moderate the expectations of applicants whose applications did not proceed due to the high costs involved or the priority nature of their work. The relevant Head of Service met with applicants from their team to inform them whether they could support the application on the basis of maintaining business continuity and maintaining skills. This provided a further opportunity to manage expectations and for each Head of Service to ensure that morale and motivation were maintained. This dialogue is continuing as part of our performance and development management procedures and ongoing manager/staff relationships.

As might be expected of an organisation recently awarded Gold status as an Investor in People, we use a range of approaches to understand staff views. At a Service level this involves regular team meetings and one-to-ones with staff, including twice-yearly formal performance and development discussions. At a corporate level, it includes all-staff meetings, 'Cyfnewid' (which encourages staff feedback on specific topic areas) and feedback members of the Management Board receive directly from staff and from trade unions, as facilitated by our partnership agreement with the Assembly unions.

Our Investor in People assessment, where around 40 staff were interviewed as part of the evidence gathering process by the external assessor, found our arrangements to be very much best in class. To further strengthen these approaches I have recently written to trade unions suggesting we jointly develop some form of staff survey process, with the intention being that this might take the form of a periodic topic specific survey rather than a once a year snap shot.

Co-operative sharing of expertise and resource

At the Committee meeting, we outlined our collaborative approach with other public sector bodies. Our emphasis is wider than just sharing costs as frequently the collaborative approach enables us to do more. One such example is the coaching and mentoring opportunities that are being developed. Specifically, these are with colleagues in the NHS, the Ministry of Justice and the Welsh Government, where coaching is both offered and provided. In addition to providing learning and development opportunities for the coach and those being coached, we estimate that this working arrangement saves the Commission approximately £40,000 on a rolling annual basis.

Another example is the placement of PhD student secondments from research councils and Aberystwyth University where we benefit from joint working on constitutional matters.

We share good practice with library and legal professionals that enable us to access specialist material at beneficial rates or to bring specialist training events to Wales. A single event can save us £1,000 in course and travel costs. Through the Directors of Finance network led by the Welsh Government, we have access to benchmarking data within the Welsh Public Sector enabling network opportunities to explore alternative service solutions. This involves access to professional advice at minimal cost to the Commission (travel costs and staff time to attend workshops and discussions). We used this benchmarking data to inform decisions on voluntary severance applications in our back-office functions. Through the Heads of Finance network, the Office for National Statistics hosts a number of government finance accountancy updates and provides access to other public sector organisations, including us. This saves us approximately £300 per event in direct and travel costs.

We collaborate with other devolved legislatures in developing benchmarking data and to share skilled resource. We occasionally share our staff skills, so that for example two clerks from the Scottish Parliament and a member of the official record staff from Northern Ireland have all spent time working here. We assist with recruitment processes in other legislatures when an independent element is needed in Northern Ireland for example; and we arranged for a business continuity adviser from Cardiff Council to brief a recent meeting of the Inter-Parliamentary Corporate Services Contact Group.

In the ICT service, we have located a data centre at Companies House to improve business continuity arrangements. Our experience with comparable

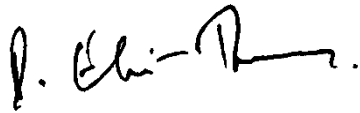
commercial arrangements indicates savings in the order of 25 per cent per square metre have been achieved (£3,000 per annum).

Procurement of electricity

Our procurement of electricity is through the Buying Solutions Framework Agreements. The Framework Agreements are among the most comprehensive in either the public or private sectors and ensure competitively negotiated reduced rates.

I trust this provides the Committee with the assurances it is seeking, but if you do need any further information please let us know.

Yours sincerely

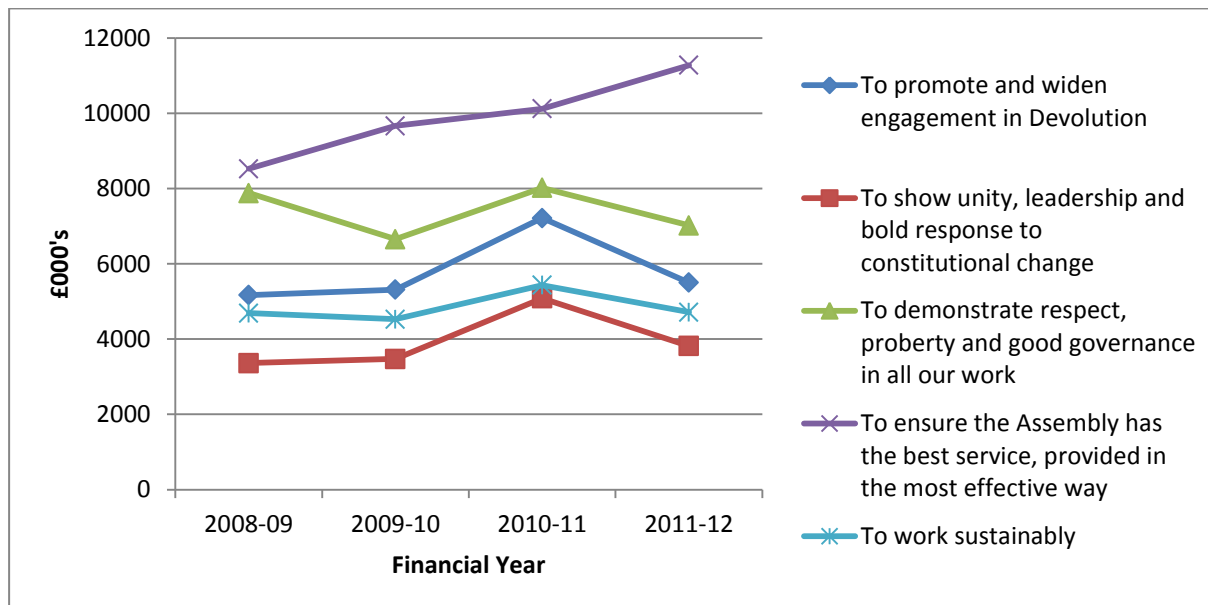


**Y Gwir Anrh yr Arglwydd Elis-Thomas AC, Llywydd
The Rt Hon the Lord Elis-Thomas AM, Presiding Officer**



**Claire Clancy
Prif Weithredwr a Chlerc/Chief Executive and Clerk**

Spend on Strategic Goals 2008-09 to 2011-12



Annex B

Improvement projects in the Assembly Change Programme

Project title	Description	Costs (2010-11 allocation)
Assembly Business Management System	To develop a system that manages the documents produced in the Assembly Business directorate. Making them more accessible to AMs and not so resource intensive to produce.	£179,000 (£145,000 + additional £34,000)
Broadcasting Equipment refresh in Senedd	Replacement of cameras, screens, panels to upgrade and replace failing equipment which broadcasts our proceedings.	£100,000
Legislation Drafting	Software to significantly improve the current system and overcome the deficiencies and problems associated with it. The outputs will be documents that are of a higher standard; both in terms of presentation and accuracy, and that are prepared in a much more efficient way.	£200,000
Translation and Reporting Service - FTR Gold (Upgrade/replacement)	To provide sound feed from Assembly proceedings. The current digital recording system is becoming increasingly unstable and the risk of system failure is increasing.	£194,000
Members Research Service Enquiry Database Phase II	To resolve technical problems and amend existing database in readiness for 4th Assembly.	£30,000

Horizon projects (not yet formally started but preparation work underway)

Project title	Description
Website upgrade for the 4th Assembly	The current website contract (with BT et al) expires in September 2011, hence the need for a project to look at the options available.
Replacement ICT for AMs at next election	Once number of new Members is known - Replacement ICT for Members at Fourth Assembly.
Replacement ICT in the Siambwr (AMs & Chamber staff)	Implementation of new technology into the Senedd to improve all stakeholder experiences.
Replacement ICT & Technical Refresh in the Senedd (including Medialon)	Replace out of warranty equipment that is no longer subject to SLAs in the Senedd. Replace or upgrade Medialon software used in the Chamber and Committee rooms in the Senedd.
Booking system	To unify various booking systems for events, education and outreach visits to create efficiencies and enhance the customer experience.
Centralising stationery	To raise efficiencies through the centralising of stationery purchase.
CODA V.11	CODA system upgrade concerns the Finance system and the options that become available as the CODA support for our current version is withdrawn and the CODA upgrade route is reimplementing of the system.
Allowances links to CODA	Integrating the system for publishing Members' expenses with that of paying expenses.
Payroll	Payroll project concerns the options that become available as the Logica contract nears completion and the efficiencies that might be realised.
Performance Management System	An organisational performance management system being promoted by WAG, for use in the public sector in Wales, in use at some local authorities and other public organisations in Wales. Some current work on-going assessing its effectiveness in other organisations, with a view to assessing its suitability for the Assembly.
TRS - XML Publishing	The project objective for the new Record publication is to allow a more intelligent, accessible, future-proof system of publishing the record within XML format ensuring full transparency of the Record via new search capabilities.
EFM Efficiencies	To examine the potential efficiencies within the Estates and Facilities Management service.
Travel Desk	To establish a single point of contact for all travel bookings.

E-tendering	To replace the Commission's paper-based tenders with a free, secure electronic tendering system.
Possible Projects from E-democracy	Development of the Assembly's e-democracy strategy. (Building cache of videos, Committee reports-improving media packages for report releases.) + Social Media - research and maintenance - Ongoing maintenance of bilingual social media sites and research into emerging trends. Possibly covered in the host broadcaster contract and new website project.
Possible projects from Outreach Strategy	To include change of emphasis to summer events, Llywydd's tour (2).