



1 Cathedral Road
Cardiff CF11 9HA

Jayne Smith
Industrial Officer

11 October 2023

Peredur Owen Griffiths MS
Chair, Finance Committee
Senedd Cymru
By email

cc. Committee members

Dear Peredur

Senedd Commission draft budget 2024-25

I am writing to provide PCS' views on the Senedd Commission's draft budget for 2024-25, following its laying on 29 September and the Finance Committee's meeting on 5 October. We appreciate that you will have already covered most aspects, given the tight timescales involved with budget scrutiny, but hope you can give the contents of this letter some consideration.

PCS is committed to advocating for a sustainable funding settlement for this institution, as Senedd Reform approaches.

We are concerned that the draft budget for 2024-25 risks underfunding the institution. Despite a headline 6.73% increase, the operational budget remains under considerable pressure. The draft budget document that has been laid explains 'the Commission is required to find £0.315 million of savings from expenditure on operational activities'(p9), with the rise in operational budget tied to a forecasted limit of 2.5% inflation (using a GDP deflator index). This is without contingency for potential additional expenditure on staff remuneration, further inflationary volatility and the impact of preparations for Senedd Reform on day-to-day operations, which cannot be wholly isolated in separate budget lines.

The draft budget document briefly mentions additional payments made to staff during the 2022-23 and 2023-24 financial years to address the 'cost of living' crisis. The

payments due to be made in the current financial year have only been agreed because of the industrial dispute (ongoing since November 2022) between the Senedd Commission and PCS. These payments in 2023-24 are being funded from within existing budgets, because no additional money was forthcoming via a supplementary budget and no provision was made in the original budget for this current year, which was approved in November 2022 (after the dispute had started). As outlined in the Chief Executive's letter to the Finance Committee on 29 September, this will lead to in-year difficulties for the Commission in terms of recruitment, projects, other types of expenditure and maintaining service levels for Members.

The agreement reached so far has resulted in the pausing of industrial action but is not sufficient to end the dispute. The draft budget submitted by the Commission for 2024-25 does not include any provision for an agreement that could end the dispute proactively. We recommend a higher operational budget to avoid uncertainty resulting from pressures that cannot now be described as unexpected. The letter from Ken Skates on 3 October says negotiations have yet to take place, but PCS has long been ready to negotiate a settlement that would mitigate the real-terms decrease in the pay of Commission staff and bring the ongoing dispute to an end.

Furthermore, preparations for Senedd Reform, now ever more likely following the introduction of the Senedd Cymru (Members and Elections) Bill, cannot in practice be separated from the core operational activities of the Commission. Though there are workstreams that can and have been accounted for separately, the scale of the potential change means all day-to-day functions will be impacted. A sufficient operational budget is required so that Senedd Reform not only happens, but is properly planned and works. It needs a strong Senedd Commission that retains its staff and their expertise, recruits effectively in a competitive market, and funds the projects required to maintain and enhance services to Members.

We ask the Committee and wider Senedd to have that medium-to-long-term view in mind when finalising its scrutiny of this draft budget, and in its considered and nuanced application of the Statement of Principles, given the context of expansion.

Yours sincerely

Jayne Smith

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