

Prif Weithredwr a Chlerc y Senedd
Chief Executive and Clerk of the Senedd

26 September 2022

Mark Isherwood MS
Chair of Public Accounts and Public Administration Committee
Senedd Cymru
Tŷ Hywel
Cardiff Bay
CF99 1SN

Dear Mark,

Public Accounts and Public Administration Committee Report on the Scrutiny of Accounts 2020-21

Further to my correspondence on 2 February 2022 in response to the **Public Accounts and Public Administration Committee report on the Scrutiny of Accounts 2020-21**, I am writing to update the Committee on progress in the areas noted in recommendations 2 and 4, namely spend on suppliers from Welsh based companies and single use plastic. These are addressed in turn in the Annex.

The Committee noted in its report that it was pleased that the Commission was undertaking a Capacity Review and looked forward to hearing more detail on the aims, progress and outcomes of this review. This information is also included in the Annex.

Do let me know if there is any further information that Committee Members require as a result of this letter.

Yours sincerely



Manon Antoniazzi

cc Senedd Commissioners, Executive Board

Croesewir gohebiaeth yn Gymraeg neu Saesneg. We welcome correspondence in Welsh or English.



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Annex 1 - Committee Recommendations - Update

Recommendation 2. In order to assist the Commission in increasing its spend on suppliers from Welsh based companies, we recommend that it undertakes an exercise to split contract spend limits i.e. into brackets of <10k, <50K <100k, <500K and over 500K and analyse the financial spread of contracts awarded to identify opportunities to break down larger contracts and to increase the likelihood of smaller Welsh based companies successfully bidding for contracts. We would welcome a six monthly update on progress in this area.

Accepted

We regularly carry out spend analysis on all our contracts with a value in excess of £25,000.

All contracts which exceed a value of £25,000 are managed centrally by the Commission's Procurement team. Management of contracts below the £25,000 threshold is delegated to the relevant Commission manager.

For higher value contracts, we always look at the feasibility of options to break these down into smaller 'lots' to increase opportunities for smaller Welsh based suppliers. A recent, successful, example of this approach is the printing and copying contract, where we were able to award elements of the new contract to a Wales-based company.

The Commission continually explores ways to increase spend with Welsh suppliers. We do this through market research, early engagement with suppliers and as mentioned by considering how we can structure contracts to encourage Welsh supply. Recently, we have allocated a dedicated resource within the Procurement Service to lead on this work. We also have a policy on 'Encouraging small and medium sized enterprises'.

We agree to provide the Committee with a six-monthly update on progress in this area.

1.0 Spend with Welsh Suppliers

- 1.1 Spend with Welsh based suppliers has increased from 38% in 2020/21 to 45% at the end of financial year 2021/22.
- 1.2 We recognise that Welsh suppliers can offer value for money and contribute both economically and socially to Welsh communities and we strive to give them opportunities to win our business.

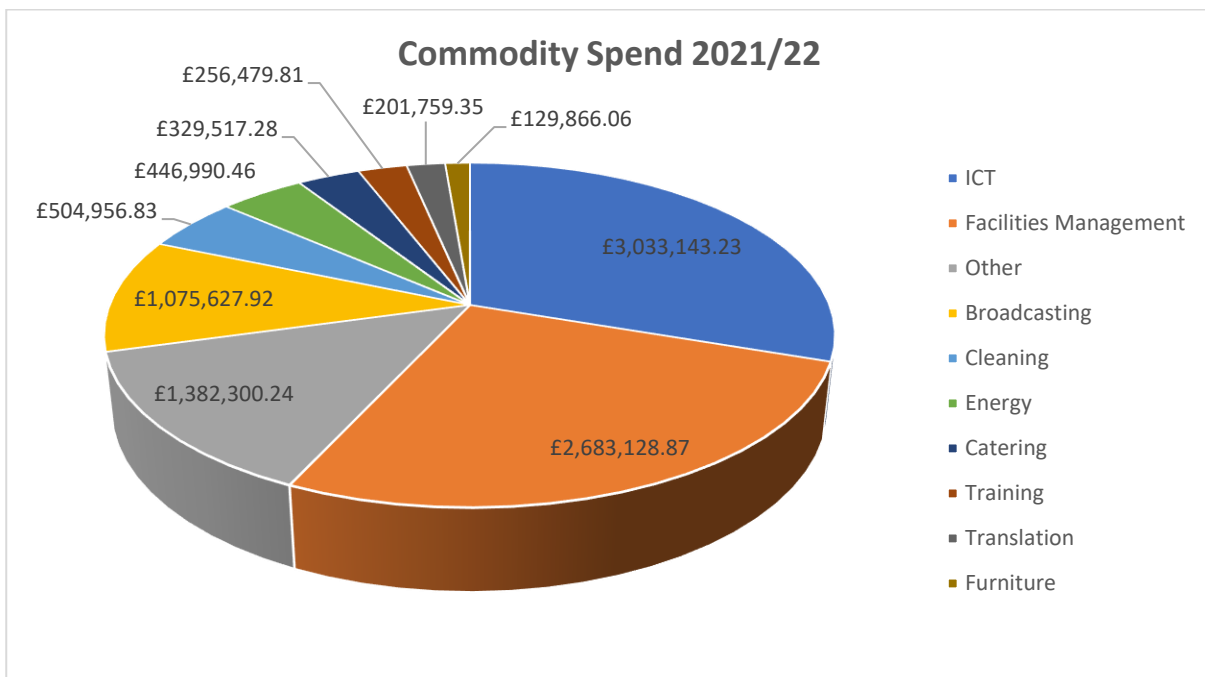


1.3 We have had some success over the year in encouraging Welsh suppliers to bid for our contracts and this has resulted in some of them winning our business. This is now starting to filter through to our Welsh spend percentage. Of the 15 contracts over £25k in value awarded last year, 9 were to Welsh based suppliers.

2.0 Background

Where we spend our Money

2.1 In 2021/22, we spent circa £10M on bought-in goods and services, 45% of this sum was spent in Wales. Almost two thirds of this expenditure is on either facilities management or ICT.



Who we spend our money with.

2.2 In 2021/22 our top suppliers in terms of spend are shown below. The supplier we spend most with is CBRE, our facilities management contractor.



Supplier name	Spend
CBRE (facilities management)	£2,295,299
Bowtie Television (broadcasting)	£1,075,627
Centerprise International (laptops)	£896,745
Insight Direct (UK) Limited (ICT)	£740,538
Total Support Services (cleaning)	£504,956
EDF Energy	£431,238
Charlton House Catering	£329,517
*DDP Construction Services	£285,737
Barclay Digital Services Limited (Comms)	£237,469
*Blues Electrical	£235,944

* Included in CBRE spend

In 2021/22 58% of spend with CBRE was passed on to Welsh sub-contractors.

2.3 Spend with Welsh based suppliers increased from 38% (financial year 2020/21) to 45% (financial year 2021/22). Below is a comparison of spend by category.



Welsh Spend by Category - 2020/21										
	Qtr 1		Qtr 2		Qtr 3		Qtr 4		Cumulative Spend 2020/21	
Category	Spend	Percentage	Spend	Percentage	Spend	Percentage	Spend	Percentage	Cumulative Spend	Cumulative Percentage
Broadcasting	£0.00	0%	£84,000.00	9%	£84,000.00	5%	£83,273.00	2%	£251,273.00	3%
Catering	£0.00	0%	£836.01	0%	£2,380.96	0%	£0.00	0%	£3,216.97	0%
Cleaning	£10,838.05	1%	£17,507.25	2%	£8,087.60	0%	£7,818.40	0%	£44,251.30	1%
Facilities Management	£209,029.46	12%	£144,817.85	16%	£104,192.63	6%	£1,100,226.44	31%	£1,558,266.38	20%
Furniture	£15,004.80	1%	£1,471.20	0%	£2,568.30	0%	£113,234.40	2%	£132,278.70	2%
ICT	£26,125.50	2%	£5,760.00	1%	£39,495.54	2%	£290,249.36	8%	£361,630.40	5%
Other	£100,304.89	6%	£69,539.44	8%	£78,256.42	5%	£124,732.91	3%	£372,833.66	5%
Translation	£31,167.82	2%	£31,500.34	3%	£101,316.66	6%	£72,789.64	2%	£236,774.46	3%
Total Local Spend	£392,470.52	23%	£355,432.09	39%	£420,298.11	26%	£1,792,324.15	50%	£2,960,524.87	38%
Total Spend	£1,700,543.25		£910,344.52		£1,635,240.30		£3,600,098.02		£7,846,226.09	

Welsh Spend by Category - 2021/22										
	Qtr 1		Qtr 2		Qtr 3		Qtr 4		Cumulative Spend 2021/22	
Category	Spend	Percentage	Spend	Percentage	Spend	Percentage	Spend	Percentage	Cumulative Spend	Cumulative Percentage
Broadcasting	£81,264.83	3%	£84,000.00	5%	£87,000.00	5%	£90,200.00	3%	£342,464.83	4%
Catering	£4,237.68	0%	£11,543.38	1%	£18,224.63	1%	£15,988.85	0%	£49,994.54	1%
Cleaning	£8,921.56	0%	£7,371.00	0%	£12,238.67	1%	£10,167.50	0%	£38,698.73	0%
Facilities Management	£645,858.47	24%	£192,738.00	12%	£183,707.64	11%	£458,857.71	14%	£1,481,161.82	16%
Furniture	£157,357.36	6%	£28,086.30	2%	£8,852.40	1%	£3,622.40	0%	£197,918.46	2%
ICT	£117,660.54	4%	£254,958.92	16%	£134,357.02	8%	£595,470.12	18%	£1,102,446.60	12%
Other	£89,305.24	3%	£101,553.27	6%	£245,825.83	15%	£317,134.81	9%	£753,819.15	8%
Translation	£19,839.63	1%	£37,202.15	2%	£63,025.25	4%	£72,196.46	2%	£192,263.49	2%
Total Local Spend	£1,124,445.31	42%	£717,453.02	44%	£753,231.44	45%	£1,563,637.85	47%	£4,158,767.62	45%
Total Spend	£2,650,165.54		£1,613,727.68		£1,668,866.53		£3,338,411.63		£9,271,171.38	

2.4 In some spend areas such as energy, specialist software, (Microsoft, HR/payroll integrated system, legislation drafting software, petition system, DSE system) and telephony support, we face problems in finding Welsh suppliers.

3.0 Actions we are taking

3.1 We have a new corporate KPI on Welsh supplier spend to formally monitor progress. It is a stretching target, given our portfolio of contracts and the Welsh supply market. The target is to achieve 50% of spend with Welsh based suppliers by the end of the 6th Senedd.



Target	50%
Red	< 44%
Amber	45% to 49%
Green	> 50%

- 3.2 Market analysis – we continue to proactively engage with Welsh suppliers prior to tender exercises. We have built time into the procurement process to do this.
- 3.3 Use of national frameworks – Welsh suppliers, who are predominately SMEs are not always well represented on UK wide frameworks; therefore, use of UK wide frameworks is by exception only. We always consider the Welsh Government’s National Procurement Service (NPS) frameworks before looking at UK wide arrangements. We advertise our contract opportunities over £25K, on Sell2wales.
- 3.4 We take time to explain our procurement processes to suppliers to encourage them bid for our business.
- 3.5 We ensure that our main contractors provide opportunities for Welsh suppliers as part of their supply chains.
- 3.6 We take the opportunity to assess all contract renewals to gauge the potential for Welsh supply, including options to restructure contracts where possible.
- 3.7 We also look at opportunities to engage with the wider business community such as Chambers Wales to discuss our strategy and grow our network.
- 3.8 We must bear in mind though, that when it comes to the tender process, we are bound by law to treat all suppliers equally, regardless of where they are based and to be totally transparent with our decision making. Therefore, despite all the work we do upfront in engaging with and encouraging Welsh suppliers to bid, we cannot guarantee that they will ultimately be successful.



4.0 Forward Look

- 4.1 Going forward we will continue to monitor our performance in this area and explore other ways in which we can continue to engage with and encourage Welsh suppliers to bid for contracts.
- 4.2 We will continue to update PAPAC on progress.
- 4.3 Spread of contracts awarded last year by contract value

Contract value	Number of contracts
Over £500k	10
<£500k	24
<£100k	13
<£50k	87
<£10k	600

Recommendation 4: That the Senedd provides a 6-monthly update on the use of single-use plastic.

Response:

The Senedd Commission takes seriously the need to reduce single-use plastics in its operations and welcomes this opportunity to provide an update to the Committee.

We have recently appointed a new catering contractor and are already working with them to ensure the high standards and minimal availability of plastic is maintained. The catering specification requires the contractor to support the Senedd in its work to avoid the use of single use plastic and disposable items wherever possible.

We are also aware of the proposed Welsh Government legislation to remove single-use plastic items from being provided in Wales and are pleased to confirm that the Commission is compliant with the new rules as they currently stand. We do not distribute any plastic plates, carrier bags, earbuds and certainly not any balloon holders! We will continue to monitor the forthcoming legislation, as well as any other external initiatives, and are always open to further suggestions for improvement.



Improvement actions we listed at the last update, and progress against them, is shown below:

Action	Progress	Next Steps
Make reusable bottles available to WYP members and then all staff	New WYP Members provided with branded reusable bottles.	Roll-out to staff via catering outlets.
Promote the use of drinking fountains	Done internally with staff over summer	Reminder as staff return to the office after recess. Increased signage.
Investigate feasibility of plastic-free management standard	Complete - deemed unsuitable for scale of operation; more aimed at manufacturing sector	No further action at this time but will keep under review.
Write to suppliers about the plastics pact and inform new tenderers of need to reduce plastic on site.	Complete for major suppliers - asking them to reduce plastic sent to us. Incorporated into recent contract specification documents when relevant, including one for marketing materials.	Will continue to implement with new suppliers.

Capacity Review – Additional Note: detail on the aims, progress and outcomes of this review.

In 2021 a Capacity Review was undertaken to ensure the Commission could continue to sustainably meet its strategic priorities during a period of significant change. The review set out to set out to:

- Understand the evidence on our organisational capacity and what drives current structures and use of resources;
- Examine known and expected future demand;



- Explore how efficient and effective we are in delivering our services to Members, Senedd Business, Citizens and ourselves;
- Assess the opportunities to be more efficient, effective, flexible, resilient and to realise savings; and
- Provide a basis for justifying the resources – financial, human and infrastructure – we have and need.

The review reported in the summer of 2021 producing 12 recommendations. The summary headlines shown below. This work, following a decision by the Senedd Commission was amalgamated into and is being carried forward by a comprehensive Ways of Working strategy and programme.

Summary of Capacity Review 2021 Recommendations	
Ref	Recommendation headline
1	Sustainably meet hybrid / digital demand
2	Agile approach to staffing
3	Reviewing resource across / between services
4	Reviewing the RAD process
5	Accessing external talent
6	Management of released PT resourcing
7	Optimising Member support
8	Establishing service demand
9	Approach to targeting investment
10	Adjusting budget lines and targeted Zero based budgeting
11	Improved use of technology
12	Flexi time

In July 2022, in the context of the agreed Senedd Reform proposals, which contain resource implications for the Senedd Commission, the Commission asked officials to



undertake a further review of existing Commission capacity and resources and to bring forward a draft 'Resource Management Strategy' to the Commission in the Autumn.

The principal mechanisms and initiatives through which this further capacity review has been, and is being, undertaken are:

- An assessment of the likely impact of a cap on established posts and/or an FTE cap on the current Commission establishment (to consider whether any required staffing growth needed to support Senedd Reform transitional work can be contained within the current staff establishment without requiring net growth in the number of officials); and
- An assessment of the likely impact of a range of efficiency targets for all service areas.

These actions have been progressed over the summer recess period through a detailed review process undertaken by all Commission Heads of Service.

A key aspect of the internal review will be conducting an impact assessment on any choices that may be considered regarding the services delivered to Members.

A draft Resource Management Strategy, that will make recommendations on the robust management for the Commission's resourcing and capacity challenges over the period until the Seventh Senedd, will be presented to the Commission in late September 2022.

In addition, the Commission's new Ways of Working programme will, over time, set and deliver on a range of strategic objectives relating to the future delivery of Commission services.

