

Agenda – Y Pwyllgor Cyfrifon Cyhoeddus

Lleoliad:	I gael rhagor o wybodaeth cysylltwch a:
Ystafell Bwyllgora 3 – y Senedd	Fay Buckle
Dyddiad: Dydd Mawrth, 3 Tachwedd 2015	Clerc y Pwyllgor 0300 200 6565
Amser: 09.00	SeneddArchwilio@Cynulliad.Cymru

(Cytunodd y Pwyllgor ar 20 Hydref 2015 ar gynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o eitem 1 y cyfarfod hwn).

1 Cronfa Buddsoddi Cymru mewn Adfywio: Trafod y dystiolaeth a ddaeth i law

(09.00–10.00)

(Tudalennau 1 – 208)

PAC(4)–29–15 PTN1 – Gwybodaeth ychwanegol gan gyn-aelodau bwrdd RIFW

PAC(4)–29–15 PTN2 – Llythyr gan Ddirprwy Ysgrifennydd Parhaol y Grŵp Addysg a Gwasanaethau Cyhoeddus (28 Hydref 2015)

PAC(4)–29–15 PTN2A – Llythyr gan Ddirprwy Ysgrifennydd Parhaol Grŵp yr Economi, Sgiliau a Chyfoeth Naturiol (22 Hydref 2015)

PAC(4)–29–15 PTN3 – Gwybodaeth ychwanegol gan Amber Infrastructre Ltd (26 Hydref 2015)

PAC(4)–29–15 PTN4 – Gwybodaeth ychwanegol gan Lambert Smith Hampton Ltd (28 Hydref 2015)

(Cyhoeddus)



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

2 Cyflwyniadau, ymddiheuriadau a dirprwyon

(10.00)

3 Papurau i'w nodi

(10.00–10.15)

(Tudalennau 209 – 211)

Glastir: Llythyr gan Gyfarwyddwr Amaeth, Bwyd a'r Môr, Llywodraeth Cymru (19 Hydref 2015)

(Tudalennau 212 – 213)

Ymchwiliad i werth am arian Buddsoddi mewn Traffyrdd a Chefnffyrdd: Llythyr gan y Dirprwy Ysgrifennydd Parhaol, Llywodraeth Cymru (19 Hydref 2015)

(Tudalennau 214 – 217)

Gofal heb ei drefnu: Llythyr gan Gyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol (19 Hydref 2015)

(Tudalennau 218 – 222)

Gwaith Caffael a Rheoli Gwasanaethau Ymgynghori: Llythyr gan yr Ysgrifennydd Parhaol, Llywodraeth Cymru (20 Hydref 2015)

(Tudalen 223)

Craffu ar Gyfrifon: Gwybodaeth ychwanegol gan Amgueddfa Cymru (Medi 2015)

(Tudalennau 224 – 225)

Craffu ar Gyfrifon: Gwybodaeth ychwanegol gan Chwaraeon Cymru (19 Hydref 2015)

(Tudalennau 226 – 233)

Craffu ar Gyfrifon: Gwybodaeth ychwanegol gan Gomisiwn y Cynulliad (7 Hydref 2015)

(Tudalennau 234 – 269)

Craffu ar Gyfrifon: Llythyr gan yr Ysgrifennydd Parhaol, Llywodraeth Cymru (22 Hydref 2015)

(Tudalennau 270 – 341)

Gwasanaeth Awyr oddi mewn i Gymru – Caerdydd i Ynys Môn: Llythyr gan Gyfarwyddwr Dros Dro Trafnidiaeth a Seilwaith TGCh, Llywodraeth Cymru (28 Hydref 2015)

(Tudalennau 342 – 347)

4 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y busnes canlynol:

(10.15)

Eitemau 5 & 6

5 Buddsoddiad Llywodraeth Cymru yn Isadeiledd Band: Trafod yr adroddiad drafft

(10.15–10.40)

(Tudalennau 348 – 373)

PAC(4)–29–15 Papur 1

6 Bil Cymru Drafft

(10.40–11.00)

(Tudalennau 374 – 389)

PAC(4)–29–15 Papur 2 – Bil Cymru Drafft – papur clawr

PAC(4)–29–15 Papur 2A – Bil Cymru Drafft – Briff gan y Gwasanaethau Cyfreithiol ac Ymchwil

PAC(4)–29–15 Papur 3 – Bil Cymru Drafft– llythyr gan Archwilydd Cyffredinol Cymru

Public Accounts Committee Inquiry into the Regeneration Investment Fund for Wales

Response to request for further comments from former Board members following Committee Session on 12 October 2015

Introduction

1. At the Committee's meeting on 12 October 2015, the former Board Members agreed to review and send any comments on the market valuations undertaken by Savills (January 2012) and the District Valuer's report of July 2015. The following comments reflect the Chair's request for comments on material facts.

District Valuer's report

2. Unfortunately, despite its statement, the report is not RICS compliant. There are questions about special assumptions, statutory valuations and hope valuation which are not addressed in the body of the report.
3. The report makes reference to Case Law but the references are on the basis of statutory valuations, which is a slightly different basis as they all revolve around a single payment (i.e. no overage). More significantly, the report does not refer to the latest case on the subject. Case Law demonstrates that the residual method of valuation is fraught with risks and is the "*method of last resort*". The District Valuer states he has primarily used comparative method, which is true in respect of a number of valuations he undertook. However, in the relegation to Lisvane and Monmouth, the two most valuable sites in the portfolio, he has adopted the residual method. Despite with all the risks inherent to this method, he has been definitive in giving an opinion of value. Given the significant assumptions he has had to make, we would have expected, and reasonably expected, as a minimum, a qualified valuation rather than a specific figure.
4. Some aspects of the report raise concerns about its accuracy and credibility. Whilst on a confidential basis, the District Valuer receives returns for Stamp Duty Land Tax purposes, the majority of the information is registered at HM Land Registry and his number of comparable land transactions is limited. For example, the opinion of value for Bangor (Ref:10) is justified by seeking to argue the subsequent sale by South Wales Land was at less than market value. However, the report provided no evidence, merely assertions. In relation to Monmouth (Ref:15), we note in advice to the Board, Lambert Smith Hampton valued the site at £13.8 million and it sold this year for £12 million on a phased basis. The District Value's opinion is almost 50 per cent above the sale price achieved. The report also suggested the value could be even higher, which would represent nearly double the price achieved. It should also be noted the sale price actually achieved was in markedly better market conditions, which means the percentage variance is in fact much greater. Surprisingly, his report is silent on the transaction, which was completed before his report was finalised on

10th July 2015. It is reasonable to expect the valuation report to have included reference to such an event.

5. During the evidence session, Members asked, quite reasonably, how a conflict could be avoided when a specific individual was involved with both parties in a transaction. Towards the latter stages of the Value for Money study, we became aware that over and above valuing the Lisvane site for the Auditor General, the District Valuer had also accepted instructions from Cardiff City Council to act on its behalf in the Planning Inquiry on Lisvane. The two clients had diametrically opposed aims. The Auditor General needed to establish what the maximum amount which could be achieved for the public purse by the sale at Lisvane. Cardiff City Council on the other hand would wish to determine the lowest possible value as part of its Community Infrastructure Levy proposals. The possible conflict of interest was raised with the Wales Audit Office who provided us with assurance that the District Valuer had taken appropriate steps. We accepted this assurance and still do. Therefore, we would simply make the observation that the District Valuer himself led the work for the Auditor General but also appeared in person to put forward the Council's case in the Planning Inquiry.
6. We mentioned Appendix J of the District Valuer's report which has been redacted on the version published on the Committee's web site. Unfortunately, we are unable to access this and therefore are unable to offer comments on the detailed calculations behind the opinion of value.

Savills report

7. The former Board members have not had sight of this report. During the session, reference was made to the Savills report which appeared to suggest the Committee Members had seen a copy. Our review of the transcript has been helpful to clarify the matter as has the subsequent email from the Clerk to the Committee Clerk, which confirmed the Committee has not had sight of this report. The Clerk also confirmed that Savills did give the Wales Audit Office their permission to publish their land valuation figures in Appendix 3 of their report and that we may wish to approach SWLD to obtain a copy of the Savills report.
8. We have decided not to approach SWLD for a copy of the report and would simply make the following observation in relation to the valuation of the assets in Monmouth. Our concern relates to the interest in, and market value of, single acre fully serviced plots which are immediately available for house builders to commence construction and, by inference, any direct comparison with Lisvane. Lisvane did not have Planning Consent, and to date, still does not have Consent. As such, the extent of the infrastructure requirements and other costs which are fundamental to the valuations was not known. One cannot compare the value of a single acre and such a large tract of land, which will probably take in excess of 10 years to develop.

Owen Evans

Dirprwy Ysgrifennydd Parhaol / Deputy Permanent Secretary

Y Grŵp Addysg a Gwasanaethau Cyhoeddus
Education and Public Services Group



Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair
Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

28 October 2015

Dear Chair

PAC EVIDENCE HEARINGS: REGENERATION INVESTMENT FUND FOR WALES

I said I would provide the Committee with additional information on matters that arose during the evidence sessions concerning the Regeneration Investment Fund for Wales (RIFW). This letter covers matters arising during my evidence session on 12 October and James Price and Chris Munday's session on 13 October

Responding to each of your points in turn:

- i. **King Sturge Valuation report.** As requested, a copy of the report is attached at Annex A. I would like to clarify any misunderstanding that may have arisen regarding the status of this report in the original evidence hearings. We recognise that elements of the information contained in the King Sturge report do seem to have been known outside government but as far as we are concerned the report was made available only to the organisations who were shortlisted under the tender that was conducted to recruit the RIFW fund and investment managers. I can also clarify that the King Sturge report was not sent to the RIFW board members. However the induction pack that was prepared for board members (see para vii below) did include a schedule of the land assets transferred to the Fund along with their transfer value. The report was also an important element of the source material that the investment managers were able to draw upon in preparing their asset realisation plan which was presented to the RIFW Board on 31 January 2011.
- ii. **Selection of land assets.** A note on the process we followed in selecting the land assets for transfer is at Annex B.

The Committee also asked for details of any previous marketing of the assets especially North Cardiff. The property was not marketed for sale prior to the transfer to RIFW. It had been in public ownership for approximately 25 years having been acquired by the Land Authority as part of its statutory remit to stimulate the supply of Housing Land in Wales. During the period of ownership the public sector had

however been a member of a group of landowners and option holders, known as the North East Cardiff Consortium, which over a number of years had made joint representation to Cardiff City Council to promote a wider site, totalling 568 acres between Pontprennau and Lisvane, for a mixed use development to include 4000 – 5000 homes, employment uses, leisure, retail and community uses. The details of the contacts with the consortium were passed to Amber and LSH, and is referenced in the asset realisation plan.

During your earlier evidence sessions the Committee also expressed an interest in whether we felt on reflection that it had been a mistake to include the Lisvane site amongst the land assets transferred to RIFW. Chris Munday suggested in his evidence that with the benefit of hindsight it may have been. I have discussed this with Chris and he and I are clear that his comments need to be seen in the context of the questions he was asked regarding the uncertainty which at that time surrounded Cardiff's Local Development Plan. Had there been clarity at the time about the final shape of the Cardiff LDP there may have been arguments that Lisvane should have been disposed of in a different way. But of course at the time the land was included in the package to be transferred to RIFW officials were not in a position to predict the outcome of that process. Looking back on those events, my own view continues to be that the Welsh Government acted reasonably in concluding that Lisvane should have been included in the land assets transferred to RIFW in 2010. I also think that the Welsh Government was entitled at that time to have expected that the arrangements which it put in place to realise the value of those assets should have been sufficiently robust to ensure that the sales process was able to achieve value for money and that where appropriate this should have included the use of overage clauses.

- iii. **Commercial transactions with off shore entities.** - The Treaty on the Functioning of the European Union applies to all procurement activity regardless of value, including contracts below the thresholds at which advertising in the Official Journal of the European Union is required and including contracts which are exempt from application of the EU Procurement Directives. One of the fundamental principles flowing from the Treaty is the equal treatment and non-discrimination of potential suppliers. The Welsh Government would therefore be unable to exclude consideration of off-shore entities nor would we be entitled to include any consideration of future tax revenues in determining whether or not to engage in a commercial transaction with a particular organisation.
- iv. **Fire sale references** – You also asked about the policy considerations surrounding James' reference to a potential 'fire sale'. Looking back over his testimony I think James' comments were quite clear in explaining that this was a reference to the wider context within which officials were operating at that time rather than referring to a policy adopted with regard to the Fund. James' comments were I thought a helpful reminder of the broader economic context within which the Welsh Government decided to utilise land assets to take advantage of the Jessica funding model. That wider context served to underline the need for innovation and the need for urgent action.

Since we attended those earlier sessions, I have also had my attention drawn to the initiatives being pursued by the UK Government with regard to the sale of public

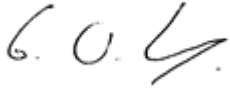
land at around the same time. This interest in realising the value of assets was made explicit during the Chancellor's budget announcement in March 2011. The Committee may also be interested in the additional technical analysis which I have commissioned on the market commentary prepared by Savills which was referred to in the earlier session. This analysis is attached at Annex C.

- v. **Cardiff LDP representations** – We have received a detailed report from our Planning Department on their involvement in the Local Development Plan process in Cardiff. This note is attached at Annex D. Our policy is not to include departments outside the Planning Department in such representations due to the quasi-judicial nature of the process.
- vi. **Induction packs.** Please find enclosed at Annex E a package of the material produced to inform the training we provided to the original Board members. I am also enclosing a copy of our letter of appointment which also helps to describe our expectations regarding the role of Board members.

I would also like to take the opportunity provided by this further communication with the Committee to reiterate some of the points I made in the earlier evidence sessions about shortcomings in our corporate oversight of RIFW during the crucial early stages of the project. One of the most important lessons for the Welsh Government to learn from the RIFW experience is that when major projects transfer from one department to another – as was the case with RIFW – we need robust procedures to be in place to highlight the potential risks surrounding such projects and the risks arising from the process of transfer. This is not a matter of whether or not the Welsh Government observer in this case should have been reporting back matters relating to the conduct of an arms length body. The failure in this case was that we did not have sufficiently strong corporate procedures in place to highlight those sorts of risks. And as I also made clear in my earlier evidence neither did we provide sufficient guidance to the members of staff involved as to how they should deal with those risks.

I mentioned Principal Accounting Officer (PAO) Note 007 in my earlier evidence but we did not have the opportunity to discuss it. I am therefore appending a copy of this note as Annex F to this letter. The note sets out our new procedures for transferring important items of business between departments. Annex F also includes an example of the how this policy was delivered in practice as far as RIFW was concerned following the Cabinet reshuffle announced by the First Minister on 11 September 2014. I believe that it demonstrates a far more active approach to the management of major projects by Welsh Government. It demonstrates that we are now far more sensitive and likely to respond to the issues that can arise when responsibility for such projects moves between departments. And I think it shows clearly that we are committed to the development of corporate systems which do not leave too much to the discretion of individuals whilst also creating an environment where innovation is possible without losing sight of the need to manage associated risks.

I did not get the opportunity to elaborate on these points in the earlier evidence session but the thinking behind PAO 007 does in my view highlight the important change in our approach which I have witnessed since 2011 and which with my senior colleagues I am committed to pursuing still further in the years to come.

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

Owen Evans
Deputy Permanent Secretary

Welsh Assembly Government
Department for the Economy and Transport
Plas Glyndwr
Kingsway
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CF10 3AH

REPORT

AND

VALUATION

ON

**PHASE 1, PHASE 2 AND PHASE 3
JESSICA ASSETS**

AS AT

1 OCTOBER 2009

King Sturge LLP

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1 INTRODUCTION

1.1 INSTRUCTIONS

1.1.1 In accordance with your instructions, we have inspected and valued the freehold interests in the properties on the following bases:

- Market Value
- Market Value – on the special assumption of agricultural use only in respect of Lisvane, Pyle, Monmouth, Towyn, Pen-y-Bryn (St Asaph) and Abergele.

1.1.2 Our valuation advice has been prepared in accordance with the Basis of Valuation and Valuation Assumptions set out in **Appendix 26** and in accordance with the current edition of the Valuation Standards published by the Royal Institution of Chartered Surveyors. The bases of valuation are those used in the Standards and are further explained in **Appendix 26** attached.

1.1.3 We confirm that in accordance with our confirmation of instructions letter, our legal liability in providing this valuation report will be limited to £20million and that we have adequate professional indemnity insurance cover in this regard.

1.1.4 We understand that the Welsh Assembly Government has adopted a policy that buildings constructed on land it sells in the future will be required to comply with BREEAM Excellent in respect of commercial development and in some instances The Code for Sustainable Homes Level 4 and above in respect of residential development. There is limited market evidence and information available to demonstrate the adverse impact of such policies on values and our valuations, as instructed, do not have regard to those specific WAG requirements in arriving at Market Value.

1.2 INSPECTION

1.2.1 The properties were inspected and measured during September, October and November 2009 by Lee Lapham, Helen J James and James Williams, who are the authors of this report. We confirm that these surveyors have the necessary experience in this type of property in these locations in order to undertake this valuation. This valuation has been overseen by Lee Lapham MRICS, Partner in the Cardiff office.

1.3 STATUS OF VALUER

1.3.1 In preparing this report, we confirm that King Sturge are acting as external valuers as defined in the Standards. We can also confirm that we consider ourselves to be independent for the purposes of this instruction.

1.4 VALUATION DATE

1.4.1 The properties have been valued as at 1 October 2009.

1.5 CONFLICT OF INTEREST

1.5.1 We confirm that we have had no prior formal involvement with the properties, with the exception of undertaking the annual asset valuation, as at 28 February 2009. We consider therefore that we do not have any conflict of interest in providing the advice that you have requested.

2 VALUATION

2.1 MARKET VALUE

2.1.1 Having regard to the facts and assumptions set out in the Valuation Reports, we are of the opinion that the **aggregate Market Value** of the **freehold** interests in the Phase 1, 2 and 3 properties, subject to and with the benefit of the leases/licences but otherwise with vacant possession, and as at 1 October 2009, is **£29,831,000-£35,581,000** (Twenty Nine Million Eight Hundred and Thirty One Thousand Pounds-Thirty Five Million Five Hundred and Eighty One Thousand Pounds) apportioned as follows:-

MARKET VALUE - PHASE 1 ASSETS

PROPERTY	MARKET VALUE
Imperial House and Imperial Courtyard, Newport	£5,200,000
Church House Farm, Maerdy Farm and Llwynypia Farm, Lisvane, Cardiff	£1,835,000/£6,100,000
Croes Atti, Oakenholt, Flint, North Wales	£3,200,000
Wrexham Industrial Estate, Wrexham	£2,450,000
Gwynfaen Farm, Loughor, Swansea	£2,575,000
TOTAL PHASE 1	£15,260,000/£19,525,000

2.1.2 MARKET VALUE – PHASE 2 ASSETS

PROPERTY	MARKET VALUE
Llantrisant Business Park, Llantrisant	£330,000
Upper House Farm, Rhoose	£2,700,000

Cogan Hall Farm, Penarth	£350,000
Garth Park, Talbot Green	£210,000
Goetra Uchaf Farm, Bangor	£1,500,000
Ty Mawr, Llanfairpwllgwyngyll	£150,000
South Sebastopol, Cwmbran	£2,400,000
Ty Draw Farm, Pyle	£100,000/£450,000
Mayhew Foods, Aberdare	£300,000
TOTAL PHASE 2	£8,040,000/£8,390,000

2.1.3 MARKET VALUE – PHASE 3 ASSETS

PROPERTY	MARKET VALUE
Anchor Way, Penarth	£100,000
Wonastow Road, Monmouth	£990,000
Ynysallan Farm, Llantrisant	£50,000
Towyn Way East, Towyn	£155,000/£735,000
Pen Y Bryn, St Asaph	£230,000/£700,000
Hotel Site, St Asaph Business Park	£516,000
St George Road, Abergele	£90,000/£175,000
Waenfynydd Farm, Llandudno	£520,000
Glasdir Road, Ruthin	£3,880,000
TOTAL PHASE 3	£6,531,000/£7,666,000

2.1.4 The lower values reported on Lisvane, Pyle, Monmouth, Towyn, Pen-y-Bryn, (St Asaph) and Abergele are on the special assumption of agricultural use only. Sales of these assets on this basis would necessitate overage clauses to protect the vendor in the event of planning being forthcoming in the future for higher value uses.

3 CONFIDENTIALITY

- 3.1.1 This Valuation Report is provided for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its content. The basis of valuation may not be appropriate for other purposes and should not be so used without prior consultation with us.
- 3.1.2 Neither the whole nor any part of this Valuation Report nor any reference thereto may be included in any published document, circular or statement, nor published in any way without our written approval of the form and context in which it may appear.



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Report Date: 4 December 2009

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Asset Selection Process and Timeline

April 2009

Project Work stream established, membership comprises –

- WG Officials - Two Chartered Surveyors
- Navigant Consulting - Project Management and link to other workstreams
- Savilles – Market advice and town planning
- Arup - Technical

May – June 2009

Initial desk-top sift using WG asset register and annual asset valuation. Criteria was to select assets for readiness for sale in the context of market knowledge, vacancy level of investment property, location (properties in “secondary” locations known not to have good market demand)

Long List of 25 properties (with an aggregate book value of £62.0m) established and all sites physically viewed and regional WG property managers consulted.

Final Long List – 18 properties with an aggregate book value of £48.41m

Assets filtered through an Asset Evaluation Tool (AET) developed by the workstream

- Work needed to establish value (eg Surveys)
- Book Value
- Works required to enhance value (Physical or management)
- Cost to prepare for sale
- Estimated date when could be sold
- Estimated disposal value

Initial Short List established and Legal and technical Due Dilligence instructed

July 2009

King Sturge instructed on valuation of Short List – this identified the additional information required by valuers,

August – November 2009

Detailed due diligence information assembled and properties removed/added from list as issues arise.

December 2009

King Sturge valuation, as at 1/10/09, showed an aggregate value of £29.8m to £35.8m. The valuation highlighted the issue of hope value.

Hope value issue considered by project work stream, including consultation with WEFO. King Sturge advice was that in the prevailing market the preference of housing land buyers was to pay existing land value and accept an overage provision to share in any uplift in value in the longer term with the seller. Specifically King Sturge stated that in relation to Lisvane that ; “At the date of valuation the planning

process is at an early stage with no meaningful indication as to whether the site has a prospect of achieving an allocation in the short, medium or long term.”

The initial transfer from Welsh ministers was to an entity that is 100% owned by Welsh Ministers and that it would be a future purchaser from the fund that could create uplift in value. WEFO required a valuation of the match fund assets to be that which an asset could be realised with certainty, otherwise there was a risk of a shortfall in match funding in future.

January 2010

Review of properties and values in the light of valuers observations on each asset and market conditions. This review resulted in five properties being removed from shortlist and one reduced significantly reduced in size. Sites at Brackla and Upper House Farm introduced instead, these had been in earlier long list but initially ranked behind other sites in terms of “saleability”.

February – March 2010

King Sturge provided updated valuation of final transfer assets.

Approval Process

The approval of the transfer of assets to RIFW was the same as applied, at that time, to any property asset disposal. In the case of Lisvane the transfer was approved by the Deputy First Minister as part of the overall portfolio transfer to RIFW and the subsequent management approval followed a tightly defined process that was recorded in hard copy, involving:

- Recommendation by a surveyor
- Financial Review of the outline of the transaction, including transfer value and book value comparison
- Approval by delegated authority holder, Regional Director South East Wales

Market Commentary

When the Auditor General Wales wrote to the Chair of the Public Accounts Committee he quoted from the Savills valuation report:

'Cardiff residential land values, particularly in the suburbs have recovered almost to pre-crash levels in early 2007 and in most cases were sold by tender with competitive bidding.'

These matters were also referenced to during the PAC evidence hearing.

The Savills report highlights the following site specific constraints for the Lisvane site :

- Site forms part of a larger parcel being promoted by others
- The North East Cardiff is a 'loose' consortium and no equalisation agreements have been entered into
- Fractured ownership may be considered by the planning authority as an impediment to delivery
- Political opposition to greenfield land releases
- Competition from other candidate sites.
- As part of a larger consortium site, Savills took a far more pessimistic view on the amount of land on the subject site that would be developable.

All of the above factors would have a significant effect on value. As well as deducting the usual costs for all planning gain (including affordable housing), infrastructure and abnormal costs, they make other significant deductions for planning and consortium risks.

To a certain extent Jonathan Smart (DTZ) in his Wales On-line article in supports Savills view:

'... on the surface the housebuilding industry has staged a remarkable, if partial, recovery from the depths of the recent recession. While housebuilders have had to absorb losses and refinance loans, they are now slicker organisations more suited to the current market.'

But he goes onto say:

'They are building smaller schemes, in more attractive areas and are now more focused on increasing margin, not volume, to deliver profit.'

However, with current affordable housing requirements, the costs of obtaining a planning consent, costly Section 106 contributions to include education, leisure and highway contributions, coupled with additional abnormal costs (demolition, abnormal foundations, surveys etc), the net sale proceeds are often considerably lower.'

We need to be careful in seeking to compare market sentiment for relatively small sites (up to 5 acres) against a 121 acres site on the fringes of Cardiff with no planning designation.

In terms of the macro – economic picture, there are a number of relevant extracts within section 4.2 of the District Valuer's report:

'In spite of the on-going high level of national debt and limited economic growth, some market improvements are being seen post 2008. The UK economy remains fragile but a number of market indicators show a positive direction of travel over the valuation period, with a gradual improvement in market conditions and market confidence.

... the market intelligence gathered and transactional evidence seen it is clear that there is a gradual improvement in property market conditions since the 2009 valuation date. However, the levels of market activity are still subdued and it is therefore difficult to be certain that a sustained and entrenched recovery is in place.'

Finally, the JLL South Wales report 2012 is very informative as it links the economic outlook at that time to the residential market:

Economic Outlook

By mid-2011, it was clear that the global economic upturn was running out of steam and the UK economy was slowing. Towards the end of 2011, the Eurozone crisis increased the risks and the prospect of a "double-dip" recession. There have been tentative signs of an improvement in confidence at the start of 2012, but the short-term outlook is expected to remain weak.

In 2011 Q4, UK GDP contracted and the fear is that there will be a further dip in Q1. Forecasts for growth in 2012 as a whole have also been steadily downgraded and a rise of just 0.3% is now in prospect. This means output will remain well below its 2008 peak until next year. In effect, the "great recession" and the slowest recovery on record will have resulted in a lost half-decade of UK growth.

Residential Market

We predicted for 2011 that house prices would on average decrease by 2-4% in Wales and we would make the same prediction for 2012, as risk remains on the downside.

The short term outlook is a continuation of low levels of activity, with the main risk factors being the illiquidity in the mortgage markets, economic uncertainty particularly in the Eurozone and unemployment levels.

The medium/long term outlook is more positive, particularly if the availability of mortgages increases, base rates remain stable and the overpaying of mortgage debt continues.

House builders will, in our opinion, remain selective on land acquisitions, with demand remaining focused on prime unit housing sites. Secondary sites are only likely to be of interest on deferred payment terms, plot by plot, or via options.

The detail of Section 106 obligations and affordable housing will remain contentious in terms of their impact on viability, against the public sector requirements for improved infrastructure and affordable housing.

The issue we now need to understand is what would have been the market sentiment for 121 acres of urban fringe land in Cardiff with no planning designation other than agricultural in 2011. It is clear from the above that in recovering from the depths of the recession the focus for national house builders had changed as reflected above. There was certainly enough doubt about the economic prospects and market sentiment at the time for decisions taken to be influenced by concerns that values might reduce rather than increase. This suggests that the view which has been expressed that Lisvane had a high certainty of being developed at considerable value per acre to be applicable only with the benefit of hindsight.

From: [REDACTED]@wales.gsi.gov.uk
Sent: 27 October 2015 12:29
To: [REDACTED]@wales.gsi.gov.uk
Subject: FW: RIFW - Land NE of Cardiff
Attachments: 20100407-CardiffLDPwithdrawal-ReplyToPINS.pdf;
CardiffDepositResponseLetterFINAL-20090609.pdf; Cardiff covering letter Reg 15
Nov 07.doc; Cardiff LDP Reg15 PreferredStrategyRespFILE ONLY ANNEXWith
ScTeamRefs Nov07.doc

From: [REDACTED]
Sent: 19 October 2015 14:57
To: [REDACTED]
Cc: [REDACTED]
Subject: RIFW - Land NE of Cardiff

[REDACTED]

The land in question, land to the NE of Cardiff/south of the M4, has a chequered history of being in and out of development plans in Cardiff over a period of time. I will give a short history for you to follow, along with links.

Cardiff Council benefits from several parts and versions of structure plans, some pre-dating and following the last round of local government reorganisation. These still remain the extant, or operative development plan for Cardiff. They can be found at:

<https://www.cardiff.gov.uk/ENG/resident/Planning/Planning-Policy/Existing-plans/Pages/Existing-plans.aspx>

Cardiff Council then embarked on preparation of a Local Plan (which did not allocate land in NE Cardiff) and formally adopted this plan January 1996. This also forms part of the extant development plan and can be located through the same link.

Following the Local Plan, Cardiff then embarked on preparation of a Unitary Development Plan (UDP) which did allocate land at NE Cardiff for homes, contrary to the Local Plan. The UDP was approved for development management purposes, not a formally adopted development plan as per the regulations. This strictly does not form part of the extant development plan, but could be a material consideration in decision making.

Following the UDP the Council then embarked on preparation of a Local Development Plan (LDP). The Council progressed this plan through the following statutory stages:

Welsh Government's formal response to Cardiff Council's Preferred Strategy LDP – 27/11/07

Welsh Government's formal response to Cardiff Council's Deposit LDP – 09/06/09

The usual course of action is that when a plan is submitted for examination it then proceeds through the examination process. However, in this instance the examination did not take place, instead an Exploratory meeting was held to determine if the plan could progress. Following this public meeting the appointed Inspector concluded that the plan could not progress and recommended withdrawal. Due to the Ministers powers in the process a formal response stating

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that Welsh Minister's would not intervene was issued; therefore the plan and all supporting evidence was withdrawn.

Following withdrawal of the LDP, all documents relating to the plan were withdrawn (in accordance with Regulation 26 Town and Country Planning (Local Development Plan) (Wales) Regulations 2005). Consequently, all the above documents, along with those to support the plan are no longer in the public domain.

The Council then continued progression of a further LDP, the plan currently being examined. The relevant formal document at the statutory stages can be located on Welsh Government's website:

<http://gov.wales/topics/planning/development-plans/ourrole/local-development-plans-official-responses/?lang=en>

The formal hearing sessions into the LDP have now finished. The appointed Inspector has indicated that her report may be published December 2015 which, due to the LDP Regulations indicating must be adopted within 8 weeks, would indicate formal adoption of the plan by March 2016.

As a course of procedure, Planning Division does not comment on individual allocation/planning applications. The tendency is to comment on topics, such as housing, or location through strategy and sustainability assessments. Comments are made in accordance with Planning Policy Wales (PPW) and relevant Technical Advice Note (TAN), minerals equivalent and appropriate regulations and Circulars. Ministerial letters on relevant matters may also be taken into account. Detail on what constitutes a material consideration can be found in PPW and case law.

With regards to specific parcels of land you will need to look at the relevant plan at a point in time, its status at that point, materiality of the policy/evidence, other contextual circumstances, i.e. 5 year housing supply, Council policy etc. The dates and timings of all elements will be critical. As Planning Division apply policy consistently across the board we do not have direct contact with those promoting sites, or those with a financial interest. This is normal.

I trust this is of assistance,





Mr Dave Holtam
Development Plan Group
Strategic Planning & Environment
Cardiff Council
County Hall, Atlantic Wharf
Cardiff CF10 4UW

Eich cyf • Your ref P/SPD/10.5
Ein cyf • Our ref A-PP030-01-005
27/11/2007

Dear Colleague

**CARDIFF LOCAL DEVELOPMENT PLAN (2006-2021):
PREFERRED STRATEGY REGULATION 15 CONSULTATION
WELSH ASSEMBLY GOVERNMENT RESPONSE**

Thank you for consulting the Welsh Assembly Government regarding the Cardiff Local Development Plan pre-deposit documents. We are pleased to see progress being made in furthering a development plan for the area.

It is for the statutory consultation bodies and their equivalents to contribute to Sustainability Appraisal (SA) including Strategic Environmental Assessment (SEA) and Habitats Regulation Assessment exercises and your expert group to help you assess if they are fit for purpose.

As always, we would urge you to seek your own legal advice to ensure that you have met all the procedural requirements, including screening for SEA, because responsibility for these matters rests with your Council.

In respect of the other pre-deposit documents we would refer firstly to the new approach to examining LDPs and the way we to address this stage of pre-deposit documents involving the preferred strategy, options and other background material from a policy perspective. Please note that there will be a need to obtain and consider advice and representations from other relevant Assembly Government Divisions regarding candidate site proposals or aspects of detailed site assessment.

In the past our comments at UDP pre-deposit draft stage would have been in the form of specific objections to policy omission, relevance or wording which, if not addressed at



deposit or pre-inquiry changes, would be considered by the Inspector in arriving at the recommendations in the Inspector's Report.

Under the new system, the responsibility rests with the local planning authority to ensure that a submitted LDP is sound in procedural terms and enshrines the principles of early community engagement, transparency, consistency, coherence and compatibility to neighbouring authorities. If these principles have not been addressed adequately at the earliest stages of preparation, then the deposit LDP may be considered unsound and unfit for examination.

Without prejudice to the Minister's discretion to intervene later in the process and to the independent examination, the Assembly Government is committed to helping local planning authorities minimise the risk of submitting unsound documents by making appropriate comments at the earliest stages of document preparation, and particularly at the Regulation 15 pre-deposit consultation stage.

To do this, the Assembly Government looks for clear evidence that the ten tests of soundness (as set out in 'LDP Wales' and the 'LDP Manual', and explained further in guidance issued by the Planning Inspectorate) are being addressed.

Having considered all the submitted documents provided by Cardiff Council under Regulation 15, we acknowledge the amount of work undertaken by the authority to reach this stage. We also appreciate that the LDP system is new and that authorities are having to learn as they progress. We are aware that the authority has been involved in spear-heading much of this work, in association with the South East Wales LDP Pathfinder Group.

To ensure your authority secures a sound plan in due course, we have provided a strategic assessment of the Preferred Strategy document (as supported by the other documentation you have provided). We have indicated where evidence of soundness is not immediately clear. The annex to this letter sets out the detailed comments of the Assembly Government on the Preferred Strategy document; some comments relate to more than one test of soundness and we have provided cross-references where most appropriate.

We have previously provided informal comments to your authority when we met with your officers in September. These informal responses highlighted some areas of concern. We note that you were not able to take account of all the comments made because of timing but this means that there still remain some substantive matters as outlined below, which need to be addressed well before you produce a deposit plan. We suggest that to support your on-going self-assessment regarding soundness, you take steps to improve or provide:

- better flow and linkage between parts of the work so that it demonstrates **coherence**. While key trends were well explained, the issues resulting from the trends were not so well identified.
- **explicit explanation of how** the evidence base, the key land-use issues, the analysis of the wider context and particularly how the plan objectives have been used to assess the options and to arrive at the preferred strategy.
- a more **transparent** link between the plan issues, vision, objectives, policies and the indicators. The Community Strategy visions set out an ambitious view of the sort of place Cardiff should be, but this **local distinctiveness** has not been carried forward into the plan objectives.
- **how key national policy** issues (such as affordable housing, flooding, climate change, infrastructure availability, coal resource safeguarding, waste, etc), have affected the development of the Preferred Strategy at a strategic level.
- evidence of liaison with **neighbouring authorities** (in addition to the Housing Ministerial Interim Planning Policy Statement apportionment work) and consideration of how Cardiff's strategic land use aspirations mesh with those of other nearby areas.

- how the strategy will address uncertainty and yet achieve the identified objectives. The deposit plan will need to be **flexible** enough to respond to circumstances such as emerging regional work (WSP, RTP, etc.) and evolving national/regional population/housing numbers, and to include **contingency** approaches if the private sector are unable to deliver or the planned infrastructure required cannot be funded.
- consideration of the **local spatial implications** e.g. the strategic distribution of growth within the current urban area as proposed in the preferred strategy. The strategy included in the deposit plan should be as place-specific as possible signalling the anticipated role of places and areas of the city identified for change on the key diagram, outlining the implications for local communities.
- the **focus and detailing of the strategic policies** in order to show how they deliver the preferred strategy, to improve on their distinctiveness, and also to avoid them repeating national planning policy unless developing its application to the local area as recommended in the 'Planning Policy Wales Companion Guide'.
- a **monitoring framework** with indicators based on the plan objectives, that will allow the **delivery** of the strategy to be properly managed.

Providing data exists and work has been undertaken where apparent gaps in the evidence base have been identified, we believe that much of this advice can be accommodated by refining and including emerging background material, for the deposit plan and its supporting documentation. This should not delay deposit plan preparation and should improve the prospects of the plan being deemed sound.

You should document your response to our comments in your Consultation Report.

To assist your authority in taking forward the LDP, we recommend that we meet your officers to discuss our response at the earliest opportunity. If you have any queries in relation to the response, please contact Hywel Butts (on 029 2082 1619) or myself.

Yours sincerely

Jeff Phillips
Plans Management and Performance Branch

(enclosure – annexe)

Cardiff LDP**- Annexe to letter 27 November 2007****Reg 15 Pre-Deposit Consultation: Welsh Assembly Government Response (with Scrutiny Team Refs FILE ONLY)**

P1 - Prepared in accordance with the Delivery Agreement including the CIS	
<u>Comments</u>	<u>Suggested Actions</u>
We assume that the Preferred Strategy has been prepared in accordance with the Delivery Agreement. Please advise if this is not the case.	N/A
P3	

P2 - Subjected to Sustainability Appraisal including Strategic Environmental Assessment (and Habitats Directive Appropriate Assessment)	
<u>Comments</u>	<u>Suggested Actions</u>
<p>We note that:</p> <ul style="list-style-type: none"> - the Council's 'Initial Sustainability Appraisal Report, October 2007' is also available for inspection and comment; - paragraph 1.5 refers to the above consultation document and that the Council proposes an integrated approach to SA and SEA; - paragraph 4.10 sets out the SA objectives; - Appendixes to the Initial Sustainability Appraisal Report contain specific appraisal of the LDP objectives, strategic options and strategic policies; - Appendix 4 contains the Habitats Regulations Assessment work undertaken to date, and that further work is required. 	N/A
P3	

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Cardiff LDP

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C1 It is a land use plan which has regard to other relevant plans, policies and strategies relating to the area or to adjoining areas.

Comments	Suggested Actions
<p>We note that Chapter 3 of the preferred strategy aims to provide the national, regional and strategic context for the LDP and refers to a number of key relevant plans, policies and strategies: WSP, WSP area strategy, Planning Policy Wales, Minerals Planning Policy Wales, SEWSPG work, emerging Regional Transport Plan, South East Wales Regional Waste Plan, The South Wales Regional Technical Statement for Aggregates, the Cardiff Community Strategy 2007-2017. Technical Appendix 1 of the SA/SEA Scoping Report also contains the review of Relevant Policies, Plans and Programmes.</p>	
<p>Neighbouring Authorities The key policy framework within which the Preferred Strategy has been prepared is identified, with particular emphasis on how it relates to the Community Strategy. Although it is referenced, there is less evidence of detailed analysis of Cardiff's role within South East Wales.</p> <p style="text-align: right;">PolicyPR</p> <p>Whilst the document makes a number of references to Rhondda Cynon Taf, other neighbouring authorities within the South East Wales Strategic Planning Group are given little mention. Are there any other cross-boundary issues here which need to be explored?</p> <p style="text-align: right;">PINS</p>	<p>Ensure adequate collaborative working with neighbouring authorities takes place, is transparently recorded and that it influences, and is shown to be continuing to influence, the preferred strategy.</p>
<p>Housing Chapter 3 provides linkages to the Wales Spatial Plan and particularly the relevant area work on apportionment of the Assembly Government sub-national household projections. There is limited reference to the authority's Community Strategy (although this is further clarified in Chapter 4) but no reference at all to the existing or emerging local housing strategy.</p> <p style="text-align: right;">HsgJA</p>	<p>Provide explanation of how the preferred strategy takes account of the local housing strategy, or is sufficiently flexible to accommodate any emerging strategies.</p>
<p>Waste Paragraph 3.20 – no mention is made here of the current review of the Regional Waste Plan which has issued for consultation this Autumn and will be finalised early in 2008.</p> <p style="text-align: right;">PolicyJS</p>	<p>Ensure the LDP reflects the latest Regional Waste Plan.</p>

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C2 It has regard to national policy.	
Comments	Suggested Actions
<p>LDP Wales (and the PPW Companion Guide) makes clear that though LDPs must have regard to national policies, they should not repeat them, but rather explain how they apply to the local area. The draft strategic policies in the preferred strategy document should be the key delivery mechanisms for areas of change in the preferred spatial strategy (LDP Manual paragraph 6.5.1).</p> <p><i>N.B. Comments in relation to national policy are included under soundness tests CE1 & CE2</i></p>	<p>See comments under soundness tests CE1 & CE2</p>

C3 It has regard to the Wales Spatial Plan	
Comments	Suggested Actions
<p>Overall this document has made good links with the Spatial Plan, in particular making the links between strategic options outlined in Section 5 and the potential fit with the SE Spatial Plan work.</p> <p>Section 6 outlining the Preferred Strategy also has good links with the Spatial Plan work and follows the principles agreed at the Spatial Plan SE Ministerial level.</p> <p>More could be made of the work, with more clarification on working with neighbouring LPA partners (see also Test C1), to supplement the references peppered throughout sections 3, 5 and 6. Possible topics for joint working/collaboration include: waste, regional economic growth especially the Knowledge Economy, and an assessment of the impact any expansion of the city might have – although it is noted that the LDP specifically states there is no need to expand the city at this time, and no need to use any greenfield/greenbelt land to satisfy housing requirements.</p> <p style="text-align: right;">WSPjm</p> <p>The 'vision' of the Wales Spatial Plan South East Interim statement refers to the South East Spatial</p>	<p>To note</p> <p>Ensure evidence is provided on the areas of joint working identified.</p> <p>Ensure regard is given to all aspects</p>

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Cardiff LDP**- Annexe to letter 27 November 2007****Reg 15 Pre-Deposit Consultation: Welsh Assembly Government Response (with Scrutiny Team Refs FILE ONLY)**

Plan region becoming a 'Low Carbon City region that manages its resource use, energy and travel.' In the 'Policy Framework' chapter the Wales Spatial Plan is mentioned but its economic objectives for the region are given more emphasis than its social/environmental objectives (i.e. Cardiff's role in the development of a low-carbon city region.)	of the Wales Spatial Plan.
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CCWDcm**C4 - Has regard to the relevant community strategy/ies.**

Comments	Suggested Actions
Appears to do so; the preferred strategy documentation advises that the community strategy will inform development of the preferred strategy. Chapters 4 sets out the Community Strategy Visions.	

CE1 The plan sets out coherent strategy from which its policies and allocations logically flow and/or, where cross boundary issues are relevant, it is compatible with the development plans prepared by neighbouring authorities

&

CE2 The strategy, policies and allocations are realistic and appropriate having considered the relevant alternatives, and/or are founded on a robust and credible evidence base

Comments	Suggested Actions
<p>Document structure and presentation</p> <p>Overall this document presents an informative and easily digestible strategy. The preferred strategy and the options considered are clearly presented. The summary of key trends is helpful and informative.</p> <p>The options considered for housing growth are clearly explained in Section 5 where those scenarios considered for different levels of growth are set out. Alternatives to building on previously developed land is succinctly and clearly explained and the potential constraints to these options highlighted, particularly transport infrastructure issues.</p>	To note

PINS

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<p>Issue identification (also Test CE2)</p> <p>“Issues” could have been better drawn out from the Key Trends and Issues section; there was quite a lot of emphasis here on explaining trends but not issues. It would have been helpful if a summary of bullet points setting out the issues, priorities and challenges that the local planning authority are looking to address through the LDP had been provided at the end of this section.</p> <p style="text-align: right;">PINS</p>	<p>Clearly identify the issues that emerge from trends, which are in turn addressed through the strategic objectives and preferred strategy.</p>
<p>Vision and Objectives (and Test CE2)</p> <p>The way that the Community Strategy vision, the SA/SEA objectives and the LDP objectives are set out does not assist with appreciating the logical flow from issues to vision to objectives. The Community Strategy vision sets out the sort of place Cardiff should be, for instance, 'at the heart of competitive city region'. The economic vision expands on this stating Cardiff should be 'a competitive international capital city'. The text then goes some way to explaining this e.g. 'attract more corporate headquarters' but in this instance more evidence on the comparisons, and size /density/sector make-up thresholds needs to be provided. The LDP objectives tend to be generic/of broad range and do not clearly reflect the vision in terms of the sort of place it is trying to achieve. For example “Support the regeneration of deprived communities” is rather vague.</p> <p style="text-align: right;">DE&Tmc; PINS; P3</p> <p>Although the SA objectives and the LDP objectives overlap they serve a different purpose which is not made clear in the text. Placing them between the LDP vision and the LDP objectives disrupts the logical flow, although it is accepted that the SA objectives were used to test the LDP objectives before they were finalised.</p> <p style="text-align: right;">P3</p> <p>Objectives - Housing and Employment</p> <p>A range and mix/choice of housing and employment feature as objectives but the document could have included further detail on these points to explain their scope.</p> <p style="text-align: right;">DE&Tmc</p>	<p>Ensure the LDP objectives have a logical flow from the LDP vision, for instance explaining what the essential characteristics are of a “competitive international city”.</p> <p>Consider whether the role of the SA/SEA objectives is properly explained.</p> <p>Consider whether the scope of objectives is adequately explained and sufficient evidence provided such as the anticipated range and mix of new housing and the range and choice of employment land.</p>
<p>Spatial Distribution</p> <p>Chapter 5 sets out consideration of the various growth and spatial options. A number of studies have been cross-referenced as well as reports of consultation. The Sustainability Appraisal of the Preferred</p>	<p>Provide clear evidence of how the growth options and spatial options</p>

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<p>Strategy Report could have been usefully cross-referenced, particularly Appendix 2, in order to point readers to the evidence relating to the assessment of options. It is therefore not clear the extent to which options for the spatial distribution of the proposed growth have been pursued. The broad strategic option of previously developed land versus urban extension is documented, but the overall housing figure could be apportioned between the sub-areas within the local authority's area. Paragraph 6.12 lists some opportunities for employment growth but the extent to which these have been used to explore spatial options is unclear i.e. the out of centre business development, increasing employment densities in the City and the split between south of City Centre and Bay Waterfront area - i.e. looking at "options within options".</p>	<p>have affected the development of the preferred strategy and strategic site selection.</p>
<p>Evidence base - general</p> <p>It is not always clear as to what evidence is being put forward to demonstrate that the preferred growth strategy can be accommodated; e.g. with regard to infrastructure, flood risk, economic and retail capacity.</p> <p>While the employment and economic development strategy is reasonably well evidenced, the strategic policy could reflect this work more effectively. Reference to the total employment land bank and how many years provision this is expected to provide based on past take up might also be a useful addition. It would be useful to set out whether a review of existing sites been undertaken to consider whether they are all still appropriate to meet future requirements.</p>	<p>Ensure there are clear links between the evidence base (including availability of evidence) / contextual background studies / other council strategies and the robustness of the preferred strategy and strategic sites.</p>
<p>Capacity to Achieve Strategy</p> <p>There are references to unfunded transport schemes - Eastern Bay Link and the North West Segregated Public Transport Route.</p>	<p>Provide more evidence on the anticipated means of achieving these strategic transport schemes in the context of the networked region</p>
<p>Deprivation</p> <p>The key trends and issues section indicates that deprivation is an obvious issues that the Council must tackle, but it has not been addressed to any great extent, particularly in terms of housing, economic development and providing access to essential services.</p>	<p>Provide clear evidence of how the key issue of deprivation has affected the development of the preferred</p>

Tudalen y pecyn 29

PINS

DE&Tmc; P3

PolicyRS

DE&Tmc;

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	<p>PINS strategy and strategic site selection.</p>
<p>Agricultural land Paragraphs 5.23 and 6.4 state that there is sufficient land already committed or within the City Centre and Bay Waterfront, to cater for the housing and employment projections for the plan period and therefore no significant fresh greenfield allocations are considered to be necessary. However, there is cause for concern that the Strategy does not discount the possibility of allocating greenfield land for major development elsewhere as a result of ongoing deliberations.</p> <p>The Council has made a preliminary assessment of urban expansion options (submitted candidate sites), at paragraphs 5.31 to 5.35, against a list of strategic conservation and environmental constraints, which unfortunately does not include agricultural land quality. Consequently the short listed two possible major development sites (N E and N W Expansion areas) are both known to contain significant areas of best and most versatile agricultural land. Should these site be required for development they are likely to conflict with paragraph 2.8.1 of Planning Policy Wales.</p> <p>At 5.24, a number of candidate sites are currently under consideration for the proposed Premier Business Park. The amount of land needed to accommodate the proposed Premier Business Park is not indicated, so it is not possible to comment on the agricultural impact. It is also not clear of the extent to which agricultural land quality will be taken into account in the site selection process.</p> <p>Paragraph 2.5, suggests that there is a lack of Agricultural Land Classification information. Extensive areas of countryside surrounding Cardiff considered to be at risk of large scale development have been surveyed in recent years, either by TSD or private consultants acting for developers, and this includes the N E and N W Expansion areas. This information was available for the Council's use at the time of the UDP.</p> <p style="text-align: right;">TSDbh</p>	<p>To note</p> <p>Ensure agricultural land quality is taken into account in site selection.</p> <p>Check availability of information Ensure most up to date before the site selection process becomes significantly more advanced.</p>

Cardiff LDP**- Annexe to letter 27 November 2007****Reg 15 Pre-Deposit Consultation: Welsh Assembly Government Response (with Scrutiny Team Refs FILE ONLY)**

<p>Biodiversity Policy 18 on biodiversity fails to recognise how development can be used to achieve win-win solutions on connectivity, water management, soil protection, landscape protection, safeguarding air quality, as part of an integrated approach to site selection and design.</p> <p style="text-align: right;">PolicyJS</p>	<p>You may wish to consider whether the policy can be amended to include wider environmental management issues as part of an integrated approach to site selection and design.</p>
<p>Climate Change (and Test C3) Responding to climate change is highlighted as part of the vision and identified as an objective (4). However, there is very little reference to factors which may need to be considered as part of Cardiff's response to climate change, e.g. floodplain/river corridors/water management, and it does not really form an integral part of any of the analysis on strategic options. For example, there is no identification of opportunities that could enable a better response to climate change – both to mitigate effects of, and to respond to threats of, climate change.</p> <p style="text-align: right;">PolicyJS</p> <p>Climate change is mentioned in the preferred strategy (Paragraph 6.2). However, the evidence base for the general capacity of the environment to accommodate change as part of preferred strategy is not clear, neither are any specific opportunities identified for making a positive response to the climate change agenda.</p> <p style="text-align: right;">PolicyJS</p> <p>Nothing specific is identified for climate change mitigation as part of the preferred strategy. There may well be opportunities that could be identified such as co-location with waste facilities contributing to energy supply and creating exemplar schemes on zero carbon. It is not clear what will be required as part of policies 1 and 2, or how and where the aspects identified in policy 26 are to be secured.</p> <p style="text-align: right;">PolicyJS</p> <p>Insufficient attention is given to climate change adaptation measures including in the 'Key Trends and Issues' chapter. For example the link could have been made with constraints already identified such as flood risk. It should be clarified whether there are others factors that should be catered for such as water conservation, supply and management (drainage) that would then influence the preferred strategy.</p> <p style="text-align: right;">CCWDcm; PolicyJS</p>	<p>Provide clear evidence of how the key issue of climate change has affected the development of the preferred strategy and strategic site selection.</p>

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<p>Design</p> <p>We note that strategic Policy 2 requires design of new development to be of <i>good</i> quality and provides generally clear criteria on what aspects will be considered in determining the acceptability of new development in terms of sustainable development factors. You may wish to include at deposit stage provision for seeking developer master-plans for new development or for producing them in-house as SPG. You may wish to consider if there are parts of the area that need specific LPA guidance regarding what will be required in design statements (e.g. town centre).</p> <p>N.B. We are currently considering responses to the climate change MIPPS package - there will be implications for the policy content of LDPs (although note that you have given some consideration to climate change matters)</p> <p style="text-align: right;">P3</p>	
<p>Employment/Economy</p> <p>The document reflects the main policy issues as set out in Planning Policy Wales. However, there is no list of key employment sites, nor any indication of whether a review of the employment land bank has been, or is to be, undertaken to determine its adequacy for meeting future needs, particularly in relation to quality and sustainability of sites.</p> <p style="text-align: right;">PolicyRS</p> <p>Premier Business Park</p> <p>The regional nature of the Premier Business Park (referred to in Paragraph 5.24) is noted, but the impacts of this on Cardiff's preferred strategy are not clear.</p> <p style="text-align: right;">PINS</p>	<p>Provide clear evidence of how the key issue of employment has affected the development of the preferred strategy and strategic site selection.</p> <p>Provide clear evidence of how the premier business park proposal has affected the development of the preferred strategy.</p>
<p>Gypsies and Travellers</p> <p>No evidence is provided of data collection about, or consultation with, Gypsies and Travellers. As there are two large sites in Cardiff, one of which is extremely overcrowded we would have expected to see reference to future planning provision including possible expansion of existing sites. Will the Local Housing Market Assessment include Gypsies and Travellers?</p> <p style="text-align: right;">HsgCM; HsgJA; PolicyGB</p>	<p>Ensure documented consideration is given to addressing the needs of Gypsies and Travellers.</p>
<p>Historic Environment</p> <p>Cadw advises that they have no concerns to raise but point out that Paragraph 2.9 should separate the Historic Landscape from the Parks and Gardens and it seems odd not to have a specific mention of</p>	<p>To note</p>

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<p>Cardiff Castle (and its parks) given their economic and cultural significance to the city.</p> <p style="text-align: right;">CADWsw</p>	
<p>Housing</p> <p>The guidance in MIPPS 01/2006 (<i>Housing</i>) appears to have been followed, including accommodating the regional apportionment of the Assembly Government's household projections.</p> <p>However, it is not clear whether the issue of affordable housing has been adequately addressed. The preferred strategy and Policy 4 must include a clear numeric target stating how many of the 22,750 – 24,750 homes will be affordable. An "extensive housing need" is mentioned, but this is not quantified. It is therefore not clear how the proposed provision of between 22,750 and 24,750 new dwellings over the plan period will address the need for affordable housing, particularly given that 15,900 of this provision already have planning permission and of which only approximately 10% are classified as affordable housing. It is questionable whether the aim to secure at least 30% of affordable housing on new housing sites is sufficiently ambitious given the "extensive housing need", the policy of the Assembly Government to substantially increase the provision of affordable housing, and against the background of the projected household growth and proposed high employment growth. No mention is made of any site size threshold for provision so presumably this is intended to bite on all housing sites. This should be made clear in the deposit plan as should the logic and evidence base on which it is based.</p> <p style="text-align: right;">P2pr; HsgJA</p> <p>There are few explicit references to the evidence supporting the preferred strategy, particularly on housing e.g. urban capacity study. Whilst the views of stakeholders are obviously of critical importance a "robust and credible evidence base" is also about having the background studies and research to support the approach.</p> <p style="text-align: right;">PINS</p> <p>Presumably the evidence from the Local Housing Market Assessment and emerging Local Housing Strategy will be incorporated into the deposit plan. However at present it is unclear what action will be taken if the findings of the Local Housing Market Assessment indicate higher levels of need than currently assumed. If levels of need are higher than current estimates, the Council should consider increasing land supply and/or increasing the percentage of affordable housing on new housing sites to above the 30% proposed.</p> <p style="text-align: right;">PolicyPR; HsgJA; DE&Tmc</p> <p>Given the emphasis on high density apartment development in recent years it is encouraging that</p>	<p>Clarify affordable housing requirements and consider whether to increase the housing supply and or increase the percentage of affordable housing sought on individual sites.</p> <p>Provide clear evidence of how the key issue of housing has affected the development of the preferred strategy and strategic site selection.</p>

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<p>Paragraph 6.7 recognises the need to achieve a range and mix of dwelling types and where appropriate to seek provision of housing suitable for families. However it would have been clearer if there were cross references to the evidence base about the housing accommodation profile of flats to houses etc. or a discussion of the future composition, the densities assumed or the windfall assessment used to derive a preferred strategy.</p> <p style="text-align: right;">HsgJA; DE&Tmc</p>	
<p>Minerals Paragraph 2.6 refers to minerals reserves, but clarification will be needed in regard to sand, gravel and hard rock, and evidence will be needed in respect of safeguarding coal reserves. Paragraph 5.32 refers to constraints from minerals. It is not clear how safeguarding of coal has been considered in the assessment within paragraphs 5.39-5.41. The evidence of landbanks and resources should be supplied – including the potential for sand and gravel and hard rock resources – this evidence will be needed to establish the need for any further allocations and for safeguarding, and is required to be compliant with national policy.</p> <p style="text-align: right;">PolicyCW</p> <p>Policy 28 on aggregates - should also refer to coal. Safeguarding of wharves and rail sites for handling aggregates, and of suitable sites for recycling aggregates, should be included. Impacts on minerals are not referred to in relation to a significantly higher level of growth – an assessment is needed of the additional materials and any spatial conflict.</p> <p>Policy 28 on Minerals says Cardiff will continue to contribute its traditional share <i>to regional aggregate supplies</i> by:...</p> <p>This needs to be expressed as a commitment to meet the RTS provision, which takes into account local, regional and national need and is a move away from traditional supply patterns.</p> <p>The RTS consultation is now available, therefore the annual need and reserves can be assessed and the need for further allocations (or not) identified in the Strategy. The policy as currently drafted is too high level, and needs to build on the evidence to provide specific local policy.</p> <p style="text-align: right;">PolicyCW</p>	<p>Provide clear evidence of how the key issue of minerals has affected the development of the preferred strategy and strategic site selection.</p> <p>Consider amending Strategic Policy 28 to take on board national policy concerns including coal, reflect the move away from traditional supply patterns, and provide greater local distinctiveness.</p> <p>Consider how the information in the RTS consultation affects the preferred strategy and site selection.</p>
<p>Minerals Paragraph 2.6 outlines the mineral reserves that exist in the plan area, however, unless the spatial and</p>	<p>Provide clear evidence of how the</p>

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<p>supply issues are evidenced and considered, the relationship between minerals and other development cannot be assessed.</p> <p style="text-align: right;">P2cw</p>	<p>key issue of mineral supply and safeguarding has affected the development of the preferred strategy.</p>
<p>Retail Planning</p> <p>Retail planning is touched on briefly in the Preferred Strategy section and similarly receives only a cursory mention under policy 9 of the Strategic Policy section. There is no discussion of the wider spatial patterns of retail development, the roles of small shops, enhancement strategies for existing centres, or pressures for edge of centre/out of town development etc. Further consideration also needs to be given to the regional / national retail functions and the relationship with the surrounding area.</p> <p style="text-align: right;">PolicyRS</p>	<p>Provide clear evidence of how the key issue of retail development has affected the development of the preferred strategy and strategic site selection.</p>

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<p>Retail The approach to retail planning is not sufficiently clear in respect the connections between preferred strategy and strategic policies.</p> <p style="text-align: right;">PolicyRS</p>	<p>Ensure there are clear links between the evidence base (including availability of evidence) / contextual background studies / and the robustness of the preferred strategy and strategic sites in respect retailing.</p>
<p>Rural Planning Issues Rural issues are not discussed at any great length and there is limited reference to national policy. Although Policy 19 (page 62) of the Strategic Policies refers to the protection and enhancement of the countryside outside Cardiff, you may wish to consider if other rural issues are suitable for discussion, for example the role of the rural economy, or the interdependence of urban and rural areas.</p> <p style="text-align: right;">PolicyGB/RS</p>	<p>Give further consideration to whether rural issues have been fully addressed.</p>
<p>Telecommunications We would not expect specific references to telecommunications in a Preferred Strategy but note it is mentioned in Paragraph 6.13.</p> <p style="text-align: right;">PolicyGB</p>	<p>Ensure the deposit plan addresses infrastructure requirements including telecommunications.</p>
<p>Waste (and Test CE1) There should be no doubt as to the importance of waste as a key issue for the LDP in view of the scale of waste arisings, the major increase in growth and the need to make provision for an adequate network of waste management facilities in the LDP.</p> <p style="text-align: right;">PolicyJS</p> <p>The preferred strategy should clearly set out the evidence relating to the assessment of existing waste management provision and the additional provision that should be made in the LDP. This then should lead on to Strategic Policies that clearly set out the land required for waste development and also later to specific site allocations in the Deposit Plan. Steps to achieve this are outlined in the Regional Waste Plan.</p> <p style="text-align: right;">PolicyJS</p> <p>No mention is made in the objectives of the need to provide land for waste facilities. It is suggested in</p>	<p>Consider how regional waste issues will affect the preferred strategy.</p> <p>Make clear how capacities identified</p>

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<p>Paragraph 6.29 that waste facilities will be accommodated on the existing industrial landbank. It is not clear what the impact of Policy 7 will be on adequate provision of land for waste facilities. Can it be demonstrated that there are suitable and available sites for waste facilities, particularly for regional and sub regional sites, but also for local provision of waste facilities?</p> <p style="text-align: right;">PolicyJS</p> <p>Strategic Policy 29 suggests Cardiff's waste arisings will only be processed and disposed of within the County. Whilst this is acceptable, waste can be a strategic issue and therefore it is not clear how proposals for regional/sub-regional facilities will be accommodated.</p> <p style="text-align: right;">PolicyJS</p> <p>There does not seem to be any objective relating to waste when this issue is identified in the Community Strategy as being relevant to the LDP.</p> <p style="text-align: right;">PINS</p> <p>The document is not particularly clear as to what sort of improvements to waste management facilities and services are intended by Policy 3</p> <p style="text-align: right;">PolicyJS</p>	<p>in the RWP have been factored into employment land supply strategy.</p> <p>Consider whether an LDP objective relating to waste is required.</p>
<p>Water management</p> <p><u>Water, sewerage and drainage infrastructure</u></p> <p>It is inferred that existing infrastructure is likely to be adequate to deliver the preferred strategy but would be under pressure in the other options. It is not clear what the evidence base for this is. According to national policy, spatial choices should be based on and influenced by evidence of capacity and ability for delivery. If the provision of infrastructure is required, consideration needs to be given to what measures are needed and how they could be secured. Consideration also needs to be given to the implications of public investment programmes, the role of the development sector, how improvements will be co-ordinated and whether there is a need for phasing</p> <p style="text-align: right;">PolicyJS</p> <p><u>Flooding policy</u></p> <p>See also comments on water infrastructure (above) and climate change (page 8). Strategic policy 24 is generic and as drafted is not considered to be entirely compatible with national policy requirements as it lacks spatial elements specific to Cardiff. It is not clear when it will be appropriate to provide protection to facilitate development in the floodplain. Planning Policy Wales says not to continually rely on building defences. Therefore consideration needs to be given to where is it</p>	<p>Whilst it is unnecessary to directly reiterate national policy, the local implications of how infrastructure capacity and provision impact on preferred strategy and delivery should be clearly outlined.</p> <p>Ensure evidence is available of what investment is required in flood infrastructure and how this relates to flood risk management priorities.</p>

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<p>appropriate to develop on the floodplain in Cardiff, given climate change; and then to link this to a strategy for flood protection/identification of local needs for flood protection in terms of existing development.</p> <p style="text-align: right;">PolicyJS</p> <p>There is no need to directly reiterate national policy, however, where the preferred strategy will impact on zone C then the requirements of section 10 of TAN 15 will need to be considered.</p> <p style="text-align: right;">PolicyJS</p> <p><u>Water quality</u> Policy 25 on water quality/quantity is very generic and already covered by national policy. We note that this originated from the SA/SEA work but it is not clear what the specific implications of the Preferred Strategy are for water quality and quantity, or whether they have influenced the preferred strategy. Consideration needs to be given to whether specific measures are required or whether opportunities exist for enhancement as part of development.</p> <p style="text-align: right;">PolicyJS</p>	<p>Consider the requirements of section 10 of Technical Advice Note 15: Development and Flood Risk.</p> <p>Provide clear evidence of how the issue of water quality and quantity has affected the development of the preferred strategy and site selection.</p>
<p>Welsh Language The Welsh Language does not feature within the document.</p> <p style="text-align: right;">PolicyGB</p>	<p>Consideration should be given to whether the Welsh language should feature in any of the LDP objectives, taking account of PPW paragraph 2.10.2.</p>

CE 3 There are clear mechanisms for implementation and monitoring	
<u>Comments</u>	<u>Suggested Actions</u>
<p>There doesn't appear to be any reference to monitoring in the report provided, this may be available elsewhere but should be referred to at a general level in the Preferred Strategy document. (RS)</p> <p style="text-align: right;">PolicyRS; PINS; HsgJA</p>	<p>Ensure a scheme is in place for monitoring the implementation of LDP objectives.</p>

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CE 4 It is reasonably flexible to enable it to deal with changing circumstances	
Comments	Suggested Actions
<p>The self-assessment at Appendix 2 of the preferred strategy document says: The Preferred Strategy is considered sufficiently flexible to deal with changing circumstances. We consider that flexibility of the plan can't be determined at this stage, however it is not clear how the strategy would respond to any increases in housing need, such as identified by the Housing Market Assessment.</p> <p style="text-align: right;">PINS; HsgJA;</p>	<p>Ensure that the preferred strategy is sufficiently flexible to respond to changes in the economy, housing market assessment, strategic site take up and other changes.</p>

P3 File Only:**Preferred Strategy document (pre-deposit proposals documentation under Reg 15)****Précis of Content by P3:**

Identifies **key issues** (chapter 2) to be addressed by LDP following on from LDP SA & SEA Scoping Report. Environment, social and economic trends and issues.

Considers **policy framework** (national pl policy, WSP, Wales a Better Country, WSP area work, RTP, SERgnl Waste Plan; SWRgnlTSfor Aggregates; CommStrategy @ 3.22).

Community Plan visions used as **LDP Vision** at 4.1 onwards; **objectives** at 4.11; No **targets & indicators** included.

Following consideration of visioning & scoping exercises, LDP Steering Group, policy context, existing DP strategies, land availability, **four growth options** are identified (chapter 5): Trends based, local needs, consolidation, sustainable growth, growth / local needs. **Analysis** of options..

Preferred strategy option (chapter 6) – **consolidation within urban area**. **Strategic policies** (chapter 7); **key diagram** (Figure 3).

Appendices: Monitoring of strategic policies: targets & indicators (App 1); **Candidate site assessment methodology** in separate report??.; **Key diagram** (App 5); **Glossary** (App 1). **Self assessment** (App 2.) **Consultation questions** (App 3)

Other docs supplied:

Initial Sustainability Appraisal of Preferred Strategy (incSEA), Nov07;



Mr James Clemence
Development Plan Team, SPE
Cardiff Council
County Hall CY1
Atlantic Wharf
CARDIFF CF10 4UW

Eich cyf : Your ref P:SPD:10:05/GL
Ein cyf : Our ref APP30-01-005
Dyddiad : Date 9 June 2009

Dear James

Cardiff Local Development Plan – Deposit Version

Thank you for your recent correspondence and copies of the deposit LDP and accompanying documentation.

We recognise the progress you have made since consulting on your pre-deposit documents. We also appreciate that compiling the evidence base for the deposit LDP has involved extensive technical work. I would like to take this opportunity to compliment you on the significant progress made in clarifying the linkages between the key issues, vision and objectives and commend you on setting out a vision which seeks to ensure Cardiff is a dynamic and vibrant world class city.

The matter of whether a plan is considered 'sound' will be for the appointed Planning Inspector to determine. We have considered the Deposit LDP in accordance with the consistency and coherence & effectiveness tests, and principally whether satisfactory regard has been given to national planning policy (test C2). Our representations are separated into 4 categories which are supported with more detail in the attached annex.

- A. Objection under soundness tests C2, CE2: Fundamental issues that we consider present a significant degree of risk and that may have implications for the plan's strategy: -

There is a fundamental issue regarding the **ability of the plan's strategy to deliver the vision** which presents a significant degree of risk for the authority if not addressed prior to submission stage. This is particularly critical in the following areas:



- **Over reliance on existing housing commitments**
- **Delivery of the range and mix of housing to meet the identified needs**
- **Flexibility of the strategy**
- **Deliverability of affordable housing**
- **Relationship between the level of housing growth and evidence base**
- **Infrastructure requirements**

In summary, whilst the vision sets out a clear position to enable Cardiff to play its role as a European capital city, **the LDP strategy does not deliver the council's own vision, nor does it adequately reflect the evidence base.** The **degree of concern is significant.**

- B. Objections under soundness tests C2, CE1, CE2: Matters where it appears that the deposit plan has not satisfactorily translated national policy down to the local level and there may be tensions within the plan, namely:
- i. **gypsy and traveller site provision**
 - ii. **minerals safeguarding and operations**
 - iii. **water resources and flooding**
- C. In relation to soundness tests CE2, CE3, CE4: Matters where we consider there to be a lack of certainty or clarity which, whilst not considered to be fundamental to the soundness of the LDP, we consider we can usefully draw to your attention to enable you to consider how they might be better demonstrated:
- i. the mechanisms for **monitoring**
 - ii. the robustness of the **waste strategy**
 - iii. delivering **contaminated land** remediation
- D. Matters relating to clarity of the plan generally which we consider may be of assistance to your authority and to the Inspector in considering suitable changes.

We have raised these issues with you on previous occasions. It is for your authority to ensure that the LDP is sound when submitted for examination and it will be for the Inspector to determine how the examination proceeds once submitted.

We strongly advise that you consider how you could maximise the potential of your LDP being considered 'sound' through the examination process. If you would like to **meet at an early date** to discuss any matters arising from our formal response to your deposit LDP, please contact me.

Yours sincerely



Mark Newey
 Joint Head of Plans, Management and Performance
 Planning Division
 Welsh Assembly Government

annex

A Objection under soundness tests C2, CE2, CE4: Fundamental issues that we consider present a significant degree of risk and that may have implications for the plan's strategy:

There is a fundamental issue regarding the **ability of the plan's strategy to deliver the vision** which presents a significant degree of risk for the authority if not addressed prior to submission stage. This is particularly critical in the following areas:

The **strategy is over reliant on existing housing commitments** and a residual provision of approximately 8,000 dwellings coming forward on small sites, change of use and unidentified 'windfall' sites, i.e. sites of unknown location, scale and delivery. This raises concerns regarding the delivery of affordable housing and infrastructure extremely over the 15 year plan period.

Whilst the strategy seeks to maximise brownfield opportunities it **does not deliver the range and mix of housing to meet the identified needs**. With an over reliance on flats/apartments and higher densities on existing sites with planning permission, the ability to provide family accommodation will be extremely limited. Greenfield sites could assist the delivery of a broader range/mix of house types.

The **strategy does not provide sufficient flexibility**. If brownfield sites prove problematic in coming forward, specifically if there are difficulties in financing development or addressing remediation measures to remove contamination and associated costs, this could have serious implications on the phasing and delivery of housing. Articulating the relationship between development, key sites and specific pieces of infrastructure to unlock sites in terms of timing is not clear.

There is a lack of evidence concerning the **deliverability of affordable housing** through viability testing, as well as a significant gap between the identified need as stated in the Local Housing Market Assessment (LHMA) and provision in the plan. The LHMA indicates a need for 2,173 dwellings per annum as opposed to the LDP target of 306 units per annum.

The **relationship between the level of housing growth and evidence base** is unclear. There is a high probability that the new household forecasts (to be issued 11th June 2009) may well indicate a need to consider the implications arising from increased levels of housing provision, particularly focusing on the ability of the strategy to accommodate such an approach. The current **strategy is not considered to be sufficiently flexible** to incorporate any additional requirement.

It is unclear what **infrastructure** is required to deliver development identified in the plan and when it will be provided, as well as the viability of development to deliver sufficient financial contributions, including all other funding sources, to ensure sufficient certainty and clarity can be established.

In summary, whilst the vision sets out a clear position to enable Cardiff to play its role as a European capital city, **the LDP strategy does not deliver the council's own vision, nor does it adequately reflect the evidence base**. The **degree of concern is significant**.

B Objections under soundness tests C2, CE1, CE2: Matters where it appears that the deposit plan has not satisfactorily translated national policy down to the local level and there may be tensions within the plan, namely:

i. Gypsy & Traveller Site Provision

Policy HSC 6 – Sites for Gypsy and Traveller and Other Caravans (page 154)

It is noted in paragraph 5.162 of the LDP that a need for 194 additional authorised pitches and 10 transit pitches has been identified by a supplement to the Local Housing Market Assessment. As recognised in paragraph 5.161 *WAG Circular 30/2007* makes clear that in these circumstances sufficient sites should be allocated in the LDP to ensure the identified pitch requirements can be met. The LDP admits this is work in progress so it is difficult to conclude at present that the accommodation needs of Gypsies and Travellers can be adequately met without specific site allocations being proposed.

While avoiding repetitiveness is to be encouraged, the combination of criteria for gypsy and traveller sites with those for tourist related sites risks confusing the strategic needs for each respective issue and therefore separate policies are preferable. The policy as drafted is not totally clear, particularly criteria (b) and (c). Annex B of *Circular 30/2007* provides advice on good practice for Gypsy and Traveller policy criteria. Paragraphs 12 to 14 of TAN 13: Tourism provide relevant advice in relation to holiday and touring caravans.

ii. Minerals Safeguarding and Operations

Policy MIN 1 - Mineral Limestone Reserves and Resources

Policy MIN 1 identifies limestone resources akin to 'Preferred Areas' described by paragraph 14 of MPPW. It is unclear what evidence exists to justify the extension to the permitted sites (the limestone resource areas) shown on the proposal map. The background paper describes the sites but no clear evidence is provided as to why these sites were chosen.

Paragraph 5.334 of the LDP identifies an aim to protect limestone reserves from sterilisation for future generations, as required by paragraph 13 of MPPW. However, Policy MIN 1 nor the proposals map set a requirement for such protection and as such resources are not adequately safeguarded.

Policy MIN 2 - Preferred Order of Mineral Resource Release

Minerals Background Paper at page 6 states there is a landbank of reserves for 46 years. It is therefore unclear why the policy needs to contain provisions that allow extensions to existing mineral workings and also unclear the exact contribution that dormant sites make to the landbank. Evidence would be useful to explain this contribution to the landbank and its implications.

The supporting text should usefully clarify that deepening will only be chosen over lateral working provided that the environmental impacts are acceptable and deepening does not prejudice restoration sites.

Policy MIN 7 - Dredged Aggregate Landing and Distribution Facilities

Policy MIN 7 provides for improvements to marine dredged aggregate facilities at Cardiff Docks. The Regional Technical Statement (RTS) for South Wales states at page 92 that for

Cardiff “Existing and potential wharves should be identified for protection in the LDP to safeguard marine sand and gravel/hard rock/secondary aggregate existing and potential flows into the area”. The policy should therefore be strengthened to include safeguarding of existing facilities.

Policy MIN 9 - Safeguarding of Coal Resources

The coal safeguarding areas are welcomed, recognising the requirements of PPW to avoid sterilisation of the resource. The areas should however incorporate the 500m buffer zone areas up to settlements currently excluded on the proposals map given that a safeguarding policy doesn't indicate an acceptance of working.

It is noted that Paragraph 5.378 states it will not be necessary to release coal resources in the plan period. MPPW and MTAN 2 state that LDPs should set out where such operations would not be acceptable and should provide unequivocal statements as to why, and should also provide a set of clear criteria against which any future proposals will be assessed in those areas where there is a possibility of extraction.

A line should be clearly shown on the proposal map that identifies where coal working would be unacceptable. Such a designation may overlap areas of resource safeguarded for beyond the plan period as explained by paragraph 34 of MTAN 2. Paragraph 27 of the MTAN states that “the evidence for defining the areas where surface coal working will not be acceptable should be described in the technical documents and considered in the Strategic Environmental Assessment and Sustainability Appraisal. These provide the background to the LDP policy and to the Proposals Map, on which the areas where coal working will not be acceptable should be shown”. If coal working will not be considered acceptable anywhere, this should be justified in the background paper and stated in the LDP.

iii. Water Resources and Flooding

Water Infrastructure

It is unclear whether there is evidence to demonstrate sufficient water and waste water capacity to deliver the plan strategy.

Policy SD 3 – Flood Risk

To accord with the requirements of *‘Planning Policy Wales’* paragraph 13.2.3 and paragraph 6.2 of *TAN 15: Development and Flood Risk*, the LDP strategy and policies should be based upon a move away from continued reliance on engineering solutions to flooding, in the recognition that risk can never be eliminated despite mitigation measures and in recognition of climate change. These key principles, along with the preference for avoiding development in the flood plain have shaped *TAN 15* and should in turn shape local policy and action through LDPs.

Policy SD 3 is generic and as drafted is not considered to be entirely compatible with national policy requirements and is weaker than national policy. The policy lacks a spatial element specific to Cardiff. It should be clear when it will be appropriate to provide protection to facilitate development in the floodplain, given that PPW says not to continually rely on building defences.

We note that a flood consequences scoping assessment has been undertaken although it is unclear how this has influenced the LDP due to its unavailability.

C In relation to soundness tests CE2, CE3: whilst not considered to be fundamental to the soundness of the LDP, we consider there to be a lack of certainty or clarity on the following matters which we consider we can usefully draw to your attention to enable you to consider how they might be better demonstrated, that:

i. Monitoring

The monitoring approach is very weak with only 10 indicators, the majority of the LDP targets being not applicable and the monitoring table itself headed “.. *contents of table subject to further analysis and change*”. As monitoring should be integral to the plan this does not provide confidence that it has been integrated from the outset, rather ‘bolted on’.

ii. Waste Management

Policy SP11: Waste

While reference is made to the South East Wales Regional Waste Plan, the text supporting strategic policy SP11 refers to the management of waste arisings in Cardiff without explaining how the provision of land for waste in Cardiff may contribute to regional waste treatment needs. In the absence of robust evidence about the longevity of current solutions as well as the role of the consortia in securing residual waste treatment across the region it is unclear how the current approach to waste planning in Cardiff fulfils the requirements of national policy and the regional waste plans, which will deliver EU obligations.

Policies WASTE 1 to WASTE 3

Paragraph 4.154 notes that the first review of the Regional Waste Plan identifies vacant industrial land, at Wentloog, Brindley Road, Trident Park and Cardiff Docks to contribute to 20.9ha of land required waste management facilities. It is unclear whether further assessment has been undertaken of the suitability of these sites and how the provision of waste management facilities fits within the overall employment land strategy for the County, and the inevitable competing land uses. It is also not clear whether there are parcels of land available which may be suitable for waste management.

Further uncertainty surrounds the statement in paragraph 5.402 that landfill operations at Lamby Way are likely to be completed during the plan period. Explanation of what will happen to the waste stream formerly being sent to this particular landfill site would help demonstrate that a robust waste strategy is in place.

iii. Contaminated Land

Policy SD 6 Contaminated Land and Unstable Land

The 550 potentially contaminated sites in Cardiff are identified as an issue that requires action. However, the LDP is not clear where these are and is not clear how the redevelopment of the sites will be secured, other than to say development will result in their remediation. Policy SD6 is generic and does not add further to national policy.

D Matters relating to clarity of the plan generally which we consider may be of assistance to your authority and to the Inspector in considering suitable changes.

Repetition of national planning policy without translating it to local level

e.g. SD3, SD6, TRANS 5

Strategic Policy SP7 Built Heritage

Policy SP7 largely unnecessarily repeats national policy (but omits historic landscapes). The policy would be clearer and more useful if it actually identified the 'other features of local interest that positively contribute to the distinctiveness of the city'.

Policy TRANS 3

Not clear what is required by 'a. Transport Statement'. Suggest the policy is clearer in adapting national guidance to local circumstances. TAN 18 Transport provides a clear process for the provision of information to accompany planning applications, that is, undertaking Transport Assessment that results in the production of a Transport Implementation Strategy, which may include one or more travel plans.



Mr Anthony Thickett, Inspector
The Planning Inspectorate
Crown Building
Cathays Park
CARDIFF
CF10 3NQ

Eich cyf : Your ref
Ein cyf : Our ref A—PP030-01-005
Dyddiad : Date 07 April 2010

Dear Mr Thickett

**Planning and Compulsory Purchase Act 2004
Town and Country Planning (Local Development Plan) (Wales) Regulations 2005
The Cardiff Council Local Development Plan 2006 - 2021**

Thank you for your letter informing the Welsh Assembly Government that, following a request by Cardiff Council, you are recommending that their submitted draft local development plan (LDP) is withdrawn.

The Minister for Environment, Sustainability and Housing, one of the Welsh Ministers, has noted the concerns of Ms. Phillips and yourself in regard to the soundness of the submitted Cardiff Deposit LDP 2006-2021. Consequently, the Minister has decided not to intervene in this matter and will not overrule your recommendation. Cardiff Council are therefore able to withdraw their LDP by virtue of section 66(2)(a) of the Planning and Compulsory Purchase Act 2004 (c.5).

I have copied this letter to Mr James Clemence, Operational Manager – Planning Policy of Cardiff Council so he is aware that the Council are now able to withdraw their plan, and to remind the Council of the need to comply with the requirements of regulation 26 of The Town and Country Planning (Local Development Plan) (Wales) Regulations 2005 (S.I. 2005/2839) as soon as reasonably practicable after withdrawal.

Yours sincerely

ROSEMARY THOMAS
Chief Planner/Deputy Director



**RIFW New Board Member Induction
Agenda
9am – Noon, 17th January 2011**

Location: Plas Glyndwr, Cardiff

Attendees:

Chris Holley

Richard Anning

Jonathan Geen

Christopher Munday

Rebecca Johnson

1. Introductions
2. Information provided – contents sheet
3. Organisational Structure – Structure Chart
4. How the Fund Works – Presentation
 - a. Role of Board
 - b. Role of FM
 - c. Role of IM
5. Governance and Audit
 - a. Fund Internal Audit
 - b. European Audit
6. Capital Structure
 - a. Cash
 - b. Assets
 - c. European Grant
7. State Aid
8. Investment Policy and Decision Making
 - a. Investment Policy/Constraints
 - b. Annual Business Plan

Cronfa Buddsoddi Cymru mewn Adfywio Regeneration Investment Fund for Wales

a
JESSICA
(Joint European Support for Sustainable Investment in City Areas)
initiative

New Board Member Presentation

Tudalen y pecyn 49



JESSICA



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Tudalen y pecyn 50

Joint
European
Support for
Sustainable
Investment in
City
Areas

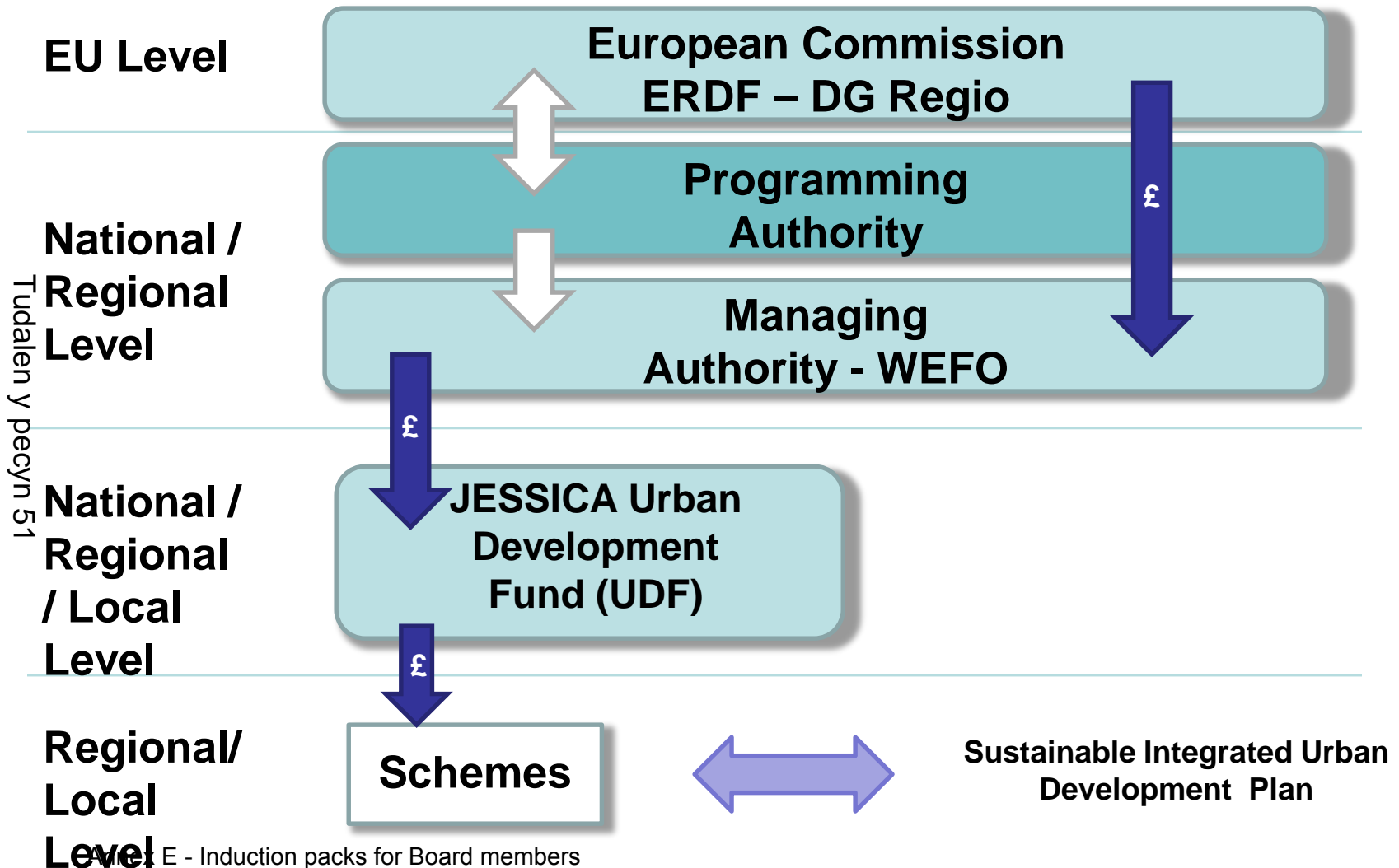
Financial Engineering Instrument introduced by the **European Commission** in collaboration with the **European Investment Bank (EIB)** to use **existing ERDF allocations**.

Investment not grant – a revolving fund for investment in regeneration projects over the medium term, with potential for returns to be reinvested into the fund.

Introducing JESSICA and UDFs



Llywodraeth Cynulliad Cymru
Welsh Assembly Government



Introducing RIFW



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Tudalen y pecyn 52

- **R**egeneration **I**nvestment **F**und for **W**ales LLP -
Cronfa Buddsoddi Cymru Mewn Adfywio
An Urban Development Fund (UDF)
Subsidiary of Welsh Ministers
Established March 2010, 12 year life
- £55m to invest in urban regeneration across Wales
- First investments by end of 2010 or early 2011
- Fund Manager Amber Infrastructure and Investment
Manager Lambert Smith Hampton

Advantages of JESSICA for Wales



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

- Investment not grant – recyclable capital fund
- Leverage additional public and private monies into Wales
- Bring additional expertise and resource to Wales
- Provide development finance for projects that have stalled or cannot access funding
- Potential return for the public sector for reinvestment in urban regeneration
- Lasting legacy from ERDF funds

Tudalen 53
y pecyn

Strategic Objectives for RIFW



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

- Tudalen y pecyn 54
- To stimulate significant investment in “place” to compliment the Welsh Assembly Government’s investment in people and the economy.
 - To promote Sustainable Urban Development across Wales
 - To increase the pace of change and access to finance for regeneration
 - To contribute to the delivery of the Convergence Operational Programme and One Wales agenda

Role of Private Sector, LAs and HE/FE institutions



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

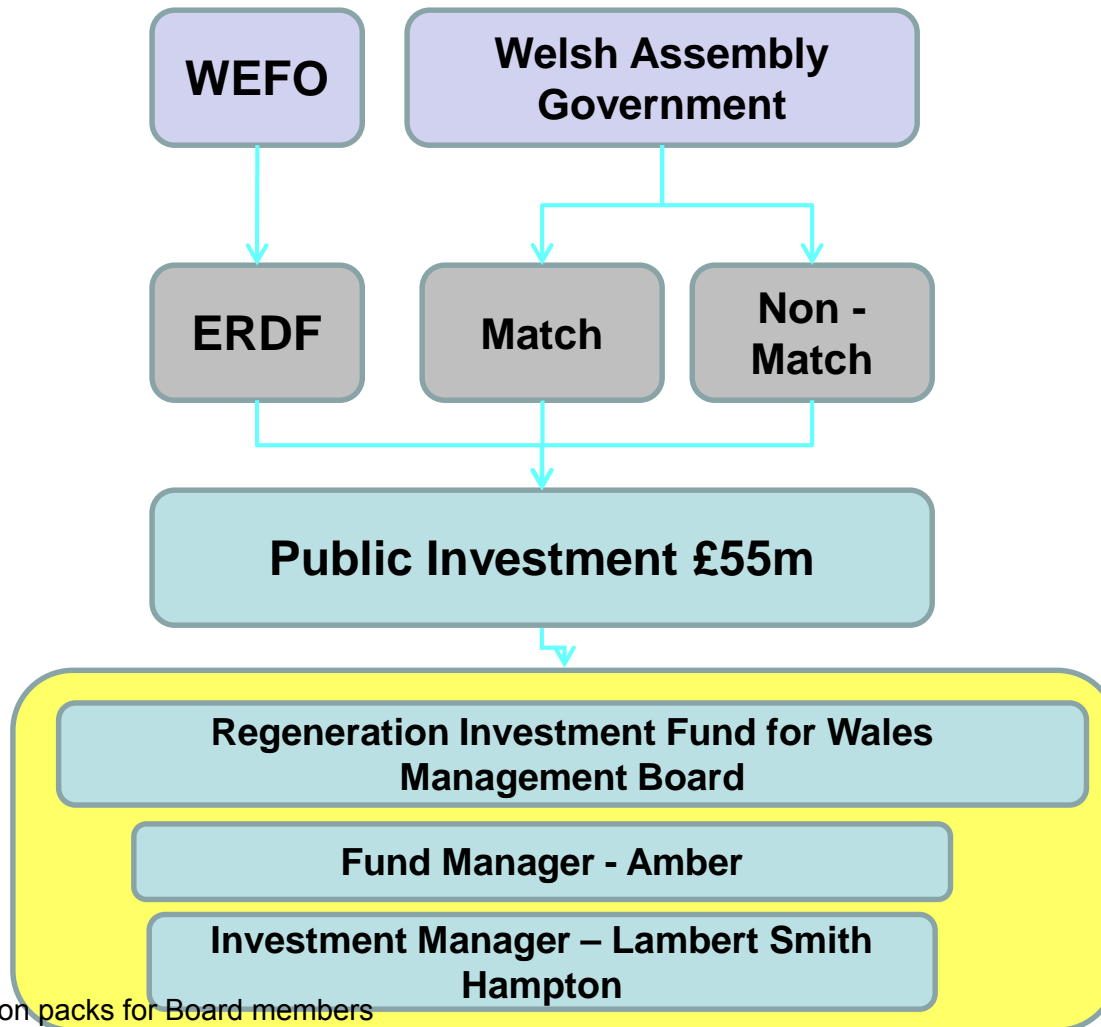
- Bringing forward regeneration projects suitable for investment
 - Provide information to the fund for appraisal
 - Removing potential barriers
- Forming alliances and suitable vehicles for projects which are to receive investment
- Key stakeholders

Structure: Phase 1 – Public Fund



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Welsh Assembly Government

Tudalen y pecyn 56

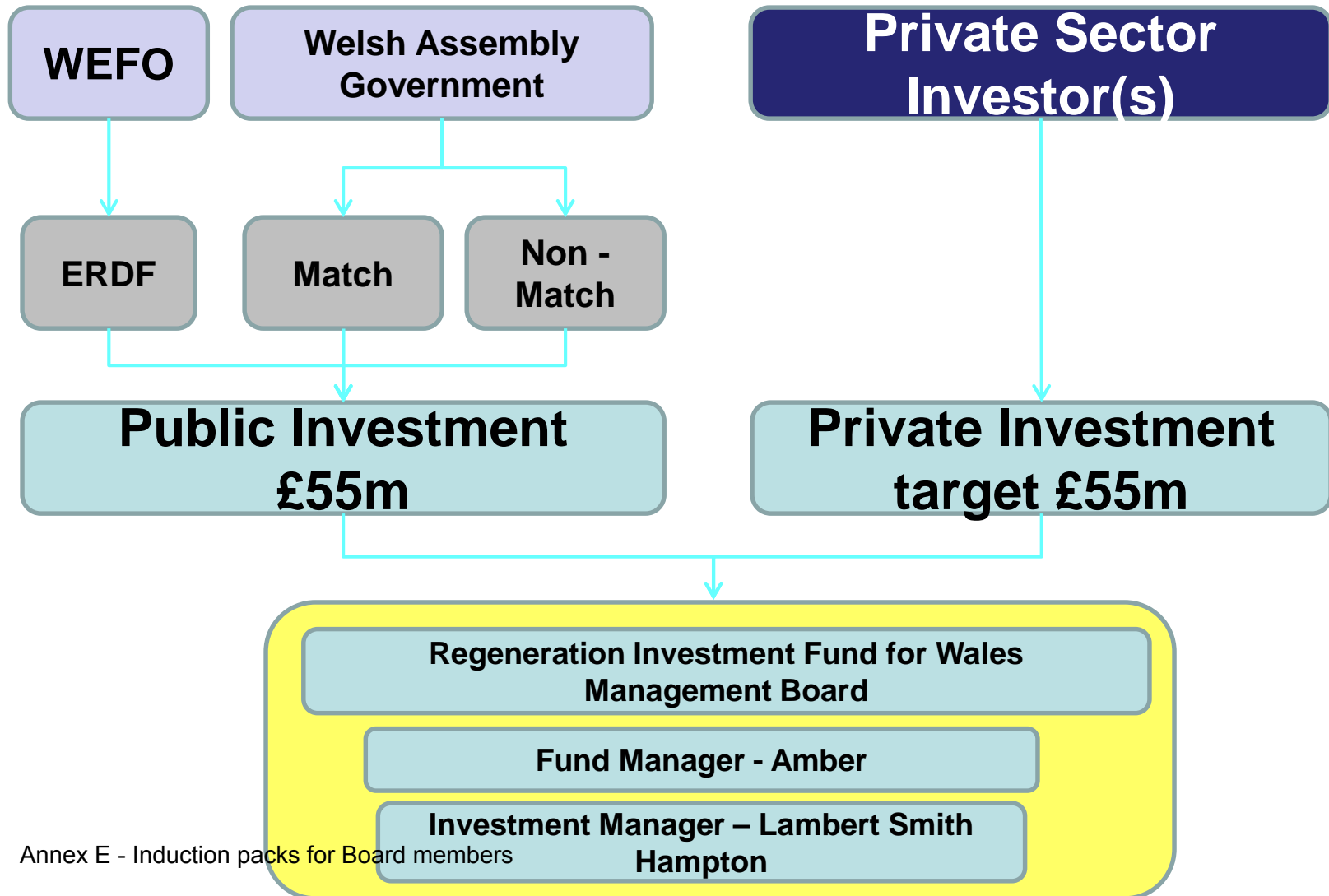


Structure: Phase 2 Public Private Fund



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Welsh Assembly Government

Tudalen y pecyn 57



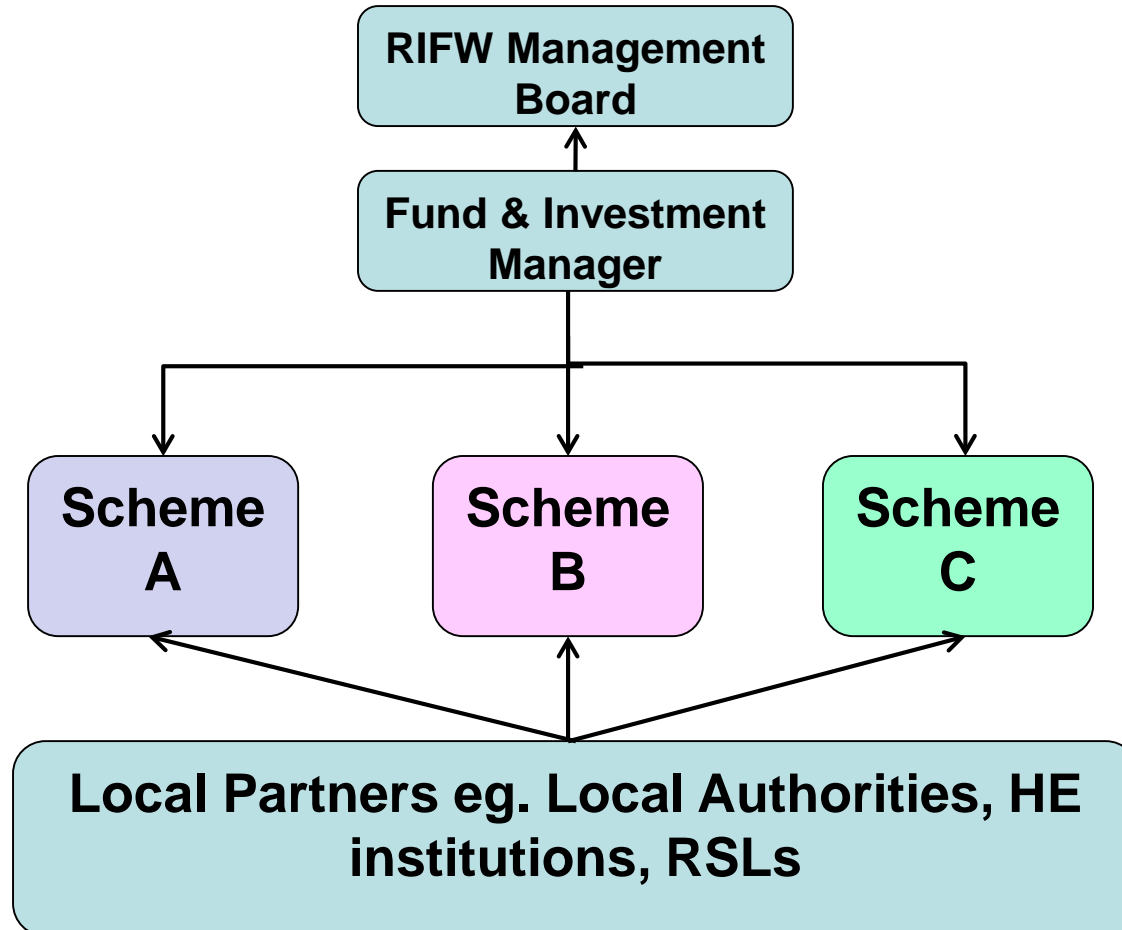
Annex E - Induction packs for Board members

Structure – scheme investments



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Welsh Assembly Government

Tudalen y pecyn 58



Role of the IPSUD



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Welsh Assembly Government

- IPSUD – Integrated Plan for Sustainable Urban Development
- All investments made by the RIFW must be included within an IPSUD (JESSICA regulations)
- Ensures holistic approach to regeneration which will meet the long term needs of the area, including:
 - Social (eg. Access to services, promote social inclusion)
 - Economic (eg. Creating local employment)
 - Environmental (eg. Protect natural habitats, quality public spaces)
 - Transport (eg. Links to public transport and cycling/ pedestrian routes)
- Evidence of inclusion in an IPSUD must be provided by all investee schemes, using combination of existing strategies/ planning documents

Tudalen y pecyn 59

A Pan- Wales Fund



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

ERDF + Match
must be spent
initially in
convergence
areas on eligible
expenditure
(£40m)

Tudalen Y pecyn 60



Other resources
within fund:

- £15m WAG
- Potential private sector investment
- Recycled returns can be invested **across Wales**, and used for broader range regeneration activities

Potential RIFW Investments



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Welsh Assembly Government

RIFW projects might include:

- Mixed use regeneration schemes including employment, retail and housing
- Town centre redevelopment
- Education projects
- Health or energy projects (as part of wider regeneration initiative)
- Transport or other strategic infrastructure works.

Types of RIFW Investments



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

- Loan, equity or rental guarantee

Tudalen 62
y pecyn

Initial focus on loans for state aid reasons

Senior debt – long term loans on commercial terms; interest rate determined at margin over LIBOR. Some security likely to be required from borrower (over assets/ warranties/ guarantees)

- Mezzanine debt – fixed term and fixed rate of interest, not convertible to equity

Role of the Management Board



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

- Approving the Fund's business plan annually which includes
 - Asset Realisation Plan
 - Investment Strategy
 - Marketing Strategy for Investment in Schemes
 - Strategy for Social Responsibility in Investment
 - Performance targets
 - Idle funds policy
- Ensuring an appropriate Governance structure is in place;
- Monitoring the performance of the fund manager and ultimately the investment manager;
- Ensuring the Fund complies with all statutory and policy requirements (including European regulations relating to JESSICA); and,
- Ensuring the Fund is an exemplar of best practice.

Role of the Fund Manager



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Welsh Assembly Government

Tudalen y pecyn 64

- Responsible for fund administration, operations compliance and overall performance
- Reports to the Management Board
- Makes investment decisions in accordance with approved Investment Strategy
- Produces annual fund Business Plan and Investment Strategy
- Monitors performance and manages risk
- Secure private investment for the fund

Role of the Investment Manager



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

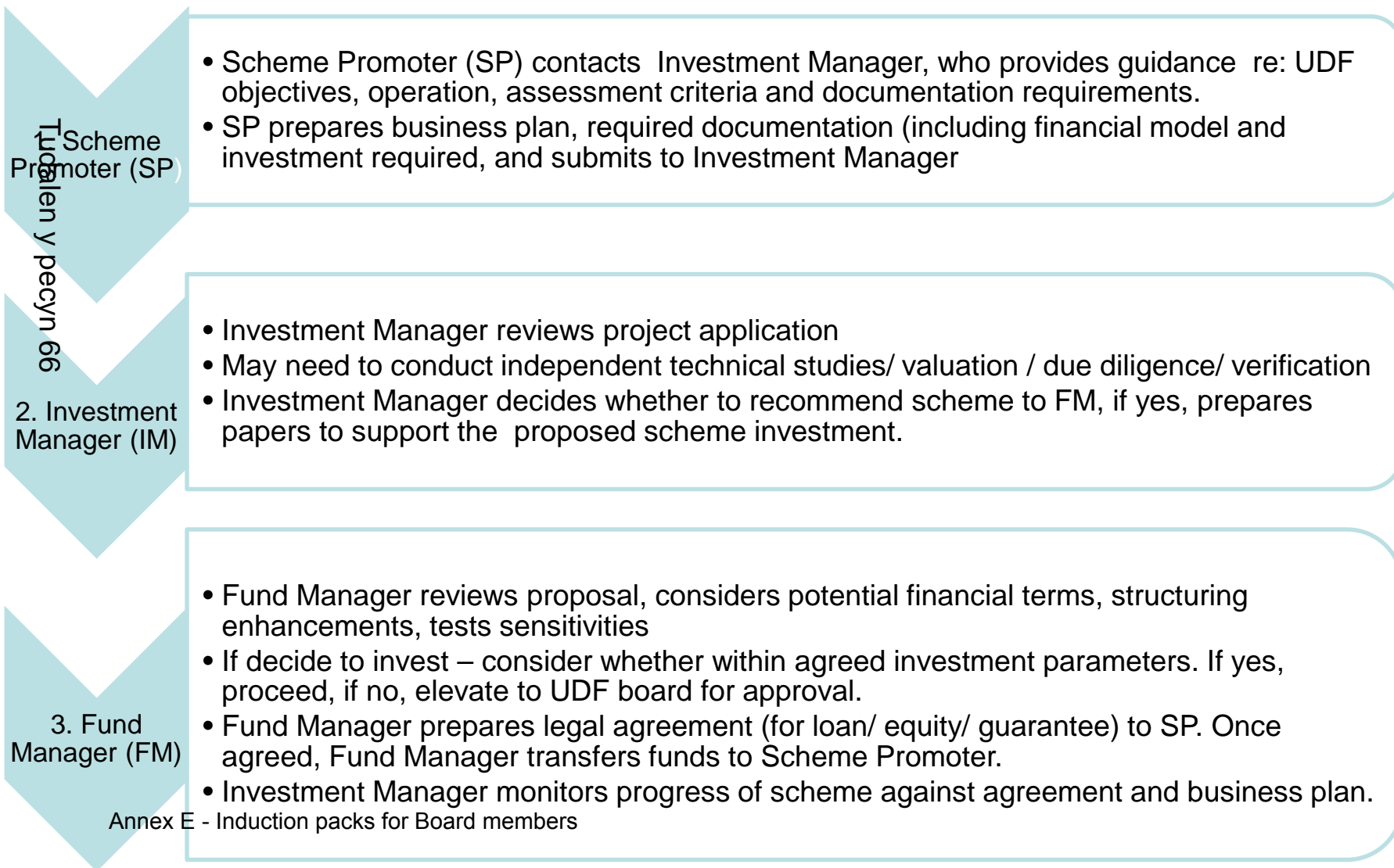
- Management of property assets held by the fund, including disposals to realise cash for investment
- Sourcing investment opportunities for the fund, including marketing and promotion
- Initial appraisal of opportunities and recommendations to Fund Manager
- Monitor performance of investments
- Key contact for Local authorities and other partners

Tudalen y Pecyn 65

Application Process



Llywodraeth Cynulliad Cymru
Welsh Assembly Government



Investment Selection criteria



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Strategic Fit

- Does the scheme fit within an Integrated Plan for Sustainable Urban Development?
- Does the scheme align with the regeneration objectives of the fund, including One Wales?
- Does the scheme contain eligible expenditure under the JESSICA regulations and ERDF national eligibility rules?
- Has an equality impact assessment and environmental impact assessment been undertaken?
- Does the scheme fit within the Funds Social Responsibility in Investment policy?

Tudalen
y pecyn 67

Deliverability

- Is there an established delivery mechanism for the project?
- Can ERDF and match be defrayed by the scheme by 2015?
- What are the key risks and barriers to delivery of the scheme and how can these be mitigated? Eg. Planning, abnormalities, stakeholder and community support.

Financial Viability

- Has a development appraisal been undertaken and available?
- Is the project financially and commercially viable to support repayment of a loan?
- Are other sources of finance required in place?
- How does the scheme fit within the need for a balanced RIFW portfolio?

Annex E - Induction packs for Board members

RIFW New Board Member Induction

Information on Disc

1. New Board Member Presentation
2. Organisation Chart
3. Legal Documents
 - a. Members Agreement
 - b. Fund Manager's Agreement
 - c. Investment Manager's Agreement
 - d. WEFO Offer Letter
 - e. Initial Business Plan
4. Governance
 - a. Initial Delegations
5. Assets
 - a. Asset Realisation Schedule (Schedule of Transferred Assets with short description)
6. Investments
 - a. Integrated Plan for Sustainable Urban Development (IPSUD)

Mr Richard Anning

**TERMS AND CONDITIONS OF APPOINTMENT TO REGENERATION
INVESTMENT FUND FOR WALES MANAGEMENT BOARD**

1. BACKGROUND

The Regeneration Investment Fund for Wales (“the Fund”) is based on a European Union (“EU”) funding programme known as “JESSICA”, which is a new way of using EU funding to promote sustainable investments and growth in urban areas. These investments, which may take the form of equity, loans and/or guarantees, and which are repayable, are delivered to projects via Urban Development Funds. In contrast to conventional grant-funding, these investments will provide a financial return to the public sector, creating a recyclable Regeneration Fund, which extends beyond the life of the EU funding programme.

The principal innovation with JESSICA is that the use of European Funding is no longer restricted to the provision of grants for individual projects, but can now be committed to a Fund. In 2009, it was announced that the name of the JESSICA fund in Wales would be “The Regeneration Investment Fund for Wales”.

In March 2010, the Deputy Minister for Housing and Regeneration, Jocelyn Davies, AM, approved the establishment of the Fund as a Limited Liability Partnership. On 9 August 2010, the Deputy Minister announced that Amber Infrastructure and Lambert Smith Hampton had been appointed as the Fund and Investment Managers for the Fund following an Official Journal of the European Union open procurement process.

Section 60 of the Government of Wales Act (GoWA) 2006 authorises the Welsh Ministers to do anything which they consider appropriate to achieve the promotion or improvement of the economic, social or environmental well-being of Wales. Section 62 of GoWA 2006 allows the Welsh Ministers, the First Minister and the Counsel General to make appropriate representations about any matter affecting Wales; and under Section 71 of GoWA 2006 Welsh ministers may do anything (including the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the exercise of any of their other functions.

2. ROLE OF THE REGENERATION INVESTMENT FUND FOR WALES MANAGEMENT BOARD

The Board’s duties will include ensuring the proper and efficient conduct of the Fund, agreeing, reviewing and monitoring the delivery of the Fund Investment Strategy and overseeing progress against the business plan. The Board will also support the Chairman in leadership of the Board while monitoring responses to future challenges and responsibilities.

2.2 Budget available to the Regeneration Investment Fund for Wales Management Board

3. DUTIES

3.1 You are not an employee. Accordingly nothing in this document shall be construed as, or taken to create, a contract of employment between you and the Welsh Assembly Government.

3.2 As a Member you will be expected to:

- Ensuring the proper and efficient conduct of the Fund;
- Agreeing, reviewing and monitoring the delivery of the Fund Investment Strategy;
- Agreeing and reviewing the annual Business Plan to which the Fund Manager will work, spending to profile and achieving results;
- Monitoring and reviewing the Fund's financial standing and asset register;
- Monitoring performance of Fund Manager and Investment Manager in accordance with the terms of their service contracts;
- Ensuring investment of the Fund is in compliance with European Regional Development Funds and Urban Development Funds;
- Reviewing and approving accounts of the Fund;
- Actively promoting the Fund and its achievements;
- Supporting the Chairman in leadership of the Board while monitoring responses to future challenges and responsibilities;
- Scrutinising the performance and efficacy of the Investment Strategy in meeting agreed goals and objectives, and monitor the reporting of performance;
- Ensuring that decisions made by the Board follow proper procedures, are supported by sufficient high quality information and are robust and defensible;
- Staying abreast of policy approaches to the JESSICA programme in other parts of the UK and beyond in order to learn from those and to evaluate Wales' relative performance;
- Ensuring that the operation of the Fund is within its powers ;
- Exercising independent judgment, reasonable care, skill and diligence in undertaking duties; and
- Acting in the best interests of the Fund.
- Ensuring that the Committee on Standards in Public Life's Seven Principles of Public Life are adhered to

4. PERIOD OF APPOINTMENT

4.1 Your appointment will commence on the 1st January 2011 and expire on the 31st December 2013. The appointment can be terminated early by either party, by giving one months notice, in writing.

4.2 Should the Regeneration Investment Fund for Wales be dissolved, restructured or wound up before the end of your normal period of appointment, your appointment will terminate on dissolution, or such other date as is specified in any relevant legislation.

4.3 The appointment will be terminated immediately, should you be convicted of a criminal offence, and/or where the Deputy Minister believes that your conduct means you are no longer a suitable person for the office of Board Member.

5. REMUNERATION

5.1 Service on the Regeneration Investment Fund for Wales Management Board is not currently remunerated and does not carry with it any right to pension or gratuity on termination.

6. EXPENSES

6.1 Travel and subsistence expenses you incur in attending Regeneration Investment Fund for Wales Management Board meetings or on visits on behalf of the Regeneration Investment Fund for Wales Management Board will be reimbursed by Regeneration Investment Fund for Wales LLP at the rate currently applying to members of Government Committees. Claims for reimbursement should be made to the secretariat.

6.2 Childcare and other dependent expenses may be paid, on production of receipts, for additional costs incurred as a direct consequence of duties performed in the capacity of your work for the Regeneration Investment Fund for Wales Management Board.

7. TIME COMMITMENT/LOCATION

7.1 You will be expected to commit 4 days per year.

7.2 You will be expected to be available to meet 4 times per year or as necessary. Meetings will normally take place in Cardiff, but it is possible that these could be in other locations throughout Wales.

8. ATTENDANCE

8.1 You are expected to attend the meetings regularly. Your appointment may be terminated, without notice, if attendance becomes so erratic as to interfere with the good running of the Regeneration Investment Fund for Wales Management Board.

9. GIFTS AND HOSPITALITY

9.1 You are expected to ensure that acceptance of gifts and hospitality can stand up to public scrutiny. Gifts should be declined wherever possible, and any offers should be reported to the secretariat. Where it would be ungracious or otherwise difficult not to accept, you should inform the secretariat of the gift, the estimated value and the donor. You must take personal responsibility to ensure that a record is placed in the hospitality register of the Regeneration Investment Fund for Wales Management Board. Similarly, care should be taken that no extravagance is involved with working lunches and other social occasions.

10. CONDUCT

- 10.1 You will hold office subject to compliance with the Public Standards Committee's seven Principles of Public Life and the guidance issued by the Regeneration Investment Fund for Wales Members Agreement. Copies of these are attached to these terms and conditions.

11. CONFLICTS OF INTEREST

- 11.1 You must declare any personal or business interests which may, or may be perceived to, influence your judgements in performing your functions.
- 11.2 You will appreciate that a public body of this sort attracts considerable public interest and is accountable to the Welsh Assembly Government, through the Deputy Minister for Housing and Regeneration, for its stewardship. It is particularly important to ensure that there is no possible conflict of interest between your current responsibilities (or previous positions) and the responsibilities of this post. You must exercise caution in taking up new responsibilities which could conflict with the interests of this body and should notify the Welsh Assembly Government before you accept any new appointment which is offered to you.
- 11.3 These interests will be included in a register of interests maintained by the Regeneration Investment Fund for Wales Management Board and you must ensure that your entries are kept up to date.
- 11.4 Should a particular matter give rise to a conflict of interest you are required to inform the Chair of the Regeneration Investment Fund for Wales Management Board in advance and withdraw from discussions or consideration of that matter.
- 11.5 You are encouraged to register your own non-pecuniary interests and interests of [close family members and] persons living in the same household which are closely related to the activities of Regeneration Investment Fund for Wales Management Board.
- 11.6 The Welsh Assembly Government may have to ask you to resign your appointment with the Regeneration Investment Fund for Wales if you wish to accept another appointment.

12. POLITICAL ACTIVITY

- 12.1 You are not expected to occupy paid party political posts or hold particularly sensitive or high roles in a political party. Subject to the foregoing, you are free to engage in political activities provided that you are conscious of your general public responsibilities and exercise a proper discretion, particularly with regard to the work of the Regeneration Investment Fund for Wales Management Board.
- 12.2 You are expected to inform the Welsh Assembly Government if you intend to accept a prominent position in any political party and understand that your appointment to the Regeneration Investment Fund for Wales

Management Board may be terminated early, if it is felt that the positions are incompatible.

- 12.3 If you, at any time during your term of office, accept a nomination for election to [include here any disqualifications eg the House of Commons, European Assembly, National Assembly of Wales etc], you will need to resign your appointment.

13. BANKRUPTCY

- 13.1 You may be removed from office before the end of your term of appointment if you have been made the subject of a bankruptcy order [depending on the body's founding legislation].

14. OFFICIAL SECRETS ACT

- 14.1 The provisions of the Official Secrets Act 1911 to 1989 apply to members of the Regeneration Investment Fund for Wales Management Board. Unauthorised disclosure of any information gained in the course of this appointment, or its use by you or others for personal gain or advancement, could result in your appointment being terminated early, or even criminal prosecution.

15. BUSINESS APPOINTMENTS

- 15.1 You will need to clear with the Chairman, in advance, any appointment or employment taken up within 1 month of leaving the Regeneration Investment Fund for Wales Management Board.

I agree to abide by the Terms and Conditions of Appointment contained herein:

Signed: _____

Name (Block Capitals): _____

Date: _____

Initial Asset Realisation Schedule

Asset:	Description:	Transfer Value:
1. Imperial House & Courtyard	<ul style="list-style-type: none"> ➤ Two interlinked buildings – two storeys ➤ Site area 3.25 hectares ➤ Freehold 	£5,200,000
2. Farms at Lisvane, Cardiff	<ul style="list-style-type: none"> ➤ Three farm holdings. Area of 121 acres ➤ Promoted as alternative mixed use development site ➤ Freehold 	£1,835,000
3. Wrexham Industrial Estate	<ul style="list-style-type: none"> ➤ Development site of 16.5 acres ➤ Freehold 	£390,000
4. Llantrisant Business Park	<ul style="list-style-type: none"> ➤ Development site of 4.37 acres ➤ Freehold 	£330,000
5. Upper House Farm, Glamorgan	<ul style="list-style-type: none"> ➤ Detached bungalow and land of 31.5 acres ➤ Housing allocation in current UDP ➤ Freehold 	£2,700,000
6. Land at Cogan Hall Farm, Penarth	<ul style="list-style-type: none"> ➤ Various parcels of land ➤ Access point to neighbouring development land. ➤ Freehold 	£350,000
7. Garth Park, Talbot Green	<ul style="list-style-type: none"> ➤ Green field site of 18 acres ➤ Employment land use allocation ➤ Freehold 	£210,000

8. Goetre Uchaf, Bangor	<ul style="list-style-type: none"> ➤ Agricultural land of 33.7 acres ➤ Detached 4 bed house and farm building ➤ UDP allocation for new houses ➤ Freehold 	£1,500,000
9. Ty Mawr, Anglesey	<ul style="list-style-type: none"> ➤ Hotel site – now demolished ➤ 2.63 acres ➤ Expired consent for nursing home ➤ Candidate site for prestige employment ➤ Freehold 	£150,000
10. Ty Draw Farm, Pyle, Bridgend	<ul style="list-style-type: none"> ➤ Undeveloped site of 15 acres ➤ Restrictive covenant regarding use ➤ Freehold 	£100,000
11. Mayhew Foods Site, Aberdare	<ul style="list-style-type: none"> ➤ Site of a former factory ➤ 6.89 acres ➤ Employment land allocation ➤ Freehold ➤ Issues ➤ On site contamination identified from historic land uses ➤ Flood risk ➤ Physical constraints and on site contamination reduce values ➤ Uncertainty over future planning potential 	£300,000
12. Anchor Way, Penarth	<ul style="list-style-type: none"> ➤ Irregular parcel of land beneath roadway ➤ 0.297 acres ➤ Freehold 	£100,000

13. Wonastow Road, Monmouth	<ul style="list-style-type: none"> ➤ Agricultural holding of 67 acres ➤ Part allocated for employment use ➤ Promoted as a candidate site for mixed use scheme ➤ Freehold 	£990,000
14. Towyn Way East, Towyn	<ul style="list-style-type: none"> ➤ Two parcels of agricultural land – 25.7 acres ➤ Previous residential planning consent ➤ Promoted for residential in LDP 	£155,000
15. Penybryn Site, St Asaph	<ul style="list-style-type: none"> ➤ Agricultural holding - 35.2 acres ➤ No land use allocation ➤ Freehold 	£230,000
16. St George Road, Abergele	<ul style="list-style-type: none"> ➤ Four fields - 11 acres ➤ Adjacent to housing estate ➤ Promoted for residential development ➤ Freehold 	£90,000
17. Waenfynydd, Llandudno Junction	<ul style="list-style-type: none"> ➤ Agricultural holding – 5.7 acres ➤ Detached farmhouse and bungalow ➤ No land use allocation ➤ Freehold 	£520,000
18. Brackla, Industrial Estate, Bridgend	<ul style="list-style-type: none"> ➤ Two areas of land, part agricultural ➤ 100 acres ➤ Employment use allocation in UDP ➤ Freehold 	£5,500,000
Totals		20,650,000

Principal Accounting Officer Note 007

MACHINERY OF GOVERNMENT CHANGES

1. This Principal Accounting Officer note sets out the procedures to be implemented when there is a Machinery of Government change – a transfer of responsibilities, with the associated resources, between Directors General. Machinery of Government changes can often arise as a result of a change in Ministerial responsibilities, for example through a Cabinet reshuffle. When these circumstances arise it is important that the administrative changes are made smoothly and swiftly to ensure a seamless transition so that delivery and service to Ministers is not interrupted.
2. As soon as I am notified by the First Minister of a Machinery of Government change the relevant Directors General whose areas of responsibility are changing should ensure that the staff involved are given notification at the earliest possible stage of the change, and, if possible, how it will impact upon them. There will need to be clarity, agreed with Ministers, about exactly when the changes will come in to effect - usually immediately but it is important that there should be no confusion or ambiguity about where responsibilities lie at any particular moment in time.
3. Early agreement will need to be reached between the Directors General, and endorsed by the relevant Ministers, for the programme and running cost budgets to be transferred. This is particularly important since the responsibilities of the Additional Accounting Officers are tied to the budgets for which they have oversight.
4. Please be mindful that these changes can involve sudden moves for staff between Director General areas and it is important that any such changes are handled sensitively and with as much communication as possible.

Ministerial Handovers

5. The business of Government continues through the Machinery of Government changes and Ministers will be expected to take over immediately the duties and engagements arising from the new responsibilities which they will be acquiring, including diary engagements, speaking engagements and Assembly business. Both the Director General areas concerned should work together to provide particularly close support to the Ministers as they pick up new responsibilities at short notice. In addition, Ministers should receive very quickly after assuming their new responsibilities a briefing note which outlines the key issues and challenges arising from the new responsibilities. The briefing note should include the schemes of delegation which have previously been established within that Department as well as details of any significant ongoing and outstanding correspondence. Feedback should be sought from Ministers on the effectiveness of such briefing.

6. Where Ministers face particularly challenging or sensitive issues early on in the acquisition of the new responsibilities then it may be more practical for them to be supported in the short term by senior officials in the outgoing department who will be more familiar with the issues concerned.

Transfer Arrangements

7. Once these immediate steps have been taken, the department which is transferring responsibilities should prepare for the receiving Director General area a summary of the administrative issues and main risks in the portfolio of work which is being transferred. As a minimum, this should include the strategic objectives of the programmes being transferred, the delivery mechanisms, any significant budget commitments, any unfunded pressures and the major risks from the Corporate Risk Register of the outgoing department. An example of a transfer note which was used recently is at Annex A to this note. All the corporate documents needed to support the smooth transition should be compiled in to a handover pack - an example of the contents of one is appended to the example transfer note. The transfer pack will need to go to the receiving Director General, their Head of Operations and to the Chairs of the Corporate Governance Committees involved. Copies should also go to the Director of Governance and to the Chair of the main Corporate Governance Committee. The receiving department should acknowledge receipt in writing.

8. Continuity of attention is an important part of the roles of our Corporate Governance Committees. In line with the transfer protocol agreed with the Chairs of the Corporate Governance Committees, the Chair of the Corporate Governance Committee with outgoing responsibility for that subject area should write to the Chair of the receiving Committee to draw the attention of the Committee to any major issues of concern or other matters which will assist the new Committee in taking over scrutiny responsibility for that area. A copy of a letter recently issued by a Chair of a Corporate Governance Committee on the advice of the outgoing Head of Operations Division is at Annex B. Feedback on the effectiveness of the briefing to Ministers and the transfer arrangements overall should be shared with the Corporate Governance Committee.

Delegations and Financial Transfers

9. Each of the areas concerned will need to liaise closely with Finance and Corporate Services for agreement of the budget transfers so that these can subsequently be reflected in the budget arrangements of the Welsh Government. Once resource transfers have been confirmed, the Permanent Secretary will issue amended Delegation Letters to the Directors General, which will confirm the transfer of Additional Accounting Officer responsibility. Directors General will then need to issue their own amended Delegation Letters to their staff.
10. Ministers will of course wish to agree the major arrangements for resource transfers between themselves but there may be occasions, in particular in relation to running costs transfers, where it is left to officials to agree on the appropriate arrangements. In most cases agreement should be able to be reached swiftly on a bilateral basis but where Directors General are unable to reach agreement within a week then the Director of Governance will act as binding arbitrator.

Housekeeping Arrangements

11. It is important that all of our corporate systems are updated swiftly to reflect movement of staff and assets as a result of the portfolio changes. The receiving department should take responsibility for any changes to Snowdrop, the Business Directory and the Atos managed central asset register. In addition, the Intranet and Internet should be updated to reflect any changes as soon as possible but at the

latest within 5 working days of the changes taking effect. All changes relating to the transfers should normally be implemented within four weeks of initiation.

Derek Jones

Permanent Secretary

2 September 2014

Annex A

To: Rob Hunter

From: Dean Medcraft

Date: 14 July 2014

The Transfer of Responsibility of Agriculture, Fisheries, Food, Marine and OCVO from Sustainable Futures to the Department for Economy Science and Transport.

1. I am writing to you as Head of Operations for Sustainable Futures to confirm the process we are following for the transfer of responsibility of Agriculture, Fisheries, Food, Marine and the Office of the Chief Veterinary Officer to the Department of Economy, Science and Transport.
2. At the Sustainable Futures Corporate Governance Committee on 11 July there was a discussion around the transfer process followed and areas that needed to be highlighted to the Department for Economy, Science and Transport Corporate Governance Committee regarding the transfer of resources as a result of the Ministerial changes last week.
3. As you are aware on 8 July 2014 it was announced that Agriculture, Fisheries, Food, Marine and the Office of the Chief Veterinary Officer would transfer from Sustainable Futures to Economy, Science and Transport.
4. Andrew Slade, Director for Agriculture, Fisheries, Food and Marine and Christianne Glossop, Chief Veterinary Officer, transferred into the Department for Economy, Science and Transport on 9 July. All staff within those Directorates transferred along with them. A number of staff in the Sustainable Futures Operations Division who supported those Directorates also transferred.
5. A joint note to staff was issued from the Directors General confirming the transfer arrangements on 9 July 2014 following face to face discussions with teams and individual members of staff.
6. Edwina Hart AM OStJ MBE, Minister for Economy, Science and Transport and Rebecca Evans AM, Deputy Minister for Agriculture and Fisheries, received A-Z Briefing on Key and Emerging Policy Issues on 9 July 2014. Due to the priority need

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to ensure the main functions of government business remain uninterrupted these have remained with Gareth Woodhead in my Operations Division to date – including lead on all matters concerning Welsh Government presence at the Royal Welsh Show (21 – 24 July). A hand-over on all other matters is due to conclude shortly.

7. As part of these transfer arrangements I should draw your attention to the following issues, currently being managed by those Directorates transferring into the Department for Economy, Science and Transport on which you and your Corporate Governance Committee should, in my opinion, focus your attention. These are:

- Legislative Programme
- Animal Disease Outbreaks
- European Union Pre-Infraction case - Special Areas of Conservation for harbour Porpoise
- Marine Transition Programme
- Common Agricultural Payments Disallowance
- Personal Tax Liability of Staff working in Fisheries and Marine as a result of private use of Welsh Government Assets

8. Other specific transfer issues include:

- significant unfunded capital pressures on CAP reform ICT implementation but these are being managed by the Programme Board
- significant unfunded programme (and some capital) pressures on delivery of EIDCymru and CPH reform (both also EU requirements – must haves) – on the former NRF financial ‘pressures’ grid, but projects approved and announced by the then Minister – and for delivery of the recently announced Food and Drink Action Plan (stakeholder expectations high and WG credibility at stake)
- Taxation - an issue relating to fisheries vessels and vehicles – work has commenced with Ann Smith in Central Finance to make a tax disclosure in respect of personal tax liability related to the use of Welsh Government owned vehicles used by Fisheries Staff to travel between their home addresses and secondary permanent workplaces. Marine staff use of vehicles has not yet commenced. Work is underway to tighten the staff contractual-terms to reduce the risk of further tax liabilities being incurred. There is a risk that should HMRC review the existing staff contracts, they may dispute that employees are geographically-based, which could in turn result in a very significant tax liability being incurred by the Welsh Government. Gareth Jones has agreed that David

Rees and Julia Douch can continue to support Graham Rees in resolving these issues.

- the need to recruit external expertise to help deliver key components of Glastir (particularly the Woodlands and Advanced elements), for which there is EU money available but an effective block on increasing headcount
 - the need to recruit staff for Rural Payment Wales's (RPW) main CAP specialist processing centre in Carmarthen – again, funded, but casuals cannot be converted to permanent post-holders, and there is an external recruitment embargo. Carmarthen is critical to RPW's forward delivery model, and – through concentration of expertise etc. - for reducing overall staff numbers across the Division in coming years
 - Land Nature and Forestry Division's provision of support to Agriculture Fisheries and Marine work – we will need to ensure that this continues successfully following the split of portfolios
 - NATO summit – at present, we look set to pick up an unexpected tab for the 'showcasing' Welsh food and drink elements of the planned programme in September (expected to be upwards of £250k).
 - Nature Fund – a commitment was made by the previous Minister that the £6million planned expenditure on the Nature Fund would be found within the Rural Development Plan budget. This was discussed and agreed at the Environment and Sustainability Committee held on 16 October 2013.
9. Natural Resources, Culture and Sport is handing over a number of programmes that are dependant on some of the work Sustainable Futures continues to be responsible for and which will need to be managed if benefits are to be delivered in full. These are:
- work on the Nature Fund and on the important role the Rural Development Programme plays in natural resource management and habitat restoration;
 - the design of future frontline services; and
 - the encouragement of markets in ecosystem services and opportunities around 'Green Growth'.
10. I sent you on proposals in respect of Direct Running Costs and Programme budgets and transfers on Friday. I understand that revised delegation letters will be issued by Derek Jones, Permanent Secretary, to James Price and Gareth Jones in due course once the transfer proposals have been agreed.

11. Global changes to the HR system, snowdrop, will take effect from 16 July 2014. Continuity on any human resource issues will be managed through the transfer of the current HR advisor responsible for Agriculture, Fisheries, Food and Marine (Linda Newton), into your department.
12. I have compiled all the corporate documents needed to support the smooth transition of the business into a handover pack, a copy of which accompanies this minute. A list of the corporate documents contained in the handover pack is at Annex A for ease of reference. Gareth Jones will be sending a handover pack to James Price formally transferring responsibility. A copy of this pack has gone to the Chairs of the Sustainable Futures and the Economy, Science and Transport Corporate Governance Committees. A copy will also go to David Richards, Director of Governance.
13. If there is anything else you need please don't hesitate to speak to one of my team.

Dean

14th July 2014

Dr A Midha

Dear Arun,

The Transfer of Responsibility of Agriculture, Fisheries, Food, Marine and OCVO from Sustainable Futures to the Department for Economy Science and Transport.

Further to our discussion at the Sustainable Futures Corporate Governance Committee on 11 July I have set out the process followed and some areas that I believe need to be highlighted to the Chair of the Enterprise, Science and Transport Corporate Governance Committee regarding the transfer of resources as a result of the Ministerial Changes last week.

On 8 July 2014 it was announced that Agriculture, Fisheries, Food, Marine and the Office of the Chief Veterinary Officer would transfer from Sustainable Futures to Economy, Science and Transport.

Andrew Slade, Director for Agriculture, Fisheries, Food and Marine and Christianne Glossop, Chief Veterinary Officer, transferred to Economy, Science and Transport on 9 July. All staff within those Directorates transferred along with them. A number of staff in the Sustainable Futures Operations Division who supported those Directorates also transferred. A joint note to staff was issued from the Directors General confirming the transfer arrangements on 9 July 2014 following face to face discussions with teams and individual members of staff.

Edwina Hart AM OSTJ MBE, Minister for Economy, Science and Transport and Rebecca Evans AM, Deputy Minister for Agriculture and Fisheries, received A-Z Briefing on Key and Emerging Policy Issues on 9 July 2014.

Natural Resources, Culture and Sport is handing over a number of programmes to the Department of Enterprise, Science and Transport. There are some dependencies remaining with Sustainable Futures which will need to be managed if benefits are to be delivered in full . This includes:

- work on the Nature Fund and on the important role the Rural Development Programme plays in natural resource management and habitat restoration;
- the design of future frontline services; and
- the encouragement of markets in ecosystem services and opportunities around 'Green Growth'.

There are no areas specifically for the Office of the Chief Veterinary Officer that we want to draw to the attention of John Valentine Williams, Chair of the Enterprise, Science and Transport Corporate Governance Committee.

In respect of Agriculture, Fisheries, Food and Marine there are ongoing concerns around:

- animal disease outbreaks
- CAP disallowance risks (ever-present)
- complexity of CAP reform – and subsequent delivery of both P1 and P2 measures
- European Commission pre-infraction proceedings on harbour porpoises.

The issues above are reflected in the risk registers (at section 15) which are included in the handover pack accompanying this letter. Other specific transfer issues include:

- significant unfunded capital pressures on CAP reform ICT implementation is being managed through the Programme Board
- significant unfunded programme pressures on delivery of EIDCymru and CPH reform (both also EU requirements – must haves) – on the former NRF financial ‘pressures’ grid, but projects approved and announced by the then Minister – and for delivery of the recently announced Food and Drink Action Plan (stakeholder expectations high and WG credibility at stake)
- Taxation - an issue relating to fisheries vessels and vehicles – work has commenced with Ann Smith in Central Finance to make a tax disclosure in respect of personal tax liability related to the use of Welsh Government owned vehicles used by Fisheries Staff to travel between their home addresses and secondary permanent workplaces. Marine staff use of vehicles has not yet commenced. Work is underway to tighten the staff contractual-terms to reduce the risk of further tax liabilities being incurred. There is a risk that should HMRC review the existing staff contracts, they may dispute that employees are geographically-based, which could in turn result in a very significant tax liability being incurred by the Welsh Government. Gareth Jones has agreed that David Rees and Julia Douch can continue to support Graham Rees in resolving these issues.
- the need to recruit external expertise to help deliver key components of Glastir (particularly the Woodlands and Advanced elements), for which there is EU money available but an effective block on increasing headcount.
- the need to recruit staff for RPW’s main CAP specialist processing centre in Carmarthen. Carmarthen is critical to RPW’s forward delivery model, and – through concentration of expertise etc - for reducing overall staff numbers across the Division in coming years.
- LNF Division’s provision of support to AF&M work – we will need to ensure that this continues successfully following the split of portfolios.
- NATO summit – at present, we look set to pick up an unexpected tab for the ‘showcasing’ Welsh food and drink elements of the planned programme in September (expected to be upwards of £250k).

In terms of house-keeping within Sustainable Futures, discussions in relation to the formal transfer of budgets and delegations have commenced. There have been discussions with Rob Hunter (Director of Finance and Performance in the Department for Economy Science and Transport), Andrew Phillips (Central Services Operations Division) and Mat Denham Jones (Head of Budgetary Control and Reporting in FCS) to discuss Direct Running Costs and Programme budgets and transferral proposals are with Rob Hunter for consideration. Revised delegation letters from Derek

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Annex F - Note by Principal Accounting Officer

Jones, Permanent Secretary, to the James Price and Gareth Jones will be issued in due course once the transfer proposals have been agreed. There are no changes to the environment budget.

Transfers of portable fixed assets and portfolio name changes in email addresses are being made through the Atos service catalogue.

Global changes to the HR system snowdrop will take effect from 16 July 2014. Continuity on any human resource issues will be managed through the transfer of the current HR advisor responsible for Agriculture, Fisheries, Food and Marine from Sustainable Futures to Enterprise, Science and Transport.

All corporate documents needed to support the smooth transition of the business have been compiled into a handover pack, a copy of which accompanies this letter. Gareth Jones has sent a minute to James Price, the Director General of Enterprise, Science and Transport, formally handing of the handover pack of corporate documents. A copy will also go to the Operations Division in Economy, Science and Transport and David Richards, Director of Governance. A list of the corporate documents provided is at Annex A.

A letter has been prepared for you to send to the Chair of the Enterprise, Science and Transport Corporate Governance Committee along with the Handover Pack (Annex B). I hope the above is in line with the discussion at our Corporate Governance Committee and provides you with assurance .

Yours Sincerely,

Dean Medcraft

Head of Sustainable Futures Operations Division

CC: Gareth Jones

David Richards

Rob Hunter

Julia Douch

Annex A

List of Handover Documents

1. Delegation Letter OCVO and AFFM 2014
2. ICQ and Assurance statement OCVO and AFFM 2014
3. Internal Audit Forward plan 2014
4. Internal Audit Reports OCVO and AFFM
5. Conflicts of Interest Declarations
6. Business Plan
7. Business Continuity Plan
8. Financial Summary
9. Agriculture, Food and Marine: Revised Delegations following In year savings
10. OCVO: : Revised Delegations following In year savings
11. Finance Issues for Transfer of Agriculture, Fisheries, Food, Marine and OCVO
12. AFF DRC Transfer
13. AFF and OCVO BEL Table 2nd Supplementary Budget Jan 2014
14. List of Welsh Procurement Card Holders
15. Risk on Sustainable Futures Corporate Risk Register July 2014
16. Location Strategy Summary
17. HR Dashboard July 2014 and People Survey Results
18. A-Z Briefing on Key and Emerging Issues – Agriculture portfolio issues as at 9 July 2014
19. NRF Communications Strategy and NRF Media Forward Look
20. Tenders on the Go
21. Departures from Normal Contract Procedures
22. Grants and Nominated Officers
23. Principal Accounting Officer Note 03 – Board Membership Details
24. Fixed Asset Management - Names of Nominated and Responsible Officers

14th July 2014

Mr J V Williams
6 Preston Avenue
Newport
NP20 4JE

Dear John,

The Transfer of Responsibility of Agriculture, Fisheries, Food, Marine and OCVO from Sustainable Futures to the Department for Economy Science and Transport.

I am writing to you in my capacity as Chair of the Sustainable Futures Corporate Governance Committee to provide you with details of the transfer of responsibility of Agriculture, Fisheries, Food, Marine and the Office of the Chief Veterinary Officer to the Department of Enterprise, Science and Transport.

At my Sustainable Futures Corporate Governance Committee on 11 July there was a discussion around the transfer process followed and areas that needed to be highlighted to you as the Chair of the Enterprise, Science and Transport Corporate Governance Committee regarding the transfer of resources as a result of the Ministerial changes last week.

As you are aware on 8 July 2014 it was announced that Agriculture, Fisheries, Food, Marine and the Office of the Chief Veterinary Officer would transfer from Sustainable Futures to Economy, Science and Transport.

Andrew Slade, Director for Agriculture, Fisheries, Food and Marine and Christianne Glossop, Chief Veterinary Officer, transferred into the Department for Economy, Science and Transport on 9 July. All staff within those Directorates transferred along with them. A number of staff in the Sustainable Futures Operations Division who supported those Directorates also transferred.

A joint note to staff was issued from the Directors General confirming the transfer arrangements on 9 July 2014 following face to face discussions with teams and individual members of staff.

Edwina Hart AM OSTJ MBE, Minister for Economy, Science and Transport and Rebecca Evans AM, Deputy Minister for Agriculture and Fisheries, received A-Z Briefing on Key and Emerging Policy Issues on 9 July 2014.

As part of these transfer arrangements I should draw your attention to the following issues, currently being managed by those Directorates transferring into the Department for Enterprise, Science and Transport. You may wish to draw these to the attention of your Corporate Governance Committee. These are:

- Legislative Programme
- Animal Disease Outbreaks
- European Union Pre-Infraction case - Special Areas of Conservation for harbour Porpoise
- Marine Transition Programme
- Common Agricultural Payments Disallowance
- Personal Tax Liability of Staff working in Fisheries and Marine as a result of private use of Welsh Government Assets

More detailed consideration of these issues is contained in the risk register in section 15 of the handover pack that accompanies this letter.

Natural Resources, Culture and Sport is handing over a number of programmes that are dependant on work remaining with Sustainable Futures and which will need to be managed if benefits are to be delivered in full. These are:

- work on the Nature Fund and on the important role the Rural Development Programme plays in natural resource management and habitat restoration;
- the design of future frontline services; and
- the encouragement of markets in ecosystem services and opportunities around 'Green Growth'.

I am aware that detailed discussions have and are currently taking place at an Operational level (including with Directors General) and with staff to ensure a smooth transfer. I understand the formal transfer of budgets and delegations between portfolio departments has commenced. Proposals are with the Department for Enterprise, Science and Transport. Revised delegation letters will be issued to James Price and Gareth Jones in due course.

All corporate documents needed to support the smooth transition of the business have been compiled into a handover pack, a copy of which accompanies this letter. Gareth Jones will send a handover minute and handover pack to James Price and Rob Hunter. A copy will also go to David Richards, Director of Governance. A list of documents contained in the pack is at Annex A.

You may wish to discuss the handover at your Corporate Governance Committee on 15 July 2014. Paul Wozencroft, Secretary of my Corporate Governance Committee, will be in touch shortly with you to arrange a meeting for us to discuss the handover.

Yours Sincerely,

Arun

19 September 2014

Admiral Simon Williams
Chair of the Local Government and Communities Corporate Governance Committee
7 Croesonen Gardens
Abergavenny
NP7 6BJ

Dear Simon,

The Transfer of Housing and Regeneration to the Department for Local Government and Communities from the Department for Natural Resources

As a result of the changes to Cabinet last week, Sustainable Futures has ceased to exist and a new Department for Natural Resources has been created. As you are aware, on 11th September 2014 it was announced that Housing and Regeneration would transfer from Natural Resources to the Department for Local Government and Communities. I am now writing to you in my capacity as Chair of the Department for Natural Resources Corporate Governance Committee to provide you with details of the transfer.

John Howells, Director for Housing and Regeneration and staff have now been transferred to the Department for Local Government and Communities. A number of staff in the former Sustainable Futures Operations Division who supported this function have also transferred. Gareth Jones issued a note to all staff in the Department for Natural Resources on 15th September confirming the transfer arrangements following face to face discussions with teams and individual members of staff.

Lesley Griffiths AM, Minister for Communities and Tackling Poverty received written briefings on policy themes and Strategic Outcomes.

In respect of Housing & Regeneration there are ongoing concerns around:

- Failures of Registered Social Landlord to have crisis management plans in place;
- Inadequate financial transaction funding delaying the launch of the Home Improvement initiative;
- Resourcing a number of programmes related to Housing Regulation, TAN 22 (Sustainable Buildings), supporting people programme and the Welsh Government's Housing Strategy;
- Review of Cardiff Harbour Authority section 33 Side Agreements;
- Delivery of the Intermediate Care Fund;
- Agreement of Sale breach in relation to the sale of 85-90 West Parade, Rhyl.

These issues are reflected in the risk registers which are included in the handover pack for the Director General . Other specific transfer issues reflected in the risk register which I feel require more detailed explanation are:

- **YMCA Wales** - The Welsh Government provided a charitable organisation, YMCA Wales with grant funding under Section 180 of the Housing Act 1996. Allegations were made by an external third party that grant funding had been misused by YMCA Wales. In July 2014, the Welsh Government's Internal Audit Service carried out an audit of YMCA Wales. The audit identified major concerns regarding the financial management of YMCA Wales and also raised probity concerns relating to the conduct of the former Chief Executive Officer. The Welsh Government has terminated its funding of YMCA Wales and has made a referral to the Police. YMCA Wales has subsequently entered into administration. This matter is likely to receive significant media attention as YMCA is an umbrella organisation for YMCAs in Wales.
- **Rhondda Life** – The Welsh Government provided a social enterprise, Rhondda Life with £1.8m for the refurbishment/construction of two community facilities in Ferndale, the Glynrhedyn. Shortly after the completion of the project in 2012, Rhondda Life entered into administrative receivership and the brewer, Greene King is now operating the Glynrhedyn until debts owed to it by Rhondda Life are repaid. Rhondda Life also owes a significant sum of money to other creditors. Members of staff from the Natural Resources Department have sought to verify that all of the grant money paid to Rhondda Life was used to finance the project. To date Rhondda Life has yet to provide evidence as to how £0.22m of the funding was spent and has requested more time to provide the required evidence. The management of this project has attracted significant media and political interest and the Welsh Government has received several Freedom of Information requests regarding it. The project is likely to continue to receive considerable interest due to the fact that the project is highly unlikely to deliver any substantial community benefit.
- **Regeneration Fund for Wales (RIFW)** - In 2009, the Welsh Government established the Regeneration Investment Fund for Wales (RIFW) within the framework of the JESSICA (Joint European Support for Sustainable Investment in City Areas) initiative, where European funding is used as seed capital to kick start regeneration projects. Financial support from the Regeneration Investment Fund for Wales was to be provided in the form of loans and investment capital, to be repaid within an agreed timetable. RIFW was created as a Limited Liability Partnership (LLP) at arms-length from the Welsh Government. RIFW had its own Board and external professional advisors were appointed to support the Board in managing the Fund. The Board of RIFW comprised external experts appointed by the Welsh Government, Welsh Government officials and professional advisors. In 2012, following the receipt of correspondence the Auditor General for Wales commenced an audit of RIFW. Of particular concern to the Auditor General was the way in which surplus land assets transferred to RIFW were subsequently disposed of, and whether these disposals represented best value to the public purse. Work undertaken by officials of the Housing and Regeneration Directorate and by the Auditor General have identified a number of deficiencies in the way in which the fund was established and managed and around the process of land disposal. RIFW has now been brought under the direct control of Welsh Ministers. The Auditor General is currently consulting with the Welsh Government on his report into this issue. When this report is finalised it is likely that the report will be critical of the actions of the Welsh

Government in relation to its oversight of the operations of RIFW. We would also expect that the report will be the subject of media and political interest, particularly as the matter has already been the subject of several press articles and Assembly questions.

In terms of house-keeping within Natural Resources, discussions in relation to the formal transfer of budgets and delegations have commenced between the Natural Resources Head of Operations Dean Medcraft and his counterparts in Local Government and Central Finance.

Transfers of portable fixed assets and portfolio name changes in email addresses are being made through the Atos service catalogue. Global changes to the Human Resources system, Snowdrop, are in hand. Continuity on any human resource issues will be managed through the transfer of the current Human Resource advisor to your department.

All corporate documents needed to support the smooth transition of the business have been compiled into handover packs. Appended to this letter is Index A, which outlines the documentation contained within this pack. These packs include a minute from Gareth Jones to June Milligan, the Director General of Local Government and Communities, formally handing over the corporate information. Copies of the handover pack will go to the Local Government and Communities Operations Division and David Richards, Director of Governance.

On completion of all the above I am informed revised delegation letters from Derek Jones, Permanent Secretary, to June Milligan and Gareth Jones will be issued in due course once the transfer proposals have been agreed.

I would be very happy to meet with you to discuss the above in greater detail.

Kind regards,

Dr Arun Midha

Chair Department for Natural Resources Corporate Governance Committee

CC: Gareth Jones
June Milligan
David Richards
Elan Closs Stephens
Dean Medcraft
Alyson Francis
Julia Douch

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Mae cyfyngiadau ar y ddogfen hon

Mae cyfyngiadau ar y ddogfen hon

**Public Accounts Committee
Inquiry into the Regeneration Investment Fund for Wales**

**Response to request for further comments from Amber
Infrastructure Limited following Committee Session on
13 October 2015**

Introduction

Amber Fund Management Limited ("AMFL" or "Amber") is pleased to submit this additional information following the Public Accounts Committee ("PAC") inquiry into the Regeneration Investment Fund for Wales ("RIFW"), Evidence Session 4 on 13th October 2015:

- Comments 1, 2 and 3 below respond to specific requests sent by the PAC's Deputy Clerk following the Evidence Session.
- Comment 4 relates to matters where we have identified from the minutes that further clarity may help the PAC's comprehension and where the time constraints prevented consideration.
- Comment 5 deals with the further request for information sent to us by the Chairman of the PAC in his letter of 22nd October 2015.

1. Meetings other than Formal Board meetings

Outside of formal board meetings Amber had three sorts of meetings with board members and/or employees of Welsh Government.

These comprised:

- Informal meetings with RIFW board members;
- Meetings with Welsh Government officials relating to RIFW operational matters;
- Meetings with Welsh Government officials respect to possible future investment activities of RIFW.

In addition many meetings were of course held with local government officials and other interested parties relating to potential investment activity.

By their nature most of these meetings were informal and not minuted. The list below sets out the additional meetings that we have a record of from a review of available information (principally diaries) as set out at Table 1 below. It is possible however that there were a few further informal meetings which we do not have records of and which are therefore not recorded below. In addition to these meetings we had regular telephone conversations (notably with the RIFW board chair) but also from time to time with other board members and WG officials throughout the sale process.

We only had one meeting with a minister. This meeting was with Huw Lewis AM on 3rd July 2012 and was focussed principally on WG concerns to ensure that RIFW had sufficient potential regeneration investment opportunities available to it in order to defray its funds within the applicable time limit.

Table 1 - Meetings Other than Formal Board Meetings

Date	Form of Meeting and Nature of Discussion	Participants
01/02/2011	Meeting: Quarterly Review	WEFO, Amber
01/02/2011	Meeting: RIFW & State Aid	WG Observer, Amber
18/02/2011	Meeting: Introductions	Cllr Holley, Amber
06/04/2011	Meeting: re RIFW	RIFW Chair, Amber
19/05/2011	Meeting: Periodic Review	WEFO, Amber, LSH
06/07/2011	Meeting: Audit & Risk Committee	RIFW Members, WG (BETS), Amber
30/07/2011	Meeting: RIFW Property Asset Title matters	WGLS, RIFW, Morgan Cole, Amber
01/08/2011	Meeting: Periodic Review	WEFO, Amber, LSH
22/08/2011	Meeting: RIFW Property Asset Title matters	WGLS, RIFW, Morgan Cole, Amber
22/09/2011	Meeting: RIFW Assets	WG Hd of Property, Amber
06/10/2011	Meeting: Audit & Risk Committee	RIFW Members, WG (BETS), Amber
22/11/2011	Meeting: RIFW Property Asset Title matters	WGLS, RIFW, Morgan Cole, Amber
02/12/2011	Meeting: WEFO Programme Monitoring Committee	WEFO, Amber
17/01/2012	Meeting: Audit & Risk Committee	RIFW Members, WG (BETS), Amber
03/07/2012	Meeting: Welsh Ministers - Huw Lewis, AM RIFW Performance review	WM, WG, WEFO, RIFW, Amber

2. Confirmation of the Date that the Asset Realisation Plan was Approved

The ARP was approved at the Board meeting of 28 March 2011. This is recorded by the board minutes which state that *"IT WAS RESOLVED that the Board accept the First Business Plan"*

The Asset Realisation Plan prepared by LSH was a component part of the "First Business Plan"

The portfolio sale (and thus the amendment to the ARP) was approved (subject to conditions) by the Board on 9th June and final approval given by the board in January 2012.

3. Advice to RIFW Board on Final Portfolio Sale Terms

Amber commissioned on behalf of RIFW a formal opinion on the terms of the agreed sale contract relating to the portfolio from the legal advisers Morgan Cole. The purpose of this legal opinion was to provide assurance around the legal process involved in the sale and to provide a concise and accurate summary for RIFW on the terms of what was obviously a complex legal transaction. The reason for its preparation was that the course of the negotiation and the terms of the contract for the disposal of the portfolio were complex and we wanted to have a clear opinion on the appropriateness of the final legal terms of the disposal. The opinion delivered by Morgan Cole is stated as having been “prepared for the sole benefit of RIFW and its fund manager Amber Fund Management Limited and for no other purpose”.

The opinion was requested by us from Morgan Cole in early December 2011. The final opinion report is dated 16th February 2012. Prior to this a number of drafts were prepared and circulated by Morgan Cole. It was first issued in draft on 15 December 2011 and progressively updated in subsequent drafts as matters were finalised. A copy of the final version was provided to the WAO in 2012 and we believe that the PAC has seen this.

We are unfortunately unable to identify the date that the final legal opinion was provided to the board but we note that the then current draft was reviewed at the RIFW board meeting of 31st January 2012. The final version did not differ materially from this draft. The first draft of this opinion was also referred to in the note sent by us to the RIFW board on 16th December 2011 and discussed in subsequent telephone conversations with board members.

4. Other Observations

a. Sale Proceeds Correction

Reference was made at the start of the Amber evidence session to the suggestion that subsequent to the portfolio sale the purchaser had on-sold “three and a half” of the properties comprised within the portfolio for £16.93m. This figure was contrasted with the amount of £21.75m received by RIFW for the whole portfolio.

We mentioned at the time that we did not recognise these figures and do respectfully note that this comparison is not a like for like comparison. This is unfortunate given the prominence that was given in the media to these numbers.

We understand that the sum of £16.93m quoted by the AG includes an amount of £12.0m from the sale of the Monmouth property. However RIFW is entitled to 50% overage on the Monmouth sale. Accordingly the appropriate like for like comparison should be between the net receipt to SWLDL (which will be £16.93m minus the overage payable) and the net receipt to RIFW (which will be the original £21.75m plus the overage receivable).

We are informed that the overage amount is expected to be in the order of an additional c.£5m so (assuming this is the case) the accurate comparison (before other costs) would be to compare a figure of £11.93m against £26.75m as below:

	RIFW	SWLDL
Headline Price	£ 21.75	£ 16.93
Overage Due (est.)	£ 5.00	£ 5.00
Net Receipt	£ 26.75	£ 11.93

b. Regeneration Opportunities

Our evidence session with the PAC was curtailed due to time constraints. As a result we did not have the opportunity to present any evidence about the success of RIFW as a regeneration vehicle nor the continued opportunities that exist for RIFW to achieve regeneration benefits for Wales. While we understand the limitations of time we regret this as we believe that RIFW continues to be a valuable mechanism for the achievement of regeneration goals.

We are reinforced in this belief by the comments of the WAO that *the RIFW investment concept was innovative and has many merits* as well as the success of similar funds elsewhere. The ability of RIFW to demonstrate that it can be a successful agent for regeneration has been obscured by the “pause” put on its activities while the WAO study has been ongoing. However the original justification for the RIFW model remains valid and unchallenged.

We would urge the PAC in its report to consider including some recognition of the WAO’s conclusion that the RIFW model has many merits and for the committee to support a continued role for RIFW (under its revised governance structure) in regeneration activity in Wales.

5. Matters raised in letter from PAC Chairman on 22nd October 2015

a. Who had discussions with whom and who was the lead negotiator?

LSH identified the purchaser, led on the initial discussions with the purchaser and were responsible for negotiating the original transaction terms through to agreement of Heads of Terms on 15 July 2011. LSH maintained an active dialogue with the purchaser throughout the sale process. In this respect we consider they acted in the normal manner of property sales agents seeking to facilitate and deliver the transaction that had been agreed upon in principle. There was extensive contact between LSH and the purchaser throughout the sale process right up until completion of the portfolio transfer.

Until the purchaser’s offer was accepted by the RIFW board in July 2011, LSH led the discussions with the purchaser. Subsequent to that, during what might be described as the “execution phase” (that is from the time of the “subject to contract” acceptance of the purchaser’s offer in July 2011 through to the time contracts were exchanged in 2012), we consider that we led the negotiation process (obviously under the ultimate direction of the RIFW board).

As we explained in our evidence before the PAC, RIFW itself had no executive capacity, so in practice it relied on Amber to provide it with administrative support across areas such as company secretarial, accounting etc. This work expanded to include managing the very complex and time consuming process of perfecting the transfer of RIFW's land assets from WG (see paras 3.10 to 3.13 of the WAO report) as well as the day to day supervision of Morgan Cole (RIFW's lawyers) both in this work and in the process of concluding the sale transaction once it had been approved by RIFW.

As we explained in the PAC session we formed the principal conduit for written information to flow to the RIFW board. While LSH were in attendance personally at board meetings and advised directly at these meetings, written communications were made principally via us.

During the period between the "subject to contract" acceptance of the purchasers offer in July 2011 through to the time contracts were exchanged in 2012 communication with the purchaser took place in two main ways:

- Firstly direct discussions with Langley Davies (who was the purchaser's representative) took place via LSH. These conversations generally tended to relate to matters affecting the property assets themselves or where the purchaser was seeking to discuss or seek change to the terms of the transaction in some way. Where the purchaser raised questions about the transaction terms then LSH would then raise these points with us (the matter referred to in the paragraph below is a case in point).
- Secondly discussions on the terms of the legal contract were generally raised by the purchaser through its solicitor direct to Morgan Cole. Morgan Cole would then contact us where necessary to obtain RIFW's instructions. On some occasions contractual issues also led to direct conversations between Amber and Langley Davies (for instance we attended three meetings with Langley Davies) but such conversations were not frequent.

What we did when points relating to the transaction were raised with us depended on the nature of the point raised. In many cases the position of the RIFW board on these matters was already known to us (either because points had previously been discussed with them or the point being raised by the purchaser was inconsistent with the terms of the "subject to contract" deal agreed). Where this was the case we would respond accordingly without the need to first refer back to the RIFW board. In practice, this would often mean saying "no" to the point raised by the purchaser. Again the matter discussed below is a good example of this.

In other cases, where a reasonable point was being raised by the purchaser (for instance relating to a defect in the legal title to one of the properties) we would report on the position to RIFW but usually with a suggestion as to how RIFW might proceed. Following agreement on that, we would instruct LSH or Morgan Cole accordingly.

b. Questions about Subsequent Valuations raised in LSH evidence

Please find attached at Appendix 1 a report addressed to Amber from LSH dated 15th December 2011. We believe that the PAC already has a copy of this report which reaffirmed the LSH recommendation to sell the property portfolio. This particular question however stems from the contents of the fifth paragraph of section 3 headed "Security".

The background to this section of the report (as noted in the first paragraph of Section 3 of Appendix 1) is that the terms agreed with the purchaser for the sale of the portfolio provided for the price to be paid in three stages. Legal title to the portfolio passed to the purchaser on payment of the first stage payment. The contract therefore provided that RIFW should be granted a mortgage back over the portfolio (granted at the same time that legal title passed over) to secure the payment from the purchaser of the second and third stage payments.

As also noted in section 3 of Appendix 1, under the terms of the contract, the purchaser was allowed (subject to conditions) to sell parts of the portfolio to third parties (free from the mortgage in favour of RIFW) in the period before the final stage payment had been made. Without other protection this would have given rise to the obvious risk that the purchaser might sell on bits of the portfolio and then default on its obligations to make the second and third payments of the purchase price. The contract therefore contained provisions (set out in the four bullet points in Section 3 of Appendix 1) designed to ensure that RIFW at all times retained a mortgage over parts of the portfolio which had a value of at least twice the amount of any deferred payments still to be received from the purchaser. We (and RIFW) had identified the requirements set out in the four bullet points as providing essential protection for RIFW.

The background to the fifth and sixth paragraphs of Section 3 of Appendix 1 was a request made both by the purchaser to LSH and by the purchaser's solicitors to RIFW's solicitors. We have seen an email from the purchaser's solicitors to Morgan Cole on the same point justifying the request on the grounds *"this would avoid constant revaluations which I understand from Langley are difficult to achieve in practice, and would be a pain for all concerned, particularly in the first year."*

However the request being made of RIFW in these paragraphs was based on misconceptions. Firstly it was not the case that RIFW was not seeking to "force" the purchaser to carry out a valuation as suggested in the fifth paragraph of Appendix 1. The only reason the question of possible future valuations arose was because RIFW had acceded to a separate request of the purchaser that it should be allowed in certain circumstances to sell parts of the portfolio at times when it still owed money to RIFW. RIFW had acceded to this request subject to the safeguards set out in the bullet points which were designed to ensure that RIFW retained adequate security for any unpaid amounts due to it. Secondly the "substitute arrangement" referred to in the sixth paragraph was not really an alternative suggestion since it was already part of the terms of the transaction – (see the third bullet point in Section 3 of Appendix 1).

We recall that we explained these points to LSH (as no doubt did Morgan Cole to the purchaser's solicitors) and made clear our view that if the purchaser was to have the ability to sell parts of the portfolio at times when it still owed sums to RIFW then RIFW required the protection of all the safeguards contained in the four bullet points including the ability to require future valuation evidence that showed the remaining unsold parts of the portfolio were worth at least double the remaining amount due from the purchaser. We do not believe that we felt any need to refer this point back to the RIFW board before giving our view as it was already covered in the heads of terms. This view was then accepted by the purchaser and the final contract reflects these arrangements.

Appendix 1 LSH RIFW Portfolio transaction Report – Supplement

RIFW PORTFOLIO TRANSACTION REPORT – SUPPLEMENT

Property: RIFW Portfolio comprising 17 assets.

Transaction: Freehold Portfolio Sale.

Proposed Terms: **Proposed Purchaser:**
[TBC] a Guernsey Registered Holding Company wholly owned by St Lawrence Property Investments Limited, registered in UK and funded by GST Investments Limited of Guernsey

Revised Total Bid Price:
£22,190,000 (Twenty-Two Million One Hundred and Ninety Thousand Pounds) plus overage as agreed on Monmouth and Lisvane, with cash being secured and received over a 24 month period

The total price is to be paid in the following manner:

£22,190,000 to be paid in 3 instalments:

1. £12,500,000 on completion;
2. £5,000,000 on the first anniversary of the sale;
3. £4,690,000 on the second anniversary of the sale.

The second and third instalments will be brought forward if a sale of the Monmouth property is realised before the payments are due.

St Lawrence Property Investments will provide adequate security on the future payments.

In addition the Fund will retain the proceeds realised from the sales of the properties at Penarth (£185,000) and Brackla (£60,000) providing a total receipt of £245,000. These transactions have now completed.

On this basis the total amount receivable will be £22,435,000 (Twenty Two Million Four Hundred and Thirty Five Thousand Pounds)

Overage:

The purchaser has agreed that overage on both Monmouth and Lisvane will be payable on any sale over and above the original King Sturge asset transfer valuations and the purchaser's reasonable related costs at the following rates:

- **Monmouth** - 50% in the event that it is sold for residential development after any planning consent is granted. This overage provision will run for a period of five years following completion of the sale, with payment to be made within three years following adoption in the LDP and/or planning being granted.
- **Lisvane** – 30% in the event that it is sold for residential development after any planning consent is granted. This overage provision will run for a period of five years from completion of the sale, with payment to be made within five years following

adoption in the LDP and/or planning being granted, subject to a possible extension or transfer of part of the land if the actual sale of any of the plots, and therefore payment of the overage, has not taken place by the longstop date.

All other terms remain as per the bid set out in the original Transaction Report dated 20 April 2011, amended and recorded in the Supplemental Transaction Report dated 2 June 2011.

1. CURRENT SITUATION

Terms were agreed with GST Investments Limited, on behalf of St Lawrence Property Investments Limited, for the sale of the portfolio at a price of £22.5m, subject to stage payments.

The legal due diligence is well advanced and it is expected that exchange of Contracts will occur very soon

The price has been revised because one property (Garth Park, Talbot Green) and part of a property (land adjacent to Imperial Courtyard) have been removed from the portfolio sale. The reduced price has been agreed in direct correlation to the original transfer value as follows:

Garth Park, Talbot Green	£210,000
Land adjacent to Imperial Courtyard	£100,000
Total Price deduction	£310,000

Garth Park, Talbot Green – has been removed from the sale following its revised designation as Green Wedge and the expectation that this will be upgraded to a SSSI designation. This has a serious effect on value.

The land adjacent to Imperial Courtyard – has been removed because RIFW (and Welsh Government) have been unable to confirm ownership. It appears that ownership still rests with Newport Council. The site could be bought separately.

2. PRICE APPORTMENTS

The agreed price of £22.19m will need to be apportioned against each asset. We attach in Appendix 1 a draft apportionment schedule. This has been prepared on the following principles:

- Monmouth and Lisvane are at their original RIFW Transfer Values
- Allowance is made for the sale of part of Gogan Hall Farm, Penarth and Brackla Industrial Estate
- The remaining 'premium value' has been apportioned evenly across the remaining assets at an overall rate of 11.26%
- This will be revised, in discussion with the purchaser, to reflect the VAT status of each of the assets, ie whether they are elected for VAT and/or whether they can be dealt with as a Transfer of a Going Concern (TOGC)

3. SECURITY

It was agreed in the Heads of Terms that RIFW would take a first legal charge over the properties for the purpose of securing the two deferred payments to RIFW, with the charge being released on settlement of all the completion monies.

It was also agreed that the purchaser would be entitled to sell properties to third parties and be entitled to release of the security so far as it relates to the part sold, provided that:

- The purchaser pays all costs associated with the application for release
- The sale is at open market value (established to the satisfaction of RIFW, acting reasonably)
- At least 50% of the sale proceeds, net of professional costs, of the part sold are paid to RIFW
- The unpaid part of the purchase price after such sale is less than 50% of the value of the unsold properties, established to the satisfaction of RIFW, acting reasonably.

It was agreed that the purchaser will, at all times during the period, be required to maintain a 50% LTV on any monies outstanding.

These provisions have been subject to recent debate, with the purchaser suggesting that it would harm his interests and could prejudice the portfolio transaction if he is forced to carry out a formal valuation now or is in a position where the portfolio may be subject to a formal valuation within the next two years.

A substitute arrangement has been proposed by the purchaser which includes an arrangement whereby 50% of the sale proceeds or the apportioned price, whichever is the higher, will be paid to RIFW on any sale. This could lead to up to 100% of the sale proceeds being paid to RIFW if the sale price is 50% of apportioned value and provides additional protection to RIFW.

LSH support the adoption of these new arrangements

4. Related Parties

LSH confirm that we do not have any related party issues resulting from this transaction.

We have acted for Langley Davies on other projects and do provide property advice to companies where Langley Davies is a Director.


We are aware that a related party disclosure has been made by Jonathan Geen of Acuity Legal Limited (RIFW LLP Board Member), who is acting for St Lawrence Property Investments Limited (the purchaser) in this transaction. We understand this has been recorded in the 'Register of Interests/Conflicts of Interest Log'.

5. Recommendation

The economy and the property market have been under severe pressure in the period since terms were agreed, with many deals falling through or terms renegotiated. Investors are becoming more risk averse and will often only proceed if the terms are absolutely right for them.

St Lawrence Property Investments have not sought to renegotiate terms, other than to reflect the assets that have been removed from the sale and to 'tidy up' a few of the other provisions. The portfolio was sold to them on a 'warts and all' basis, and this has been adhered to.

It is our recommendation that the current terms are accepted, including the revised arrangements for dealing with the payment of a proportion of the sale proceeds on the sale of any of the assets.

A handwritten signature in black ink, appearing to be a stylized name, possibly 'L. Smith', written over a faint grid background.

**Lambert Smith Hampton
15 December 2011**

APPENDIX 1

DRAFT PRICE APPORTIONMENTS

REGENERATION INVESTMENT FUND FOR WALES

PORTFOLIO SALE

APPORTIONMENTS - DRAFT

Tudalen y pecyn 201

No	Asset	Transfer Value	Apportionment	Notes	VAT Position
		Premium	11.26%		
1	Imperial House, Newport	5,200,000	5,674,318	Land removed from Portfolio (£100k)	
2	Lisvane, Cardiff	1,835,000	1,835,000	Base Value for Overage	
3	Wrexham Industrial Estate	390,000	433,918		
4	Llantrisant Business Park	330,000	367,162		
5	Upper House Farm, Rhoose	2,700,000	3,004,051		
6	Cogan Hall Farm, Penarth	350,000	333,783	Part sold (£50k book - £185k achieved)	
7	Garth Park, Talbot Green	210,000	-	Removed from portfolio	
8	Goetra Uchaf Farm, Bangor	1,500,000	1,668,917		
9	Ty Mawr, Llanfairpwllgwyll, Anglesey	150,000	166,892		
10	Ty Draw Farm, Pyle, Bridgend	100,000	111,261		
11	Mayhew Foods, Aberdare	300,000	333,783		
12	Anchor Way, Penarth	100,000	111,261		
13	Wonaston Farm, Monmouth	990,000	990,000	Base Value for Overage	
14	Towyn Way East, Towyn	155,000	172,455		
15	Pen y Bryn, St Asaph	230,000	255,901		
16	St Georges Road, Abergele	90,000	100,135		
17	Waenfynydd Farm, Llandudno Junction	520,000	578,558		
18	Brackla Industrial Estate	5,500,000	6,052,606	Part sold (£60k)	
		20,650,000	22,190,000		



28 October 2015

Public Accounts Committee
National Assembly for Wales
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Cardiff
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**For the attention of Claire Griffiths
Deputy Clerk**

Our Ref: JG231

Dear Sirs

PUBLIC ACCOUNTS COMMITTEE – INQUIRY INTO RIFW

Further to our attendance at the meeting of the Public Accounts Committee on 20 October 2015 and your email note dated 21 October 2015, please find below the responses to your questions.

1. Check and confirm the dates LSH met with Planning Officials from City of Cardiff County and Monmouthshire County Council and submit any relevant correspondence.

LSH attended a series of handover meetings with officials from Welsh Government commencing in August 2010. Following the appointment of the Investment Manager (LSH) in December 2010, it should be noted that a planning Director from LSH was fully engaged on all the assets and provided comprehensive planning advice and input to protect RIFW's interests.

A summary of the key activities and all meeting dates with the respective Councils relating to Lisvane and Monmouth is set out below. We attach at Appendix 1 various associated documents which will provide you with the detail requested.

Lisvane

The Lisvane RIFW asset formed part of a wider area of land at North East Cardiff which was being promoted by the North East Cardiff landowners with an informal agreement to share costs. The landowners, which included Welsh Government, were represented by RPS Planning Consultants as lead planning advisor. Following, the appointment of LSH as Investment Manager, much of the promotion of the asset was done on a joint basis, between RPS and LSH.

DATE:	ACTIVITY:
18 November 2010	LSH / RPS / North East Cardiff (NEC) Landowner meeting to progress representations by RPS to promote the asset as a candidate site in the LPD. Deadline 'call for candidate sites' set by CCC as 7 January 2011.

6 January 2011	<p>LSH submitted candidate site submissions – for 3 parcels of land forming the RIFW Lisvane asset (Llwynypia, Maerdy and Church Farms).</p> <p>RPS submitted candidate site submission for the wider NEC Landowners inclusive of the RIFW land.</p> <p>LSH recommended individual site submissions for the RIFW land to protect the individual asset and mitigate the risk against the wider NEC landowner site failing to secure an allocation.</p>
17 January 2011	LSH confirm awaiting meeting with CCC / RPS to review LDP candidate site submissions.
January 2011 – May 2011	Council finalising registration and initial assessment of the candidate site submissions.
4 May 2011	LSH / RPS and Cardiff Council meeting – review of candidate site submissions. CCC announces consultation on Strategic Options for the LDP to be launched on 9 th May 2011 with Preferred Strategy expected October 2011.
10 June 2011	LSH and RPS independently submit representations to Cardiff LDP Consultation supporting high quality growth strategy.
14 December 2011	Cardiff Council delay LDP by 12 months on advice from Welsh Government.
15 December 2011	LSH / RPS / Cardiff Council meeting to discuss implications of 12 month delay to LDP.

Monmouth

As with Lisvane, the Wonastow Road site in Monmouth had been promoted by Welsh Government prior to its transfer to the fund and was identified as a potential mixed use development site in emerging policy.

LSH maintained a dialogue with MCC throughout the Strategic Sites Studies consultation in order to address concerns around the deliverability of the site and issues raised by members of the public relating to the suitability of the site for development.

DATE:	ACTIVITY:
1 December 2010	LSH / MCC meeting to review LDP progress.
23 December 2010	LSH submit master plan / capacity drawings to MCC.
2 February 2011	LSH discussions with MCC regarding inclusion of asset in the LDP – MCC advise of concerns over flooding and highways.
3 February 2011	LSH formal response to MCC Strategic Sites Studies Consultation. LSH support continued identification of asset within the LDP.
10 March 2011	<p>LSH agree with MCC scope of further technical due diligence to support potential allocation.</p> <p>LSH / RIFW commission Highways, Ground Conditions, Flooding and Density Analysis reports to be submitted to MCC.</p>

June 2011	LSH submit feasibility studies to MCC. (Highways & Access, Flood Risk, Waste Management and Residential Capacity).
28 June 2011	LSH attend MCC Planning Committee to confirm content of deposit LDP for consultation - observation only meetings.
29 June 2011	LSH attend MCC Cabinet Meeting – observation only meeting.
1 July 2011	LSH attend MCC full Cabinet Meeting and present in support of allocation within the LDP.
26 July 2011	LSH meeting with MCC Head of Planning to assess whether any further technical support information needed to be provide comfort to LDP Inspector and assist Council in rebutting alternative site proposals.
17 November 2011	LSH submit representations to deposit LDP on behalf of RIFW supporting asset inclusion in LDP.
17 January 2012	LSH advised by LDP Lead Officer from MCC that LSH / RIFW has done enough from the Council's perspective in terms of evidence submissions.

Please see attached at Appendix 2, the Investment Manager's Report on the Monmouth asset submitted as part of the RIFW board pack in July 2011, which further summarises our planning activity and outputs.

2. Check and confirm when, if all interest shown from potential purchasers was communicated to the RIFW Board and specifically the interest shown from Legat Owen.

The reporting process from LSH was, as previously stated, directly to Amber and not the Board. The Fund Management Agreement provided for the Board to be notified of decisions taken by the Fund Manager. The quarterly board reports / meetings were not a vehicle for reporting general interest in the assets.

Referring to the Legat Owen enquiry in relation to the North Wales assets on behalf of Conygar Investments, it should first be noted that no offer was received for these assets from this party. Secondly, on 28 March 2011 the RIFW Board had directed that a standalone due diligence report should be commissioned on the individual assets as a response to the offer received from GST Investments Ltd dated 4 March 2011 and due to incomplete knowledge of the asset Titles.

We attach a copy of the Morgan Cole "Report on Issues Affecting the RIFW Property Portfolio", which summarises the impairments and we would draw your attention to the particular issues relating to the North Wales assets. Appendix 3.

Legat Owen was the Managing Agent acting for Welsh Government prior to transfer of the North Wales assets into RIFW and for a short time following the transfer. Legat Owen was therefore fully aware of the all of the assets that had been / were intended to be transferred into the Fund.

On 8 April 2011, Legat Owen approached the LSH Manchester office requesting further details of the North Wales assets and advised that their client, Conygar Investments, would be interested in looking at all of the North Wales sites as a single portfolio.

Details of the North Wales assets were provided to Legat Owen by our Manchester office on 11 April 2011.

LSH further contacted Legat Owen on 13 April 2011 advising that information was still being correlated in respect of the individual sites and suggested that a meeting be arranged with them and Conygar Investments to discuss the potential sale of assets together with the funding opportunities RIFW could potentially offer in respect of Conygar's development projects.

LSH and Legat Owen exchanged emails regarding potential meeting dates but none were ever confirmed. The portfolio interest on behalf of Conygar was not raised further.

We attach email exchanges between LSH and Legat Owen that confirms this position. Appendix 4.

We also confirm that several discussions were taking place with other agents and principals at around the same time. We confirm that this information has previously been supplied to the Wales Audit Office.

3. Details of the meetings held with the proposed purchaser between February 2011 and March 2012.

The following meetings were held with Mr Langley Davies in the period up to Exchange of Contracts for the sale.

DATE:	ACTIVITY:
12.01.2011	LSH/LD – initial meeting to discuss the Imperial House/Courtyard properties.
26.01.2011	LSH/LD – provision of data sheets on all RIFW assets that were available to be sold.
21.02.2011	LSH/LD – asset clarification discussions on RIFW assets.
03.03.2011	LSH/LD – asset clarification discussions on RIFW assets.
04.03.2011	Written offer received from Barclays Wealth on behalf of GST Investments Ltd.
30.03.2011	LSH/LD – post 28.03.2011 Board Meeting discussion of overage terms.
16.05.2011	Amber/LSH/LD – price negotiation and introduction of phased payment proposal in return for overage on Lisvane.
22.06.2011	LSH/LD – revised GST proposal clarification and title/tenure/transfer clarification.
July 2011	Solicitors instructed.
04.08.2011	LSH/LD – revised Heads of Terms discussion and title issues.
26.09.2011	LSH/LD – title issues
11.11.2011	Amber/LSH/LD – Imperial House removal / contract timing / title and transfer time frame.
08.12.2011	Amber/Morgan Cole/LSH/LD – Discussion of outstanding points including security provisions and proposed exchange / completion dates.

The following meeting was held with Mr Langley Davies after Exchange of Contracts had taken place (18 February 2012):

DATE:	ACTIVITY:
22.02.2012	LSH/LD – meeting to discuss a potential instruction for LSH to act for Barclays Wealth in respect of 8 South Wales assets to provide continuity of planning consultancy advice and asset management.

4. Check what relationship was established with Mr Langley Davies and who from LSH acted for him and in what capacity and in what other projects (where he is a Director).

The instructions referred to in the statement in the LSH report dated 15 December 2011 related to an office building called Q2 in Newport, which was owned by Hensol Properties Ltd, where Langley Davis is a Director

DATE:	ACTIVITY:
June 2007	Barclays Bank (client) Valuation for Loan Security purposes on Q2, Newport. Andrew Hughes (LSH, Cardiff) acted. Property owner Hensol Properties Ltd.
March 2009	Hensol Properties Ltd (client) – Valuation for equity re-allocation purposes on Q2, Newport. Andrew Hughes (LSH, Cardiff) acted.
April 2009	Letting Agency – Q2 Newport. Steve Matheson (LSH, Cardiff) acted.
April 2009	Rating Review – Q2 Newport. Robert Harlow (LSH, Swansea) acted.
Feb 2010	Barclays Bank (client) Valuation for Loan Security purposes on Q1 & Q2, Newport. Property owner Hensol Properties Ltd. Andrew Hughes (LSH, Cardiff) acted.

5. Provide exchanges of email and other correspondence with the potential purchaser when the purchaser suggested that it would harm his interest and could prejudice portfolio transactions if he was forced to carry out a formal valuation.

It is unfortunate that the statement contained in the Supplemental Transaction Report dated 15 December 2011 (as quoted at the PAC meeting of 20 October 2015) has been taken out of context. The reference to a valuation was in relation to the security that was required for the deferred payments for the portfolio over a 2 year period, where Amber had requested a regular valuation to maintain the LTV cover following the sale of any of the assets within the phased payment period. This was **not** being requested in relation the sale/purchase price of the portfolio.

At the time of writing the Supplemental Transaction Reports (December onwards), these proposed security provisions were subject to ongoing negotiation conducted by Amber primarily via Morgan Cole (RIFW's legal advisor) and Acuity (the Purchaser's legal advisor).

We understand that the purchaser responded on the basis that he did not wish to get the portfolio re-valued every time he sold off an asset as this would be a costly exercise and there was a possibility that any new valuation would be reported below the purchase price, which would then lead to a breach of the required 200% security provision.

The purchaser's position in this regard is confirmed in the email of the 10 January 2012 attached at Appendix 5, which notes the following:

“A third party valuation of the portfolio in year 1 is likely to be below £22.19m and therefore if this value needs to be maintained, we cannot sell anything in the first year – neither party intended this. We also do not wish to commission costly valuations within one year of completion. The clause should focus on drops in the market - the best way to achieve this is our proposal. RIFW's risk is already well covered unless market now drops by 50% in 12 months. How likely is this? Every valuation is likely to be very expensive – minimum £10,000 and therefore very unwieldy for buyer to commission particularly in year 1.”

We understand that Amber rejected this response and agreed a negotiated compromise, proposed by the purchaser, which allowed for 50% of the net sales receipts, upon the sale of any asset, to be paid directly to RIFW whilst there were deferred payments outstanding. The proposal enhanced RIFW's position over security against the outstanding monies and LSH confirmed its support for the arrangements.

These negotiations took place directly between Amber and the purchaser and the respective solicitors. LSH was asked to comment on the principle and, whilst we have confirmed that we supported these new arrangements, we do not have any direct email correspondence in respect of this negotiation.

It should also be noted that the purchaser did commission a pre-purchase Red Book Valuation from Savills in January 2012. We understand from the Auditor General for Wales' Report that the Valuation reported a value range for the portfolio at the date of acquisition of between £17.74m and £20.33m, which is below the purchase price of £21,747,000.

6. Clarify when LSH commenced marketing of the Monmouth site for SWLDL.

DATE:	ACTIVITY:
05.03.12	Terms of Engagement issued to Barclays Wealth
16.03.12	Terms of engagement signed and returned by Barclays Wealth and instructions confirmed.
30.05.12	Information sent out and expressions of interest requested.
20.07.12	Expressions of interest received.
16.10.12	Invitation to interested parties to submit formal offers.
30.11.12	Offer deadline.
04.01.13	Bids clarification letters issued.
14.03.13	Preferred bidder selected and draft HoTs issued.
02.09.14	Resolution to grant outline planning consent issued.
19.12.14	Outline planning consent released.
28.10.15	Conditional transaction still not completed.

This information has previously been provided in detail to the Wales Audit Office.

We trust that the above answers all the points raised and would ask that if you require any further clarification that you contact either Lee Mogridge or Jeremy Green directly.

Yours faithfully



Jeremy C Green
Director

For and on behalf of
Lambert Smith Hampton

DL +44 (0)20 7198 2220

E jgreen@lsh.co.uk

Encs.

Cc: Lee Mogridge – LSH

Cofnodion cryno – Y Pwyllgor Cyfrifon Cyhoeddus

Lleoliad:

Gellir gwyllo'r cyfarfod ar [Senedd TV](#) yn:

Ystafell Bwyllgora 3 – y Senedd

<http://senedd.tv/cy/3267>

Dyddiad: Dydd Mawrth, 20 Hydref 2015

Amser: 09.01 – 11.06

Yn bresennol

Categori	Enwau
Aelodau'r Cynulliad:	Darren Millar AC (Cadeirydd) Mike Hedges AC Sandy Mewies AC Julie Morgan AC Jenny Rathbone AC Aled Roberts AC Andrew RT Davies AC (yn lle Mohammad Asghar (Oscar) AC) Alun Ffred Jones AC (yn lle Jocelyn Davies AC)
Tystion:	Jeremy Green, Lambert Smith Hampton Ltd Lee Mogridge, Lambert Smith Hampton Ltd
Staff y Pwyllgor:	Fay Buckle (Clerc) Claire Griffiths (Dirprwy Clerc) Joanest Varney-Jackson (Cynghorydd Cyfreithiol) Alistair McQuaid (Swyddfa Archwilio Cymru) Nick Tyldesley (Prisiwr Dosbarth)



	Mike Usher (Swyddfa Archwilio Cymru)
	Huw Vaughan Thomas (Swyddfa Archwilio Cymru)

1 Cronfa Buddsoddi Cymru mewn Adfywio: Trafod y dystiolaeth a ddaeth i law

1.1 Ystyriodd Aelodau y dystiolaeth a gafwyd yn y cyfarfod a gynhaliwyd ar 13 Hydref.

TRAWSGRIFIAD

Gweld [trawsgrifiad o'r cyfarfod](#).

2 Cyflwyniadau, ymddiheuriadau a dirprwyon

2.1 Croesawodd y Cadeirydd yr Aelodau i'r cyfarfod.

2.2 Cafwyd ymddiheuriadau gan Mohammad Asghar. Dirprwyodd Andrew R T Davies ar ei ran.

2.3 Esgusododd Jocelyn Davies ei hun o dan Reol Sefydlog 18.8. Dirprwyodd Alun Ffred Jones ar ei rhan.

2.4 Mae'r datganiadau o ddiddordeb a wnaed yn y cyfarfod ar 12 Hydref yn berthnasol i'r cyfarfod hwn.

3 Papurau i'w nodi

3.1 Nodwyd y papurau.

3.1 Cronfa Buddsoddi Cymru mewn Adfywio: Llythyr gan James Price, Llywodraeth Cymru (12 Hydref 2015)

4 Cronfa Buddsoddi Cymru mewn Adfywio: Sesiwn dystiolaeth 5

4.1 Craffodd y Pwyllgor ar waith Jeremy Green a Lee Mogridge o Lambert Smith Hampton Ltd fel rhan o'r ymchwiliad i Gronfa Buddsoddi Cymru mewn Adfywio.

4.2 Cytunodd Jeremy Green a Lee Mogridge i anfon y wybodaeth a ganlyn at y Pwyllgor:

- Gwirio a chadarnhau'r dyddiadau y gwnaethant gyfarfod â swyddogion cynllunio o Gyngor Dinas Caerdydd a Chyngor Sir Fynwy a chyflwyno unrhyw ohebiaeth berthnasol;
- Gwirio a gafodd yr holl ddiddordeb a ddangoswyd gan brynwyr posibl ei gyfleu i Fwrdd CBCA ac yn benodol y diddordeb a ddangoswyd gan Legat Owen, a phryd y gwnaed hynny;
- Manylion y cyfarfodydd a gynhaliwyd gyda'r prynwr arfaethedig rhwng mis Chwefror 2011 a mis Mawrth 2012;
- Gwiriwch pryd y sefydlwyd perthynas gyda Mr Langley Davies, pwy o LSH oedd yn gweithredu ar ei ran ac ym mha swyddogaeth ac ar ba brosiectau eraill (lle y mae'n Gyfarwyddwr);
- Darparu e-byst a gohebiaeth arall gyda'r prynwr posibl pan awgrymodd y prynwr y byddai'n niweidiol i'w fuddiannau ac y gallai ragfarnu'r trafodion portffolio pe byddai'n cael ei orfodi i gynnal prisiad ffurfiol, ac
- Egluro pryd ddechreuodd LSH farchnata safle Trefynwy ar gyfer SWLD.

5 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y busnes canlynol:

5.1 Derbyniwyd y cynnig.

6 Cronfa Buddsoddi Cymru mewn Adfywio: Trafod y dystiolaeth a ddaeth i law

6.1 Oherwydd cyfyngiadau amser, nis cyrhaeddwyd yr eitem hon.



Llywodraeth Cymru
Welsh Government

19 October 2015

Dear Mr Millar,

Thank you for your letter to James Price dated 21 September. I am responding on his behalf. Set out below is further clarification on the points that you have raised.

In relation to Recommendation 3, you asked about the specific proportion of Water Framework Directive Failures that could be attributed to land managed by Natural Resources Wales (NRW).

It is extremely difficult to determine exactly how many failures by water bodies to achieve good status under the Water Framework Directive can be attributed directly to land managed by NRW.

There is a mixed tapestry of land ownership in the catchments affecting the failing water bodies. As a consequence, both private and public land owners have their part to play in resolving the issues.

NRW has undertaken work to both understand and propose remediation of the causes of failures. As these solutions are rolled out we and NRW are also engaging with the private forest sector and others to share the evidence and solutions.

You also requested sight of the updated River Basin Management Plans (RBMPs) once they have been approved by the Welsh Government and published later this year.

River Basin Management Plans are due to be published by the end of this year and copies will be made available to the Committee.

These plans will give more detail on all the water bodies and catchments and what measures we and NRW propose to take.

In relation to Recommendation 6, you asked for further detail on how the rationalisation of inspections by Rural Payments Wales (RPW) and NRW will work in practice. You also requested detail on how contracts will be effectively monitored if the number of inspection visits is reduced.

The number of inspections and the selection methodology for Common Agricultural Policy (CAP) payments are set out in European Commission Regulations. The selection of farms for inspection is undertaken by RPW, as the designated Paying Agency, to meet the minimum regulatory requirements. There is no direct NRW involvement in the inspections unless an RPW visit identifies the need for specific or specialist support e.g. an environmental breach is identified. This is the existing arrangement in place.

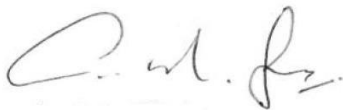
RPW and NRW will continue to work together with a view to reducing the inspection burdens on farmers and maximising efficiencies. NRW is also a key member of the Welsh Government's CAP Programme Board that gives full consideration to these matters, as well as sharing best practice and ensuring good governance.

CAP Control requirements are laid down in EU regulation 1306/2013 (overarching), EU Regulation 1307/2013 (direct payments – BPS) and EU Regulations 1305/2013 (Rural Development), plus several underlying Commission Delegated or Implementing Regulations. These set out all the rules that must be followed including administrative controls and risk selection, which form part of the Integrated and Administrative Control System (IACS).

All contracts are subject to comprehensive administrative controls which are fully undertaken before payment, regardless of whether the case is subject to a physical inspection. All farmers who hold area-based rural development contracts are required to make annual declarations regarding their land and land use to ensure they are satisfying their contractual obligations. These declarations are fed into our Integrated Administrative Controls System (IACS) and systematically checked against all other farmer declarations as well as validated against our Land Parcel Identification System (LPIS) that contains over 1.4m hectares of agricultural land in Wales. Any failure to meet contractual conditions will result in payment reductions and penalties.

Please do not hesitate to contact me if you require anything further.

Yours sincerely



ANDREW SLADE

Director

Agriculture, Food and Marine

Grwp yr Economi, Sgiliau a Chyfoeth Naturiol
Economy, Skills and Natural Resources Group

Dirprwy Ysgrifennydd Parhaol • Deputy Permanent Secretary



Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair
Public Accounts Committee

19 October 2015

Dear Mr Millar

Thank you for your letter of 21 September on behalf of the Committee regarding further information on the report into Value for Money of Motorway and Trunk Road Investment.

Responses to your questions are outlined in the attached annex.

Yours sincerely

James Price



Recommendation 3

The Committee would welcome further detail on how the Welsh Government meets the exportations. For example, we felt that a more specific commitment on the timetable of completion of the WelTAG consultation process and exactly when it is expected that the revised guidance will be issued and implemented.

Response

The draft guidance will be produced by the end of 2015. A twelve week consultation will follow in the spring of 2016 with a view to implementing the revised guidance later in 2016 following consideration of the responses received to that consultation.

Recommendation 4

The Committee would welcome an update on the outcome of the review of lower value contracts to investigate opportunities for the optimum use of ECI principle early in 2016.

Response

The review has concluded that there are benefits to early engagement of the supply chain and that lower value contracts could benefit from early engagement with contractors. As a result, guidance will be amended such that early contractor involvement procurement route should be considered for construction contracts independent of value.

Recommendation 5

The Committee noted that you will provide a further update later in the autumn on the street work's strategy which is scheduled to be published in 2015. The response did not address the Committee's concern about the pace of development of the strategy and remains unclear as to the extent to which the draft strategy covers issues relevant to major projects on the trunk road network.

Response

The pace of development of the Street Works Strategy has been proportionate to the task of engaging stakeholders and identifying all the issues that need to be addressed. Those relevant to major projects are covered but there are others of equal importance. The draft document will be consulted on in November.

Recommendation 6

Whilst acknowledging that the Welsh Government has a programme in place to monitor the condition of the motorway and trunk road network, the Committee wishes to receive more detail on the reasons for the deterioration of the motorway and trunk road network and confirmation of expectations regarding the Welsh Government's plans to improve the condition of the network, for example, with regard to the annual programme of work. The Committee was disappointed to learn that the number of defects identified on trunk roads has dramatically increased and that your stated target of not more than eight per cent of the network length requiring maintenance since 2010 has not been met and wishes to receive your comments on this.

Response

Whilst the target of not more than 8 per cent of the network requiring maintenance has not yet been achieved, there is evidence that the Welsh Government's strategy of close monitoring and targeted investment is effective. The percentage of trunk roads requiring maintenance fell from 14.3 per cent at the end of 2013 to 10.2 per cent at the end of 2014. It is too early to predict whether the investment in the current year will result in the target being met. However, the trend is now heading in the right direction.

Recommendation 7

The Committee was unclear on how the Welsh Government's proposed action will address this recommendation and similarly the future prioritisation of expenditure is not clear. I have written to the Chair of the Enterprise and Business Committee asking that that Committee considers this issue as part of its budget scrutiny.

Response

The comparison of the relative contribution that maintenance compared to improvement can make to the required performance of a transport corridor provides a way of informing the balance of investment between each.

Recommendation 13

The Committee wishes to seek clarification as to why the Welsh Government partially accepted this recommendation.

Response

This was only partially accepted because an effective information management tool for trunk road improvement projects has already been implemented. However, as previously indicated, this will now be brought into the Welsh Government's Integrated Road Information System (IRIS) along with all the other systems for managing and maintaining the motorway and trunk network.

Recommendation 14

The Committee was pleased to learn of the commitment made to a study looking at the capability and competence of the construction sector. However, we would welcome confirmation that the study will also consider the wide range of non-construction specialist skills require for major projects and maintenance of the motorway and trunk road network. In addition, it was unclear as to whether the work described would also consider the public sector perspective referred to in the recommendation.

Response

We can confirm that the study will also consider a range of non-construction specialist skills and consider the public sector perspective.

Recommendation 16

The Committee felt that it would be sufficient for its successor Committee to receive a single update following the conclusion of the anticipated three-year trial. In addition, the Committee would welcome an explanation of the policy change on undertaking a trial to erect screens on the A55 following accidents.

Response

The trial of incident screens has been an all-Wales trial, not specific to the A55. No policy change has driven this trial, more an operational opportunity to evaluate the effectiveness of such devices which are being provided by Highways England. With regards to the A55, the trial will coincide with the implementation of emergency crossing points and hardened verges, all aimed to increase the resilience of the network.

Recommendation 17

The Committee wishes to receive further details on how the Welsh Government intends to engage further with road users and clarification on the implication that you intend putting in place arrangements to replicate the work of Transport Focus in England.

Response

The traffic Wales service is being used to provide further proactive works information (A55 tunnel refurbishment as an example) and maintain an information line, email and twitter accounts to provide engagement with road users in line with the original recommendations. There will be on going engagement with users, passengers and characteristic groups through a number of means such as the Public Transport Users' Advisory Panel.

Recommendation 18

The Committee wishes to learn as to why the Welsh Government's presence at the exiting forums has been restricted of late.

Response

Officials have been and will continue to meet with officials from other organisations to plan and coordinate works. Attendance at forums is assessed for relevance and value for money.

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair
Public Accounts Committee

Our Ref: AG/ KH

19 October 2015

Dear Mr Millar

Unscheduled Care

Thank you for your letter of 21 September in which you raised a number of further questions in relation to unscheduled care. The further detail you requested in your letter is detailed below:

- **Flu immunisation rates for frontline NHS staff**

With regard to the variation of take up between health boards we welcome information on any factors contributing to this variation and whether any areas of good practice have been identified in health boards where take up is higher.

The reasons for variation in flu vaccine uptake across NHS Wales organisations are varied and complex. Much of the variation will rest on the local leadership, staff attitudes, ease of access to vaccination, and interpretation and implementation by health boards of national recommendations and guidance. Variation in uptake should be considered in the context of a very rapid increase in staff flu vaccination uptake over the last five years in every health board and at national level in Wales of 5.4% a year. This has moved Wales from having the lowest staff uptake in the UK in 2010/11 to uptake in Wales now higher than Scotland and Northern Ireland and within 11 percentage points of uptake in England.

In Health Boards where personal resistance from staff to the vaccine have been identified, one to one sessions with Health Board leads were offered last season from flu fighter Cymru (the support campaign from NHS Employers). This support will be offered again this year.



Examples of good practice have been identified and shared:

Peer vaccinators. One Health Board has reported a threefold increase in flu champions. These are individuals who raise the profile of flu in their clinical area, offer guidance and support, and many of whom also vaccinate their colleagues. This increases awareness, gives an opportunity to signpost to evidence, and reduces barriers to access.

Addressing accessibility issues has been a priority for several Health Boards who report their occupational health team use mobile vaccination teams to improve ease of access to the vaccine. These teams visit clinical areas and other locations in order to take vaccination directly to staff in the place they are working. One trust offers to reimburse staff if they pay for a vaccine in their community pharmacy.

Raising awareness via internal communications includes robust communications plans in some Health Boards, which are often multifaceted and include promotion of the vaccination through internal communication. Communications plans are complemented by the national campaign which shares plans, press releases, email messages, signature blocks, intranet articles, and banks of social media material.

Leading by example is a theme in some Health Boards where the Chief Executive, Nurse Director etc. step forward to be vaccinated, have their photo taken, and actively encourage colleagues. This activity is shared in a variety of promotional material including newsletters, blogs and online activity. This personal commitment and belief in the value of flu immunisation from senior individuals encourages staff to get vaccinated.

Strong leadership offering a direct encouragement from senior staff such as Medical Director or Director of Public Health, to colleagues takes the form of emails, personal letters, blogs, online activity, news stories and more across Wales.

Decliner initiatives are being utilised by a small number of Health Boards this season. Actively collecting data on why people decline may impact in a number of ways:

1. Asking people why they say no to a flu vaccine may encourage them to think more critically about their decision.
2. Collecting information on why staff decline will inform future campaigns.
3. It indicates that this is an organisational priority

Flu fighter Cymru was engaged last season and the season before to support the staff facing campaign. They have been commissioned again this season to offer regular support and encouragement to HBs and trusts, including sharing new messages, key information, resources and guidance. This has included supplying posters and leaflets, and also stickers to identify those who have been vaccinated, to encourage others.

Staff flu incentive schemes have been shown to positively influence uptake and all HBs and trusts are offered the opportunity to access funding for a local incentive scheme. All except one have opted in for the 2015-16 flu season.

Flu fighter Cymru awards recognise, acknowledge and reward individuals and teams in NHS Wales who have demonstrated excellence, innovation and commitment to the staff facing flu campaign.

Video stories to highlight different messages, and appeal/influence different individuals working in NHS Wales have been developed and shared. [Louise's story](#) is a short but

emotional personal story from a nurse who was very ill with flu, this is the most viewed Public Health Wales video with nearly 3,000 complete views, some HBs and trusts report utilising this in training sessions.

- **GP Out of Hours Service**

We note the publication of the Wales Quality and Monitoring Standards for the Delivery of Out of Hours Services and that health boards have been instructed that the standards should be delivered by March 2018. However, the absence of data in the interim concerns us and we would welcome sight of the data being made available to the Welsh Government from each health board prior to that date.

We also seek clarification on whether Welsh Government is considering using salaried GPs to provide out of hours services as well as other options.

Welsh Government is continuing to work with Health Boards to develop a single data set for consistent and robust reporting of GP out of hours. I expect this to be available from next year so that this is visible.

It is the responsibility of health boards to plan and deliver their out of hours services with safe and effective staffing levels, based on local need. Some health boards employ salaried GPs as well as sessional GPs as part of their out of hours team. In line with the principles of Prudent Healthcare, health boards are delivering their out of hours services with a more appropriate mix of healthcare professionals to meet the needs of patients; these include pharmacists, nurses, paramedics and therapists.

- **Urgent and non-urgent GP Appointments**

We request information on the total number of GP appointments and the proportion of these which are same day appointments.

This information is not routinely available in any part of the UK. NHS Wales is at the forefront of developing a process that will allow GP systems across Wales, through Audit +, (an audit tool used by 96% of GP practices within Wales) to be interrogated to provide a range of information about GP consultations.

Welsh Government and the NHS are working with professional bodies such as GPC Wales to develop measures that provide a better understanding of access and urgency and how the information can be collected. This includes the opportunity for collection of information relating same day access appointments.

- **Impact of Immigration Bill**

We welcome further detail of the impact of changes to immigration legislation on nurses and clinicians from outside the EU entering Wales.

The UK Government recently announced temporary changes to restrictions on nurse recruitment from outside European Economic Area and nurses have now been added to the shortage occupation list on an interim basis. The Welsh Government welcomes this move, and indeed has been calling for it for some time, as it will allow overseas nurses already working in Wales to continue in their employment as well as allowing for recruitment to hard to fill posts in the immediate future.

- **Recruitment**

Primary care lists currently exist separately for England and Wales. We welcome an update on the Welsh Government's commitment to establishing a single and shared list.

Action is being taken to make it easier for GPs, based in England (and the other countries) to work in Wales through amending the GP Performers' List (Wales) Regulations to allow GPs, who are already on a Performers List in England (and the other countries), to be able to work in Wales. A key proposed amendment to the regulations will be to allow a GP to be included immediately on a LHB performers list on receipt their application with NHS Wales Shared Services Partnership, whilst NHS Wales Shared Services Partnership undertake further checks. We will be consulting on the proposed regulatory changes over the coming weeks. Also, in addition to the proposed amendments to the regulations, a new streamlined performers list application form, specifically for GPs on a performers list in England (or an other home countries), is currently being developed and agreed with NHS Wales Shared Services Partnership. This new streamlined performers list application form will reduce significantly bureaucracy.

We are confident these proposed amendments to the regulations, together with a new streamlined performers list application specifically for GPs on a performers list in England (or an other home countries), will address concerns expressed by GPs about performers list bureaucracy being a barrier to recruitment. If difficulties still persist after these changes have been introduced, the case for a UK-wide performers list could be considered further. However, it needs to be recognised there is currently no power to make UK-wide regulations on performers lists, so new primary legislation would be needed to create one. In addition, there would also be a number of policy and practical issues raised by creating a single UK-wide list. We understand Department of Health have significant reservations about the suggestion of a UK-wide list.

- **Proposed 111 service**

We seek confirmation of the revised timetable for the establishment of a 111 service.

The revised timetable for the 111 service is under consideration. The intention is to roll out the 111 service across Wales on a phased basis, commencing in 2016. We want to ensure we have the best possible evidence about the effectiveness of a 111 service and use the most up to date learning available, including the evaluation of the learning and development pilots in England which is now due to report in November. We are currently working with Abertawe Bro Morgannwg University Health Board (ABMUHB) to prepare for introducing and testing the 111 service in that area. Subject to robust and successful testing of the service model, workforce profile and the technical infrastructure, the 111 service will be available in that area from June next year. The results of the work in ABMUHB will be thoroughly evaluated and inform the future rollout of the service. It is important that we get this right rather than do it quickly.

- **My Health Online (MHOL) web based service**

We request further details on the roll out of online booking service, details of data collected to monitor the effectiveness of the service and information on how the pilot is working. We also seek further detail of the 47% of GP practices currently utilise MHOL in terms of a breakdown of the specific usage of the service for booking appointments and prescriptions.

The rollout of My Health Online to all GP practices in Wales was successfully completed in July 2015 and therefore is not considered to be a pilot. All GP practices are now able to offer the service to their patients.

We work closely with colleagues in the NHS Wales Informatics Service (NWIS) to closely monitor how effectively the service is being offered by practices, as well as the level of patient take-up.

Some of the specific data items collected, at practice level, include:

- Local Health Board
- Practice name
- If MHOL is available to the practice
- If the practice offers online appointments via MHOL;
- If the practice offers repeat prescriptions via MHOL;
- Practice patient population;
- No of patients (at a specific practice) registered to use MHOL;
- GP system (which of the two national suppliers)

We're also working with NWIS and the related GP system suppliers to go further with our intelligence, with plans in place to extend our reporting to include:

1. The number of online appointments booked (in a particular time period);
2. The number of repeat prescriptions requested (in a particular time period); and
3. The number of 'active' (recent) users

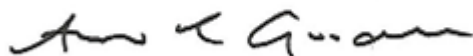
This additional detail will allow us to measure our progress against our intention to enable people to request services at a time, place and by a means that suits them.

I'm pleased to be able to say that the number of practices utilising MHOL has increased from 47% to 60% whilst the number of people signed up to use the service has also increased from around 40,000 in January 2015 to 148,000 currently. Whilst this is a significant increase, I am aware that there is still more for us to do. We aim to introduce online registration for the service from early next year to make initial access to the service easier.

In terms of how the specific usage by practices breaks down, we know that:

- 33% - 151 of 453 offer both appointments and repeat prescriptions online
- 6% - 27 of 453 offer only appointments online
- 21% - 95 of 453 offer only repeat prescriptions online

Yours sincerely



Dr Andrew Goodall

Sir Derek Jones KCB
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair of the Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

28th October 2015

Dear Darren,

Thank you for your letter dated 30 September regarding the first National Procurement Service Annual Report and the accompanying frameworks and guidance.

I confirm that all future Annual Reports published by the National Procurement Service will be sent to the successor Public Accounts Committee in the Fifth Assembly as a matter of course.

Yours,
Derek



Scrutiny of Accounts 2014-15**Additional information from National Museum Wales**

Following the Public Accounts Committee, you asked us to provide additional information and a breakdown of the total resources expended. The attached shows the breakdown of the Total Resources Expended figure for Museum Operations, as shown in note 6b of the annual accounts. To confirm the total is £16.5m and comprises of a number of different elements.

Over 50% (£8,925,000) of the total figure of £16,544,00 is on staff costs. A further £2,119,000 is for utilities and rates, £1,038,000 for buildings repairs and maintenance, £759,000 for the St Fagans re-development project (being non-capitalised expenditure), and £766,000 for other operating costs including security, cleaning, telephones, stationery, travel & subsistence. As shown in the accounts there is a further £3,130,000 charge for depreciation and asset impairment, and £845,000 on central overheads comprising staff and operating costs (Finance, HR, ICT, Marketing).

2014/15 Total Resources Expended: Museum Operations

	£'000	£'000
Staffing costs	8,925	
Utilities and Rates	1,081	
Repairs & Maintenance	1,038	
St Fagans project (non-capitalised)	759	
Security	172	
Telephones	143	
Printing & Stationery	104	
T&S	98	
Cleaning	74	
Other	175	
Direct Costs		12,569
Depreciation		521
Impairment of Fixed Assets		2,609
Overheads		
Marketing	216	
Finance	126	
ICT	300	
HR	203	
		845
Total 2014/15 Museum Operations per note 6b)		16,544

September 2015

Darren Millar AC
Cadeirydd
Pwyllgor Cyfrifon Cyhoeddus
Cynulliad Cenedlaethol Cymru
Bae Caerdydd
Caerdydd

19^{eg} Hydref 2015

Annwyl Gadeirydd,

Ymateb Chwaraeon Cymru i Bwyllgor Cyfrifon Cyhoeddus Cynulliad Cenedlaethol Cymru

Rydym yn croesawu'r cyfle i ymateb yn llawnach i'r materion a godwyd yn ystod ein sesiwn tystiolaeth diweddar. Rydym yn fodlon ymateb ymhellach os oes unrhyw faterion ychwanegol y bydd arnoch angen esboniad yn eu cylch.

Am Chwaraeon Cymru

Chwaraeon Cymru yw'r sefydliad cenedlaethol sy'n gyfrifol am ddatblygu a hybu chwaraeon a hamdden gorfforol. Y sefydliad yw prif gynghorydd Llywodraeth Cymru ar faterion sy'n ymwneud â chwaraeon, rydym yn gyflenwr swyddogol ar ymchwil gymhwysol ac rydym yn gyfrifol hefyd am ddsbarthu cyllid gan Lywodraeth Cymru a'r Loteri Genedlaethol i chwaraeon yng Nghymru.

Wrth fuddsoddi mewn amrywiaeth eang o bartneriaid ar lefel genedlaethol a lleol, a gweithio gyda hwy, ein nod yw cynyddu amledd y cymryd rhan mewn chwaraeon a hamdden gorfforol, a hefyd gwella perfformiad elitaidd. Rydym yn edrych yn eang ar chwaraeon, o chwaraeon traddodiadol fel nofio a hoci, i swmba a dawns.

Rôl Chwaraeon Cymru mewn perthynas ag Awdurdodau Lleol

Gan fod nifer o gwestiynau aelodau'r pwyllgor yn ymwneud â materion sy'n rhan o gylch gorchwyl yr Awdurdodau Lleol, roeddem yn teimlo y byddai'n ddefnyddiol esbonio ein perthynas. Mae Chwaraeon Cymru yn buddsoddi ym mhob Awdurdod Lleol i ddarparu chwaraeon yn y gymuned a'r cyfrwng ar gyfer hyn yw drwy eu Cynllun Chwaraeon Lleol. Mae'r Awdurdodau Lleol eu hunain yn gyfrifol am fuddsoddi'n uniongyrchol mewn cyfleusterau lleol a'u rheoli, a phennu'r tariff i'r cyhoedd ddefnyddio'r cyfleusterau hynny.

Rydym yn cydnabod yn llawn bwysigrwydd cyfleusterau hygrych o ansawdd uchel i gyrraedd ein nodau. Mae'r pwysau ar gyllidebau lleol wedi golygu bod nifer o'r cyfleusterau hyn dan fygythiad, a cheir effaith hefyd ar ffioedd mewn perthynas â defnydd. Rydym yn bryderus y bydd y rhain yn cael effaith tymor hwy ar allu cymunedau i gymryd rhan yn rheolaidd mewn chwaraeon a gweithgarwch corfforol.

I'r diben hwn, rydym wedi bod yn rhagweithiol ac rydym yn gweithredu fel y brif asiantaeth i ddatblygu gweledigaeth tymor hir ar gyfer cyfleusterau chwaraeon yng Nghymru. Bydd y weledigaeth hon yn datgan pam mae cyfleusterau chwaraeon mor bwysig i weithgarwch corfforol ac i iechyd y genedl. Pwrpas y ddogfen hon yw datgan yr heriau sydd o'n blaen a hefyd datgan y

blaenoriaethau ar gyfer gweithredu, gan ddarparu arweiniad a fframwaith sy'n sail i benderfyniadau yn y dyfodol. Pwrpas y fframwaith cyfleusterau yn y dyfodol yw darparu rhesymeg glir ar gyfer seilwaith hamdden adeiledig sy'n addas i bwrpas ac yn 'briodol' - gan adlewyrchu anghenion cymunedol y dyfodol - er mwyn bodloni gofynion gwahanol gwsmeriaid.

Rôl Chwaraeon Cymru mewn perthynas ag Addysg

Nid ydym yn buddsoddi'n uniongyrchol mewn cyfleusterau ar diroedd ysgolion oni bai fod mantais ehangach i'r gymuned y tu allan i oriau ysgol, ond rydym yn buddsoddi yn y Consortia Addysg ac yn yr Awdurdodau Lleol i ddarparu Chwarae i Ddysgu, Sgiliau'r Ddraig a swyddogion 5/60 i ddatblygu'r ddarpariaeth chwaraeon mewn ysgolion. Hefyd, mae'r Rhaglen Llythrennedd Corfforol i Ysgolion, a reolir gan Chwaraeon Cymru, yn ymyriad targed sy'n gweithio gyda 66 o ysgolion Her Cymru ledled Cymru. Mae'r ysgolion sydd wedi'u dewis ar gyfer y rhaglen hon yn rhai o'r ardaloedd mwyaf difreintiedig yng Nghymru ac mae'r ymyriadau gyda'r ysgolion hyn wedi canolbwyntio ar ddefnyddio addysg gorfforol i ailennyn diddordeb y rhai sydd wedi ymddieithrio.

Mae'r rhaglen yn dangos sut gall dull o weithredu sydd â'i ffocws ar y plentyn newid agweddau a galluoedd ac mae'n gweithio gyda disgyblion a rhieni. Dilynodd y buddsoddiad yn y dull newydd hwn o weithredu yr argymhelliad yn yr adroddiad a gomisiynwyd gan Lywodraeth Cymru gan y Grŵp Tasg ar gyfer Chwaraeon Ysgol a Gweithgarwch Corfforol, i godi proffil Llythrennedd Corfforol a'i wneud yn ganlyniad addysgol allweddol i bob plentyn a pherson ifanc yng Nghymru. Daw buddsoddiad y rhaglen hon i ben ym mis Mawrth 2016.

Yn ystod y cyfnod hwn, mae Fframwaith Llythrennedd Corfforol wedi cael ei ddatblygu, gan adeiladu ar fwy na phum mlynedd o waith ymchwil a rhaglenni peilot. Ei nod yw galluogi athrawon i gyflawni a chofnodi cynnydd datblygiad llythrennedd corfforol pob plentyn yng Nghymru. Mae hwn wedi cael ei ddatblygu hefyd fel mae'r cwricwlwm newydd yn dod i'r amlwg, ar ôl adolygiad yr Athro Donaldson, ac mae ganddo rôl ganolog i'w chwarae mewn datblygu disgyblion 'iach a hyderus'. Rydym yn credu y gellir defnyddio'r fframwaith i gefnogi'r "ysgolion arloesol" i weithredu a threialu'r cwricwlwm newydd, a galluogi gwella sgiliau ymarferwyr yn y tymor hir i ddarparu cefnogaeth ysgol i ysgol wrth roi'r Fframwaith ar waith.

Cyflawni a Dangosyddion Perfformiad Allweddol

Ar 15^{fed} Hydref, lanswyd canlyniadau Arolwg 2015 ar Chwaraeon Ysgol gennym. Mae hwn yn arolwg ar gyfranogiad chwaraeon disgyblion ac ar y ddarpariaeth Addysg Gorfforol (AG) a chwaraeon mewn ysgolion. Fe'i cynhaliwyd yn ystod tymor yr haf 2015 rhwng 14^{eg} Ebrill a 21^{ain} Gorffennaf. Mae'r disgyblion yn llenwi holiadur am eu cyfranogiad a'u hagwedd tuag at Addysg Gorfforol (AG) a chwaraeon. Gofynnir hefyd i aelod o staff o bob ysgol lenwi holiadur ar y ddarpariaeth AG a chwaraeon yn eu hysgol. Fel rheol, caiff yr holiadur hwn ei lenwi gan y cydlynnydd AG yn yr ysgolion cynradd neu'r Pennaeth AG yn yr ysgolion uwchradd.

Am yr eildro'n olynol, mae arolwg 2015 wedi dangos cynnydd cyffredinol yn lefelau cymryd rhan disgyblion Cymru ym Mlynnyddoedd 3-11. Mae'r gwahaniaethau sy'n bodoli ers peth amser mewn

lefelau cymryd rhan i'w gweld o hyd, gyda merched a disgyblion hŷn yn cymryd rhan yn llai aml mewn AG a chwaraeon. Dyma'r prif ganfyddiadau:

- 48% o ddisgyblion Blynyddoedd 3-11 *wedi gwirioni ar chwaraeon* ac yn cymryd rhan mewn chwaraeon allgyrsiol neu mewn clwb cymunedol deirgwaith neu fwy yr wythnos. Yn 2013, roedd y ffigur yn 40% ac yn 2011 roedd yn 27%.
- Mae cyfrannau tebyg o ddisgyblion cynradd ac uwchradd *wedi gwirioni ar chwaraeon* – 49% o ddisgyblion cynradd ym Mlynyddoedd 3-6 a 48% o ddisgyblion uwchradd ym Mlynyddoedd 7-11.
- Mae gwahaniaeth o hyd yn lefelau cymryd rhan y rhywiau - 52% o fechgyn a 44% o ferched *wedi gwirioni ar chwaraeon*.
- Mae'r lefelau cymryd rhan yn amrywio hefyd yn ôl oedran, ethnigrwydd, anabledd a lefel gymharol cyni'r disgyblion. Yn 2015, dangosodd yr arolwg, wrth gymharu â Chymru'n gyffredinol, ganrannau uwch wedi'u cofnodi ar gyfer y canlynol:
 - Disgyblion ym Mlynyddoedd 5 a 6 (52%)
 - Disgyblion tras gymysg a du / du Prydeinig (52%)
 - Disgyblion o'r ysgolion lleiaf difreintiedig¹ (54%)
 - Disgyblion mewn ysgolion uwchradd a oedd yn siarad Cymraeg (55%)
- 65% o ddisgyblion yn mwynhau gwersi AG 'yn fawr' a 53% o ddisgyblion yn mwynhau cymryd rhan mewn chwaraeon mewn clybiau ar ôl ysgol neu yn ystod amser cinio (chwaraeon allgyrsiol) 'yn fawr'.
- 62% o ddisgyblion yn meddwl bod gwersi AG a chwaraeon ysgol yn eu helpu 'yn fawr' i fyw bywyd iach.

Mae data'r arolwg hwn yn galluogi Chwaraeon Cymru a'i bartneriaid i fonitro'n strategol a chofnodi tueddiadau mewn cymryd rhan mewn chwaraeon - gan gynnwys cyfranogiad yn y gymuned ac yn yr ysgol a chofnodi'r ddarpariaeth AG a chwaraeon ysgol ac agwedd yr athrawon a'r disgyblion at AG a chwaraeon. Mae hyn yn darparu sylfaen o dystiolaeth ar gyfer dylanwadu ar bolisiau ac arferion chwaraeon.

Cydraddoldeb

Ers peth amser, mae Chwaraeon Cymru wedi cydnabod amrywiaeth ar lefel Bwrdd fel elfen allweddol o lywodraethu da a chred fod rhaid i ni ddangos esiampl i'n sector. Gan roi dyletswyddau cyfreithiol i'r naill ochr, mae gennym ddyletswydd foisol fel arweinwyr yn y byd chwaraeon i annog amrywiaeth ym mhob ffordd bosib. Ni fydd amrywiaeth mewn bywyd cyhoeddus yn digwydd heb weithredu cadarnhaol gan nifer o bobl sydd ag ymrwymiad cadarn i newid. Mae Chwaraeon Cymru wedi bod yn rhagweithiol yn y maes hwn, nid i gyrraedd unrhyw darged, ond am ein bod yn cydnabod bod gennym ddyletswydd i adlewyrchu'r cymunedau rydym yn eu cynrychioli. Mae 57%

¹ Defnyddir canran y disgyblion sy'n gymwys am Brydau Ysgol am Ddim (PYADd) fel mesur procsi o statws cymdeithasol ac economaidd. Mae gan yr ysgolion yn Chwarterel Prydau Ysgol Am Ddim 1 (PYADd 1) lefel isel o ddisgyblion sy'n gymwys am PYADd – ac fe'u hystyrir fel y rhai lleiaf difreintiedig. Mae gan ysgolion yn PYADd4 lefel uchel o ddisgyblion sy'n gymwys am brydau ysgol am ddim, a dyma'r rhai mwyaf difreintiedig.

o'n bwrdd presennol yn ferched a 15% yn DLIE, felly mae cynnydd wedi'i wneud. Ond mae llawer mwy i'w wneud ledled y sector.

Yn ychwanegol at hyn, yn 2014 lanswyd y rhaglen Galw Am Weithredu gennym, a sicrhodd bod £3 miliwn o fuddsoddiad y loteri ar gael i sefydliadau er mwyn rhoi hwb i gyfranogiad cymunedau DLIE, merched a genethod, pobl ag anableddau a'r rhai sy'n byw mewn tlodi. O ganlyniad i'r rhaglen hon, rydym wedi buddsoddi am dair blynedd mewn amrywiaeth eang o sefydliadau, gan gynnwys y Girl Guides, Cartrefi Rhondda Cynon Taf, StreetGames (yn benodol yn eu rhaglen Us Girls, sy'n targedu merched mewn cymunedau difreintiedig), Pêl Droed Stryd Cymru ac Amser Newid Cymru. Mae'r buddsoddiad hwn yn cydnabod bod rhaid i ni weithio gyda phartneriaid y tu hwnt i'r sector chwaraeon er mwyn mynd i'r afael â'r rhwystrau sy'n atal cymryd rhan yn y grwpiau hyn.

Yr Iaith Gymraeg

Fel Corff a Noddir gan Lywodraeth Cymru, mae gennym rwymedigaeth statudol i'r Gymraeg ac rydym wedi ymrwymo'n llawn i'r egwyddor o gydraddoldeb. Drwy gyfrwng hyn, rydym wedi datblygu perthynas gadarnhaol a rhagweithiol gyda swyddfa Comisiynydd y Gymraeg ac, fel y trafodwyd yn y Pwyllgor, rydym wedi trefnu dwy gynhadledd ar gyfer y cyrff rheoli chwaraeon cenedlaethol er mwyn hybu pwysigrwydd y Gymraeg mewn chwaraeon. Rhwng y ddau ddigwyddiad, gwelwyd cynnydd pendant, gyda chyrrff rheoli'n cyflwyno ymchwil roeddent wedi'i gynnal yn ogystal â rhannu gwybodaeth am sut orau i ddarparu addysg i hyfforddwyr drwy gyfrwng y Gymraeg.

Aethom ati i ymateb i Ymchwiliad Safonau Comisiynydd y Gymraeg yn ddiweddar ac, fel rhan o'n hymrwymiad parhaus i'r Gymraeg, mae ein harwyddion, ein gwefan a'n dogfennau cyhoeddus i gyd yn ddwyieithog. Mae tua 14% o'n staff wedi dynodi'n flaenorol eu bod yn siaradwyr Cymraeg ond rydym wrthi'n ailgasglu'r data hyn. Mae'r Gymraeg yn faen prawf hefyd fel rhan o'n hasesiadau o'r effaith ar gydraddoldeb.

Mae ein proses rheoli grantiau ar-lein newydd yn gwbl ddwyieithog a hefyd mae gennym aelod Cymraeg ei iaith yn ein tîm Grantiau fel bod posib cynnal pob cyfarfod / sgwrs ffôn yn y Gymraeg.

O ran ein buddsoddiad yn y Gymraeg, mae gan Chwaraeon Cymru berthynas ragorol â'r Urdd, gan fuddsoddi £250,000 y llynedd a £310,000 eleni er mwyn datblygu cyfleoedd ledled Cymru i bobl ifanc gymryd rhan mewn cyfleoedd chwaraeon drwy gyfrwng y Gymraeg. Buddsoddir yn y rhaglen gymunedol, gan ganolbwyntio'n bennaf ar blant cynradd. Ymhlith y meysydd targed mae datblygu clybiau cymunedol, cyfleoedd i deuluoedd, cyfleoedd cystadlu priodol a datblygu'r gweithlu. Dyma weledigaeth yr Urdd: "Defnyddio grym y Gymraeg i weithio gyda phlant a phobl ifanc 3-25 oed a'u cael i gymryd rhan mewn chwaraeon o wythnos i wythnos am oes."

Hefyd mae gennym raglen ddatblygu genedlaethol a gefnogir gan rwydwaith o hyfforddwyr a gwirfoddolwyr hynod fedrus, i alluogi i ni gyrraedd targedau a sicrhau canlyniadau. Mae ffigurau 2014/15 yn dangos bod 5205 o unigolion wedi cymryd rhan mewn clybiau wythnosol 1 neu 2 o weithiau yng Nghyfnod Allweddol 1 a Chyfnod Allweddol 2; sefydlwyd 68 o glybiau cymunedol newydd; roedd 2550 o unigolion yn cymryd rhan mewn gweithgareddau teuluol; roedd 68% yn cymryd rhan yn y rhaglen chwaraeon cymunedol; derbyniodd 1500 o hyfforddwyr hyfforddiant (750

o ferched) a cheir 440 o hyfforddwy'r gweithredol. Ers 2011, rydym wedi buddsoddi mwy na £4.5 miliwn mewn grantiau ar gyfer chwaraeon a gyflwynir drwy gyfrwng y Gymraeg.

Hefyd roedd Chwaraeon Cymru yn bartner allweddol yng Ngemau Cymru, sef digwyddiad chwaraeon dwyieithog a lansiwyd yn 2011 fel rhan o brosiect Gwaddol Llundain 2012 ledled Cymru. Fe'i sefydlwyd fel partneriaeth rhwng Uned Digwyddiadau Mawr Llywodraeth Cymru, y Cyrff Rheoli Cenedlaethol a Chwaraeon Cymru, gan gomisiynu Urdd Gobaith Cymru fel y partner cyflawni. I ddechrau, nod y digwyddiad oedd gweithio gyda'r Cyrff Rheoli Cenedlaethol a darparu digwyddiad aml-chwaraeon blynyddol ar gyfer cyfranogiad torfol. Cyflwynir Gemau Cymru yn gyfan gwbl ddwyieithog. Mae'n gyfle i athletwyr ifanc talentog gystadlu mewn digwyddiad aml-chwaraeon uchel ei broffil gan brofi amgylchedd pentref athletwyr. Yn 2015, ymrwymodd Chwaraeon Cymru £60,000 i gefnogi costau craidd cynnal Gemau Cymru.

Rydym hefyd yn rhagweithiol gyda'n cyrff rheoli, gan gynnwys datganiad clir ar y ffaith bod disgwyl i ystyriaeth briodol gael ei rhoi i gyflawni canlyniadau yn y ddwy iaith. Gwnaed cynnydd gan ein cyrff rheoli, gan gynnwys Ymddiriedolaeth Bêl Droed Cymru'n cynnal ymchwil gyda'i hyfforddwy'r a'i gwirfoddolwyr i sut gallant gynnwys y Gymraeg yn eu cyrsiau hyfforddi. Er nad ydym yn gwneud y Gymraeg yn amod ar grantiau, rydym yn datgan yn y llythyr dyfarnu ddisgwyliadau clir bod mesurau'n cael eu rhoi ar waith i gyflawni yn y ddwy iaith.

Mae Cyrff Rheoli Cenedlaethol Cymru wedi ymrwymo i ddatblygu'r Gymraeg drwy gytundeb gyda Chomisiynydd y Gymraeg yn seiliedig ar y meysydd canlynol:

- Enwi Swyddog Arweiniol y Gymraeg i gynrychioli eich Camp (gallai'r person hwn fod yn aelod o staff, aelod Bwrdd neu wirfoddolwr). Byddai'r person hwn yn cyfrannu at Grŵp Tasg/Fforwm y Gymraeg ac yn arwain datblygiad yr iaith yn eich Camp.
- Cytuno y dylai perfformiad Tîm Cymru yng Ngemau Cymanwlad Glasgow 2014 fod yn llwyfan ac yn sbringfwrdd i godi proffil a chynyddu amlygrwydd y Gymraeg mewn Chwaraeon.
- Adnabod Pencampwyr Elitaidd y Gamp sy'n siarad Cymraeg, i fod yn rhagweithiol ar y cyfryngau ac mewn bywyd cyhoeddus - y ffocws cyntaf i fod ar y Gemau Cymanwlad yn Glasgow.
- Dosbarthiadau / Gweithdai'r Gymraeg i greu bwrlwm ac ymrwymiad newydd i'r iaith.
- Adnabod Staff / Hyfforddwy'r / Gwirfoddolwyr sy'n siarad Cymraeg - eu hannog i sicrhau bod y wybodaeth hon ar gael drwy wisgo bathodynnew / crysau-T sy'n dweud eu bod yn gallu siarad Cymraeg, gan annog mwy o gyfranogwyr i gymryd rhan drwy gyfrwng y Gymraeg.
- Ymrwymiad gan wahanol Chwaraeon i gymryd rhan a bod yn amlwg mewn Gwyliau Cymraeg fel Eisteddfod yr Urdd, yr Eisteddfod Genedlaethol, Tafwyl a digwyddiadau'r Fenter leol.

Yn ôl ein tystiolaeth, mae siaradwyr Cymraeg 11% yn fwy tebygol o fod 'wedi gwirioni ar chwaraeon'; bron ddwywaith yn fwy tebygol o fod yn wirfoddolwyr mewn chwaraeon; mwy na 5% yn fwy tebygol o fod yn aelodau o glybiau chwaraeon; a mwy na 10% yn fwy tebygol o fod wedi cymryd rhan mewn chwaraeon yn ddiweddar.

Strategaeth Fuddsoddi

Mae gan Chwaraeon Cymru gyfres o egwyddorion buddsoddi sy'n arwain ein dull o weithredu. Mae'r rhain yn cyd-fynd yn glir â'n dau ddyhead o fod "wedi gwirioni ar chwaraeon" a "chreu cenedl o

bencampwyr”, a hefyd gofynion Llywodraeth Cymru drwy gyfrwng ein llythyr gorchwyl blynyddol. Rydym yn seilio ein penderfyniadau ar y potensial sydd gan bartneriaid i fodloni ein blaenoriaethau strategol allweddol ac mae gennym ganlyniadau cytunedig clir ar gyfer ein buddsoddiad gyda phob partner.

Rydym wrthi'n symud at system grantiau ar-lein newydd a fydd yn gwella'r data y gallwn eu casglu a'u defnyddio i seilio penderfyniadau buddsoddi arnynt yn y dyfodol. Hefyd, bydd y system newydd yn cynnig profiad gwell i'r ymgeisydd, drwy lif gwaith awtomatig sy'n caniatáu mynediad ar unwaith at gynnydd eu cais ym mhob cam. Mae hefyd yn cynnig dull safonol o ymgeisio ar gyfer pob math o grantiau, gan sicrhau proses ymgeisio am grantiau fwy tryloyw. Hefyd mae'r system wedi cael ei phrofi ar gyfer y dyfodol er mwyn galluogi partneriaid allanol i ymgeisio ar-lein, yn ogystal â chael rhai adroddiadau neu wybodaeth benodol.

Rydym wedi cyflwyno trosolwg o'n buddsoddiad yn ein rhaglenni amrywiol yn Atodiad A.

Fformat y Cyfrifon

O gymharu â'r blynyddoedd a fu, rydym yn llunio ac yn argraffu llawer llai o gyhoeddiadau, gyda fersiynau digidol ar gael yn awr, i'w lawrlwytho o'n gwefan.

Eleni, cafodd ein Hadolygiad a'n Cyfrifon Blynyddol eu llunio fel dwy ddogfen ar wahân, i sicrhau'r hyblygrwydd gorau posib o ran eu defnydd. Byddai'r cyfrifon a'r adolygiad dwyieithog llawn yn creu dogfen gydag oddeutu 250 o dudalennau, sy'n ddogfen fawr iawn i'w rhannu. Drwy gynhyrchu dwy ddogfen, gallwn rannu a hybu'r ddogfen adolygu, neu ddogfen y cyfrifon, ar ei phen ei hun, gan ddibynnu ar y gynulleidfa.

Fodd bynnag, rydym yn cydnabod nad yw ein strwythur adrodd yn ôl presennol yn esbonio manylion graddfa ein buddsoddiad yn yr adroddiad blynyddol. Byddwn yn adolygu'r ffordd y mae ein hadolygiad a'n cyfrifon blynyddol yn cael eu cynhyrchu er mwyn sicrhau bod gennym un ddogfen unigol sydd ar gael yn hwylus.

Gobeithiaf fod yr ymateb hwn yn rhoi sylw i'r materion a gododd yn ystod y sesiwn tystiolaeth. Os oes gennych ragor o ymholiadau neu os hoffech esboniad ychwanegol, cofiwch gysylltu â mi.

Yn gywir



Sarah Powell
Prif Weithredwr
Chwaraeon Cymru

Atodiad A Cyllideb 2015-16

Ffynhonnell Gyllido	Maes Cyllido	2015/16	2014/15
		£	£
Llywodraeth Cymru	Campau'r Ddraig	1,155,000	1,335,000
Llywodraeth Cymru	5 x 60	4,643,000	4,703,000
Llywodraeth Cymru	Nofio Am Ddim	3,104,000	3,500,000
Loteri	Y Gist Gymunedol	2,100,000	2,100,000
Loteri	Grantiau Datblygu	3,000,000	4,750,000
Loteri	Galw Am Weithredu	1,443,000	750,000
Llywodraeth Cymru	Cymunedau Lleol	8,902,000	9,538,000
Loteri	Cymunedau Lleol	6,543,000	7,600,000
Llywodraeth Cymru	Yr Urdd	310,000	250,000
Llywodraeth Cymru	Street Games	150,000	100,000
Llywodraeth Cymru	Cefnogaeth Ddatblygu Prydain Fawr	5,010,000	5,140,000
Llywodraeth Cymru	Hyfforddiant	1,150,000	1,180,000
Llywodraeth Cymru	Defnydd Cyfleusterau Prydain Fawr	1,019,000	1,019,000
Llywodraeth Cymru	Skills Active/Arweinyddiaeth Chwaraeon	60,000	60,000
Llywodraeth Cymru	Canolfan Genedlaethol Chwaraeon Cymru – Caerdydd Costau Rhedeg	336,000	319,000
Llywodraeth Cymru	Canolfan Genedlaethol Chwaraeon Cymru – Caerdydd Adnewyddu	25,000	6,000
Llywodraeth Cymru	Canolfan Genedlaethol Chwaraeon Cymru – Caerdydd Cyfalaf	130,000	238,000
Llywodraeth Cymru	Canolfan Genedlaethol Chwaraeon Cymru – Plas Menai Costau Rhedeg	351,000	296,000
Llywodraeth Cymru	Canolfan Genedlaethol Chwaraeon Cymru – Plas Menai Adnewyddu	25,000	45,000
Llywodraeth Cymru	Canolfan Genedlaethol Chwaraeon Cymru – Plas Menai Cyfalaf	200,000	80,000
Loteri	Chwaraeon Anabledd	590,000	590,000
Loteri	Grantiau Cyfalaf	1,000,000	1,700,000
Loteri	Hyfforddiant Cenedlaethol	950,000	950,000
Loteri	Twf Loteri	350,000	-
Llywodraeth Cymru	Cymunedau Cenedlaethol	8,766,000	8,733,000
Loteri	Cymunedau Cenedlaethol	2,890,000	3,240,000
Loteri	Athletwyr Elitaidd	900,000	1,100,000
Loteri	Hyfforddiant Elitaidd	2,300,000	1,700,000
Loteri	Rhaglenni Elitaidd	1,700,000	1,600,000
Loteri	Datblygu Talent	300,000	300,000
Loteri	Perfformiad Cenedlaethol	1,200,000	1,200,000
Loteri	Cyflog, Adffioedd a Gwasanaethau Elitaidd	1,370,000	1,181,000

Loteri	Offer Cyfalaf	70,000	60,000
Loteri	Chwaraeon Elitaidd a Pherfformiad	7,840,000	7,141,000
Llywodraeth Cymru	Costau Rhedeg Corfforaethol	1,327,000	1,327,000
Llywodraeth Cymru	Costau Cyflawni Corfforaethol	919,000	733,000
Llywodraeth Cymru	Cyfathrebu ac Ymchwil Corfforaethol	1,334,000	1,558,000
Llywodraeth Cymru	Rhaglen Datblygu Chwaraeon a Staffio	2,268,000	2,251,000
Llywodraeth Cymru	Cyfalaf Corfforaethol	15,000	27,000
Loteri	Costau Rhedeg Corfforaethol	390,000	391,000
Loteri	Costau Cyflawni Corfforaethol	452,000	431,000
Loteri	Cyfathrebu ac Ymchwil Corfforaethol	349,000	349,000
Loteri	Rhaglen Datblygu Chwaraeon a Staffio	565,000	489,000
Llywodraeth Cymru	Corfforaethol a Datblygu Chwaraeon	5,863,000	5,896,000
Loteri	Corfforaethol a Datblygu Chwaraeon	1,756,000	1,660,000
Cyfanswm	Cyllideb Llywodraeth Cymru	23,531,000	24,167,000
Cyfanswm	Cyllideb y Loteri	19,029,000	19,641,000
Cyfanswm	Cyllideb Chwaraeon Cymru	42,580,000	43,808,000

Darren Millar AC
Cadeirydd y Pwyllgor Cyfrifon Cyhoeddus
Cynulliad Cenedlaethol Cymru
Tŷ Hywel
Bae Caerdydd
Caerdydd

7 Hydref 2015

Annwyl Darren

Yn dilyn ein hymddangosiad yn eich Pwyllgor ar 29 Medi, rwy'n ysgrifennu gyda'r wybodaeth ychwanegol y gofynnwyd amdani. Mae'r wybodaeth wedi'i nodi yn yr atodiad sydd ynghlwm.

Hoffem ddiolch i'r Pwyllgor am ei waith craffu a'i adborth ac, yn arbennig, am y sylwadau am wefan y Comisiwn. Ar 1 Hydref, cododd y Pwyllgor Cyllid hefyd faterion tebyg ynglŷn â hygyrchedd y wefan a pha mor hawdd ydyw i'w defnyddio. Rwyf yn sicr y bydd y Comisiwn yn dymuno gofyn am roi blaenoriaeth i adolygu'r wefan a nodi gwelliannau y gellid eu gwneud yn y tymor byr a'r tymor hwy.

Ymagwedd y Comisiwn yw ceisio gweithredu gyda didwylledd, tryloywder ac eglurder bob amser. Felly, os oes unrhyw beth arall y gallwn ei roi i chi i gynorthwyo'r Pwyllgor, cofiwch roi gwybod imi.

Yn gywir



David Melding AC, y Dirprwy Lywydd

cc Comisiynwyr y Cynulliad; Claire Clancy; Nicola Callow

ATODIAD

Comisiwn y Cynulliad: Gwybodaeth ychwanegol yn dilyn ymddangosiad yn y Pwyllgor Cyfrifon Cyhoeddus ar 29 Medi, 2015

1. Rhoi i'r Pwyllgor yr Adolygiad Archwilio Mewnol o effeithiolrwydd y Comisiwn ynghyd â'r cynllun gweithredu cyfatebol.

Mae'r adroddiad a'r cynllun gweithredu ynghlwm.

Mynegodd y Pwyllgor hefyd ddiddordeb yng nghyfraniad ein Cynghorwyr Annibynnol. Mae'r adolygiad hwn o effeithiolrwydd y Comisiwn yn cofnodi: "Commissioners unanimously value the contribution made by the Independent Advisers. They add an alternative and welcome perspective to discussions. Contributions may be brief but add value to the process, succinctly summarise the key issues and offer a further independent perspective." I roi gwybodaeth ychwanegol am y Cynghorwyr Annibynnol, mae'r dogfennau canlynol hefyd ynghlwm:

- Adroddiad cryno Archwilio Mewnol ar y Cynghorwyr Annibynnol;
 - pecyn recriwtio 2012, sy'n cynnwys manylion am y cyfrifoldebau a'r tâl ar gyfer y swyddi hyn;
 - dyfyniadau perthnasol o'r adroddiad i Gomisiwn y Cynulliad ym mis Hydref 2012 ar benodi Cynghorwyr Annibynnol, sy'n cynnwys manylion am y broses recriwtio.
2. Rhoi manylion am y cyllidebau a neilltuwyd i feysydd gwaith sgysiau cenedlaethol Menywod mewn Bywyd Cyhoeddus a Phleidleisio@16?

Menywod mewn Bywyd Cyhoeddus

Mae ymgyrch Menywod mewn Bywyd Cyhoeddus y Llywydd wedi cynnwys menywod o bob grŵp oedran a chefnidir, i godi ymwybyddiaeth o'r angen i ragor o fenywod wneud cais am swyddi a phenodiadau cyhoeddus, a'u derbyn.

Mae cynyddu cynrychiolaeth seneddol menywod yn un elfen o'r ymgyrch ac eleni sefydlwyd y Cawcws Menywod mewn Democratiaeth. Fe'i cadeirir gan y Llywydd ac mae'n cynnwys grŵp trawsbleidiol o Aelodau Cynulliad. Aeth y Cawcws ati i ddysgu gan seneddau eraill ledled y byd sut i gynyddu cynrychiolaeth seneddol menywod, a rhannu'r arfer gorau. Ym mis Mawrth 2015, cyhoeddodd y Cawcws ei adroddiad gyda deg argymhelliad yn amlinellu camau gweithredu i fynd i'r afael â rhai o'r rhwystrau sy'n wynebu menywod wrth ymgeisio am swyddi cyhoeddus.

Mae tair o'r 14 menyw sy'n cael eu mentora, ac a gafodd hyfforddiant fel rhan o'r Cynllun Datblygu Menywod mewn Bywyd Cyhoeddus, wedi gwneud cais llwyddiannus am swyddi mewn bywyd cyhoeddus. Mae dwy arall yn sefyll mewn etholiad, y naill yn etholiad y Cynulliad yn 2016 a'r llall mewn etholiad cyngor tref.

Cynhaliwyd digwyddiadau #POWiPL ar ystâd y Cynulliad, gan gynnwys un i nodi Diwrnod Rhyngwladol y Menywod 2015. Cafodd y Senedd ei goleuo'n borffor fel rhan o'r ymgyrch fyd-eang #PaintitPurple i godi ymwybyddiaeth o'r problemau sy'n parhau i fodoli o ran cydraddoldeb rhywiol. Cynhaliwyd digwyddiad #POWiPL yn Wrecsam hefyd fel rhan o wythnos ddigwyddiadau #SeneddWrecsam ym mis Mawrth.

Cafwyd darlithoedd a sgysiau hefyd gan Julia Gillard, Janet Street-Porter, Shami Chakrabarti a'r Farwnes Greenfield.

Dangosir cyfanswm y gwariant ar faes gwaith #POWiPL fesul blwyddyn ac yn ôl y math o wariant, hyd at fis Medi 2015, yn y tablau isod: -

Financial year	£
2011-12	£ 1,815.70
2012-13	£ 6,314.68
2013-14	£ 37,390.49
2014-15	£ 55,484.35
2015-16	£ 16,755.13
	<u>£ 117,760.35</u>

Expenditure	£
Promotional Items	£ 11,580.40
Events & Visits	£ 35,265.39
Chwarae Teg	£ 40,000.00
Portal Costs	£ 30,914.56
	<u>£ 117,760.35</u>

Mae costau staffio sy'n gysylltiedig â'r prosiect yn ychwanegol at y costau hyn ac maent yn rhan o gyllideb fwy y maes Gwasanaeth Cymorth i'r Comisiwn ac i'r Aelodau.

Mae rhan o'r gwariant yn ymwneud â contract gyda Chwarae Teg i ddatblygu a rhoi cymorth parhaus i safle porth ar y we, dros ddwy flynedd o fis Chwefror 2014. Hwn oedd y £40k y cyfeiriwyd ato yn sesiwn y Pwyllgor Cyfrifon Cyhoeddus; cyfanswm gwerth y contract yw £50k. Cafodd hyn ei gaffael yn unol â chanllawiau caffael Comisiwn y Cynulliad ac o fewn awdurdod dirprwyedig rheolwyr cyllideb. Craffodd y Bwrdd Buddsoddi ac Adnoddau arno hefyd ym mis Medi 2013.

Talwyd £31k ychwanegol o gostau cynnal a datblygu porth i Ffederasiwn Cenedlaethol Sefydliad y Merched a Menywod yn Gwneud Gwahaniaeth.

Pleidleisio@16?

Un o brif feysydd gwaith ymgysylltu â phobl ifanc oedd y sgwrs genedlaethol, *Pleidleisio@16?*

Gofynnodd yr ymgyrch chwe mis hon, a gynhaliwyd yn erbyn cefndir o newidiadau cyfansoddiadol ehangach yn y DU, i bobl ifanc 11 i 25 oed yng Nghymru am eu barn ar ostwng yr oedran pleidleisio i 16. Rydym wedi cael ymateb gwych, gyda dros 10,000 o bobl ifanc yn cymryd rhan yn yr ymgynghoriad drwy amrywiaeth o ddulliau, gan gynnwys y wefan benodedig i bobl ifanc, www.dygynulliad.org; mewn cyfarfodydd grwpiau ieuencid gyda'r timau Addysg ac Allgymorth; a thrwy ddefnyddio pecynnau gwybodaeth a grëwyd yn arbennig i ganiatáu i bobl ifanc gynnal y drafodaeth eu hunain. Mae gwaith wedi cael ei wneud gydag Aelodau'r Cynulliad hefyd i gasglu barn pobl ifanc drwy gyfrwng tystiolaeth fideo a lluniau.

Roedd yr ymgyrch '*Pleidleisio@16?*' yn canolbwyntio ar gael pobl ifanc i gwblhau arolwg ar-lein neu arolwg copi caled ynglŷn â gostwng yr oedran pleidleisio a phleidleisio yn gyffredinol. Roedd cost yr ymarfer hwn yn fach iawn.

Aeth y bws allan ar dri achlysur yn benodol i hyrwyddo '*Pleidleisio@16?*', i gael cynnwys fideo a lluniau ar gyfer yr ymgyrch ac i gael cwblhau copïau caled o'r arolwg. Aeth y bws i Ysgol Tasker Milward, Ysgol Dwr-y-Felin ac ar achlysur arall aeth i ddau leoliad mewn un diwrnod (Canol Tref Trefynwy a Chlwb Ieuencid yn Y Fenni). Roedd costau mynd â'r bws i'r lleoliadau hyn yn fach iawn a thalwyd amdano o gyllideb hyrwyddo bresennol 2015-16.

Roedd un gost ychwanegol o tua £1,900.00 am hysbysebu ar Facebook.

3. Cytunwyd i anfon nodyn am berfformiad incwm gwirioneddol Adeilad y Pierhead yn erbyn y perfformiad incwm a ragwelwyd.

Yn wreiddiol, roedd y Pierhead yn cael ei brydlesu i ddarparu llety ar gyfer amrywiaeth o swyddogaethau a oedd yn cynnwys canolfan ymwelwyr y Pierhead, siop y Cynulliad, ystafell addysg ar gyfer rhaglenni addysg yn ymwneud â'r cwricwlwm, ystafelloedd cyfarfod ac ystafell i'r Archwilydd Cyffredinol.

Roedd adroddiad gan y Swyddfa Archwilio Genedlaethol yn 2000 yn argymhell prynu'r brydles, er mwyn lleihau'r gost barhaus o daliadau rhent. Ym mis Ebrill 2002, cyflwynwyd achos busnes i Bwyllgor y Tŷ pan gymeradwyodd yr Aelodau'r argymhelliad i brynu'r adeilad.

Ni chafodd adeilad y Pierhead ei brynu'n wreiddiol fel ased i greu incwm ac, felly, ni ragwelwyd unrhyw incwm yn ystod y broses o bennu'r gyllideb. Fel ased, mae'r adeilad eiconig hwn yn chwarae rhan allweddol o ran cefnogi nod strategol y Comisiwn o ymgysylltu â phobl Cymru a hyrwyddo Cymru. Ers 2006 mae'r adeilad wedi cael 1,304,063 o ymwelwyr.

Ar hyn o bryd mae'r adeilad yn cael ei ddefnyddio gan Ganolfan Llywodraethiant Cymru, uned ymchwil gyfansoddiadol fwyaf blaenllaw Cymru, i weithio mewn partneriaeth â'r Cynulliad Cenedlaethol. Mae'r bartneriaeth hon yn rhoi i'r Cynulliad fynediad at waith ymchwil perthnasol, o ansawdd gan alluogi i ddeddfwrfa Cymru barhau i ddatblygu systemau deddfu a chraffu cadarn a fydd yn arwain at ddeddfau sy'n ymateb i anghenion pobl Cymru. Ni chodir tâl ar Ganolfan Llywodraethiant Cymru am ddefnyddio'r adeilad.

Mae'r adeilad hefyd yn lle i gynnal digwyddiadau, sy'n cael ei werthfawrogi'n fawr ac rydym wedi buddsoddi mewn cyfarpar clyweled a llwyfan sydd o gymorth i gyflwyno digwyddiadau o safon fyd-eang. Yn ystod y flwyddyn ariannol ddiwethaf, cynhaliwyd cyfanswm o 123 o ddigwyddiadau ac, yn ystod chwe mis cyntaf y flwyddyn ariannol hon, mae 70 o ddigwyddiadau eisoes wedi'u cynnal.

Mae'r digwyddiadau a gynhaliwyd yn cynnwys cyfres o ddarlithoedd 'San Steffan ym Mae Caerdydd' Canolfan Llywodraethiant Cymru, ynghyd â chyfres o ddigwyddiadau llwyddiannus iawn i gefnogi ymgyrch Menywod mewn Bywyd Cyhoeddus y Llywydd. Yn ogystal, cafodd Oriel y Dyfodol ei defnyddio i gynnal rhaglen o arddangosfeydd sydd wedi cynnwys arddangosfa o waith myfyrwyr Academi Gelf Cymru. I ategu'r digwyddiadau hyn, cafwyd nifer o ddigwyddiadau sgwrsio, gyda Guto Harri yn sgwrsio gyda'r Arglwydd Wigley a gyda'r Arglwydd Kinnock. Yn ogystal, cafodd y lleoliad ei ddefnyddio i gynnal Gwobrau Cymru Daclus a Gwobrau Gwirfoddolwr y Flwyddyn Cymru. Nid ydym yn codi tâl am ddigwyddiadau o'r fath.

Credwn fod yr amrywiaeth hon o weithgareddau yn cynrychioli gwerth da iawn am arian yn gyfnewid am gostau blynyddol y Pierhead, sydd oddeutu £175k y flwyddyn.

Eitemau ychwanegol

Gwerth Trosglwyddo sy'n gyfwerth ag Arian Parod - Dadansoddiad o Newid

O ran y cwestiwn am fudd-daliadau pensiwn, efallai y byddai'n ddefnyddiol i'r Pwyllgor wybod, pan fydd codiad cyflog yn digwydd yn ystod y flwyddyn, mae'r effaith y mae hyn yn ei gael ar y budd-daliadau pensiwn bob amser yn fwy lle mae gan unigolyn nifer o flynyddoedd o wasanaeth blaenorol. Mae hyn oherwydd bod Cynllun Pensiwn y Gwasanaeth Sifil, hyd at 31 Mawrth 2015, yn gynllun cyflog terfynol. Diben y tabl budd-daliadau pensiwn yw dangos yr effaith y mae newidiadau mewn tâl yn ystod y flwyddyn yn ei gael ar hawl pensiwn cyflogai yng Nghynllun y Gwasanaeth Sifil.

Gan nad yw'r Cynllun yn cael ei ariannu, nid oes unrhyw gost uniongyrchol i'r Cynulliad. Mae'r gost, fel pob budd-dal o Gynllun Pensiwn y Gwasanaeth Sifil, yn cael ei dalu yn y pen draw gan y trethdalwr drwy drethiant cyffredinol.

Mynd i'r afael â gofynion Symleiddio Trysorlys EM

Rydym yn falch o'n gwaith yn y Cynulliad ac mae ein hadroddiad blynyddol yn amlinellu ein cynnydd o ran cyflawni blaenoriaethau'r Comisiwn. Mae'r adroddiad blynyddol, ynghyd â dogfennau'r gyllideb flynyddol ac adroddiadau ar fesurau perfformiad corfforaethol, yn dangos yr hyn yr ydym wedi ei gyflawni.

Rydym yn croesawu menter Trysorlys Ei Mawrhydi i symleiddio Adroddiadau blynyddol a chyfrifon, ond mae'n hanfodol bod y Comisiwn yn cadw cydbwysedd rhwng symleiddio a thryloywder.

Fel y gwyddoch eisoes, cynigiodd Trysorlys Ei Mawrhydi argymhellion lefel uchel yn gynnar yn 2014, a fyddai'n ailstrwythuro'r adroddiad blynyddol 'hanner-cyntaf' a'r datganiadau ariannol 'hanner-olaf' traddodiadol yn dri gofyniad adrodd mwy integredig yn seiliedig ar:

- Berfformiad - "adrodd y stori"
- Atebolrwydd; a
- Datganiadau ariannol

Rydym eisoes yn gweithio gyda Swyddfa Archwilio Cymru i ddod o hyd i opsiynau ar gyfer newid fel rhan o'n paratodau ar gyfer Adroddiad Blynyddol a Chyfrifon 2015-16.

Caiff fformat newydd arfaethedig y cyfrifon, a fydd yn cyd-fynd â menter Symleiddio Trysorlys Ei Mawrhydi a Llawlyfr Adroddiadau Ariannol 2015-16, ei gyflwyno i'r Pwyllgor Archwilio a Sicrwydd Risg ym mis Tachwedd 2015.

Adroddiad i Gomisiwn Cynulliad Cenedlaethol Cymru

Adolygiad o Effeithiolrwydd y Comisiwn

Cefndir a chwmpas

1. Yn ôl yr Egwyddorion Llywodraethu Corfforaethol a fabwysiadwyd gan Gomisiwn y Cynulliad, mae'n ofynnol iddo wneud trefniadau i "werthuso ei effeithiolrwydd o bryd i'w gilydd." Rwyf wedi cwblhau'r adolygiad hwn yn unol â'r egwyddor hon.
2. Dyma'r ail adolygiad ers mabwysiadu'r Egwyddorion Llywodraethu Corfforaethol yn 2011, yn dilyn yr adolygiad cychwynnol y cyflwynwyd adroddiad i'r Comisiwn yn ei gylch ym mis Ionawr 2013.
3. Casglwyd y dystiolaeth a arweiniodd at yr adroddiad hwn mewn trafodaethau â'r canlynol:
 - Y pum Comisiynydd;
 - Cynghorwyr Annibynnol y Comisiwn (Mair Barnes a Helena Feltham);
 - Y Prif Weithredwr a'r Clerc; a
 - Phrif Ysgrifennydd y Comisiwn.
4. Yn ogystal, adolygais gofnodion a phapurau cyfarfodydd y Comisiwn, sylw yn y wasg yn ddiweddar a cheisiadau i ddatgelu gwybodaeth o dan Ddeddf Rhyddid Gwybodaeth 2000.
5. Rwy'n ddiolchgar i bawb a'm helpodd â'r adolygiad.

Crynodeb

6. Fy nghanfyddiad cyffredinol yw bod y Comisiwn wedi parhau i symud yn ei flaen ers yr adolygiad cyntaf. Yn benodol, mae'r Comisiynwyr wedi dangos gallu i oruchwylio prosiectau sylweddol yn effeithiol, fel TGCh ar gyfer y dyfodol, ac wedi datblygu ffocws strategol cliriach gan gynnwys datblygu cyfres o Ddangosyddion Perfformiad Allweddol.
7. Rwyf wedi cyflwyno nifer o argymhellion yn yr adroddiad hwn, a'u bwriad yw cefnogi'r Comisiwn yn ei ddatblygiad parhaus fel 'bwrdd llywodraethu' sy'n gweithredu'n dda ac yn effeithiol.

Y canfyddiadau allweddol

8. Mae'r adran hon o'r adroddiad yn crynhoi prif gasgliadau'r adolygiad, wedi'u grwpio o dan bum pennawd hunan-esboniadol.

Cyfarfodydd a threfniadau gweinyddol y Comisiwn

9. O safbwynt cyfarfodydd a threfniadau gweinyddol, dyma ganfyddiadau fy adolygiad:
 - Roedd y Comisiynwyr yn gyffredinol yn fodlon ar y trefniadau presennol ar gyfer cyfarfodydd. Derbynnir papurau a gwybodaeth mewn da bryd ac maent yn cynnwys digon o fanylion;
 - Mae'r agendâu yn realistig a chyfarfodydd yn gyffredinol yn rhedeg ar amser. Fodd bynnag, cafwyd barn gymysg ynglŷn â chynnwys 'unrhyw fater arall' ar agendâu. Gellir ystyried bod hon yn eitem ddefnyddiol i alluogi Comisiynwyr i godi materion newydd ond ar yr un pryd gall dynnu sylw ac arwain at golli ffocws oddi ar brif fusnes y cyfarfod;
 - Mae'r Comisiynwyr yn gwerthfawrogi'r gwasanaeth a dderbyniant gan Brif Ysgrifennydd y Comisiwn a'r cymorth y mae'n ei ddarparu

i'r cyfarfodydd. Mae Prif Ysgrifennydd y Comisiwn yn dechrau cyfnod o absenoldeb mamolaeth yn y misoedd nesaf a bydd yn bwysig i'r Comisiwn gynnal gwasanaeth o'r un ansawdd yn ystod y cyfnod hwnnw;

- Mae'r Comisiynwyr yn ddieithriad yn gwerthfawrogi'r cyfraniad a wneir gan y Cynghorwyr Annibynnol. Maent yn ychwanegu persbectif gwahanol a defnyddiol at drafodaethau. Gall eu cyfraniadau fod yn fyr ond maent yn ychwanegu gwerth at y broses, yn crynhoi'r materion allweddol yn daclus ac yn cynnig safbwynt annibynnol ychwanegol;
- Roedd y bobl a gyfwelwyd yn canmol arddull gynhwysol y Llywydd a'i hagwedd drefnus ac effeithiol at gadeirio cyfarfodydd y Comisiwn. Mae hi hefyd wedi pennu swyddogaeth eglur ar gyfer y Dirprwy Lywydd ac mae ei bresenoldeb yntau yng nghyfarfodydd y Comisiwn yn dal i gael ei werthfawrogi; ac
- Mae'r Comisiynwyr yn ystyried bod uwch reolwyr wedi gwneud cyfraniadau gwerthfawr at gyfarfodydd y Comisiwn ac wedi cyflwyno gwybodaeth mewn ffordd ystyrion a dealladwy. Y brif enghraifft a nodwyd oedd yr adroddiadau cynnydd rheolaidd a gyflwynwyd ynglŷn â'r Prosiect TGCh ar gyfer y dyfodol.

Gweithio'n gorfforaethol

10. Mae'r Comisiwn yn gorff corfforaethol a'r Comisiynwyr yw'r 'bwrdd llywodraethu' ar gyfer y sefydliad. Fel y cyfryw, mae'n ofynnol iddynt weithredu'n gorfforaethol er budd y Cynulliad yn ei gyfanrwydd yn hytrach na dim ond cynrychioli grwpiau plaid. Yn hyn o beth:

- Mae'r Comisiynwyr i gyd yn teimlo eu bod yn gallu mynd â barn gorfforaethol, y gallant ei hamddiffyn, yn ôl at eu grwpiau plaid. O ganlyniad, ychydig o gwestiynau a gyflwynir gan yr Aelodau ynglŷn

â'r Comisiwn, ac mae'r penderfyniadau a wneir gan y Comisiwn yn fwy eglur; ac

- Mae'r Comisiynwyr unigol wedi datblygu meistrolaeth gadarn o'u portffolios eu hunain, gan gymryd yr awenau wrth drafod eu meysydd cyfrifoldeb a meithrin perthynas waith effeithiol â staff y Comisiwn sydd â chyfrifoldeb am y meysydd hyn.

Strategaeth

11. Un o swyddogaethau allweddol y Comisiwn yw cytuno ar strategaeth y sefydliad a monitro i ba raddau y cyflawnir ei nodau a'i amcanion allweddol. Yn hyn o beth:

- Neilltuir cyfarfodydd penodol i'r Comisiynwyr dreulio amser yn meddwl yn strategol. Yn wir, yn ystod mis Ebrill 2014, cafodd y Comisiwn gyfarfod strategaeth hanner diwrnod heb agenda 'strwythuredig' gyda dim ond y Comisiynwyr a'r Prif Weithredwr a'r Clerc yn bresennol. Hwyluswyd y cyfarfod gan ddau Gynghorydd Annibynnol. Treuliodd y Comisiynwyr gryn amser yn adfywio ac adnewyddu Strategaeth y Comisiwn ac yn nodi gweledigaeth y Comisiwn dros ddwy flynedd olaf y Pedwerydd Cynulliad; ac
- Mae'r Comisiwn wedi chwarae rhan weithredol yn y gwaith o ddatblygu dangosyddion perfformiad allweddol i gefnogi ei weledigaeth strategol. Mae'r Comisiynwyr wedi cymryd cyfrifoldeb am y broses hon ac wedi ei goruchwyllo.

Cyfathrebu

12. O ran cyfathrebu, dyma ganfyddiadau fy adolygiad:

- Nododd y rhai a gyfwelwyd fod y trefniadau cyfathrebu rhwng y Comisiwn ac Aelodau'r Cynulliad yn parhau i fod yn sylweddol well na phrofiadau'r Trydydd Cynulliad;

- Mae'r cyfathrebu rhwng y Comisiynwyr, y Prif Weithredwr a staff uwch eraill yn gryf. Fel tystiolaeth o'r berthynas effeithiol sydd wedi ei sefydlu, crybwyllodd y rhai a gyfwelwyd fod prosiectau sylweddol wedi'u rhoi ar waith yn llwyddiannus, a bod cyllideb y Comisiwn wedi'i chwblhau'n derfynol;
- Dywedodd y rhai a gyfwelwyd nad oedd llawer o ryngweithio â staff y Comisiwn islaw'r graddau uchaf un, gan fod y gwaith o redeg y sefydliad wedi cael ei ddirprwyo i'r Prif Weithredwr a'i Bwrdd Rheoli;
- Fodd bynnag, fe wnaeth fy adolygiad nodi un achlysur pan gafodd staff eu canmol yn uniongyrchol gan Gomisiynydd yn y Siambr pan oedd cyllideb y Comisiwn yn cael ei thrafod a'i chymeradwyo. Roedd hyn yn fodd grymus o gyfathrebu a chysylltu â'r corff ehangach o staff, a rhoddwyd linc i'r fideo ar fewnrwyd y staff;
- Mae rhai rhwystredigaethau a diffygion yn dal i fodoli yn y trefniadau cyfathrebu rhwng y Comisiwn a'r Bwrdd Taliadau;
- Mynegodd y rhai a gyfwelwyd rwystredigaeth ynglŷn â'r sylw negyddol a roddir i'r Cynulliad yn y cyfryngau lleol a'r ffaith nad ydynt yn ymgysylltu â newyddion da e.e. lansiad y system cyfieithu peirianyddol yn ddiweddar; ac
- Mae'r Comisiynwyr yn parhau i gydnabod eu pwysigrwydd fel arweinwyr y sefydliad. Mae proffil uwch y Llywydd a'i gwaith allgymorth yn elfen bwysig o'r gwaith hwn. Fodd bynnag, mae rhai Comisiynwyr yn dal i gredu y gellir gwneud mwy i fod yn rhagweithiol ac i godi ymwybyddiaeth o'r Cynulliad.

Gwelliant parhaus ac agwedd flaengar

13. Mae'r Comisiynwyr yn gyfrifol am eu perfformiad a'u heffeithiolrwydd eu hunain ac am wella'u perfformiad eu hunain. Ar ben hynny, fel rhan o'u cyfrifoldebau a'u hagwedd strategol ehangach, mae angen iddynt hefyd

fod yn flaengar ac ystyried yr heriau a fydd yn wynebu'r Comisiwn newydd, ar ôl etholiad nesaf y Cynulliad. Yn hyn o beth:

- Rhoddodd y Comisiwn sylw llawn i'r adolygiad cyntaf o'i effeithiolrwydd, y cyflwynwyd adroddiad yn ei gylch yn 2013. Fodd bynnag, yn y cyfamser nid yw wedi sefydlu cynllun gweithredu er mwyn ystyried sut y mae wedi symud ymlaen mewn cysylltiad ag argymhellion gwreiddiol yr adolygiad cyntaf, neu sut y mae wedi eu rhoi ar waith;
- Mae'r Comisiwn yn elwa'n sylweddol ar arbenigedd a phrofiad ei Gynghorwyr Annibynnol, ac maent yn cyfrannu'n sylweddol at ei ddatblygiad a'i effeithiolrwydd fel 'bwrdd llywodraethu'; ac
- Mae'r Comisiwn wedi dechrau ar y broses o gynllunio ar gyfer y Pumed Cynulliad ac wedi rhoi sylw i ddatblygu datganiad etifeddiaeth i gynorthwyo i lywio'r Comisiwn newydd yn dilyn etholiad Mai 2016, ac i ychwanegu gwerth ato.

Argymhellion

14. Bwriedir i'r argymhellion canlynol fynd i'r afael â phrif ganfyddiadau'r adolygiad hwn. Mater i'r Comisiwn yw penderfynu a yw am dderbyn yr argymhellion hyn.

- (i) Pe byddai'r Comisiwn yn dymuno derbyn argymhellion yr adolygiad hwn, dylid sefydlu cynllun gweithredu i amlinellu sut y bwriedir rhoi sylw iddynt. Dylai'r camau gweithredu gael eu monitro a dylid olrhain yr hyn a gyflawnir. Defnyddir y cynllun gweithredu hwn wedyn wrth gynnal adolygiadau dilynol yn y dyfodol.
- (ii) Dylid ystyried beth yn union yw'r amrywiaeth o weithgareddau a gyflawnir gan Brif Ysgrifennydd y Comisiwn cyn iddi adael dros dro, er mwyn gofalu bod y sawl sy'n cymryd ei lle yn ystod ei

chyfnod o absenoldeb yn cynnal ansawdd a lefel y gwasanaeth a ddarperir ganddi.

- (iii) Dylai Comisiynwyr barhau i gymryd rhan ym mhroses y dangosyddion perfformiad allweddol. Dylent herio rheolwyr ynglŷn â chanlyniadau'r dangosyddion, a monitro ac adnewyddu'r gyfres o ddangosyddion yn rheolaidd. Bydd hyn yn sicrhau bod gwybodaeth berthnasol ac ystyrlon yn parhau i gael ei chasglu ym maes rheoli perfformiad.
- (iv) Dylid treulio amser yn myfyrio ynglŷn â pha mor ddefnyddiol oedd y cyfarfod strategaeth a gynhaliwyd ym mis Ebrill 2014, ac ynglŷn â'r gwersi a ddysgwyd yn sgil cynnal cyfarfod llai strwythuredig fel hwn. Gellid archwilio a fyddai cyfleoedd eraill i gyfarfod fel grŵp y tu allan i gyfarfodydd strwythuredig yn cynorthwyo'r Comisiwn i ddod yn fwy effeithiol fel 'bwrdd llywodraethu'.
- (v) Dylid ymdrechu i nodi a chael gwared ar unrhyw ddiffyg cysylltiad rhwng y Comisiynwyr a'r Bwrdd Taliadau annibynnol. Dylai'r Comisiynwyr hefyd fanteisio ar gyfleoedd i ymgysylltu'n adeiladol â'r Bwrdd Taliadau wrth iddynt godi.
- (vi) Dylai'r Comisiynwyr ddatblygu'r berthynas waith effeithiol sydd ganddynt eisoes â staff uwch trwy ystyried codi eu proffil ac ymgysylltu â staff ehangach y Comisiwn. Gallai hyn gynnwys y canlynol, er enghraifft:
 - Recordio cyflwyniadau fideo i'w cynnwys yn y pecyn cynefino ar gyfer staff newydd i helpu i esbonio pwy ydynt a beth yw eu swyddogaeth yn y gwaith o redeg Comisiwn y Cynulliad;
 - Negeseuon gan y Comisiynwyr adeg y Nadolig ac ar ddiwedd y tymor, yn diolch i'r staff am eu gwaith; ac
 - Annerch cyfarfodydd yr holl staff o bryd i'w gilydd.

- (vii) Dylai'r Comisiwn ystyried sut y gallai fod yn fwy rhagweithiol â'r cyfryngau (yn enwedig y wasg leol) gyda'r bwriad o'i gwneud yn llai tebygol y bydd straeon negyddol yn ymddangos, a thrwy hynny leihau'r angen am friffio amddiffynnol.
- (viii) Dylai'r Comisiwn hefyd ystyried defnyddio'r cyfryngau cymdeithasol i rannu ei negeseuon ac ehangu ei weithgareddau allgymorth.
- (ix) Er mwyn cefnogi gwelliant parhaus ac ategu'r cyngor arbenigol sydd ar gael iddo gan y Cynghorwyr Annibynnol, dylai'r Comisiwn ystyried sefydlu rhaglen o hyfforddiant a datblygu. Gallai hyn gynnwys meysydd megis llywodraethu a goruchwyllo ariannol ar gyfer Comisiynwyr er mwyn sicrhau bod eu gwybodaeth yn gyfredol.
- (x) Dylai'r Comisiwn gynnal ei ffocws strategol yn y flwyddyn sydd i ddod a datblygu gweledigaeth o'r etifeddiaeth y mae'n dymuno ei gadael ar gyfer Comisiwn y Pumed Cynulliad, yn ogystal â manylion yr etifeddiaeth honno.

15. Yn olaf, rwy'n argymhell y dylwn adolygu'r hyn a gyflawnwyd o safbwynt yr argymhellion hyn ymhen blwyddyn, gan gynnal adolygiad arall o sylwedd cyn diddymu'r Pedwerydd Cynulliad yn y gwanwyn 2016.

Gareth Watts

Pennaeth Archwilio Mewnol

Mai 2014

Adroddiad i Gomisiwn Cynulliad Cenedlaethol Cymru

Adroddiad dilynol ar yr Adolygiad o Effeithiolrwydd y Comisiwn

Cefndir a chwmpas

1. Mae'r Egwyddorion Llywodraethu Corfforaethol a fabwysiadwyd gan Gomisiwn y Cynulliad yn ei gwneud yn ofynnol iddo wneud trefniadau i "werthuso ei effeithiolrwydd o bryd i'w gilydd".
2. Cwblheais yr ail adolygiad llawn o Effeithiolrwydd Comisiwn y Cynulliad ym mis Mai 2014.
3. Mae'r adroddiad hwn yn amlinellu hynt gwaith y Comisiwn i fynd i'r afael â'r argymhellion a nodwyd yn adroddiad mis Mai 2014.
4. Rwyf yn ddiolchgar i Sulafa Thomas, Pennaeth Ysgrifenyddiaeth y Comisiwn, am ei chymorth o ran darparu'r wybodaeth yr oedd ei hangen arnaf i gwblhau'r adroddiad hwn.

Crynodeb

5. Mae'r Comisiwn wedi defnyddio Cynllun Gweithredu i sicrhau bod yr argymhellion o Adolygiad Mai 2014 wedi cael eu cofnodi a'u hateb yn ystod y deuddeg mis diwethaf.
6. Rwyf wedi defnyddio'r Cynllun Gweithredu fel y brif ffynhonnell i gyfeirio ati wrth gynnal yr adolygiad dilynol a, lle y bo'n briodol, wedi croesgyfeirio â phapurau perthnasol o gyfarfodydd y Comisiwn i ddilysu'r camau a gymerwyd.
7. Mae'r Comisiwn wedi ymateb yn gadarnhaol wrth fynd i'r afael â'r argymhellion a godwyd yn adroddiad mis Mai 2014.
8. Gwnaed cynnydd ym mhob maes.
9. Mae'r Comisiwn yn parhau i weithredu fel 'bwrdd llywodraethol' sy'n perfformio'n dda gyda ffocws clir ar sicrhau ei ymrwymiad i welliant parhaus.

10. Bydd yr ymrwymiad i welliant parhaus o fudd i'r Comisiwn newydd yn dilyn Etholiad Cynulliad Cenedlaethol Cymru ym mis Mai 2016.

Y canfyddiadau allweddol

11. Mae gan y Comisiwn reolaeth gref o hyd ar faterion perfformiad fel sydd i'w weld yn ei oruchwyliaeth ar y broses Adroddiadau Dangosyddion Perfformiad Allweddol.

12. Ceir tystiolaeth hefyd o linellau cyfathrebu gwell gyda rhanddeiliaid allweddol fel y Bwrdd Taliadau a staff Comisiwn y Cynulliad dros y flwyddyn ddiwethaf.

13. Mae'r Comisiwn wedi sefydlu ac wedi cynllunio rhaglen waith glir dros weddill oes y Pedwerydd Cynulliad ac mae'n parhau i ganolbwyntio ar lunio Adroddiad Etifeddiaeth i Gomisiwn newydd y Cynulliad ei ddefnyddio ar ddechrau'r Pumed Cynulliad.

Camau i'w cymryd yn y dyfodol

14. Cynhelir adolygiad pellach o effeithiolrwydd y Comisiwn ddechrau 2016, cyn diddymu'r Pedwerydd Cynulliad.

Gareth Watts
Pennaeth Archwilio Mewnol
Mehefin 2015

Cynllun Gweithredu

Derbyniodd y Comisiwn yr argymhellion yn adroddiad mis Mai 2014. Lluniodd y Comisiwn gynllun gweithredu i amlinellu sut i fynd i'r afael â'r argymhellion, ac er mwyn olrhain cynnydd.

Rwyf wedi asesu'r cynnydd a wnaed yn erbyn y camau gweithredu a chaiff hyn ei gofnodi yn nhrydedd golofn y tabl isod.

Argymhelliad	Cam Gweithredu i'r Comisiwn y Cytunwyd arno	Asesu Cynnydd mewn perthynas â'r Camau
1 - Dylid ymchwilio i'r amrywiaeth o weithgareddau y mae Prif Ysgrifennydd y Comisiwn yn ymgymryd â nhw cyn iddi adael dros dro i sicrhau bod ei dirprwy dros dro yn cynnal ansawdd a lefel y gwasanaeth y mae'n ei ddarparu yn ystod ei chyfnod o absenoldeb.	Paratoi disgrifiad newydd o'r rôl yn barod ar gyfer trefnu dirprwy.	Cadarnhaodd trafodaeth gyda Sulafa Thomas y cynhaliwyd proses drosglwyddo rhwng mis Mehefin a mis Awst 2014. Mae'r lefel uchel o wasanaeth ysgrifenyddiaeth y mae'r Comisiwn wedi parhau i'w dderbyn ers mis Medi 2014 yn dangos pa mor effeithiol oedd y broses drosglwyddo hon.
2 - Dylai'r Comisiynwyr barhau i gyfrannu at y broses dangosyddion perfformiad allweddol. Dylent herio rheolwyr ar ganlyniadau dangosyddion a mynd ati'n rheolaidd i fonitro ac adnewyddu'r gyfres o ddangosyddion. Bydd hyn yn sicrhau bod gwybodaeth reoli berthnasol ac ystyrlon am berfformiad yn parhau i gael ei chofnodi.	Cyfarfod o'r Comisiwn i'w drefnu bob tymor i drafod ei berfformiad, yn seiliedig ar amseru'r adroddiad dangosyddion perfformiad allweddol (DPA). Mae'r DPA wedi cael eu hadnewyddu.	Yn ystod y flwyddyn mae'r Comisiwn wedi neilltuo cyfarfodydd penodol i drafod perfformiad ym mis Medi 2014, mis Ionawr 2015 a mis Mai 2015, gyda chyfarfod pellach ar y gweill ym mis Gorffennaf 2015. Mae cofnodion y cytunwyd arnynt ar gyfer y cyfarfodydd a gynhaliwyd hyd yma yn dangos sut mae'r Comisiwn yn mynd ati i herio'r rheolwyr ar ganlyniadau'r Dangosyddion Perfformiad Allweddol, barn y Comisiynwyr ar effeithiolrwydd sut y maent yn

<p>3 - Dylid cymryd amser i ystyried pa mor ddefnyddiol oedd cyfarfod strategaeth mis Ebrill 2014 a'r gwersi a ddysgwyd o brofiad y cyfarfod llai strwythuredig hwn. Ymchwilio a allai cyfleoedd eraill i gyfarfod fel grŵp y tu allan i gyfarfodydd strwythuredig wella effeithiolrwydd y Comisiwn fel y 'bwrdd llywodraethol'.</p>	<p>Dywedodd y Comisiynwyr eu bod yn gwerthfawrogi'r profiad.</p> <p>Cytunwyd ar ail ddiwrnod 'cwrdd i ffwrdd'.</p>	<p>cael eu cyflwyno a'r angen i wella ac adnewyddu'r dangosyddion mewn rhai meysydd.</p> <p>Mae fy nhrafodaethau gyda Sulafa Thomas yn datgelu bod y Comisiwn yn parhau'n ymrwymedig i fanteisio ar gyfleoedd i fod yn fwy effeithiol a chydlynus fel 'bwrdd llywodraethol' y tu allan i'r amgylchedd cyfarfod strwythuredig.</p> <p>Yn ystod y cyfnod:</p> <ul style="list-style-type: none"> • Aeth aelodau'r Comisiwn ar ymweliadau â Chanada a Brwsel yn ystod hydref 2014; • Canslwyd diwrnod cwrdd i ffwrdd oedd wedi cael ei drefnu (am resymau nad oedd modd eu rhagweld) ond mae'r Comisiynwyr yn parhau i ddod ynghyd fel grŵp y tu allan i'r cyfarfodydd strwythuredig; • Ymweliad â Bosnia-Herzegovina ym mis Ebrill 2015; ac • Mae ymweliad â Phatagonia ar y gweill ar gyfer hydref 2015.
<p>4 - Dylid ymdrechu i adnabod a chael gwared ar unrhyw wahaniadau rhwng y Comisiynwyr a'r Bwrdd Taliadau annibynnol. Dylai'r Comisiynwyr hefyd fanteisio ar gyfleoedd wrth iddynt godi i ymgysylltu'n adeiladol â'r Bwrdd Taliadau.</p>	<p>Gwella'r ffordd y mae'r Comisiwn yn arwain y cyfathrebu rhwng y ddau gorff.</p>	<p>Roedd aelodau'r Bwrdd Taliadau yn bresennol yng nghyfarfod y Comisiwn ar 3 Tachwedd 2014, a chafwyd trafodaethau adeiladol. Cytunodd y ddau fwrdd i gyfarfod eto ar adeg briodol.</p> <p>Mae rhyngweithio hefyd yn parhau drwy ohebiaeth. Gallai'r Comisiwn a'r Bwrdd Taliadau ystyried manteisio ar y cyfle a allai godi yn sgil penodi Bwrdd Taliadau newydd a Chomisiwn newydd y Cynulliad dros y deuddeg mis nesaf. Wedi i'r ddau fwrdd gael</p>

		eu sefydlu'n llawn, mae potensial ar gyfer ymgysylltu'n gynnar a meithrin perthynas waith adeiladol, o fewn fframwaith eu rolau priodol, ar faterion sydd o ddiddordeb i'r ddau Fwrdd.
<p>5 - Dylai'r Comisiynwyr adeiladu ar y berthynas waith effeithiol sydd ganddynt eisoes â staff uwch drwy ystyried codi eu proffil ac ymgysylltu â chymuned ehangach staff y Comisiwn. Gallai hyn gynnwys, er enghraifft:</p> <ul style="list-style-type: none"> • Recordio cyflwyniadau fideo i'w cynnwys yn y trefniadau cynefino ar gyfer staff newydd i helpu i esbonio pwy ydynt a'r rôl y maent yn ei chwarae o ran cynnal Comisiwn y Cynulliad; • Negeseuon gan y Comisiynwyr adeg y Nadolig ac ar ddiwedd y tymor yn diolch i'r staff am eu gwaith; ac • Annerch pob cyfarfod staff yn rheolaidd. 	<p>Diweddarau'r trefniadau cynefino corfforaethol</p> <p>Ystyried trefniadau ar gyfer gwella rhyngweithio gyda staff a rhoi adborth iddynt.</p>	<p>Cytunodd y Bwrdd Rheoli ar drefniadau cynefino corfforaethol newydd ym mis Awst 2014.</p> <p>Mae'r Llywydd a'r Comisiynwyr wedi bod yn bresennol ym mhob cyfarfod a brecwast hwyr ar gyfer staff. Maent hefyd yn gefnogwyr brwd o rwydweithiau cefnogi staff fel OUT-NAW ac Inspire.</p> <p>Mae adborth ar agweddau penodol ar yr adroddiad cryno wedi'i gynnwys yn y Nodyn i aelodau a staff, wedi iddo gael ei drafod yn un o gyfarfodydd y Comisiwn (mewn ymateb i awgrym i'w wneud yn adnodd mwy cyflawn).</p>
<p>6 - Dylai'r Comisiwn ystyried sut y gallai fod yn fwy rhagweithiol gyda'r cyfryngau (yn enwedig y wasg leol) gyda'r bwriad o leihau'r tebygolrwydd o straeon negyddol ac felly'r angen am friffio amddiffynnol.</p>	<p>Ceisio targedu deunyddiau priodol at gynulleidfaoedd penodol.</p> <p>Gwneud defnydd o gyfryngau cymdeithasol (Cyfeirio at bwynt 7 isod).</p>	<p>Mae'r Comisiwn wedi ymgorffori cyfathrebu yn y broses yn gynt er mwyn gallu ymateb yn rhagweithiol i gyfleoedd cyfathrebu a pheryglon posibl fel ei gilydd. Gofynnir am gyngor fel mater o drefn gan Reolwr Cyfryngau y Llywydd, a chynhelir cyfarfodydd yn rheolaidd yn canolbwyntio ar bob cyfarfod y</p>

	Ystyried cynnwys hyfforddiant priodol mewn rhaglen o hyfforddi a datblygu (Cyfeirio at bwynt 8 isod).	Comisiwn.
7 - Dylai'r Comisiwn hefyd ystyried defnyddio'r cyfryngau cymdeithasol i rannu ei negeseuon ac ehangu ei weithgareddau allgymorth.	Adolygu'r polisi cyfryngau cymdeithasol.	Cynhaliwyd adolygiad o'r polisi cyfryngau cymdeithasol yn ystod haf 2014. Trafodwyd hyn gan y Pwyllgor ym mis Medi 2014. Dangosodd y Comisiynwyr ddiddordeb brwd yn y maes pwysig, gan drafod effaith y cyfryngau cymdeithasol fel rhan o sbectrwm o weithgareddau ymgysylltu, nid rhywbeth i'w wneud ar wahân. Gwnaethant nodi fod trydariadau'r Cynulliad yn fwy gwerthfawr pan fyddant yn cysylltu â Senedd.tv a gwefannau defnyddiol eraill.
8 - Er mwyn cefnogi gwelliant parhaus ac ategu'r cyngor arbenigol sydd ar gael gan Ymgynghorwyr Annibynnol, dylai'r Comisiwn ystyried sefydlu rhaglen o hyfforddi a datblygu. Gallai hyn gynnwys meysydd megis llywodraethu a goruchwyllo ariannol er mwyn i'r Comisiynwyr sicrhau bod eu gwybodaeth yn gyfredol.	Ystyried sefydlu rhaglen Datblygu Proffesiynol Parhaus (DPP) i Gomisiynwyr yn y dyfodol.	Gall y Comisiynwyr fanteisio ar y rhaglen DPP bresennol. Mae'r tîm DPP yn mynd ati i ymchwilio i fanylion y DPP i Gomisiynwyr newydd y Pumed Cynulliad, ar gais aelodau presennol y Comisiwn.
9 - Dylai'r Comisiwn gynnal ei ffocws strategol yn y flwyddyn sydd i ddod a datblygu gweledigaeth a manylion clir ynghylch yr etifeddiaeth y mae'n dymuno ei gadael ar gyfer Comisiwn y Pumed	Mae blaenraglen waith yn manylu ar sut caiff gweithgareddau eu cynnal yn y flwyddyn i ddod. (Hefyd yn cyfeirio at bwynt 3 uchod)	Mae manylion y cynlluniau ar gyfer gwaith yn y dyfodol i'w gweld yn y flaenraglen waith dreigl. Mae'r Comisiwn yn bwriadu llunio adroddiad etifeddiaeth cyn diwedd y Pedwerydd Cynulliad.

Cynulliad.

Adroddiad cryno ar Gyngorwyr Annibynnol

Cefndir

1. O dan Ddeddf Llywodraeth Cymru, corff corfforaethol yw Comisiwn Cynulliad Cenedlaethol Cymru (y Comisiwn) ac mae'n gyfrifol am ddarparu'r eiddo, y staff a'r gwasanaethau y mae eu hangen at ddibenion y Cynulliad. Mae'r Comisiynwyr hefyd yn gyfrifol am lywodraethu'r sefydliad ac maent yn atebol i'r Cynulliad. Mae'r Comisiwn yn cynnwys y Llywydd a phedwar Aelod Cynulliad a enwebir gan eu pleidiau.
2. Mae'r Comisiwn wedi mabwysiadu cyfres o egwyddorion llywodraethu a darpariaethau ategol i lywio gwaith y Comisiwn a'i staff.
3. Er mwyn sicrhau y gall y Comisiynwyr ac uwch swyddogion fanteisio ar amrywiaeth eang o brofiad i'w cynorthwyo i gyflawni swyddogaethau'r Comisiwn, mae'r Comisiwn wedi penodi Cyngorwyr Annibynnol i weithredu ar sail anweithredol annibynnol.
4. Mae'r Comisiwn yn disgwyl i'r Cyngorwyr Annibynnol gynnig her adeiladol ar draws holl fusnes y Comisiwn gyda'r bwriad o sicrhau bod pob agwedd ar strategaeth a darpariaeth yn destun craffu o safbwynt effeithiolrwydd ac effeithlonrwydd. Maent yn cyfrannu at y gwaith o fonitro perfformiad a datblygiad y sefydliad, gan gynnwys y defnydd o adnoddau dynol ac ariannol, ac yn cynnal trosolwg beirniadol o reolaethau a gweithdrefnau ariannol y sefydliad.

5. Fel rhan o'i ddiwydrwydd dyladwy, mae'r Pwyllgor Archwilio a Sicrwydd Risg yn cynnal adolygiadau effeithiolrwydd dienw rheolaidd a thrylwyr gyda Swyddfa Archwilio Cymru, gan gynnwys yr holl randdeiliaid allweddol. Roedd y canlyniad yn 2014 yn gadarnhaol iawn. Bydd yr adolygiad yn cael ei ailadrodd yn ddiweddarach yn 2015.

Meysydd Cyswllt Allweddol â Chomisiwn y Cynulliad

Keith Baldwin

- Aelod o'r Pwyllgor Archwilio a Sicrwydd Risg – wedi mynychu 12 o'r 14 o gyfarfodydd ers cael ei benodi
- Aelod o'r Pwyllgor Taliadau – wedi mynychu 2 o'r 3 o gyfarfodydd ers cael ei benodi
- Wedi mynychu 2 gyfarfod o'r Bwrdd Rheoli (Chwefror 2013 a Chwefror 2014) i gynnig her yn y trafodaethau ar y Datganiad Llywodraethu
- Wedi cymryd rhan yn y broses o recriwtio'r Pennaeth Archwilio Mewnol (Mai 2013)
- Mentora'r Pennaeth Archwilio Mewnol (Chwefror 2014 ymlaen)
- Cynnig her i'r Cyfarwyddwr Cyllid – ar y system gyllid newydd o fis Ebrill 2015

Helena Feltham

- Cadeirydd Pwyllgor Taliadau Comisiwn y Cynulliad (wedi mynychu 3 o'r 3 o gyfarfodydd ers ei phenodi)
- Mynychu cyfarfodydd Comisiwn y Cynulliad (wedi bod mewn 9 cyfarfod ers cael ei phenodi)
- Wedi cymryd rhan yn y broses o recriwtio'r Pennaeth Adnoddau Dynol (Ionawr 2014)

- Wedi cymryd rhan yn y broses o recriwtio aelodau i'r Bwrdd Taliadau newydd (Mehefin a Gorffennaf 2015)

Eric Gregory

- Cadeirydd y Pwyllgor Archwilio a Sicrwydd Risg (ers mis Tachwedd 2013; aelod ers mis Tachwedd 2012) – wedi mynychu 14 o'r 14 o gyfarfodydd ers cael ei benodi i'r Pwyllgor
- Aelod o'r Pwyllgor Taliadau
- Wedi mynychu tri o gyfarfodydd Comisiwn y Cynulliad ers cael ei benodi
- Wedi mynychu'r Bwrdd Buddsoddi ac Adnoddau i gynnig her wrth symud i Gam 2 y Prosiect Cyflogres – Adnoddau Dynol
- Wedi cymryd rhan yn y broses o benodi'r Pennaeth Seilwaith TGCh
- Wedi cynghori ynglŷn â'r prosiect Trawsnewid TGCh, yr adroddiad ar berfformiad corfforaethol, a rheoli'r portffolio newid
- Wedi trefnu cyflwyniad gan un o uwch swyddogion Swyddfa'r Cabinet ar Raglenni Newid Llwyddiannus

Crynodeb Cyffredinol

6. Rwyf o'r farn bod dull y Comisiwn o benodi a defnyddio Cynghorwyr Annibynnol yn rhoi gwerth da am arian. Mae'r Cynghorwyr yn derbyn tâl bychan iawn o £5,000 am 10–15 diwrnod o waith y flwyddyn, gyda thaliadau ychwanegol i gydnabod cyfrifoldebau ychwanegol (e.e. £2,000 ychwanegol am gadeirio'r Pwyllgor Archwilio a Sicrwydd Risg). Ceir digon o dystiolaeth i awgrymu bod y Cynghorwyr hyn yn rhoi mwy o amser i'r swydd na'r hyn a ddisgwylir yn eu contractau, ac maent ar gael i staff y Comisiwn gysylltu â nhw dros y ffôn ac e-bost y rhan fwyaf o'r amser. Mae'r modd y cânt eu penodi yn dangos yn glir ei bod yn drefn effeithlon oherwydd bod ganddynt berthynas barhaus â'r Comisiwn dros gyfnod rhesymol o amser yn hytrach na bod rhaid i'r

Comisiwn gynnal prosesau rheolaidd i recriwtio, dethol neu gaffael Cynghorwyr.

7. Mae sylwadau gan randdeiliaid yn cadarnhau pa mor effeithiol yw'r Cynghorwyr, gan gynnwys rhai sy'n nodi bod y Cynghorwyr yn:

- rhoi her gadarn i benderfyniadau busnes ac yn cymryd diddordeb brwd a gwerthfawr ym mhob agwedd ar sicrwydd a rheoli risg;
- dod â sgiliau a phrofiad o'u gyrfaoedd proffesiynol, gan gynnwys wrth reoli prosiectau cymhleth ar lefel genedlaethol;
- dangos diwydrwydd ac ymrwymiad i'r swydd, gan gyfrannu a gwneud sylwadau o sylwedd bob amser;
- cefnogol o'r staff, gan gynnig eu persbectif eu hunain ac ysgogi rhagor o drafodaeth ac ystyriaeth;
- gweithredu fel Cadeiryddion cryf ac awdurdodol i'r Pwyllgor Archwilio a Sicrwydd Risg a'r Pwyllgor Taliadau.

8. Mae eu cyfranogiad parhaus yn eu galluogi i feithrin eu dealltwriaeth o'r sefydliad, gan ddod yn fwy effeithiol yn sgil hynny. Mae pob un o'r tri Chynghorydd a adolygwyd wedi gadael ei ôl yng Nghomisiwn y Cynulliad a heb eithriad wedi dangos ei ymrwymiad i'w swydd. Ar sail y dystiolaeth a gasglwyd maent i gyd yn cyflawni eu dyletswyddau yn unol â'r hyn y mae'r Comisiwn yn ei ddisgwyl gan Gynghorwyr Annibynnol.

9. Bydd newidiadau sylweddol yn digwydd yn arweinyddiaeth Comisiwn y Cynulliad yn fuan. Bydd y Comisiwn yn recriwtio Prif Weithredwr a Chlerc newydd yn ystod y flwyddyn nesaf, ac yn 2016 penodir Comisiynwyr newydd, Llywydd newydd ac, o bosibl, Ddirprwy Lywydd newydd.

10. Bydd y Cynghorwyr Annibynnol yn parhau i fod yn ffynhonnell gyfoethog y gall y Comisiwn fanteisio arni i gael cyngor ac arweiniad. Ar yr adeg hollbwysig hon yn natblygiad y Comisiwn, mae'n bosibl y bydd y parhad a'r wybodaeth y gallai'r tri Chynghorydd Annibynnol hyn eu darparu yn y dyfodol, fod o werth sylweddol i'r Comisiwn.
11. Fodd bynnag, dylai pwysigrwydd parhad hefyd gael ei ystyried ochr yn ochr ag ymrwymiad cyson Comisiwn y Cynulliad i ragoriaeth ym mhopeth a wna, a'r arbenigedd posibl y gallai Cynghorwyr newydd â gwahanol gefndiroedd a phrofiadau hefyd ei gyfrannu yn y blynyddoedd sydd o'n blaenau.

Gareth Watts

Pennaeth Archwilio Mewnol

Gorffennaf 2015

D.S. Yn dilyn yr adolygiad hwn, adnewyddwyd contractau ar gyfer tri Chynghorydd Annibynnol am dair blynedd arall, yn unol â thelerau gwreiddiol y penodiad.



WIG

The Whitehall & Industry Group
connecting the sectors

Cynulliad
Cenedlaethol
Cymru
National
Assembly for
Wales



Cynghorwyr Annibynnol Comisiwn Cynulliad Cenedlaethol Cymru

Ymrwymiad o ran amser: 15 diwrnod y flwyddyn
Cyfnod y penodiad: 3 blynedd
Lleoliad: Caerdydd
Cyflog: £5,000 y flwyddyn
Dyddiad cau: Dydd Llun 3 Medi

Mae dau gyfle ar gael i fod yn Gyngorwyr Annibynnol i Gomisiwn Cynulliad Cenedlaethol Cymru. Bydd y ddau ymgeisydd llwyddiannus hefyd yn dod yn aelodau o Bwyllgor Archwilio Comisiwn y Cynulliad.

Cefndir:

Cynulliad Cenedlaethol Cymru (y Cynulliad) yw'r corff sy'n cael ei ethol yn ddemocrataidd i gynrychioli buddiannau Cymru a'i phobl, i ddeddfu ar gyfer Cymru ac i ddwyn Llywodraeth Cymru i gyfrif.

Crëwyd Comisiwn Cynulliad Cenedlaethol Cymru ("y Comisiwn") gan Ddeddf Llywodraeth Cymru 2006 a daeth i fodolaeth ar ôl etholiadau'r Cynulliad ym mis Mai 2007. Ei brif swyddogaeth statudol yw darparu Cynulliad Cenedlaethol Cymru â'r staff, eiddo a gwasanaethau sy'n ofynnol i gyflawni ei waith yn effeithiol ac effeithlon.

Mae'r Comisiwn yn cynnwys pum Comisiynydd - y Llywydd a phedwar Aelod Cynulliad arall, un o bob un o'r prif bleidiau gwleidyddol. Mae'r Comisiwn yn cyflogi tua 350 aelod o staff sy'n gwasanaethu'r Cynulliad. Pennaeth y Comisiwn yw'r Prif Weithredwr a'r Clerc, sydd hefyd yn Brif Swyddog Cyfrifyddu. Mae gan y Comisiwn gyllideb flynyddol o tua £50 miliwn. Mae gan y Comisiwn bedwar cyngorydd annibynnol, a bydd dau ohonynt yn rhoi'r gorau i'r gwaith hwn yn nhymer yr hydref 2012. Bydd y ddau gyngorydd annibynnol arall (Mair Barnes a Richard Calvert) yn cael eu disodli yn nhymer yr hydref 2013.

Rolau a Chyfrifoldebau Cyngorwyr Annibynnol

Mae'r Comisiwn am benodi dau gyngorydd annibynnol a fydd yn gweithredu mewn capasiti anweithredol wrth gyngori Comisiynydd ac uwch reolwyr ar fusnes y Comisiwn. Mae hyn yn cynnwys:

- sicrhau bod gweithrediadau a gwasanaethau yn cael eu darparu mewn modd effeithlon ac effeithiol;
- defnyddio technoleg gwybodaeth ac adnoddau eraill mewn modd arloesol;
- gwneud gwaith llywodraethu corfforaethol a rheoli risg.

Bydd y cyngorwyr sy'n cael eu penodi o ganlyniad i'r broses hon yn aelodau o Bwyllgor Archwilio'r Comisiwn. Rôl gyngorol sydd gan y Pwyllgor, ac nid oes ganddo bwerau gweithredol. Rôl y Pwyllgor yw cynnig cyngor a chefnogaeth i'r Comisiwn a Phrif Weithredwr a Chlerc y Cynulliad, mewn perthynas â'i chyfrifoldebau fel Swyddog Cyfrifyddu.

Mae'r cyfrifoldebau hyn yn cynnwys dyletswydd i sicrhau bod arian cyhoeddus yn cael ei wario mewn modd cyson a phriodol gan sicrhau gwerth am arian wrth ddefnyddio adnoddau. Mae'r Pwyllgor Archwilio yn rhoi cyngor ar drefniadau llywodraethu corfforaethol a rheolaethau mewnol, gan gynnwys sicrhau bod risgiau'n cael eu hadnabod yn gywir a'u rheoli. Mae'r Pwyllgor yn cwrdd pedair neu bum gwaith y flwyddyn.

Yn ogystal â bod yn aelodau o'r Pwyllgor Archwilio, byddai gofyn i'r cynghorwyr gyfrannu mewn ffyrdd sy'n gwneud y defnydd gorau o'u profiadau a'u galluoedd. Gallai'r cyfrifoldebau hyn gynnwys:

- mynychu cyfarfodydd y Comisiwn (gan gynnwys cyfarfodydd preifat y Comisiynwyr);
- bod yn gyfrwng cyfathrebu a rhoi cyngor i'r Llywydd, i Gomisiynwyr neu i uwch reolwyr y Comisiwn;
- cyfrannu at yr adolygiad o sut i wella perfformiad yn fewnol;
- cynorthwyo mewn meysydd penodol lle mae gan y cynghorydd annibynnol arbenigedd neu brofiad penodol.

Manyleb y Person

Dylai ymgeiswyr ddarparu tystiolaeth sy'n dangos bod ganddynt y profiad perthnasol i gyflawni rolau a chyfrifoldebau'r swydd hon.

Bydd disgwyl i'r ymgeiswyr llwyddiannus gyfrannu at y broses o ddatblygu gwaith a chynllunio strategol y Comisiwn. Rydym felly'n chwilio am ymgeiswyr sydd â phrofiad mewn un neu fwy o'r meysydd a ganlyn:

- rhoi arweiniad strategol ac ar lefel y bwrdd mewn sefydliad sy'n darparu gwasanaethau;
- galluogi trawsnewid sy'n arloesol ac sy'n cael ei arwain gan y cwsmer;
- llywodraethu corfforaethol, rheoli ariannol a rheoli risg;
- gwella safonau perfformiad o fewn sefydliad;
- gweithredu mewn capasiti anweithredol.

Bydd yr ymgeiswyr llwyddiannus yn gallu darparu tystiolaeth:

- o'u gallu i gyfrannu mewn modd cadarnhaol i waith sefydliad, a hynny mewn capasiti anweithredol;
- o'u gallu i gynnal gweledigaeth a ffocws strategol;
- o'r bersonoliaeth a'r gallu sydd eu hangen i ennyn parch Comisiynwyr ac Aelodau'r Cynulliad ac i ddwyn dylanwad arnynt;
- o'u hymwybyddiaeth o ddarparu gwasanaethau cyhoeddus a'u gallu i weithredu mewn amgylchedd gwleidyddol.

Telerau'r penodiad

Tâl

£5,000 y flwyddyn (nad yw'n bensiynadwy). Disgwylir i'r ymrwymiad i'r swydd fod tua 15 diwrnod y flwyddyn.

Hyd

Bydd pob penodiad am dymor o dair blynedd. Gellir adnewyddu'r penodiad am dair blynedd arall yn amodol ar werthuso perfformiad boddhaol.

Lleoliad:

Cynhelir y cyfarfodydd yn swyddfeydd y Cynulliad ym Mae Caerdydd.

Gweithgareddau Gwleidyddol ac Allanol

Er mwyn lleihau'r risg o wrthdaro buddiannau, ni fydd modd ystyried rhai unigolion ar gyfer eu penodi. Y rhain yw:

- Aelodau'r Cynulliad neu ddarpar ymgeiswyr i fod yn Aelodau'r Cynulliad;
- Aelodau etholedig o gyrff seneddol eraill y DU;
- Aelodau o staff Comisiwn y Cynulliad neu staff Llywodraeth Cymru a phobl a gaiff eu cyflogi gan Aelodau'r Cynulliad neu grŵp o Aelodau'r Cynulliad;
- Aelodau o Fwrdd Taliadau Cynulliad Cenedlaethol Cymru;
- Y Cwnsler Cyffredinol (pan nad yw'n Aelod Cynulliad);
- Archwilydd Cyffredinol Cymru;
- Comisiynydd Safonau Cynulliad Cenedlaethol Cymru;
- Unigolyn sy'n cyflawni swydd Cyfarwyddwr Anweithredol Llywodraeth Cymru.

Y Broses Ddethol

Bydd Prif Weithredwr a Chlerc y Cynulliad yn gwneud trefniadau ar gyfer dethol ymgeiswyr i'w penodi. Wrth wneud hyn, bydd yn rhoi sylw dyledus i'r egwyddor o sicrhau cyfle cyfartal i bawb.

Bydd y panel penodi yn cymharu'r ceisiadau yn erbyn y meini prawf a amlinellir ym manyleb y person. Bydd y panel yn penderfynu ar restr fer o ymgeiswyr a fydd yn cael eu gwahodd i ymddangos gerbron panel dethol cyn diwedd mis Medi 2012. Bydd yr ymgeiswyr llwyddiannus yn cael eu gwahodd i gwrdd â Llywydd y Cynulliad a'r Comisiynydd ym mis Hydref 2012, er mwyn rhoi cyfle iddynt wneud penderfyniad terfynol.

Y gobaiith yw y bydd y penodiadau'n cael eu gwneud yn gynnar ym mis Tachwedd, gyda'r ymgeiswyr llwyddiannus yn dechrau ar eu gwaith yn syth.

Y Broses o Wneud Cais:

- Cyflwyno ffurflen gais, CV a ffurflen fonitro Cyfleoedd Cyfartal i WIG. Gallwch lwytho ffurflen ar gyfer cyfarwyddwyr anweithredol / ffurflen Cyfle Cyfartal oddi ar: www.wig.co.uk/naw
- Mae Comisiwn Cynulliad Cymru yn gweithredu cynllun 'Yn Gadarn o Blaid Pobl Anabl' ac yn croesawu ceisiadau gan bobl sydd ag anableddau. Mae'r cynllun hwn yn sicrhau cyfweiliad i bobl sydd ag anableddau, ar yr amod eu bod yn bodloni gofynion sylfaenol y swydd. Pe bai hyn yn berthnasol i chi, gallwch lwytho ffurflen y Cynllun Gwarant Cyfweiliad oddi ar: www.wig.co.uk/naw
- Llunio rhestr fer o geisiadau a dderbyniwyd ar ôl y dyddiad cau ;
- Cyfweiliadau ar gyfer ymgeiswyr sydd ar y rhestr fer, gan anelu at yr ymgeisydd llwyddiannus yn dechrau yn ei swydd ym mis Tachwedd 2012.

Os oes gennych unrhyw gwestiynau am y cyfle hwn, cysylltwch â Kathryn Brown yn WIG ar 020 7222 1166 neu anfonwch e-bost at nonexecutive@wig.co.uk

Datganiad Cydraddoldeb

Mae Cynulliad Cenedlaethol Cymru yn annog a chroesawu'n benodol ceisiadau gan ymgeiswyr o grwpiau nad oes ganddynt gynrychiolaeth ddigonol, gan gynnwys pobl o grwpiau lleiafrifoedd ethnig a phobl ag anableddau.

Rydym yn gyflogwr cyfle cyfartal - sy'n golygu ein bod o'r farn y dylai pawb gael yr un cyfleoedd o ran cyflogaeth a dyrchafiad, ar sail eu gallu, eu cymwysterau, a'u haddasrwydd ar gyfer y swydd. Ni ddylai neb gael eu trin yn llai ffafriol oherwydd eu hil, rhyw, rhywioldeb, oedran, statws priodasol, anabledd, crefydd, statws HIV, teulu neu gyfrifoldebau domestig, na'u patrymau gwaith, er enghraifft, gweithio'n rhan-amser. Ac ni ddylai neb fod o dan anfantais oherwydd amodau neu ofynion na ellir profi eu bod yn gyfiawn.



At: Y Comisiynwyr

Gan: Claire Clancy

Dyddiad: 10 Hydref 2012

Penodi Cynghorwyr Annibynnol i'r Comisiwn

(D.S. tynnwyd gwybodaeth bersonol am ymgeiswyr na chawsant eu penodi o'r fersiwn hon o'r papur)

Argymhelliad

- 1. Gwahoddir y Comisiynwyr i gytuno i benodi cynghorwyr annibynnol newydd yn dilyn y broses recriwtio ddiweddar.**

Cefndir

- 2.** Yn fy nodyn i chi dyddiedig 14 Mai, esboniais y bydd dau o Gynghorwyr Annibynnol y Comisiwn yn rhoi'r gorau i'r swydd ym mis Tachwedd eleni. Maent yn aelodau o Bwyllgor Archwilio'r Comisiwn ac felly mae'n rhaid cael unigolion sydd â phrofiad llywodraethu perthnasol yn eu lle. Yn wreiddiol, y bwriad oedd penodi dim ond y ddau Gynghorydd annibynnol hyn. Fodd bynnag, gan fod gennym ymgeiswyr cryf, ac i arbed amser, ymdrech a chost gorfod ailadrodd y broses benodi pan fydd ein dau gynghorydd arall yn rhoi'r gorau i'w swydd y flwyddyn nesaf, rydym yn argymhell ein bod yn penodi pedwar cynghorydd newydd nawr. Byddwn yn cyflwyno'r cynghorwyr newydd yn raddol dros y flwyddyn nesaf er mwyn sicrhau proses drosglwyddo esmwyth; bydd yn costio llai i benodi'r ddau gynghorydd ychwanegol nag i ailadrodd yr ymgyrch recriwtio'r flwyddyn nesaf.
- 3.** Rhoddir disgrifiad o'r broses benodi yn Atodiad Un er gwybodaeth ichi.

4. Rydym yn cynnig y dylid gwneud cynigion i'r ymgeiswyr. Pe byddai'n well gennych eu cyfarfod eich hunain cyn cynnig y penodiadau iddynt, rhowch wybod i mi a byddwn yn gwneud trefniadau ar gyfer hynny. Fel arall, byddwn yn trefnu i chi eu cyfarfod ar ddyddiad cyfleus ar ôl iddynt gael cynnig y penodiad - mae'r Llywydd wedi gofyn inni eu gwahodd i gael cinio gyda chi.

Ymgeiswyr yr argymhellir eu penodi

5. Ystyriodd y panel dethol yr holl dystiolaeth a ddarparwyd gan yr ymgeiswyr ac mae'n argymhell y dylid cynnig swydd Cynghorydd Annibynnol i'r ymgeiswyr a ganlyn. Argymhellodd y panel na ddylai'r ymgeiswyr sy'n weddill gael cynnig swydd - dangosir yr ymgeiswyr hyn yn Atodiad Dau (D.S. nid ydynt wedi'u cynnwys yn y fersiwn hon o'r papur).

Ymgeisydd	Nodiadau
<p>Helena Feltham</p> <p>Cyfarwyddwr Adnoddau Dynol, Jack Wills Ltd.</p>	<ul style="list-style-type: none"> • Mae wedi cyflawni tair swydd ar lefel bwrdd gweithredol yn y sector manwerthu. • Ar hyn o bryd mae'n Gyfarwyddwr Adnoddau Dynol i Jack Wills Ltd. – roedd ganddi rôl strategol o bwys o ran sbarduno twf sylweddol. • Partner gydag Odgers Ray and Bernedtsen – cwmni recriwtio swyddogion gweithredol • Cyfarwyddwr Adnoddau Dynol i Woolworth's De Affrica rhwng 2003 a 2005. • Cyfarwyddwr Adnoddau Dynol i Marks & Spencer rhwng 1990 a 2003. • Cyfarwyddwr anweithredol yn ymddiriedolaeth GIG Caersallog am bedair blynedd er 1996 - gan helpu i ymwreiddio strwythur newydd a chefnogi'r Tîm Gweithredol ar adeg o newid radical.
<p>Eric Gregory</p> <p>Portffolio o swyddi anweithredol</p>	<ul style="list-style-type: none"> • Ar hyn o bryd mae'n Gyfarwyddwr Anweithredol gyda Gwasanaeth Hunaniaeth a Phasbortau'r Swyddfa Gartref a chyda Rhaglen Trawsnewid Cofrestru Etholiadol Swyddfa'r Cabinet. • Mae newydd gwblhau tair blynedd fel cyfarwyddwr anweithredol ar gyfer Gwasanaeth Erlyn y Goron ac mae hefyd wedi bod yn Gadeirydd y Pwyllgor Newid, Risg ac Archwilio, ac yn aelod o'r Bwrdd Ailstrwythuro (3 safle). • Cyfarwyddwr Adnoddau Dynol (ac Aelod o'r Bwrdd) ar gyfer Partneriaeth John Lewis rhwng 2007 a 2009.

	<ul style="list-style-type: none"> • Gyrfa gyda John Lewis er 1998, gan gynnwys swyddi fel Cyfarwyddwr TG a Chyfarwyddwr Gwasanaethau Cyfrifiadurol. Gyrfa yn gynharach ym maes rhaglennu TG.
<p>Keith Baldwin</p> <p>Aelod Anweithredol o Fwrdd CVQO Ltd. ac Amgueddfa Genedlaethol y Fyddin</p>	<ul style="list-style-type: none"> • 20 mlynedd fel partner yn PricewaterhouseCoopers (PWC), yn fwyaf diweddar fel Dirprwy Bartner yn gyfrifol am wasanaethau ymgynghori i'r Llywodraeth. • Yn ogystal, bu'n arwain y gwaith rheoli risg ym musnes cynghori PWC. • Ar hyn o bryd mae'n Gyfarwyddwr Anweithredol i CVQO Ltd. (sy'n helpu pobl ifanc i gael cymwysterau galwedigaethol) er 2010. • Aelod anweithredol o Amgueddfa Genedlaethol y Fyddin er 2010. • Cyfarwyddwr anweithredol y Bwrdd Astudiaethau Barnwrol (yn y Weinyddiaeth Gyfiawnder) rhwng 2007 a 2011.
<p>D.S. Detholwyd un ymgeisydd arall ond ni dderbyniodd y swydd.</p>	

Y broses recriwtio

Cafodd y swydd wag ei hysbysebu yn y manau canlynol:

Whitehall and Industry Group
Western Mail
Y Daily Post
Safleoedd rhyngrwyd a mewnrwyd Cynulliad Cenedlaethol Cymru
Gwefan Llywodraeth Cymru
Cronfa ddata ganolog Llywodraeth Cymru ar gyfer Penodiadau Cyhoeddus

Y panel dethol oedd:

- Claire Clancy, Prif Weithredwr a Chlerc y Cynulliad - Cadeirydd
- Adrian Crompton, Cyfarwyddwr Busnes y Cynulliad
- Mair Barnes - Cynghorydd Annibynnol i Gomisiwn Cynulliad Cenedlaethol Cymru

Rhestr Fer

Derbyniwyd 65 o geisiadau, ac aeth y Whitehall and Industry Group ati i roi'r ymgeiswyr mewn categorïau A, B ac C i ddechrau, yn seiliedig ar eu profiad perthnasol gan ddefnyddio'r meini prawf ym Manyleb y Swydd a'r Person.

Lluniwyd y rhestr fer derfynol gan y panel dethol ar 11 Medi 2012, a gwahoddwyd 11 o ymgeiswyr i'r broses ddethol.

I alluogi'r ymgeiswyr i fanteisio i'r eithaf ar y broses ddethol, darparwyd ystod o wybodaeth cyn y cyfweiliad. Roedd hyn yn cynnwys

[Strategaeth y Comisiwn ar gyfer y Pedwerydd Cynulliad](#)

[Y prif faterion ar gyfer y Pedwerydd Cynulliad](#)

[Cyllideb Comisiwn y Cynulliad ar gyfer 2012-13](#)

[Adroddiad blynyddol a chyfrifon 2011-2012](#)

[Penderfyniad y Bwrdd Taliadau ar gyfer Aelodau'r Cynulliad](#)

Roedd y broses ddethol wedi ei chynllunio i ganfod pobl sydd â phrofiad eang ym myd busnes, diwydiant a sectorau eraill. Dechreuodd y panel dethol ar y gwaith gyda'r nod o benodi dau gynghorydd â chefnidir ariannol cadarn a dau a fyddai'n cynnig profiad busnes eang wedi'i ennill o fewn sefydliadau o'r radd flaenaf neu rai sy'n arddangos arfer gorau.

Cynhaliwyd y broses ddethol ar 26 a 27 Medi, gyda dyddiadau ychwanegol ar 4 a 9 Hydref i ddarparu ar gyfer dau ymgeisydd. Roedd y broses yn cynnwys cyfweiliadau anffurfiol â'r panel. Yn ystod y trafodaethau hyn gofynnwyd amryw o gwestiynau i'r ymgeiswyr i'w galluogi i ddangos i aelodau'r panel eu bod yn addas ar gyfer y swydd.

Yn union cyn y cyfweiliad, cyfarfu rhanddeiliaid amrywiol o fewn y sefydliad â'r ymgeiswyr i roi gwybodaeth gefndir ychwanegol iddynt am y Cynulliad, Comisiwn y Cynulliad a'r Pwyllgor Archwilio.

Cynhaliodd y panel dethol adolygiad o'r holl ymgeiswyr. Roedd hyn yn cynnwys adborth gan y rhanddeiliaid a oedd wedi cwrdd â'r ymgeiswyr cyn yr adolygiad.

Sir Derek Jones KCB
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair of the Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

Dear Darren,

22nd October 2015

Action points from the Public Accounts Committee Scrutiny of the Welsh Government Annual Accounts for 2014-15 on 06 October 2015

I hope that you and the Committee found the session on the 2014-15 Annual Accounts to be useful. I promised to write to the Committee on a number of points. These are set out below under the headings provided by the Clerk.

'Details of website traffic and number of hits the Welsh Government Consolidated Accounts receive on the web to give an indication of readership'

The web page containing the Welsh Government Consolidated Accounts for 2013-14 has been accessed on 882 separate occasions. A breakdown is provided below.

- Internal 359 (269)
- External 523 (280)

Internal refers to Welsh Government staff accessing the accounts via the Welsh Government intranet. The figures in brackets() illustrate the number of different individuals accessing the accounts information rather than the number of times the pages have been accessed.



In line with most other Government departments, the Welsh Government does not actively publicise the publication of the Annual Accounts. However, in the context of the streamlining and simplification agenda, there may well be an opportunity to feature the publication of the Accounts a little more prominently on our website next year to highlight the changes that have been made. On this theme, I have not forgotten Mike Hedges' suggestion of including links to the Accounts of funded bodies on our website. I will investigate this with my communications colleagues.

'Reasons why the amount of composting over the Welsh Government's estate has increased from 2013-14'

The increase in composting in 2014-15 (shown on Page 9 of the Accounts) is not the result of an increase in food waste, but an increase in composting resulting from the extension of food waste separation and collection facilities across the estate. During this period, more and improved bins which enabled staff to separate food waste from other rubbish were installed. Prior to this, cross-contamination had hindered our ability to compost food waste fully and effectively.

The Welsh Government remains committed to improving its waste management performance, and the increase in composting is a contributor to the overall reduction in the amount of waste we send to landfill year-on-year. Overall waste production from our estate decreased by approximately 83 tonnes between 2013-14 and 2014-15, and we will look to further improve the management of our waste through 2015-16 and beyond.

More broadly, the Welsh Government is continuing to implement a carbon management strategy for the whole of our administrative estate which includes a wide range of activities aimed at reducing our carbon footprint. This now includes evaluating the scope for incorporating renewable technology into our administrative buildings and infrastructure where appropriate. Current and planned projects include:

Existing Renewable Energy Sources:

- Biomass - Sarn Mynach, Llandudno Junction: Welsh Government has its own biomass heating system installed at its Sarn Mynach, Llandudno Junction offices. Our system burns wood pellets to provide heating and hot water to our Llandudno Junction building.
- Biomass – Rhodfa Padarn, Abersytwyth (Ceredigion County Council system – we import/purchase heat): At our Rhodfa Padarn, Aberystwyth offices we import/purchase heat from Ceredigion Council's district biomass system under the terms of a supply agreement.



- Solar Water Heating – Cathays Park; Merthyr Tydfil; Llandrindod Wells; Caernarfon; Picton Terrace and Hill House, Carmarthen; Plas Carew, Nantgarw; and Aberystwyth

Planned for 2015-16:

- Solar PV - Rhodfa Padarn Aberystwyth

Proposed for 2016-17:

- Solar PV - Cathays Park

‘Reasons why the NHS risk pool has not been itemised in the consolidated accounts for 2014-15 as it has been in previous years and explain why this information has not been reported in the accounts’

The NHS risk pool (£674m) represents the majority of the total provision (£707m) for the Welsh Government reported in the Annual Accounts. Consequently, following an initial review of how the Welsh Government could simplify and streamline the Annual Accounts and better align its content to the Whole of Government Accounts, a decision was taken to consolidate all provisions into a single total.

Velindre NHS Trust administers the risk pool on behalf of NHS Wales; Velindre’s full Annual Accounts can be found on the National Assembly’s website:

<http://www.assembly.wales/Laid%20Documents/AGR-LD10268/AGR-LD10268-e.pdf#search=velindre%20annual%20accounts>

Note 1.21 to the account on page 12 refers to the hosting of the Welsh Risk Pool. Note 26.3 on page 48 (3) provides details on the provision.

Further details of the NHS risk pool are included in the Annual Accounts of individual health boards.

‘Provide a full breakdown on non-cash items and AME and include the figures from 2013-14 for comparison’

A full breakdown of non cash and AME for 2014-15 and 2013-14 is provided below. Non cash and AME are distinguished as follows:

- Non cash represents elements of the budget that enable the organisation to account for items such as fair value adjustments, depreciation and provisions.

- AME or Annually Managed Expenditure is a term used within Government budgets to describe expenditure in areas which are volatile or demand led and therefore outside the specific organisation's control. For example, student loans issued and repaid, asset impairments and pension valuations.

2014-15 Non Cash & AME

Main Expenditure Group	Non Cash			AME		
	Budget	Outturn	Variance	Budget	Outturn	Variance
	£m	£m	£m	£m	£m	£m
Health & Social Services	166.9	160.2	6.7	188.7	94.2	94.5
Local Government	0.2	-	0.2	66.8	21.8	45.0
Communities & Tackling Poverty	0.5	0.3	0.2	-72.6	-72.6	-
Economy, Science & Transport	155.0	152.7	2.3	66.9	57.3	9.6
Education & Skills	116.6	106.9	9.7	309.5	288.1	21.4
Natural Resources	9.7	9.7	-	2.9	-	2.9
Central Services & Administration	16.0	14.8	1.2	32.3	-0.8	33.1
TOTAL	464.9	444.6	20.3	594.5	388.0	206.5

2013-14 Non Cash & AME

Main Expenditure Group	Non Cash			AME		
	Budget	Outturn	Variance	Budget	Outturn	Variance
	£m	£m	£m	£m	£m	£m
Health & Social Services	168.1	147.6	20.5	159.3	120.8	38.5
Local Government	0.1	0.1	-	18.5	18.5	-
Economy, Science & Transport	128.5	116.2	12.3	47.4	17.7	29.7
Education & Skills	436.9	462.6	-25.6	241.8	221.3	20.5
Natural Resources & Food	8.8	8.7	0.1	3.6	-	3.6
Housing & Regeneration	-	-1.2	1.2	-73.0	-72.8	-0.2
Culture & Sport	3.7	3.6	0.1	2.7	-	2.7
Central Services & Administration	18.5	16.9	1.6	1.5	1.0	2.5
TOTAL	764.6	754.5	10.2	401.8	304.5	97.3



2014-15 Non Cash variances

Health and Social Services (£6.7m): the budget primarily funds the depreciation charges arising on the NHS estate. Forecasts are sensitive to fluctuations in capital schemes progression, valuations and timing of capital additions and disposals.

Economy, Science and Transport (£2.3m): this is related to a lower than anticipated level of capital maintenance expenditure on ancient monuments within Cadw.

Education and Skills (£9.7m): this budget covers the estimated annual charge for the write-off of student loans. The calculated charge is generated by a statistical model developed by the UK Department for Business, Innovation and Skills. The charge is applied to the value of the student loan book. The modelling is complex and takes many social and economic factors into account and as such is difficult to forecast accurately.

Central Services and Administration (£1.2m): this derives from depreciation charges associated with the Welsh Government estate. The estate is subject to an independent five yearly valuation and it is difficult to forecast the outcome.

2014-15 AME variances

Health and Social Services (£94.5m): the first element of the underspend is £74.2m on impairments in the value of NHS assets. Of this, £51.6m was as a result of a revised technical accounting treatment agreed with Wales Audit Office. The remaining £22.6m related partly to variations between interim and final District Valuer valuations, and partly to scheme timing for asset completions and disposals.

The second element is £19.8m covering movements on provisions. The Welsh Risk Pool provision movement was £9.6m. The budget is based upon the most likely trend analysis of claims in the pool during the year. Actual out-turn reflects variations in the valuation, timing or probability of individual claims within the pool. A further £10m arose in respect of potential new provisions anticipated relating to legal matters. As at 31 March 2015 it was established that provisions were not required in respect of these matters.

Local Government (£45m): on HM Treasury's advice, officials requested budget cover of £45 million as part of the second Supplementary Budget to cover an on-going legal case at UK Government level. However, this litigation case had not progressed sufficiently to warrant providing for a liability in the accounts.

Economy, Science and Transport (£9.6m): this arose as a result of provisions not being required in respect of potential loan guarantee arrangements and funding set aside for museum and library pension deficits not being required.



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Education and Skills (£21.4m): this mainly related to the student loans budgets which are demand-led and difficult to forecast. Loan issues and repayments in the year were less than anticipated.

Natural Resources (£2.9m): this relates to pension liabilities arising from the transfer of staff from the Environment Agency Wales to Natural Resources Wales on 1 April 2013. Whilst the cover has been included in the two years since the transfer it has not been required.

Central Services and Administration (£33.1m): the majority of this variance related to the inclusion in the Second Supplementary Budget for exchange rate losses on funding for future EU projects receivable in Euros. However, it was not possible to calculate a value due to the range of variables (future exchange rates, final claims to be received from projects etc.), the number of possible outcomes for each variable, and the unknown probability of the factors that affect these variables.

'How the Welsh Government addresses cash management and in particular the £86.8m underspend relating to health boards'

Cash Management

The Welsh Government has been a member of the HM Treasury Cash Management Scheme since it began at the start of the financial year 2001-02. The objectives of the scheme are to obtain reliable forecasts of departmental cashflow to inform the Debt Management Office's operational work of managing the Government's daily cash needs. A subsidiary objective of the scheme is to fund departments through the Supply system in response to departments' forecasts of their monthly Supply need.

The Welsh Government's central finance team is responsible for providing monthly cash management forecasts to HM Treasury. Working closely with Welsh Government departments, the central finance team provides a monthly forecast figure for Welsh Government and also a daily BACS spend forecast. The daily BACS figure is reviewed and can be amended 7 days prior to the date the BACS file is paid. The monthly forecast cannot be amended once submitted.

Within the Cash Management Scheme there are 22 large Government departments including the Welsh Government. A target variance ($\pm 5\%$) is set by HM Treasury and departments are rewarded or penalised depending on how well they perform against each of these. The charges and rebates are calculated on monthly net cashflow, monthly and daily BACS forecasts and daily Clearing House Automated Payment System (CHAPS) forecasts. Treasury provide monthly feedback on performance and maintain monthly league tables for both monthly forecasting and BACS forecasting.

A summary of Welsh Government's performance in the HM Treasury League Tables since 2012 is provided below.

Year	Monthly Forecast		BACS Forecast		Rebate
	League Table	Accuracy %	League Table	Accuracy %	
2012-13	15th	5.47%	5 th	2.55%	£164,505
2013-14	9th	2.84%	2 nd	0.54%	£184,338
2014-15	5th	1.87%	3 rd	0.70%	£151,632
2015-16 (to Aug 15)	6th	1.56%	2 nd	0.23%	£43,657

NHS Ambit underspend

There are two sets of financial controls in operation for the Welsh Government:

- the HM Treasury resource control totals (CTs) which include the Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME)
- the Ambit, a large proportion of which comprises the cash paid out by the Welsh Government.

As a result differences arise between the outturn reported for Treasury control totals and Ambit. For example in FY2014-15 the total DEL and AME variance was £106m with AME representing the majority (£94m), whereas the Ambit variance was £87m.

The variance on the Ambit of £87m comprised the following main items:

- £5m on the combined revenue and capital allocations.
- £20m AME in relation to provisions for clinical negligence.
- £55m of resources consumed by the NHS in Wales for which the related cash was not drawn from Welsh Government and, therefore, did not score against the Ambit.

'Details of what the £19.6m other liabilities consists of'

This represents the liability arising from repayable loans from the Welsh Government to Finance Wales. Therefore, the liability only appears in the consolidated accounts as money owed by Finance Wales.



'When the original receipts were expected in for the special payments relating to Tryst Engineering Company and Desk Link Office'

The liquidation process for a company can take between 2-6 years to complete. Therefore, it is unlikely that the losses or any recovery will be realised within the same financial years as the company first becoming insolvent. Details for the specific companies reported on in the 2014-15 Annual Accounts are as follows:

- Tryst Engineering Ltd: The Welsh Government was notified in March 2011 that the company had gone into liquidation.
- Desk Link Office Furniture Ltd: The company went into Administration in December 2008 and finally went into Liquidation in June 2010.

'Situation regarding restocking of anti-viral drugs for a pandemic influenza outbreak'

All UK Countries have agreed to maintain a capability to respond to a flu pandemic with a 50% Clinical Attack rate of a pandemic virus. Wales maintains sufficient stock levels to safeguard public health and meet these requirements. The strategic drug stores mainly contain antivirals and antibiotics.

As part of this process stock is purchased and has a finite life. Since 2012, we have had in place an agreement to reprocess antivirals when they reach their expiry date, at much reduced cost. Antibiotic stocks held for this purpose cannot be re-processed and have to be written off and repurchased. The main reason for the increase in write off value is that a large batch of antibiotic stock expired in 2014-15.

'The cause of the losses regarding Careers Choices Dewis Gyrfa Ltd'

The results reported for consolidated wholly owned companies details two separate elements for Careers Choices Dewis Gyrfa Ltd; the profit /loss and share capital and reserves. The explanations for the reductions in both are as follows:

- The loss reported under profit/loss is mainly due to a one off payment of £2.5m for a programme of redundancies.
- The reduction in the value of the share capital and reserves position is due to a revaluation of the existing pension liabilities.

For your reference, I have also enclosed a copy of Careers Choices' Annual Accounts.



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'Details of the strategy in place to achieve a gender balance of 50:50 by 2020'

The formal launch of the '50:50 by 2020' campaign took place on 15 July 2014. Organisations were asked to make a pledge to improve gender balance within their organisations by 2020. I set an organisational target to have a gender balance of 50% female in the Welsh Government Senior Civil Service by the year 2020. This is a demanding target to meet during a period of tight public finances, with very limited external recruitment.

Based on September 2015 headcount figures, 43.9% of the 155 members of the Welsh Government Senior Civil Service are female. This shows an increase of 1.9% since July 2014 when the commitment was made. Ongoing work supporting the achievement of the 2020 pledge includes:

Women Together Network: a refresh of the staff network *Women Together*. The network will actively support women at all levels on personal and career development, building their networks, and raising confidence levels.

The Women as Leaders Programme: the first cohort of Women as Leaders Programme has been designed and centrally funded. The programme is for High Performing/High Potential women currently in Executive Bands within the Welsh Government and aims to provide the opportunity to further develop women into senior leadership roles. The first cohort of 16 delegates started the programme in April 2015 and is due to end in February 2016. Building on the positive feedback already received from these delegates, a second cohort of the programme has been established to run from October 2015 to April 2016, training another 19 delegates.

Mentoring: we are working to develop and expand the mentoring opportunities available to women in the organisation, including the investigation of creative approaches such as 'speed mentoring'.

We are also doing more research amongst staff to establish what barriers are faced by women in reaching senior leadership roles to help us further tailor and increase the effectiveness of the programme of activities in place to support the Welsh Government's achievement of the 50:50 by 2020 pledge.



I hope that this response answers the Committee's questions adequately. If you require further information, please do let me know.

Yours,
Derek

Derek Jones



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**CAREER CHOICES DEWIS GYRFA LTD
GROUP STRATEGIC REPORT,
GROUP DIRECTORS REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

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FOR THE YEAR ENDED 31 MARCH 2015**

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CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

COMPANY INFORMATION

DIRECTORS:

Mr P G Davy
Mrs M Foster
Mr N Frow
Mrs K Lennox
Ms K Phillips
Mr I Prys-Jones
Mrs E Richards
Mrs S A Roberts-Davies
Mr R Spear
Mrs L Somme-Dew
Mr J Taylor
Mr R A Wright

SECRETARY

Mrs N J Lawrence

REGISTERED OFFICE:

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NP44 3AB

REGISTERED NUMBER:

07442837 (England and Wales)

AUDITORS:

Auditor General for Wales

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

GROUP STRATEGIC REPORT

The Directors present their strategic report of the company and the group for the year ended 31 March 2015.

Career Choices Dewis Gyrfa Ltd (CCDG) is a wholly owned subsidiary of the Welsh Government and trades as Gyrfa Cymru Careers Wales. We provide the all age, independent and impartial careers information, advice and guidance service for Wales. The principle risks and uncertainties that face CCDG are covered in the following Report of the Directors.

We deliver a remit set by the Minister for Education and Skills and support the Welsh Government's strategic objectives as identified in the Programme for Government and related Welsh Government policies, such as the Youth Engagement and Progression Framework (YEPF). The overall focus for our service is to help people make effective decisions and become independent in managing their careers. This includes making realistic career decisions and plans, and ensuring successful progression and positive outcomes for individuals, who we support to gain appropriate training, further learning or employment. Our work helps to develop the nation's skills base and to support the effectiveness of expenditure on education and training, thereby contributing to the economic and social well-being of Wales.

CCDG is part of the broader "Careers Family" in Wales which includes the Welsh Higher Education Careers Advisory Services, Secondary Schools, Further Education Institutions, Work Based Learning Providers, Local Authority Youth Services, Learning Coaches, Jobcentre Plus, Probation and Youth Offending Services and others.

The CCDG remit offers adults and young people access to high quality services through face-to-face, online and telephone interactions. Face-to-face guidance is targeted toward those clients who will benefit most from this approach. Developing the online offer has continued to be a key priority in order to extend our services during a time of shrinking resources. In December 2014, a new career search section of the website was launched providing new and additional information on over 1,000 occupational areas. This new feature includes access to real-time information on the labour market, training courses and jobs. In September 2014 the Common Area Prospectus was launched providing learners with the ability to search for local post 16 provision.

CCDG operates a national helpline to access careers information and advice, during 2014-15 over 11,921 individuals used this helpline to access our services. In setting up this new helpline facility in 2012, CCDG operated the service from a number of centres across Wales. However, during 2015-16 CCDG will be centralising the operation of the helpline into one location. CCDG also manages the Welsh Government's Apprenticeship Matching Service (AMS) and the Jobs Growth Wales (JGW) services. During 2014-15 both of these key online services continued to be a focus for our support to both adults and young people.

In September 2014 the Welsh Government announced that the CCDG budget for 2014-15 would be reduced by £2.2m from £29m to £26.8m and the indicative budget for 2015-16 would be £20m. As a result of this reduction in budget, CCDG undertook a voluntary release scheme between December 2014 and March 2015 resulting in a reduction of 88 staff. Additionally, a number of offices across Wales were identified for closure. A staff consultation was held concerning these closures and the list of office closures during the 2015-16 financial year were agreed. The revised remit for CCDG identified a number of changes for the delivery of our services, this included the removal, from September 2015, of the National Work Experience Database and the support for schools in Health and Safety vetting of employers offering work experience opportunities.

Since the announcement from Welsh Government on the reduction in the CCDG 2015-16 budget, additional funding of £2.1m per year has been secured from the Welsh Government for the delivery of a new Individual Skills Gateway. This new service will complement the existing CCDG service by providing additional support to adults who are defined as short term unemployed. The support will involve an assessment of the skills needs of an individual client; provide individual and group guidance to help with development of effective career management and employability skills; and refer individuals to skills training, education or employment opportunities. The additional funding is for face-to-face services for 25+ clients and developing an online prospectus of provision for adults.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

Additionally, in conjunction with the Welsh Government an application has been submitted to the Wales European Funding Office (WEFO), for £3.2m of European Social Fund support for the Activate your Potential project that will provide employer-linked activities and opportunities, supplemented with careers information, advice and guidance to young people aged 11-18 at greatest risk of becoming NEET. CCDG have also secured £0.7m for a strategic project to support Education Business Links from Welsh Government.

CCDG continues to work in partnership with a range of organisations in the Careers Family to contribute to the following outcomes for people in Wales, which support our mission of inspiring individuals for a skilled economy:

1. **Awareness:** Greater understanding and awareness of Labour Market information (LMI) and the learning, training and employment opportunities available to them. Awareness of their own strengths, skills and abilities, where they can improve and who can help them;
2. **Aspiration:** Increased ambition and motivation to participate in employment, education and training;
3. **Ability:** Improve the effective use of skills and competencies to make decisions, resilience to adapt and change to deal with changing circumstances ; and
4. **Action:** Improve the effective use of confidence, skills and ability to use their contacts, to implement plans, make successful applications for, and sustainable employment, learning and training opportunities.

We will develop a set of indicators to monitor progress against these outcomes, which cannot be achieved by one organisation alone. The specific actions that CCDG will make to contribute to these outcomes in 2015-16, for which we alone are accountable, are set out in our 2015-16 Business Plan.

COMPANY PERFORMANCE 2014-15

Company performance is assessed both internally and externally in relation to business targets, quality standards and financial health. For the 2014-15 year key output data includes:

	2014-15	2013-14
Number of young people in education receiving a guidance interview	63,315	48,425
Number of post education 16 – 24 year olds receiving a guidance interview	27,363	23,506
Number of Adults 25 plus receiving a guidance interview	12,701	10,996
Number of H&S vetting visits completed	4,914	5,952
Number of students placed into work experience via the National Work Experience Database	21,145	22,097
Number of visits (sessions) to careerswales.com	2,304,257	1,790,838
Number of telephone calls to our Freephone helpline – Careers Wales Connect	37,892	27,461
Number of email interactions with clients	110,089	110,814

The output data in the above table demonstrates that CCDG's performance is in line with the Board's expectations.

In 2014-15 the Welsh Government set CCDG three key performance indicators (KPIs):

1. Sustained progression of young people through education and into employment or further training/education;
2. Reductions in the number of young people who are outside the Education, Employment and Training system;
3. Wide scale and effective programme of employer engagement which is shown to improve the learning outcomes from careers and World of Work Curriculum delivery.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

CCDG were required to track progress against these KPIs and work with Welsh Government to develop further proposals for outcomes based monitoring and the wider performance and value offered through the differentiated service model. CCDG produces annual Destination Report providing information on the destination of pupils in years 11, 12 and 13-14 in schools during the business year. The destinations survey was conducted as at 31 October 2014 and was published as Official Statistics in April 2015. A follow-up on the survey was conducted as at 31 March 2015 and analysis, of this update, is underway to determine the extent to which school leavers have sustained their destinations in the period from 31 October 2014 to 31 March 2015. Achievement against KPI 1 and 2 is taken from this analysis of school leaver data.

In terms of achieving the KPI's the following information is based on results for 2013-14 and are measured by improvements from the prior year. Achievement data for 2014-15 KPI's is currently not available. A report on this data will be presented to Welsh Government later in the financial year.

KPI 1 : Year 11 pupils entering full time education : increased by 1.81% in 2013-14 in comparison to the previous year. Proportionally, slightly fewer learners left full time education prematurely in 2013-14 (2.9%) than in 2012-13 (2.95%), evidencing an increase in the sustainability of learners in full time education over the period. Between October 2013 and March 2014 clients in employment and training rose by 2.67% and notably, more young people leaving their initial destinations in October 2013 (e.g. full time education) had entered employment and training by March 2014 (2.67%).

KPI 2: The Destination Census method of calculation provided evidence that Careers Wales met the requirements of KPI 2 for the 2013-14 business year by a 0.5% drop in the number of NEET's between October 2012 and October 2013.

KPI 3 : This KPI is a populating figure and not something that Careers Wales can achieve on its own without help from partner organisations. Careers Wales commissioned Beaufort Research to look at this area and set a baseline against which improvements could then be measured in the future. The data will be considered on a 2-3 year cycle as the impact of this particular KPI is best measured over a longer period.

FINANCIAL PERFORMANCE FOR THE YEAR

The results for the financial year are shown on page 20 onwards.

CCDG's Financial Statements currently show that the group has negative reserves of £21.1m. The primary reason for these negative reserves is the net pension deficit of £27.3m. This deficit is an estimate of the expected shortfall of assets over liabilities in the CCDG Local Government Pension Schemes funds.

CCDG performance is assessed both internally and externally in particular through its Remit Letter and Framework Document that are annually agreed with the Welsh Government. Performance against the Remit Letter is monitored by the Welsh Government and CCDG provides quarterly reports to Welsh Government to assist in this monitoring process and needs to manage its performance within the agreed budget.

The Framework Document allows CCDG to carry-over from one financial year to the next any drawn but unspent cash balances of up to 2% of the agreed total gross annual budget (as set out in the remit letter and being exclusive of income deemed to be private funds). The table below shows the position for the 2014-15 period:

Item	£m – Oct Est
Agreed total gross budget	26.8
Allowable carry over - 2%	0.5
Year end Cash and cash equivalents	4.6
Year end current liabilities	4.9
Unspent cash balance as at 31 March 2015	(0.3)

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

The principle source of income for CCDG is the Welsh Government and during the year the total income from Welsh Government was £29.5m.

During 2014-2015 £0.4m was received from the European Social Funding, this was significantly reduced compared to 2013-14 due to the ending of two ESF supported projects in September 2014.

FUTURE DEVELOPMENTS

The CCDG Business Plan for 2015-16 expects the Welsh Government income to be £23.9m. As shown in the table below, this includes funding for specified projects to the value of £2.8m. The income from ESF projects is expected to increase to £3.2m during 2015-16 with the Activate your Potential project starting in April 2015.

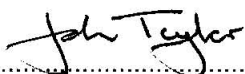
Funding Source	£m	£m
Welsh Government - core	20.0	
Welsh Government – Individual Skills Gateway	£2.1	
Welsh Government – Strategic project	£0.7	
Welsh Government React	£1.1	
Sub-total Welsh Government		£23.9
European Funding - ESF	£3.2	
Other contract Income	£0.7	
Estimated total income 2015/16	£27.8	

PRINCIPAL RISKS AND UNCERTANTIES

The principal risks that face CCDG are its potential future budget reduction and the development of its website. Following the completion of a comprehensive review of the website during 2014-15, CCDG has concluded that the website requires significant changes in relation to its infrastructure and database management. It is critical to CCDG and the users of its web services that this significant development work is completed with the minimum of disruption to users.

Discussions are continuing with Welsh Government on future budget issues and in line with current best practice CCDG has project management procedures in place to manage the delivery of the web based projects.

ON BEHALF OF THE BOARD:



Mr J Taylor - Director

Date: 14/7/15

CAREER CHOICES DEWIS GYRFA LTD

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GROUP DIRECTORS REPORT

The Directors present their report with the Financial Statements of the company and the group for the year ended 31 March 2015. CCDG has adopted the International Financial Reporting Standards (IFRS).

For this financial year the Career Choices Dewis Gyrfa T/A Gyrfa Cymru Careers Wales Group comprises of eight companies as follows:

Gwent Careers Service Partnership Ltd
Careers Wales Cardiff and Vale Ltd
Careers Wales West - Gyrfa Cymru Gorllewin Ltd
Careers Wales Mid Glamorgan and Powys Ltd
North East Wales Careers Services Ltd
Gyrfa Cymru Gogledd Orllewin Cyfyngedig
Careers Wales Association Ltd
Career Choices Dewis Gyrfa Ltd

The Welsh Ministers are the sole member of CCDG and CCDG is the sole member of each of the companies within the group. All companies within the group are limited by guarantee with all Directors agreeing to contribute the sum of £1 in the event of the company being wound up. This will be the last year that we will be reporting as a Group following approval from the Welsh Minister the seven subsidiary companies were dissolved at Companies House as at May 25th 2015. Note 20 gives an explanation of the final transfer of cash between the subsidiary and the parent.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2015.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in note 16 to the Financial Statements.

DIRECTORS

The Directors shown below have held office during the period from 1 April 2014 to the date of this report:

Ms R H Brookes
Mr P G Davy
Mr G L Evans
Mrs M Foster
Mr N Frow
Mr H M Jones
Mrs K Lennox
Mr I J Maund
Mr W H Norris
Ms K Phillips
Mr I Prys-Jones
Mrs E Richards
Mrs S A Roberts-Davies
Dr D M Roberts
Mr R Spear
Mrs L Somme-Dew
Mr J Taylor
Mr R A Wright
Mr P Westwood

Changes in Directors holding office are as follows:(at Companies House filling date):

Mr P Westwood – resigned 23 May 2014
Ms R H Brookes – resigned 23 May 2014
Mr G L Evans – resigned 01 December 2014

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CAREER CHOICES DEWIS GYRFA LTD

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Mr H M Jones - resigned 01 December 2014
Mr I J Maund - resigned 04 June 2014
Mr W H Norris – resigned 23 May 2014
Dr D M Roberts – resigned 01 December 2014
Mrs M Foster – appointed 23 May 2014
Mrs S A Roberts-Davies - appointed 26 June 2014
Ms K Phillips – appointed 05 December 2014
Mrs E Richards - appointed 01 December 2014
Mrs L Somme-Dew - appointed 03 December 2014

All the Directors, other than Mr R Spear, are non-executive Directors and are unpaid. As well as being Directors of CCDG Mr R Spear is also an employee of CCDG.

Mr J Taylor has been appointed as the Chair of CCDG for the period 29 April 2013 to 31 March 2016. The post of Chair is remunerated at £337 per day for attendance at meetings or other agreed activities relating to the work of Careers Wales for up to 40 days per year.

GOING CONCERN AND EVENTS AFTER THE REPORTING PERIOD

In adopting the going concern basis for preparing the Financial Statements, the Directors have considered the business activities as well as the company's principal risks and uncertainties as set out in the Corporate Risk Register.

Following the transfer of ownership to the Welsh Government, on 1 April 2013, CCDG became a public body, funded directly by the Welsh Government. Through the CCDG remit letter the Board of Directors has received confirmation that the Welsh Government will continue to provide both revenue and capital support at a sufficient level to enable CCDG to continue as a going concern until at least 31 March 2016. After making enquiries and having reviewed the group's forecasts the Directors have concluded that there are no material uncertainties which would create any doubts to CCDG's ability to continue in business over the next 12 months. Therefore, the Board will continue to adopt the going concern basis in preparing the annual report and accounts.

The Welsh Minister approved a request to dissolve the subsidiary companies. DS01 forms were signed by the Directors of each of the CCDG subsidiaries and these were submitted to Companies House. As of June 2015, all seven companies have received confirmation that they have been dissolved and the 2015-16 financial statements will be at company rather than group level.

NON-CURRENT ASSETS

Details of non-current assets/PPE are shown in note 8 to the accounts.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main financial risks for CCDG are cash flow management and budgeting. The CCDG budget for the 2014-15 period received an in year reduction of £2.2m to £26.8m. Additionally, the Welsh Government has informed CCDG that the Budget for the 2015-16 period will be £20m, a reduction of 25%. Previously, additional funding from Welsh Government has been available to support a number of strategic projects and part of this funding is continuing in 2015-16.

With regard to cash flow management, there is no significant credit risk and CCDG maintains a healthy cash balance on short term deposit. At the end of the 2014-15 period CCDG has a positive cash balance of £4.6m therefore credit, liquidity and cash flow are not considered to be a material risk.

As part of the financial planning for 2015-16 the management team have been able to secure an addition £2.1m from Welsh Government for the new Individual Skills Gateway and work is also progressing with Welsh Government on an application to secure £3.2m of European Social Fund support for the Activate your Potential project for 2015-16.

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STAFF

Policy in respect of disabled persons

CCDG has an Equal Opportunities Policy which indicates our commitment to an active equal opportunities policy from recruitment and selection, through training and development, performance reviews and promotion and retirement. We promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. People with disabilities will have full and fair consideration for all vacancies. We are committed to interviewing those people with disabilities who fulfil the minimum criteria, and we will endeavour to retain employees in the workforce if they become disabled during employment. We will actively retrain and adjust their environment where possible to allow disabled employees to maximise their potential.

Employee Consultation

We remain committed to employee involvement and CCDG has a recognition agreement with Unison. Management and Unison engaged proactively in Partnership training promoted by Wales TUC and Welsh Government. Partnership working has been implemented and embraced by both sides and has resulted in an improvement in industrial relations and productive joint working. Employees are kept well informed of the performance and strategy of the company through personal briefings, regular meetings, email and updates by the Chief Executive through our weekly newsletter LINC that is sent to all staff.

Employees are able to interact with one another, post information about clubs and groups in their area and can gain access to information about corporate events through the use of the CCDG intranet.

SUPPLIER PAYMENT POLICY

CCDG is committed to the prompt settlement of invoices and other claims for payment. In the case of goods and services where the supply has been satisfactorily completed the company's objective is to pay within 30 days of receipt of the invoice.

Environment Report

The purpose of this report is to provide information on the environmental performance of CCDG during April 2014 - March 2015. CCDG recognises that its wide range of activities and services have both positive and negative impacts on the environment and wish to manage and minimise these wherever possible. To help us achieve this aim we have implemented the independently audited Green Dragon Environmental Standard. CCDG currently holds Level 2 of the award. We will complete the roll out of the initiative to all our offices during the 2015/16 financial year, for this year 25 offices will be within audit scope. Where offices are in shared facilities and we do not have full control of the environmental impacts, we have deemed these to be out of scope for audit purposes. Our aim is to continuously improve our environmental performance by the management and monitoring of our environmental impacts. We will be introducing stronger monitoring systems to improve our data capture.

Our overarching principles as detailed within our environmental policy

1. Ensuring that every step is taken to eliminate all sources of pollution from our operations. In doing so we will comply fully with all relevant environmental legislation and regulations by maintaining an environmental register.
2. Reducing our carbon footprint and minimising our adverse impact on the environment in the way we operate by:
 - conducting a regular review of our environmental impacts on at least an annual basis and producing an improvement plan which will be reviewed on a quarterly basis.
 - monitoring our energy, water consumption and our use of consumable materials and setting targets to reduce these.
 - providing training to all staff on environmental awareness.

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- producing guidance on how to eliminate and/or reduce our waste and improve our recycling of waste to meet our waste hierarchy duty.
 - supporting staff in understanding how to use ICT to reduce business mileage and continuing to encourage car sharing for business travel.
 - setting annual targets to reduce business travel and make available information on the availability and suitability of using public transport.
3. Continuously seeking to improve environmental performance through the introduction of an Environmental Management System to monitor and review our performance.
 4. Raising staff awareness, encouraging their participation in environmental matters and seeking jointly to develop new ideas and initiatives, including the production of an Eco Code for our offices.
 5. Making our Environmental Policy publicly available.

How we manage the process

The scope of the environmental management system includes all activities and functions of CCDG and each of our offices is audited on a regular basis to ensure all areas meet the requirements at Level 2 of the Green Dragon Standard. CCDG have published our Environment policy on the careerswales.com website.

CCDG have established a green team which meets quarterly to review performance against targets. The group reviews the findings of the internal audit reports and advises corrective actions. Staff can email suggestions to the group and these are reviewed and where appropriate implemented. This group is a key element in embedding sustainable work practices across Careers Wales. They regularly attend our offices giving presentations to staff.

We have a fully documented management system which is located on our intranet system and each office has a combined Health and Safety/ Environmental Manual. We inform staff about our performance and provide information fact sheets on sustainable practices by issuing articles regularly in our weekly staff bulletin.

All legal requirements that are applicable to Careers Wales have been documented in the Environmental Legal Register which is updated every six months. All waste transfer notes, COSHH risk assessments and MSD product sheets are kept at a local level and they are checked during internal audits. The most significant environmental aspects are documented within the Environmental Aspects Register. All staff are encouraged to take ownership of the standard, each office is in the process of designing and implementing their own eco code and have developed a plan to continuously improve their performance. The improvement plan will be reviewed quarterly at local team meetings.

To support the national direction as detailed within The Welsh Government's Sustainable Development scheme, 'One Wales, One Planet' coupled with the Well Being of Future Generations Bill, we have identified the activities that generate greenhouse gases. We have identified two areas: Carbon Dioxide from travel and energy use. We have established reduction targets in both these areas. We have set a target of reducing our travel mileage by 5% and our energy consumption by 3% in 2015-16.

Environmental Performance

Water Consumption

The total consumption of water over the last twelve months data held for each of the CCDG sites is 2,990,000 litres. We aim to reduce these figures between Jan 2015-Jan 2016 by undertaking the following initiatives:

- Where appropriate we will reduce water pressure – if the water pressure is over 5 bars in the office we will consider installing a pressure reducing device.
- We will use water efficient maintenance activities when offices are refurbished.
- Where appropriate we will install a special water saving device in the cistern so less water is wasted when you flush the toilet.

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- Where appropriate we will fit spray inserts in often-used taps. These reduce the amount of water from the faucet but don't reduce washing efficiency.
- Where appropriate we will fit new percussion taps, which turn off after a set period.
- Where appropriate we will fit variable flush handles to all applicable toilet cisterns.

Business Travel

Transport is a major contributor to air pollution. We have introduced a number of initiatives to help reduce our travel mileage. We have reduced the number of meetings that we hold and we encourage the use of video conferencing. We no longer have company cars, we have brought in new guidance that all travel should be by public transport where appropriate. We also encourage car sharing and restrict travel to necessary journeys only. All travel over 200 miles requires staff members to use a hire car from the lower grade options of energy efficient cars. We have recently adopted a policy of paying 20p a mile for staff who cycle to business meetings. All our offices are accessible through public transport.

Total business mileage by staff in 2014-15 was 1,184,887 miles. We will be updating our record systems to report on rail and air emissions for the next financial year.

Energy Usage

We use energy-saving devices and equipment to reduce electricity consumption and encourage staff to reduce consumption whenever possible.

Energy consumption KWH – Electricity 1,014,928

Energy consumption KWH – Gas 1,945,909

Greenhouse gas emissions (CO2 Missions) 1,231 CO2 tonnes

Financial Costs : Expenditure

Gas £40,454

Electricity £157,573

Water £20,026

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YEAR ENDED 31 MARCH 2015

ANNUAL CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

As the Chief Executive (Accounting Officer) I am personally responsible for the overall organisation, management and staffing of CCDG.

The Governance Statement brings together in one place all disclosures about matters relating to an organisation's governance, risk and control. As Accounting Officer I am personally responsible for the Governance Statement which outlines how I have discharged my responsibility to manage and control the resources of CCDG during the course of the year.

CORPORATE GOVERNANCE

Corporate Governance is the system by which organisations are directed and controlled. The Board of CCDG is responsible for the governance of CCDG and compliance with the corporate governance code. The Board's role is to satisfy itself that an appropriate governance structure is in place and to ensure through myself, as Chief Executive, that the organisation operates within the policy framework set by the Welsh Government.

The Board comprises a Chair, Mr J Taylor and up to 13 other Directors who are appointed by the Welsh Government. The Chair is a remunerated position and the Chief Executive is also a Director. The Board has met five times this year.

Each Director and the members of the Senior Management Team complete a Related Party Declaration form to ensure that potential conflicts of interest are identified. This form was last completed to March 2015. The Directors are reminded to declare any conflicts of interest prior to Board and Committee meeting. Any conflicts are then declared in the minutes and the Director does not take part in that agenda item.

The Board have appointed three Committees with their own Terms of Reference to discharge its responsibilities and to obtain the assurance required that demonstrate good governance practices are in place. These Committees are:

- Audit and Risk Committee
- Employee Services and Remuneration Committee
- Finance and Business Development Committee

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YEAR ENDED 31 MARCH 2015

The Directors' attendance at the Board and Committees is shown in the tables below:
MEMBERSHIP AND ATTENDANCE RECORD 2014-15

Meetings of the Board of Directors

	26/06/14	25/09/14	16/12/14	13/02/15	26/03/15	Attendance
Mr J Taylor (Chair)	√	√	√	√	√	5/5 100%
Mr R A Wright	√	√	√	X	√	4/5 80%
Dr D M Roberts (Vice Chair)	√	√				2/2 100%
Mrs E Richards			√	√	X	2/3 66.6%
Mr G L Evans	X	X				0/2 0%
Mr H M Jones	√	√				2/2 100%
Mr I Prys-Jones	√	X	√	√	√	4/5 80%
Mrs K Lennox	√	√	√	√	X	4/5 80%
Ms K Phillips			√	√	X	2/3 66.6%
Mrs L Somme-Dew			√	√	√	3/3 100%
Mrs M Foster	X	√	√	√	√	4/5 80%
Mr N Frow	√	√	√	√	√	5/5 100%
Mr P G Davy	√	√	√	√	√	5/5 100%
Mrs S Roberts-Davies	√	√	√	√	X	4/5 80%
Chief Executive	√	√	√	√	√	5/5 100%
Director of Resources/Company Secretary	√	√	√	√	√	5/5 100%
WG Observer	√	√	√	√	√	5/5 100%

*Mr R A Wright was unable to attend the meeting dated 13/02/2015, due to a change in the meeting date.

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YEAR ENDED 31 MARCH 2015

Audit & Risk Committee Meeting

	16/04/14	14/05/14	16/07/14	31/10/14	10/02/15	Attendance
Mr I Prys-Jones (Chair)	√	√	√	√	√	5/5 100%
Mr I J Maund	√	√				2/2 100%
Mr N Frow	√	√	X	√	√	4/5 80%
Mr P G Davy	√	√	√	√	√	5/5 100%
Chief Executive	√	√	X	√	√	4/5 80%
Director of Resources	√	√	√	√	√	5/5 100%
WAO (External Auditors)	√	√	√	√	√	5/5 100%
KTS (Internal Auditors)	√	√	√	√	√	5/5 100%

Employer Services & Recruitment Committee

	19/05/14	12/11/14	Attendance
Dr D M Roberts (Chair)	√	√	2/2 100%
Mr G L Evans	√	√	2/2 100%
Mrs K Lennox		√	1/1 100%
Chief Executive	√	√	2/2 100%
Director of Resources	√	X	1/2 50%

Finance & Business Development Committee

	04/09/14	04/12/14	05/03/15	Attendance
Mr R A Wright (Chair)	√	√	√	3/3 100%
Mrs L Somme-Dew			√	1/1 100%
Mrs M Foster			√	1/1 100%
Mrs K Lennox	√	√		2/2 100%
Chief Executive	√	X	√	2/3 66.6%
Director of Resources	√	√	√	3/3 100%

* Mrs K Lennox changed in the financial year from being a member of the Finance and Business Development Committee to the Employer Services and Recruitment Committee.

All Committee meeting minutes are provided to the Board together with a verbal report from the Committee Chair at every Board meeting. The Chief Executive and the Director of Resources are Executive members of each Committee.

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YEAR ENDED 31 MARCH 2015

Audit & Risk Committee

The Committee consisted of four Directors until the resignation of Mr I Maund in June 2014. It met five times in the year. The CCDG appointed Internal Auditors, KTS Owens Thomas, and the Auditor General for Wales are invited to attend all meetings of the Committee. The Committee discharges its responsibilities over issues of risk management systems, internal control, internal audit, statutory audit of consolidated accounts and governance through its Terms of Reference:

- i. To ensure that the company has a sound system of financial control, and effective processes for the identification, assessment and management of risk;
- ii. To recommend the appointment of bankers, internal auditors, external auditors and other financial advisers, as required, following due process;
- iii. To establish a sound procedure for procurement, to ensure efficiency and value for money;
- iv. To ensure, in accordance with legislation, that the company has effective policies for dealing with suspected irregularity, fraud or bribery;
- iv. To ensure the company has monitoring systems in place for quality assurance;
- v. To consider such other matters as may be referred to the Committee by the Board; and
- vi. To report to the Board.

Over the year the Committee's areas of focus included:

- Internal audit reports covering specific business areas
- Reviewing any recommendations from internal audit
- Reviewing recommendations from the 2013-2014 external audit
- Reviewing risk management
- Review and recommendation to the Board of amendments to the Financial regulations

Employee Services and Remuneration Committee

The Committee consisted of three Directors and met twice in the year. Their Terms of Reference are:

- i. To promote and support the implementation of the HR strategy and associated action plans;
- ii. To ensure that the Company complies with employment legislation and regulations;
- iii. To promote and support the development of appropriate employment policies, including those for appointment, terms and conditions, discipline, grievance, reward and recognition of employees;
- iv. To ensure that there is an appropriate pay structure and, subject to affordability, to determine pay levels of the Chief Executive and the Senior Management of the Company;
- iv. To consider such matters as may be referred to the Committee by the Board, and
- v. To report to the Board.

Finance and Business Development Committee

The Committee consisted of two Directors until the appointment of two new Directors in January 2015 and met three times in the year. The Committee monitor the financial reporting process. Their Terms of Reference are:

- i. To keep under review the financial health of the company;
- ii. To develop and recommend a viable business plan, and a budget for the company each year;
- iii. To consider and make recommendations on Financial Statements, and in particular the annual accounts of the company;
- iv. To ensure that the company develops policies relating to the health and safety, ICT and premises;
- iv. To consider such other matters as made be referred to the Committee by the Board; and
- v. To report to the Board.

Board and Committee Effectiveness

In December 2013 a questionnaire was completed by the Directors considering the following:

- What information they received
- The finances of the organisation
- Their awareness of legal and ethical laws and regulations relating to CCDG
- The organisations Stakeholders
- The role and responsibilities of Board Directors
- Governance in general
- The Board's position within the organisational structure
- Their understanding of risk management and internal control in CCDG

CCDG's internal auditors reviewed the findings and found in the main they were positive.

CAREER CHOICES DEWIS GYRFA LTD

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During 2014-15 the Welsh Government held two recruitment exercises and as a result 5 new Directors were appointed. Additionally the Welsh Government started a further recruitment exercise in February 2015.

The Board is of the view that the findings from the December 2013 review are still relevant, however, a full review of the Board effectiveness will be completed in 2015-16 following the completion of the current Welsh Government recruitment exercise.

The Senior Management Team

Until December 2014, the Senior Management Team (SMT) consisted of the Chief Executive, Director of Corporate Services and the four Regional Directors. Following the Welsh Government announcement that it was reducing the CCDG Budget, I undertook a review of the SMT. As a result of the review a Regional Director and the Director of Corporate Services applied for early release under the CCDG voluntary early release scheme. In October 2014, the Board agreed to release the two Directors and an additional 77 staff and a further 9 were agreed in January/ February.

The new SMT now consists of the Chief Executive and four Directors with functional based responsibilities covering the whole of Wales.

The team meet regularly, weekly by video conference and monthly face- to- face to discuss and agree corporate and operational matters. A CCDG performance report is produced quarterly and presented to Welsh Government to monitor progress against the business plan.

Risk Management

Responsibility for the management of the risks relating to the operations of CCDG lies with the Board of Directors. CCDG has undertaken a comprehensive assessment of the risks it faces. The principal risks are contained in the CCDG Risk Register which is reviewed on a regular basis by the Audit and Risk Committee and the Senior Management Team.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the organisation's aims and objectives and to manage them efficiently, effectively and economically. CCDG's Risk Register identifies potential risks arising from the operation of the company. These risks are prioritised within a Risk Matrix and provided with a risk profile according to the impact and likelihood of the risk occurring. These risk ratings are reviewed at each meeting of the Audit and Risk Committee and reported to each Board meeting. The Risk Register includes a list of the preventative measures for each of the risks identified, as well as the contingency measures to reduce the consequences of an incident to a lower risk level and to facilitate recovery in the event of any crisis arising. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives - it can therefore only provide reasonable and not absolute assurance of effectiveness.

As Chief Executive I have responsibility for reviewing the effectiveness of the system of internal control. This review is informed by the work of the appointed internal auditors and the managers within CCDG who have responsibility for the development and maintenance of the internal control framework, together with comments and recommendations made by the external auditors in their management letter and internal auditors in their reports. The internal auditors submit regular reports and provide an independent annual opinion on the adequacy and effectiveness of CCDG's system of internal control, together with recommendations for improvement. The internal auditors operate to standards defined by the Public Sector Internal Audit Standards. They attend Audit and Risk Committees and present their reports to the Committee and progress on the planned work programme. They provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. The internal audit opinion provided moderate assurance on the adequacy and effectiveness of CCDG's framework of governance, risk management and control in the year. The internal audit identified no significant control weaknesses and therefore nothing to suggest that the organisation was not maintaining a low risk status. The following areas were audited within the year, redundancy, petty cash, procurement, budgetary and control and capital assets.

CAREER CHOICES DEWIS GYRFA LTD

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The Internal Audit Strategy is set by the Audit and Risk Committee and is reviewed by the Board. More generally, CCDG is committed to a process of continuous development and improvement, developing systems in response to any relevant reviews and developments in best practice in this area. Appropriate action plans are in place to address any weaknesses identified and to ensure continuous improvement. Managers are implementing both the Internal Audit's recommendations and the recommendations from the external audit management letter. The Audit and Risk Committee will continue to monitor this activity.

The annual audit opinion by the internal auditors was that they were able to provide moderate assurance upon the adequacy and effectiveness of CCDG's framework of governance, risk management and control in the year to 31 March 2015. A number of weaknesses for which they felt that enhancements to the control systems were necessary to improve existing arrangements were identified. They were however satisfied that appropriate action had been identified by management to deal with these issues. No significant control weaknesses were identified and therefore their opinion was there was nothing to suggest that the organisation was not maintaining a low risk status.

I am satisfied that for the 2014-15 financial year a sound governance framework and system of internal controls were in place. They supported the achievement of CCDG's policies, aims and objectives; facilitated effective exercise of CCDG's functions and safeguarded public funds and assets for which the Accounting Officer is personally responsible. These matters of governance and control are in accordance with the responsibilities that had been assigned to me, in the Framework Document issued to us by the Welsh Government.



Richard Spear
CCDG Chief Executive and Accounting Officer

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State that the Financial Statements comply with IFRS
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The Auditor General for Wales is appointed by the Welsh Government as the Company auditors.

ON BEHALF OF THE BOARD:



Mr J Taylor - Director

Date: 14/7/15

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CAREER CHOICES DEWIS GYRFA LTD

I have audited the Financial Statements of Career Choices Dewis Gyrfa Ltd for the year ended 31st March 2015 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND THE AUDITOR

As explained more fully in the Statements of Directors' Responsibilities set out on page 17, the Directors are responsible for the preparation of financial statements which give a true and fair view.

My responsibility is to audit the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors and the overall presentation of the Financial Statements.

I am also required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I read all the financial and non-financial information in the Career Choices Dewis Gyrfa Ltd Group Strategic and Directors Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

OPINION ON FINANCIAL STATEMENTS

In my opinion:

- the Financial Statements give a true and fair view of the state of affairs of the group as at 31 March 2015 and of the group's loss for the year then ended;
- the Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON REGULARITY

In my opinion in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In my opinion:

- the information given in the Strategic Report and Report of the Directors' for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the information given in the Governance Statement with respect to internal control and risk management systems in relation to financial reporting processes is consistent with the Financial Statements.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

MATTERS ON WHICH I REPORT BY EXCEPTION

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the Financial Statements are not in agreement with the accounting records and returns;
- certain disclosures of Directors' remuneration specified by law are not made; or
- I have not received all the information and explanations I require for my audit.

REPORT

I have no observations to make on these Financial Statements.



Huw Vaughan Thomas
Auditor General for Wales
15th July 2015

Auditor General for Wales
24 Cathedral Road
Cardiff CF11 9LJ

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £'000	2014 £'000
CONTINUING OPERATIONS			
Revenue	2	30,803	33,751
Administrative expenses		<u>(30,810)</u>	<u>(31,360)</u>
OPERATING PROFIT/(LOSS) BEFORE COST OF FUNDAMENTAL REORGANISATION		(7)	2,391
Cost of fundamental reorganisation	4	<u>(2,485)</u>	<u>-</u>
OPERATING PROFIT/(LOSS)		(2,492)	2,391
Finance costs	5	(6,376)	(6,630)
Finance income	5	<u>5,821</u>	<u>5,383</u>
PROFIT/(LOSS) BEFORE TAX		(3,047)	1,144
Tax expense	7	<u>(9)</u>	<u>-</u>
PROFIT/(LOSS) FOR THE YEAR		<u>(3,056)</u>	<u>1,144</u>
Profit/(loss) attributable to: Owners of the parent		<u>(3,056)</u>	<u>1,144</u>

The notes from page 28 to page 60 form part of the Financial Statements

Tudalen y pecyn 301

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £'000	2014 £'000
PROFIT/(LOSS) FOR THE YEAR		(3,056)	1,144
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Actuarial Profit/(Loss) on pension scheme	7	(11,723)	18,172
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>(11,723)</u>	<u>18,172</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(14,779)</u>	<u>19,316</u>
Total comprehensive income attributable to: Owners of the parent		<u>(14,779)</u>	<u>19,316</u>

The notes from page 28 to page 60 form part of the Financial Statements

Tudalen y pecyn 302

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2015

	Notes	2015 £'000	2014 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,144	2,967
Intangible Assets	9	824	476
		<u>3,968</u>	<u>3,443</u>
CURRENT ASSETS			
Trade and other receivables	10	2,641	1,988
Cash and cash equivalents	11	4,600	7,434
		<u>7,241</u>	<u>9,422</u>
TOTAL ASSETS		<u>11,209</u>	<u>12,865</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Pension liability	15	27,317	14,879
Trade and other payables	13	175	-
		<u>27,492</u>	<u>14,879</u>
CURRENT LIABILITIES			
Trade and other payables	13	4,855	4,347
Tax payable	7	9	7
		<u>4,864</u>	<u>4,354</u>
TOTAL LIABILITIES		<u>32,356</u>	<u>19,233</u>
TOTAL ASSETS LESS LIABILITIES		<u>(21,147)</u>	<u>(6,368)</u>
EQUITY			
Retained earnings	12	<u>(21,147)</u>	<u>(6,368)</u>
TOTAL EQUITY		<u>(21,147)</u>	<u>(6,368)</u>

For the year ended 31 March 2015, the company was entitled to exemption from the requirements of Part 16 of the Companies Act 2006 under section 482 of this Act (non-profit making companies subject to public sector audit).

The Financial Statements were approved by the Board of Directors on 14/7/15 and were signed on its behalf by:


.....
Mr J Taylor - Director
Registered company number: 07442837

The notes from page 28 to page 60 form part of the Financial Statements

Tudalen y pecyn 303

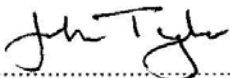
CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

COMPANY STATEMENT OF FINANCIAL POSITION
31 MARCH 2015

	Notes	2015 £'000	2014 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,144	2,967
Intangible assets	9	824	476
		<u>3,968</u>	<u>3,443</u>
CURRENT ASSETS			
Trade and other receivables	10	2,641	3,003
Cash and cash equivalents	11	4,600	5,763
		<u>7,241</u>	<u>8,766</u>
TOTAL ASSETS		<u>11,209</u>	<u>12,209</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Pension liability	15	27,317	14,879
Trade and other payables	13	175	-
		<u>27,492</u>	<u>14,879</u>
CURRENT LIABILITIES			
Trade and other payables	13	4,855	4,347
Tax payable	7	9	6
		<u>4,864</u>	<u>4,353</u>
TOTAL LIABILITIES		<u>32,356</u>	<u>19,232</u>
TOTAL ASSETS LESS LIABILITIES		<u>(21,147)</u>	<u>(7,023)</u>
EQUITY			
Retained earnings	12	<u>(21,147)</u>	<u>(7,023)</u>
TOTAL EQUITY		<u>(21,147)</u>	<u>(7,023)</u>

The Financial Statements were approved by the Board of Directors on 14/1/15 and were signed on its behalf by:



Mr J Taylor - Director
Registered company number: 07442837

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Retained earnings £'000	Revaluation reserve £'000	Total equity £'000
Balance at 1 April 2013	(25,856)	172	(25,684)
Changes in Equity			
Total comprehensive income	<u>19,488</u>	<u>(172)</u>	<u>19,316</u>
Balance at 31 March 2014	<u>(6,368)</u>	<u>-</u>	<u>(6,368)</u>
Changes in equity			
Total comprehensive income	<u>(14,779)</u>	<u>-</u>	<u>(14,779)</u>
Balance at 31 March 2015	<u>(21,147)</u>	<u>-</u>	<u>(21,147)</u>

The notes from page 28 to page 60 form part of the Financial Statements

Tudalen y pecyn 305

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Retained earnings £'000	Total equity £'000
Balance at 1 April 2013	(349)	(349)
Changes in equity		
Total comprehensive income	<u>(6,674)</u>	<u>(6,674)</u>
Balance at 31 March 2014	(7,023)	(7,023)
Changes in equity		
Total comprehensive income	(14,124)	(14,124)
Balance at 31 March 2015	<u>(21,147)</u>	<u>(21,147)</u>

The notes from page 28 to page 60 form part of the Financial Statements

Tudalen y pecyn 306

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £'000	2014 £'000
Cash flows from operating activities			
Cash generated from operations	1	(1,249)	964
Interest paid	5	(6)	-
Tax paid		(7)	(18)
Net cash from operating activities		<u>(1,262)</u>	<u>946</u>
Cash flows from investing activities			
Purchase of intangible assets	9	(1,315)	(951)
Purchase of property, plant and equipment	8	(303)	(127)
Sale of tangible fixed assets		-	-
Interest received	5	46	26
Net cash from investing activities		<u>(1,572)</u>	<u>(1,052)</u>
Cash flows from financing activities			
Net cash from financing activities		-	-
Decrease in cash and cash equivalents		(2,834)	(106)
Cash and cash equivalents at beginning of year	11	<u>7,434</u>	<u>7,540</u>
Cash and cash equivalents at end of year	11	<u>4,600</u>	<u>7,434</u>

The notes from page 28 to page 60 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE CORPORATION TAX TO CASH GENERATED FROM OPERATIONS

	Note	2015 £'000	2014 £'000
Profit/(Loss) before corporation tax		(3,047)	1,144
Depreciation charges	8	126	68
Amortisation charge	9	967	476
De-recognition charge		-	17
Movement in provision		-	(95)
Finance costs	5	6,376	6,630
Finance income	5	(5,821)	(5,383)
		<u>(1,399)</u>	<u>2,857</u>
Decrease/(increase) in trade and other receivables	10	(653)	824
(Decrease)/increase in trade and other payables	13	683	(3,221)
Difference between pension charge and cash contributions		<u>120</u>	<u>504</u>
Cash generated from operations		<u><u>(1,249)</u></u>	<u><u>964</u></u>

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES

Basis of preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

References to the Group in the notes to the accounts refer to CCDG and its subsidiaries. Reference to Company refers to CCDG, the parent company.

The accounts for the year ending the 31 March 2015 have been prepared in £000's and the comparative figures for 2014 have been restated from £'s to £000's.

Basis of consolidation

The consolidated accounts for the group incorporate the accounts of the parent company and its subsidiary undertakings, all of which were prepared to 31 March 2015. Entities over which the group has the ability to exercise control are accounted for as subsidiaries.

Transactions and balances between group companies are eliminated. No profit is taken on transactions between group companies. Uniform accounting policies are applied.

Revenue recognition

Revenue is recognised in the year to which the work is done. Income received in advance of the work being done is classified as deferred income.

Provisions

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation.

Cash and Cash equivalent

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at the bank.

Property, plant and equipment

Land and Buildings are valued at fair value, on the basis of open market value for existing use, and are subject to independent professional revaluation in accordance with the RICS valuation standards every five years. They were valued on this basis on the 29 March 2013 by Hirons, Morgans & Yapp, RICS registered valuers. The valuers have assumed that the properties are free from structural or design defects, rot, infestation and that they comply with all necessary statutory requirements. The valuers have also assumed that the properties are free from mortgages and charges. No environmental matters were considered to have a significant bearing on value. The properties were physically inspected in February 2012 and for this valuation exercise the valuers relied on floor areas provided by CCDG and did not undertake a detailed measuring exercise. The next revaluation will take place in March 2018, and thereafter at five year intervals.

Freehold property has been split into two compartments, buildings and land. Only the buildings element has been depreciated. In the case of land and buildings, associated legal and professional fees will also be capitalised

Only individual items over £2,500 are classified as fixed assets. CCDG do not group assets for capitalisation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- Straight line over 50 years
Leasehold property	- Lesser of 5 years or remaining lease term
Fixtures and fittings	- 5 years
Computer equipment	- 3 years

Intangible Assets

Software Licenses with a finite useful life will be amortised over that life on a straight line basis.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

Internet web development will be amortised over two years, from the date the development went live on the website. In the first year a full year of amortised costs are included in the statement of profit and loss.

The amortisation costs of intangible assets are included in administrative expenses within the Consolidated Statement of Profit and Loss.

Taxation

Current taxes are based on the results shown in the Financial Statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Employee benefit costs

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the consolidated profit and loss and other comprehensive income. Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities.

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

Operating Leases

Operating lease rentals are charged in the profit and loss account. The company aim to have break clauses built into their leases to reduce company commitment. An assessment of leases is undertaken to ensure they are operating and not finance leases.

Government Grants

Revenue grants are released to income and expenditure over the life of the project to which they relate.

Use of estimates and judgements

The preparation of the Financial Statements requires the company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation and critical judgement in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following note:

Note 15 - The measurement of defined benefit contributions depends on the selection of certain assumptions which include the discount rate, salary growth, rate of increase in deferred pensions and expected return on scheme assets.

Other significant areas of estimates and critical judgements are:-

- Property, plant and equipment revaluations and leasehold valuations are based on professional advice.
- Accrual estimates at the year-end have been based on work completed or goods received but not invoiced.

Going concern

The Directors are aware that in 2015-16 the Welsh Government funding will reduce for CCDG. However the Directors do not consider this will affect the going concern of the company as the company have managed to secure other sources of income from Welsh Government and ESF funds.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 MARCH 2015

2. REVENUE

	2015 £'000	2014 £'000
Welsh Government	29,470	31,185
ESF projects	378	1,312
Other contracts	955	1,254
	<u>30,803</u>	<u>33,751</u>

3. EMPLOYEES AND DIRECTORS

	2015 £'000	2014 £'000
Wages and salaries	20,586	19,759
Social security costs	1,390	1,498
Other pension costs	5,218	3,997
	<u>27,194</u>	<u>25,254</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Management and Administration	99	111
Service delivery	652	664
	<u>751</u>	<u>775</u>

	2015 £'000	2014 £'000
Directors' remuneration	<u>120</u>	<u>95</u>

The remuneration of Directors includes salary, NI and relevant pension costs.

The number of Directors to whom retirement benefits were accruing was as follows:

Final Salary scheme	<u>1</u>	<u>1</u>
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4. COSTS OF FUNDAMENTAL REORGANISATION

As a result of a large reduction in the CCDG Budget for 2015-16, the company undertook a voluntary release scheme between December 2014 and March 2015 resulting in a reduction of 88 staff. The associated costs of this exercise, including actuarial pension strains, was £2.485m.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

5. NET FINANCE INCOME

	2015 £'000	2014 £'000
Finance income:		
Deposit account interest	46	26
Expected return on pension scheme assets	<u>5,775</u>	<u>5,357</u>
	<u>5,821</u>	<u>5,383</u>
Finance costs:		
Bank interest	6	-
Interest on pension scheme liabilities	<u>6,370</u>	<u>6,630</u>
	<u>6,376</u>	<u>6,630</u>
Net finance income	<u>(555)</u>	<u>(1,247)</u>

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

6. PROFIT/(LOSS) BEFORE TAX

The profit/(loss) before tax is stated after charging:

	2015	2014
	£'000	£'000
Other operating leases	1,045	957
Depreciation	126	67
De-recognition charged to profit and loss	-	17
Amortisation	967	476
Auditors' remuneration - External	80	140
Internal	33	32
ESF Internal Grant Certificate	6	5
	2,257	1,694

7. CORPORATION TAX

Analysis of tax expense

	2015	2014
	£'000	£'000
Release of accrual in year	-	(4)
Charge in year	9	4
	9	-
Total tax expense in consolidated income statement	9	-

CCDG only pays corporation tax on interest receivable and non-core activities at the UK corporation tax rate of 20%. Tax charge for 2014-15 based on bank deposit interest of £46k at 20% (2013-14: £20k at 20%)

Tax effects relating to effects of other comprehensive income

	Gross £'000	2015 Tax £'000	Net £'000
Actuarial (losses) on pension scheme	(11,723)	-	(11,723)
	(11,723)	-	(11,723)
	Gross £'000	2014 Tax £'000	Net £'000
Actuarial gains on pension scheme	18,172	-	18,172
	18,172	-	18,172

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

8. PROPERTY, PLANT AND EQUIPMENT

Group 2014-15

	Leasehold Improvements	Land and Buildings	Fixtures and Fittings	Computer Equipment	Totals
	£'000	£'000	£'000	£'000	£'000
COST OR VALUATION					
At 1 April 2014	109	2,885	10	31	3,035
Additions: during the year	172	-	14	117	303
Disposals: during the year	-	-	(3)	(2)	(5)
At 31 March 2015	<u>281</u>	<u>2,885</u>	<u>21</u>	<u>146</u>	<u>3,333</u>
DEPRECIATION					
At 1 April 2014	11	43	4	10	68
Charge for year	48	42	2	34	126
Disposals: during the year	-	-	(3)	(2)	(5)
At 31 March 2015	<u>59</u>	<u>85</u>	<u>3</u>	<u>42</u>	<u>189</u>
NET BOOK VALUE					
At 31 March 2015	<u>222</u>	<u>2,800</u>	<u>18</u>	<u>104</u>	<u>3,144</u>
At 31 March 2014	<u>98</u>	<u>2,842</u>	<u>6</u>	<u>21</u>	<u>2,967</u>

Notes relating to PPE:-

There were no assets held for sale at the year end.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

8. PROPERTY, PLANT AND EQUIPMENT – continued

Company 2014-15

	Leasehold Improvements £'000	Land and Buildings £'000	Fixtures and Fittings £'000	Computer Equipment £'000	Totals £'000
COST OR VALUATION					
At 1 April 2014	109	2,885	10	31	3,035
Additions: during the year	172	-	14	117	303
Disposals during the year	-	-	(3)	(2)	(5)
At 31 March 2015	<u>281</u>	<u>2,885</u>	<u>21</u>	<u>146</u>	<u>3,333</u>
DEPRECIATION					
At 1 April 2014	11	43	4	10	68
Charge for year	48	42	2	34	126
Disposal during the year	-	-	(3)	(2)	(5)
At 31 March 2015	<u>59</u>	<u>85</u>	<u>3</u>	<u>42</u>	<u>189</u>
NET BOOK VALUE					
At 31 March 2015	<u>222</u>	<u>2,800</u>	<u>18</u>	<u>104</u>	<u>3,144</u>
At 31 March 2014	<u>98</u>	<u>2,842</u>	<u>6</u>	<u>21</u>	<u>2,967</u>

Tudalen y pecyn 315

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

8. PROPERTY, PLANT AND EQUIPMENT – continued

Group 2013-14

	Leasehold Improvements	Land and Buildings	Fixtures and Fittings	Computer Equipment	Deferred Revenue Expenditure	Freehold Property Improvements	Leasehold Property Improvements	Totals
COST OR VALUATION	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2013	258	3,576	531	1,059	403	198	492	6,517
Additions: during the year	108	-	5	14	-	-	-	127
Additions: due to Intercompany transfers	-	2,850	10	17	1	35	-	2,913
Disposals: during the year	-	-	(1)	-	-	-	-	(1)
Disposals: due to Intercompany transfers	(750)	(3,576)	(531)	(1,046)	(403)	(198)	-	(6,504)
De-recognition-charge to Statement of Profit and Loss	-	-	(4)	(13)	-	-	-	(17)
Re-classification	493	35	-	-	(1)	(35)	(492)	-
At 31 March 2014	109	2,885	10	31	-	-	-	3,035
DEPRECIATION								
At 1 April 2013	258	726	520	1,032	402	163	492	3,593
Charge for year	11	43	4	8	-	-	-	66
Disposals: during the year	-	-	-	-	-	-	-	-
Disposals: due to Intercompany transfers	(750)	(726)	(520)	(1,030)	(402)	(163)	-	(3,591)
Re-classification	492	-	-	-	-	-	(492)	-
At 31 March 2014	11	43	4	10	-	-	-	68

Tudalen y pecyn 316

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

NET BOOK VALUE

At 31 March 2014

<u>98</u>	<u>2,842</u>	<u>6</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,967</u>
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At 31 March 2013

<u>-</u>	<u>2,850</u>	<u>11</u>	<u>27</u>	<u>1</u>	<u>35</u>	<u>-</u>	<u>2,924</u>
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Tudalen y pecyn 317

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

8. PROPERTY, PLANT AND EQUIPMENT – continued

Company 2013-14

	Leasehold Improvements	Land and Buildings	Fixtures and Fittings	Computer Equipment	Deferred Revenue Expenditure	Freehold Property Improvements	Totals
COST OR VALUATION	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2013	-	-	-	13	-	-	13
Additions: during the year	108	-	5	14	-	-	127
Additions: due to Intercompany transfers	-	2,850	10	17	1	35	2,913
Disposals: during the year	-	-	(1)	-	-	-	(1)
De-recognition-charge to Statement of Profit and Loss	-	-	(4)	(13)	-	-	(17)
Re-classification	1	35	-	-	(1)	(35)	-
At 31 March 2014	109	2,885	10	31	-	-	3,035
DEPRECIATION							
At 1 April 2013	-	-	-	2	-	-	2
Charge for year	11	43	5	8	-	-	67
Disposals: during the year	-	-	(1)	-	-	-	(1)
At 31 March 2014	11	43	4	10	-	-	68

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CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

NET BOOK VALUE

At 31 March 2014

98	2,842	6	21	-	-	2,967
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At 31 March 2013

-	-	-	11	-	-	11
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CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

9. INTANGIBLE ASSETS

	Restated Software Licences £'000	Restated Website Development £'000	Total £'000
COST			
At 1 April 2014		951	951
Additions	575	740	1,315
At 31 March 2015	575	1,691	2,266
AMORTISATION			
At 1 April 2014		475	475
Charge for the year	121	846	967
At 31 March 2015	121	1,321	1,442
NET BOOK VALUE			
At 31 March 2015	454	370	824
At 31 March 2014		476	476

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

10. TRADE AND OTHER RECEIVABLES

	2015 £'000	2014 £'000
Current:		
Trade receivables	1,250	750
Other receivables	766	305
Prepayments and accrued income	<u>625</u>	<u>933</u>
	<u>2,641</u>	<u>1,988</u>

Company

	2015 £'000	2014 £'000
Current:		
Trade receivables	1,250	750
Amounts owed by group undertakings	-	1,015
Other receivables	766	305
Prepayments and accrued income	<u>625</u>	<u>933</u>
	<u>2,641</u>	<u>3,003</u>

11. CASH AND CASH EQUIVALENTS

Group

	2015 £'000	2014 £'000
Cash in hand	2	3
Bank accounts	<u>4,598</u>	<u>7,431</u>
	<u>4,600</u>	<u>7,434</u>

Company

	2015 £'000	2014 £'000
Cash in hand	2	3
Bank accounts	<u>4,598</u>	<u>5,760</u>
	<u>4,600</u>	<u>5,763</u>

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

12. RESERVES

Group	Retained earnings £'000	Revaluation reserve £'000	Totals £'000
At 1 April 2013	(25,856)	172	(25,684)
Profit for the year	1,144	-	1,144
Transfer to retained earnings	172	(172)	-
Pension Actuarial Gain	<u>18,172</u>	<u>-</u>	<u>18,172</u>
At 31 March 2014	(6,368)	-	(6,368)
(Loss) for the year	(3,056)	-	(3,056)
Pension Actuarial Loss	<u>(11,723)</u>	<u>-</u>	<u>(11,723)</u>
At 31 March 2015	<u>(21,147)</u>	<u>-</u>	<u>(21,147)</u>
Company			
	Retained earnings £'000	Totals £'000	
At 1 April 2013	(349)	(349)	
(Loss) for the year	(24,846)	(24,846)	
Pension actuarial gain	<u>18,172</u>	<u>18,172</u>	
At 31 March 2014	(7,023)	(7,023)	
(Loss) for the year	(2,401)	(2,401)	
Pension Actuarial Loss	<u>(11,723)</u>	<u>(11,723)</u>	
At 31 March 2015	<u>(21,147)</u>	<u>(21,147)</u>	

13. TRADE AND OTHER PAYABLES

	Group	
	2015 £'000	2014 £'000
Current liabilities:		
Trade payables	763	484
Social security and other taxes	513	1,038
Other payables	340	602
Holiday Pay Accrual	318	239
Accruals and deferred income	1,873	995
VAT	992	989
Computer Licenses	<u>56</u>	<u>-</u>
	<u>4,855</u>	<u>4,347</u>
Non-current liabilities:		
Computer Licenses	<u>175</u>	<u>-</u>
	<u>175</u>	<u>-</u>
Aggregate amounts	<u>5,030</u>	<u>4,347</u>

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

13. TRADE AND OTHER PAYABLES - continued

	Company	
	2015 £'000	2014 £'000
Current		
Trade payables	763	484
Other payables	853	1,640
Accruals and deferred income	1,873	995
Holiday Pay Accrual	318	239
VAT	992	989
Computer Licenses	56	
	<u>4,855</u>	<u>4,347</u>
Non-current liabilities:		
Computer Licenses	175	-
	<u>175</u>	<u>-</u>
Aggregate amounts	<u>5,030</u>	<u>4,347</u>

14. LEASING AGREEMENTS

Group

Minimum lease payments under operating leases fall due as follows:

	Operating lease	
	2015 £'000	Restated 2014 £'000
Net obligations repayable		
Within one year	886	948
Between one and five years	2,739	2,874
In more than five years	3,038	3,250
	<u>6,663</u>	<u>7,072</u>

The 2014 figures have been restated following a review of all premises leases. It was discovered that the leases for the premises at Newport and Llantarnam had fixed increases every five years and these increases were not included in last year's calculations. This has resulted in an increased lease commitment of £629k over the lifetime of the leases.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

15. EMPLOYEE BENEFIT OBLIGATIONS

Each of the companies within the group contributes to the Local Government Pension Scheme (LGPS) a defined benefit pension scheme being the following:

Company	Fund
Gwent Careers Service Partnership Ltd Careers Wales Cardiff and Vale Ltd	Greater Gwent (Torfaen) Pension Fund Cardiff and Vale of Glamorgan Pension Fund (C&V)
Careers Wales West - Gyrfa Cymru Gorllewin Ltd	Dyfed Pension Fund which is operated by Carmarthenshire County Council (Dyfed)
Careers Wales Mid Glamorgan and Powys Ltd	Rhondda Cynon Taf Pension Fund and the Powys County Council Pension Fund
North East Wales Careers Services Ltd	Clwyd Pension Fund
Gyrfa Cymru Gogledd Orllewin Cyfyngedig	Gwynedd Council Pension Fund
Careers Wales Association	Rhondda Cynon Taf Pension Fund (RCT)

The date of the most recent full actuarial valuation of the above funds was carried out on the 31 March 2013 by the following Actuaries. The qualified Actuaries are not employees of any of the companies within the group.

Company	Actuary
Gwent Careers Service Partnership Ltd	Mercer
Careers Wales Cardiff and Vale Ltd	Aon Hewitt
Careers Wales West - Gyrfa Cymru Gorllewin Ltd	Mercer
Careers Wales Mid Glamorgan and Powys Ltd - RCT & Powys	Aon Hewitt
North East Wales Careers Services Ltd	Mercer
Gyrfa Cymru Gogledd Orllewin Cyfyngedig	Hymans Robertson
Careers Wales Association	Aon Hewitt

As stated previously, CCDG is an admitted member of seven LGPS's in Wales. The Local Government Pension Scheme (Administration) Regulations 2008 (as amended) provide the statutory framework. Each of the Schemes, that CCDG is an admitted member, is a defined benefit final salary scheme under which the benefits are specified in the governing legislation (the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)). The required levels of employee contributions are also specified in the Regulations. Updated Regulations (The Local Government Pension Scheme Regulations 2013) covering a new LGPS replaced the existing Scheme with effect from 01 April 2014 and will provide for members to accrue pension on a career average revalued earnings basis rather than final salary. The actuaries have taken this into account in determining employer contribution rates in the 2013 actuarial valuation.

Members' accrued benefits are guaranteed by statute and the level of member contributions are fixed in the Regulations at a level which covers only part of the cost of accruing benefits. CCDG is responsible for paying the balance of the cost of delivering the benefits to members. Each LGPS Fund has a Funding Strategy Statement (FSS) that focuses on the pace at which these liabilities are funded and, insofar as is practical, the measures to ensure that employers or pools of employers pay for their own liabilities.

The FSS is prepared by the Administering Authority in collaboration with the Fund Actuary and after consultation with the Fund's employers and investment advisors. A separate strategy is produced by each of the LGPS's.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

The FSS is produced in accordance with Regulation 35 of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended) and the guidance paper issued in October 2012 by the Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Panel.

Funding is the making of advance provision to meet the cost of accruing benefit promises. Decisions taken regarding the approach to funding will therefore determine the rate or pace at which this advance provision is made. Although the Regulations specify the fundamental principles on which funding contributions should be assessed, implementation of the funding strategy is the responsibility of the Administering Authority, acting on the professional advice provided by the actuary. The purpose of the FSS is:

1. to establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward;
2. to support the regulatory requirement to maintain as nearly constant employer contribution rates as possible; and
3. to take a prudent longer-term view of funding those liabilities.

The intention is for each of the Fund's FSS to be both cohesive and comprehensive for their Fund, recognising that there will be conflicting objectives which need to be balanced and reconciled. While the position of individual employers must be reflected in the statement, it must remain a single strategy for each Administering Authority to implement and maintain.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

For the purpose of these accounts, all of the funds are disclosed separately below but have been aggregated in their impact on the Financial Statements.

The amounts recognised in the Statement of Financial Positions are as follows:

	Present Value of funded obligations	Fair Value of plan assets	Sub - total	Present Value of unfunded obligations	Surplus / (Deficit)	Net Asset / Net Liability
	£'000	£'000	£'000	£'000	£'000	£'000
Gwent Careers Service Partnership Ltd	(27,039)	20,082	(6,957)	-	(6,957)	(6,957)
Careers Wales Cardiff and Vale Ltd	(19,260)	23,630	4,370	(70)	4,300	4,300
Careers Wales West Gyrfa Cymru Gorllewin Ltd	(44,176)	36,802	(7,374)	(254)	(7,628)	(7,628)
Careers Wales Mid Glamorgan and Powys Ltd – RCT	(32,604)	28,252	(4,352)	-	(4,352)	(4,352)
Careers Wales Mid Glamorgan and Powys Ltd – Powys	(7,710)	6,220	(1,490)	-	(1,490)	(1,490)
North East Wales Careers Services Ltd	(20,072)	14,693	(5,379)	-	(5,379)	(5,379)
Gyrfa Cymru Gogledd Orllewin Cyfyngedig	(24,243)	18,091	(6,152)	(34)	(6,186)	(6,186)
Careers Wales Association (CWA)	(1,428)	1,803	375	-	375	375
	<u>(176,532)</u>	<u>149,573</u>	<u>(26,959)</u>	<u>(358)</u>	<u>(27,317)</u>	<u>(27,317)</u>

Duration Information as at the end of the accounting period

The duration of the employers liabilities is the average period between the calculation date and the date at which benefit payments fall due.

LGPS Fund	C&V	CWA	Flintshire	Gwent	Dyfed	RCT	Powys
Years	20.8	24.5	21	22	21	20.4	18.8

Note that the above figures are for funded obligations only and do not include the unfunded pensioner liabilities.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

The aggregated impact on the Financial Statements is as follows

The amounts recognised in the statement of financial position are as follows:

	Defined benefit pension plans	
	2015 £'000	2014 £'000
Present value of funded obligations	(176,532)	(144,799)
Fair value of plan assets	<u>149,573</u>	<u>130,255</u>
	(26,959)	(14,544)
Present value of unfunded obligations	<u>(358)</u>	<u>(335)</u>
Deficit	<u>(27,317)</u>	<u>(14,879)</u>
Net liability	<u>(27,317)</u>	<u>(14,879)</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2015 £'000	2014 £'000
Current service cost	3,385	3,857
Interest cost	6,370	6,630
Expected return	(5,775)	(5,357)
	<u>3,980</u>	<u>5,130</u>
Actual return on plan assets	<u>17,351</u>	<u>7,355</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2015 £'000	2014 £'000
Opening defined benefit obligation	145,134	153,135
Current service cost	3,385	3,791
Contributions by scheme participants	1,095	1,073
Interest cost	6,370	6,630
Actuarial losses/(gains)	23,983	(16,174)
Benefits paid	(3,096)	(3,321)
Curtailments	19	-
	<u>176,890</u>	<u>145,134</u>

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Opening fair value of scheme assets	130,255	121,861
Contributions by employer	3,350	3,353
Contributions by scheme participants	1,095	1,073
Assets administration expenses	(76)	(66)
Expected return	5,775	5,357
Actuarial profit/(loss)	12,260	1,998
Benefits paid	(3,086)	(3,321)
	149,573	130,255

The amounts recognised in the statement of comprehensive income are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Actuarial profit/(loss)	(11,723)	18,172
	(11,723)	18,172
Cumulative amount of actuarial profit/(loss)	(25,740)	(14,017)

The following note provides details of each of the companies' actuaries assumptions and asset allocations

Careers Wales Mid Glamorgan and Powys - RCT

Principal Financial Assumptions	31.03.15	31.03.14
	(%)	(%)
Discount rate	3.3	4.3
RPI Inflation	3.0	3.4
CPI Inflation	1.9	2.4
Rate of increase to deferred pensions	1.9	2.4
Rate of increase to pensions in payment	1.9	2.4
Rate of general increase in salaries	3.4	3.9

Mortality assumptions

Based on recent actual mortality experience of members within the Fund and allow for expected Future mortality improvements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

	31.03.15	31.03.14
Males		
Future lifetime from age 65 (aged 65 at accounting date)	23	22.9
Future lifetime from age 65 (aged 45 at accounting date)	25.2	25.1
 Females		
Future lifetime from age 65 (aged 65 at accounting date)	25.9	25.8
Future lifetime from age 65 (aged 45 at accounting date)	28.3	28.2
	31.03.15	31.03.14
	(%)	(%)
Asset allocation		
Equities	69.0	71.0
Property	5.6	5.9
Gov Bonds	9.7	8.5
Corporate Bonds	11.7	11.7
Cash	4.0	2.9
Total	100	100

Expected contribution for accounting period ending 31 March 2016 - £0.982M

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2015 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

Funded LGPS benefits

Discount rate assumption

	+0.1% p.a.	-0.1% p.a.
Adjustment to discount rate		
Present value of total obligation (£M's)	31.946	33.275
% change in present value of total obligation	-2.0%	2.1%

Rate of general increase in salaries

	+0.1% p.a.	-0.1% p.a.
Adjustment to salary increase rate		
Present value of total obligation (£M's)	32.764	32.446
% change in present value of total obligation	0.5%	-0.5%

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption

Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	33.131	32.087
% change in present value of total obligation	1.6%	-1.6%

Post retirement mortality assumption

Adjustment to mortality age rating assumption *	-1 year	+1 year
Present value of total obligation (£M's)	33.459	31.749
% change in present value of total obligation	2.6%	-2.6%

*A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them

Careers Wales Mid Glamorgan and Powys - Powys

	31.03.15	31.03.14
Principal Financial Assumptions	(%)	(%)
Discount rate	3.2	4.3
RPI Inflation	2.9	3.4
CPI Inflation	1.8	2.4
Rate of increase to deferred pensions	1.8	2.4
Rate of increase to pensions in payment	1.8	2.4
Rate of general increase in salaries	3.3	3.9

Mortality assumptions

Based on recent actual mortality experience of members within the Fund and allow for expected Future mortality improvements

	31.03.15	31.03.14
Males		
Future lifetime from age 65 (aged 65 at accounting date)	23.0	22.9
Future lifetime from age 65 (aged 45 at accounting date)	25.2	25.1
Females		
Future lifetime from age 65 (aged 65 at accounting date)	25.5	25.4
Future lifetime from age 65 (aged 45 at accounting date)	27.8	27.7

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

	31.03.15 (%)	31.03.14 (%)
Asset allocation		
Equities	53.0	52.3
Property	7.4	6.1
Gov Bonds	16.3	16.1
Corporate Bonds	8.6	13
Cash	5.2	2.5
Other	9.5	10
Total	100	100

Expected contribution for accounting period ending 31 March 2016 - £0.12M

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2015 and the projected service cost for the year ending 31 March 2016 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same

Funded LGPS benefits

	+0.1% p.a.	-0.1% p.a.
Discount rate assumption		
Adjustment to discount rate		
Present value of total obligation (£M's)	7.57	7.86
% change in present value of total obligation	-1.9%	1.9%
Projected service cost (£M's)	0.15	0.15
Approximate % change in projected service cost	-3.0%	3.0%
Rate of general increase in salaries		
Adjustment to salary increase rate		
Present value of total obligation (£M's)	7.74	7.68
% change in present value of total obligation	0.4%	-0.4%
Projected service cost (£M's)	0.15	0.15
Approximate % change in projected service cost	0.0%	0.0%

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption

	+0.1% p.a.	-0.1% p.a.
Adjustment to pension increase rate		
Present value of total obligation (£M's)	7.83	7.60
% change in present value of total obligation	1.5%	-1.5%
Projected service cost (£M's)	0.15	0.15
Approximate % change in projected service cost	3.0%	-3.0%

Post retirement mortality assumption

	-1 year	+1 year
Adjustment to mortality age rating assumption *		
Present value of total obligation (£M's)	7.91	7.51
% change in present value of total obligation	2.6%	-2.6%
Projected service cost (£M's)	0.16	0.14
Approximate % change in projected service cost	3.4%	-3.4%

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

**A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them*

Careers Wales Cardiff and Vale Ltd

Principal Financial Assumptions	31.03.15 (%)	31.03.14 (%)
Discount rate	3.2	4.3
RPI Inflation	2.9	3.4
CPI Inflation	1.8	2.4
Rate of increase to deferred pensions	1.8	2.4
Rate of increase to pensions in payment	1.8	2.4
Rate of general increase in salaries	2.8	3.4

Mortality assumptions

Based on recent actual mortality experience of members within the Fund and allow for expected Future mortality improvements

	31.03.15	31.03.14
Males		
Future lifetime from age 65 (aged 65 at accounting date)	23.8	23.7
Future lifetime from age 65 (aged 45 at accounting date)	25.8	25.7
Females		
Future lifetime from age 65 (aged 65 at accounting date)	26.7	26.6
Future lifetime from age 65 (aged 45 at accounting date)	29.0	28.9
	31.03.15 (%)	31.03.14 (%)
Asset allocation		
Equities	77.4	78.3
Property	5.9	5.4
Gov Bonds	6.8	6.9
Corporate Bonds	7.9	8
Cash	1.7	1.3
Other	0.3	0.1
Total	100	100

Expected contribution for accounting period ending 31 March 2016 - £0.41M

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2015 and the projected service cost for the year ending 31 March 2016 is set out below. In each case, only the assumption mentioned is altered. We have not included sensitivity of unfunded benefits on materiality grounds.

Funded LGPS benefits

Discount rate assumption		
Adjustment to discount rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	18.86	19.66
% change in present value of total obligation	-2.1%	2.1%
Projected service cost (£M's)	0.60	0.64
Approximate % change in projected service cost	-3.4%	3.5%
Rate of general increase in salaries		
Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	19.38	19.14
% change in present value of total obligation	0.6%	-0.6%
Projected service cost (£M's)	0.62	0.62
Approximate % change in projected service cost	0.0%	0.0%
Rate of increase to pensions in payment and deferred pensions assumption		
Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	19.55	18.97
% change in present value of total obligation	1.5%	-1.5%
Projected service cost (£M's)	0.64	0.60
Approximate % change in projected service cost	3.5%	3.4%
Post retirement mortality assumption		
Adjustment to mortality age rating assumption *	-1 year	+1 year
Present value of total obligation (£M's)	19.77	18.75
% change in present value of total obligation	2.6%	-2.6%
Projected service cost (£M's)	0.64	0.60
Approximate % change in projected service cost	3.2%	-3.36%

A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Careers Wales Association

Principal Financial Assumptions	31.03.15 (%)	31.03.14 (%)
Discount rate	3.3	4.4
RPI Inflation	3.0	3.4
CPI Inflation	1.9	2.4
Rate of increase to deferred pensions	1.9	2.4
Rate of increase to pensions in payment	1.9	2.4
Rate of general increase in salaries	3.4	3.9

Mortality assumptions

Based on recent actual mortality experience of members within the Fund and allow for expected Future mortality improvements

	31.03.15	31.03.14
Males		
Future lifetime from age 65 (aged 65 at accounting date)	23	22.9
Future lifetime from age 65 (aged 45 at accounting date)	25.2	25.1
Females		
Future lifetime from age 65 (aged 65 at accounting date)	25.9	25.8
Future lifetime from age 65 (aged 45 at accounting date)	28.3	28.2

	31.03.15 (%)	31.03.14 (%)
Asset allocation		
Equities	69.0	70.7
Property	5.6	5.8
Gov Bonds	9.7	9.5
Corporate Bonds	11.7	10.8
Cash	4.0	3.2
Other	0	0
Total	100	100

Expected contribution for accounting period ending 31 March 2016 - £0.036M

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2015 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Funded LGPS benefits

Discount rate assumption	+0.1% p.a.	-0.1% p.a.
Adjustment to discount rate		
Present value of total obligation (£M's)	1.393	1.463
% change in present value of total obligation	-2.4%	2.5%
Projected service cost (£M's)	0.047	0.051
Approximate % change in projected service cost	-3.7%	3.9%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	1.435	1.421
% change in present value of total obligation	0.5%	-0.5%
Projected service cost (£M's)	0.049	0.049
Approximate % change in projected service cost	0.0%	0.0%

Rate of increase to pensions in payment and deferred pensions assumption

Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	1.457	1.399
% change in present value of total obligation	2.1%	-2.0%
Projected service cost (£M's)	0.051	0.047
Approximate % change in projected service cost	3.9%	-3.7%

Post retirement mortality assumption

Adjustment to mortality age rating assumption *	-1 year	+1 year
Present value of total obligation (£M's)	1.465	1.391
% change in present value of total obligation	2.6%	-2.6%
Projected service cost (£M's)	0.051	0.047
Approximate % change in projected service cost	3.5%	-3.5%

*A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them

Careers Wales West- Gyrfa Cymru Gorllewin

Financial assumptions	Beginning of period (%)	End of period (%)
Rate of CPI inflation	2.4	2.0
Rate of increase in salaries	3.9	3.5
Rate of increase in pensions	2.4	2.0
Discount rate	4.5	3.3

Mortality assumptions

Non Retired members	95% male	95% males
	94% females	94% females
Retired members	95% male	95% males
	94% females	94% females

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Life expectancy of a male (female)

Future pensioner aged 65	25.4 (28) years	25.5 (28.1) years
Current pensioner aged 65	23.2 (25.7) years	23.3 (25.8) years

Expected contribution for accounting period ending 31 March 2016 - £654k

Sensitivity analysis

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
	£'000	+ 0.1% p.a. discount rate £'000	+ 0.1% p.a. inflation £'000	+ 0.1% p.a. pay growth £'000	1 year increase in life expectancy £'000
Liabilities	44,430	43,507	45,372	44,688	45,275
Assets	(36,802)	(36,802)	(36,802)	(36,802)	(36,802)
Deficit/(Surplus)	7,628	6,705	8,570	7,886	8,473
Projected Service Cost for next year	1,096	1,061	1,132	1,096	1,120
Projected Net Interest Cost for next year	241	217	272	250	269

North East Wales Careers Services

Financial assumptions	Beginning of period (%)	End of period (%)
Rate of CPI inflation	2.4	2.0
Rate of increase in salaries	3.9	3.5
Rate of increase in pensions	2.4	2.0
Discount rate	4.5	3.3

Mortality assumptions

Non Retired members	87% male 82% females	87% males 82% females
Retired members	94% male 93% females	94% males 93% females

Life expectancy of a male (female)

Future pensioner aged 65	26.2 (29.2) years	26.3 (29.3) years
Current pensioner aged 65	23.3 (25.8) years	23.4 (25.9) years

Expected contribution for accounting period ending 31 March 2016 - £358k

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Sensitivity analysis

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
		+ 0.1% p.a. discount rate	+ 0.1% p.a. inflation	+ 0.1% p.a. pay growth	1 year increase in life expectancy
	£000s	£000s	£000s	£000s	£000s
Liabilities	20,072	19,661	20,492	20,177	20,453
Assets	(14,693)	(14,693)	(14,693)	(14,693)	(14,693)
Deficit/(Surplus)	5,379	4,968	5,799	5,484	5,760
Projected Service Cost for next year	418	405	432	418	427
Projected Net Interest Cost for next year	172	163	185	175	184

Gwent Careers Service Partnership Ltd

Financial assumptions	Beginning of period (%)	End of period (%)
Rate of CPI inflation	2.4	2.1
Rate of increase in salaries	3.9	3.6
Rate of increase in pensions	2.4	2.1
Discount rate	4.6	3.4
Mortality assumptions		
Non Retired members	98% male 97% females	98% males 97% females
Retired members	98% male 97% females	98% males 97% females
Life expectancy of a male (female)		
Future pensioner aged 65	25.2 (27.8) years	25.3 (27.9) years
Current pensioner aged 65	23 (25.4) years	23 (25.5) years

Expected contribution for accounting period ending 31 March 2016 - £419k

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Sensitivity analysis

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
	£'000	+ 0.1% p.a. discount rate £'000	+ 0.1% p.a. inflation £'000	+ 0.1% p.a. pay growth £'000	1 year increase in life expectancy £'000
Liabilities	27,039	26,464	27,627	27,200	27,539
Assets	(20,082)	(20,082)	(20,082)	(20,082)	(20,082)
Deficit/(Surplus)	6,957	6,382	7,545	7,118	7,457
Projected Service Cost for next year	592	573	612	592	605
Projected Net Interest Cost for next year	229	216	249	235	246

Careers Wales North West - Gyrfa Cymru Gogledd Orllewin

Financial assumptions	31.03.15 % p.a.	31.03.14 % p.a.
Pension increase rate	2.5	2.9
Salary increase rate	4.4	4.7
Discount rate	3.3	4.3

Mortality

Average future life expectancy at age 65	Males	Females
Current pensioners	22.0 years	24.0 years
Future pensioners	24.4 years	26.6 years

Expected contribution for accounting period ending 31 March 2016 - £432k

Sensitivity analysis

Changes in assumptions at 31.03.15	Approx. % increase to Employer	Approx. monetary amount (£)
0.5% decrease in Real Discount Rate	14%	3,397
1 year increase in member life expectancy	3%	728
0.5% increase in the Salary Increase Rate	5%	1,319
0.5% increase in the Pension Increase Rate	8%	1,977

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Amounts for the current and previous period are as follows:

	2015 £'000	2014 £'000
Defined benefit pension plans		
Defined benefit obligation	(176,890)	(145,134)
Fair value of scheme assets	149,573	130,255
Deficit	<u>(27,317)</u>	<u>(14,879)</u>

16. EVENTS AFTER THE REPORTING PERIOD

The Financial Statements were authorised for issue by the Board of Directors on the 7th July 2015. The Welsh Government have the power to amend the Financial Statements after issue.

17. ULTIMATE CONTROLLING PARTY

On the 1 April 2013 the members of the company resigned and the Welsh Government was appointed as the sole member. From this date the Welsh Government had ultimate control of the group. During the year CCDG was the ultimate parent undertaking of the group by being the sole member of each of the following companies:

Gwent Careers Service Partnership Ltd	Registered number: 03035717
Careers Wales Cardiff and Vale Ltd	Registered number: 03037730
Careers Wales West - Gyrfa Cymru Gorllewin Ltd	Registered number: 04176235
Careers Wales Mid Glamorgan and Powys Ltd	Registered number: 03026118
North East Wales Careers Services Ltd	Registered number: 03039009
Gyrfa Cymru Gogledd Orllewin Cyfyngedig	Registered number: 03009975
Careers Wales Association Ltd	Registered number: 03955822

All companies have been included in the consolidated accounts. The subsidiaries previously provided careers information, advice and guidance service and the facilitation of education business links.

18. SHARE CAPITAL

The company is limited by guarantee with all Directors agreeing to contribute the sum of £1 in the event of the company being wound up.

19. GOING CONCERN

The group Financial Statements currently show that the company has negative reserves of £21,147k. The primary reason for the negative reserves is the pension deficit of £27,317k. This deficit is an estimate of the expected shortfall of assets over liabilities in the group pension funds.

It is not expected that significant additional pension contributions will be required in the short term and therefore it is the view of the Directors that the company continues to be a going concern.

On the 1 April 2013 CCDG became a wholly owned subsidiary of Welsh Government.

The Directors are aware that in 2015-16 the Welsh Government have indicated that funding will reduce for CCDG. However the Directors do not consider this will affect the going concern of the company.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

20. RELATED PARTY

CCDG is a wholly owned subsidiary of the Welsh Government, and therefore the Welsh Government is regarded as a related party. During the year, CCDG received income from the Welsh Government of £29.470m. At the year end, CCDG was owed £886k by the Welsh Government.

During the year the following transactions took place between CCDG and its subsidiaries:

Amounts Received from the subsidiaries by CCDG:

Gwent Careers Service Partnership Ltd	£424,839
Careers Wales Cardiff and Vale Ltd	£766,363
Careers Wales West – Gyrfa Cymru Gorllewin Ltd	£287,481
Careers Wales Mid Glamorgan and Powys Ltd	£191,462
North East Wales Careers Services Ltd	£0
Careers Wales Association Ltd	£0
Gyrfa Cymru Gogledd Orllewin Cyfyngedig	£0

During the year, CCDG entered into transactions with organisations in which the following Directors and Senior Management employees have declared an interest.

Director	Body	Payments Received by CCDG	Nature of link
Mr Iwan Prys Jones	North Wales Economic Ambition Board	£53,629	Programme Director

Director/ Senior Management	Body	Payments Made by CCDG	Nature of link
Mr S Harford	Howells Solicitors	£24,920	Daughter employee
Mr P Davy	Caerphilly County Borough Council - Expenditure	£18,040	Head Of Programmes
Mrs S Finnegan-Dehn	Career Development Institute - Expenditure	£46,825	Board Member of CDI
Dr D M Roberts	Bangor University	£1,500	Director

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

21. CAPITAL COMMITMENTS

Purchase orders to the value of £137k have been raised for capital expenditure on various company premises and purchase orders for website development and translation amount to £39k but these have not been provided for in the Financial Statements.

22. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these Financial Statements. The parent company's loss for the financial year was £14,124k (2014 – loss £24,846k).

Grwp yr Economi, Sgiliau a Chyfoeth Naturiol
Economy, Skills and Natural Resources Group



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cvf/Our ref
Darren Millar AM
Chair – Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

28 October 2015

**PUBLIC ACCOUNTS COMMITTEE REPORT
INTRA-WALES – CARDIFF TO ANGLESEY – AIR SERVICES: FINAL
REPORT
RESPONSE TO REQUEST FOR CLARIFICATIONS**

On 29 September you wrote to James Price (Deputy Permanent Secretary – Economy, Skills and Natural Resources Group) with a number of clarifications to the Welsh Government's response to the Final Report.

Please find attached the Welsh Government's response.

Yours sincerely

Simon Jones
Acting Director – Transport and ICT Infrastructure

Welsh Government response to the PACs request on 1 October 2015 for clarification of Welsh Government responses dated 10 September 2015.

PAC comment, recommendation 1:

The Welsh Government has accepted this recommendation in principle, on the basis that it reserves the right to change the scope of a commission where possible within procurement rules. The response is framed simply in the context of any future external advice regarding the Air Service whereas the Committee's intention was for practice to be adopted and applied throughout the Welsh Government. We therefore wish to seek a more corporate response to this recommendation.

In responding further the Welsh Government may wish to consider the Auditor General's February 2013 report on The Procurement and Management of Consultancy Services. One of the recommendations in that report related to the development by public bodies of template documentation to set out all essential factors which they should consider when purchasing consultancy services. The Committee's own report on this subject, published in September 2013, recommended that Welsh Government should ensure that business cases exist for different procurement exercises, and are robust.

WG response (September 2015):

The Welsh Government will, when commissioning any external advice in relation to the Intra Wales Air Service, establish in advance a clear and detailed scope of the work required. The Welsh Government may decide to adjust, amend or increase the scope of work required on the basis of the evidence provided during the commission where this is possible within procurement rules.

Additional comments:

Following the recommendations made by the Wales Audit Office in its report on the Procurement and Management of Consultancy Services (February 2013) the Welsh Government – through Value Wales and the National Procurement Service – has developed best practice template documentation, including a template business case, which is available for all public bodies across Wales to access via the Procurement Route Planner, hosted on the Sell2Wales website.

Within Welsh Government, the Director of Commercial and Procurement, is responsible for delivering the Commercial Governance workstream of the Permanent Secretaries 'Preparing for the Future' programme. The scope of this workstream includes reviewing how procurement is carried out across Welsh Government, including where procurement responsibility is delegated. This work will help ensure that consistent best practice approaches are applied across the whole organisation.

The introduction of an improved Purchase to Pay process (P2P) across Welsh Government by April 2016 will also help to drive consistency of approach through improved financial approval processes and the use of Category Management techniques.

PAC comment, recommendation 2:

The Welsh Government has accepted this recommendation in principle but again has responded specifically in the context of the Air Service contract, rather than from a corporate perspective. We therefore seek assurances that the recommendation will be applied more widely. Furthermore, your response does not make it clear why the recommendation has only been accepted in principle. Given the Committee's previous concerns regarding the timetable for the most recent procurement exercise, the Committee therefore seeks confirmation of the anticipated timetable for the completion of a review to inform any future procurement exercise ahead of the expiry of the current Air Service contract in December 2018.

WG response (September 2015):

We will continue to monitor the performance of the Intra Wales Air Service contract to inform any future review regarding the continuation of the service beyond its 2018 expiry date. Any future review will be completed in time to inform a procurement exercise.

Additional comments:

The Welsh Government's Commercial Governance workstream includes the establishment of a Welsh Government wide contracts register, providing the mechanism through which contracts can be reviewed and future requirements assessed.

The Welsh Government will allow adequate time to review future requirements and decide the most appropriate strategy for any future procurement.

PAC comment, recommendation 3:

The Welsh Government has accepted this recommendation and the Committee welcomes the commitment that has been given to continue work with all parties to explore opportunities to extend the opening times at RAF Valley and the potential for the airport to be developed to enable larger aircraft to be used on the air service route. However, the Committee welcome further evidence setting out the Welsh Government's assessment of these issues, and any related costs and benefits. In the case of the use of larger aircraft, any such assessment might understandably be best undertaken when there is also clearer evidence of there being a growth in demand to support a larger aircraft.

WG response (September 2015):

The Welsh Government liaised with RAF Valley and Isle of Anglesey council on these issues during the procurement for the current contract. We will continue to explore with all parties the potential opportunities for extending the opening times of

RAF Valley, including at weekends. We will also continue to explore the potential for the airport to meet National Aviation Security Programme (NASP) to enable larger aircraft to be used on the route, should passenger and commercial demand support it.

Additional comments:

The Welsh Government is working with the MoD at RAF Valley, the Anglesey Council and the Operator, Links Air, to explore the potential opportunities to extend the opening times of Anglesey Airport. The Welsh Government aims to undertake this investigation by the end of April 2016. It will engage with industry specialists to identify any likely costs, benefits, barriers and revenue generation as a result of any extended operational hours. The investigation will consider the potential demand to operate an increased timetable, existing passenger numbers, and connectivity with other routes to/from Cardiff Airport. It will consider the operational restrictions at RAF Valley such as the MoD's willingness to allow the airport to operate outside of the RAF's current opening times, and any implications of health and safety, insurances and other issues to be considered, such as the RAF's policy on runway de-icing. The work will look at cost implications in relation to increased staffing & other related overheads at either end of the route. The investigation will also consider what is allowed under EC Regulation 1008/2008 which identifies the common rules for the operation of PSO air services in the Community, and it will consult with the CAA to understand any wider issues.

PAC comment, recommendation 4:

Although the Welsh Government has accepted this recommendation it would be helpful to the Committee if Welsh Government could reconfirm the latest expected timetable for the closure of RAF Valley, given previous slippage, and set out the related timetable for publicity to passengers. The Committee's recommendation pointed to the needs for communication 'well in advance' to ensure minimum disruption to uptake of the service.

WG response (September 2015):

We will ensure that the service operator, Links Air, publicise to passengers any changes to the service due to any temporary closure of RAF Valley. We will also continue to engage with Isle of Anglesey Council, RAF Valley and Links Air on this issue to work together to minimise the impact any temporary closure could have on passengers using the service.

Additional comments:

The latest expected timetable for the closure of RAF Valley is August 2016. Ticket sales for the PSO flights are available approximately 6 months in advance via Links Air's online booking engine. Links Air provides service changes and disruption contingency information on its website in line with ticket sales availability. The operator is currently working closely with the RAF and the CAA to provide a contingency plan solution which aims to minimise disruption to the PSO. Any

timetable changes and other relevant information will also be advertised at Anglesey Airport.

PAC comment, recommendation 6:

The Committee welcomes the Welsh Government's commitment to the publication of annual passenger data at the start of 2016, the Committee seeks further detail to quantify the higher passenger numbers in the first six months of the current contract compared with the same period in the previous year.

WG response (September 2015):

Passenger numbers for the first 6 months of the new contract have been in excess of those for the same period from the previous year. We will publish passenger numbers on an annual basis which will include a comparison with figures published by the Civil Aviation Authority.

Additional comments:

The increase in passenger numbers of the current contract when compared with the same period in the previous year is likely to be attributable to factors such as an increase in awareness of the PSO during the 2014 tender exercise, the increase of marketing/communications activity under the new contract which is driving the implementation of a high-growth strategy by the operator. It is expected that the annual review of the service, to be undertaken by Links Air following the first complete contract year, will also consider this.

PAC comment, recommendation 7 & 9:

The Welsh Government has accepted these recommendations but the response to recommendation 7 appears to place the onus on Links Air to make use of the passenger survey information. However, the response to recommendation 9 confirms that the Welsh Government will be reviewing Links Air's marketing strategy. The Committee wishes to seek clarification of whether any such review would take into account relevant information from the passenger surveys. Furthermore, the Welsh Government's response to Recommendation 9 does not confirm whether this review will be undertaken in early 2016 as recommended by the Committee and seeks clarification of this.

WG response (September 2015):

Recommendation 7: The passenger surveys will be an important tool for Links Air to use to identify passenger requirements for the air service. The results should be a valuable resource for the company enabling it to better market the service to increase patronage.

Recommendation 9: One of the key metrics we will use to assess the success of Links Air's marketing strategy will be the increase in the number of passengers using

the service. We will conduct a review of Links Air's marketing strategy, materials produced, budget spent and targets achieved to ensure that they have marketed the service in accordance with the contract agreement.

Additional comments:

Links Air is required to undertake an independent annual review of the service. The Welsh Government has requested that Links Air includes the review of its passenger survey data within its annual service review. The Welsh Government's review of the marketing strategy will not specifically review the passenger survey data, although we would expect Links Air to consider all relevant pieces of information when developing its marketing strategy.

The Welsh Government can confirm that it intends undertaking its review of the marketing strategy in early 2016.

PAC Comment, Recommendation 8:

Although Welsh Government has accepted this recommendation the Committee wishes to seek an explicit commitment that it will include in its publication of the annual passenger figures and assessment of the value for money of the service, any suitable comparisons.

WG response (September 2015):

We will include a calculation of subsidy cost per passenger with the publication of annual passenger figures to enable an assessment of the value for money of the service.

Additional comments:

As previously stated, we will provide suitable information to allow the assessment of the value for money of the service.

Eitem 5

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon

Eitem 6

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon

Mae cyfyngiadau ar y ddogfen hon

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Mr Darren Millar AM
Chair of the Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

Date: 29 October 2015
Our ref: HVT/2402/fgb
Page: 1 of 2

Dear Darren

THE DRAFT WALES BILL

Thank you for your letter of 20 October 2015 inviting me to comment on the draft Wales Bill.

It appears that the provisions currently contained in the 2006 Act that protect certain key aspects of existing legislation relating to the Auditor General's functions have been reproduced in the draft Bill, albeit in a re-arranged form. Those provisions protect the Auditor General's powers to undertake examinations and studies of the Welsh Government and related bodies, and the Auditor General's overall audit independence, and they are appropriate.

I do, however, have some general value for money-related concerns at the apparent effect of paragraph 218 of the new Schedule 7A and paragraph 8 of the new Schedule 7B proposed by the draft Bill. These provisions appear to present scope for argument as to whether public bodies that could be considered integral parts of the Welsh public sector are excluded from the definition of "Welsh public authority". Such an exclusion would seem to arise in the case of bodies with general or supplementary powers that are not confined to exercise "only in relation to Wales", which by virtue of subparagraphs 218(4) and (5) and subparagraphs 8(3) and (4) would seem to put the relevant bodies outside the definition. Examples of such powers may include the general powers of Local Health Boards (under paragraph 13 of Schedule 2 to the National Health Service (Wales) Act 2006, and the WAO's powers for the provision of services (under section 19 of the Public Audit (Wales) Act 2013). I think it would be desirable to have clarity on this point, as the present drafting seems to present potential for dispute and consequential expense.

Another matter that is of relevance to the Wales Audit Office and the Welsh public sector in general is that the draft Bill seems to raise a need for a consequential amendment to the Public Contracts Regulations 2015 so as to allow Welsh public bodies to continue to advertise their requirements on “Sell2Wales” instead of “Contracts Finder”. Regulation 1 of the 2015 Regulations provides that Part 4 of those Regulations (which concerns “Contracts Finder”) does not apply to bodies that wholly or mainly exercise “Welsh devolved functions”. However, “Welsh devolved functions” is defined in the Regulations as functions within the Assembly’s competence under section 108 of the Government of Wales Act 2006. If the exemption from using Contracts Finder is to continue to have effect, the reference to section 108 will need to change to section 108A.

I believe that the normal means for making such an amendment to regulations is by statutory instrument, for which there is provision in the draft Bill. The UK Government may already have such an amendment in mind, but in any case it may be helpful for the Welsh Government to keep this matter in view.

I should also mention that I am concerned at the draft Bill’s reduction in the protection of section 30 of the Government of Wales Act 2006. Under paragraph 7(2)(xv) of the new Schedule 7B, subsections (2) to (4) of section 30 of the 2006 Act are excluded from protection from modification by Assembly legislation. The effect of this is to allow the removal of the preclusion from PAC membership of Welsh Ministers and to allow the removal of the preclusion of a member of a government party from chairing the Committee. Such developments would not be conducive to good scrutiny and governance.

Given the Finance Committee’s functions relating to the Wales Audit Office, I am copying this letter to Jocelyn Davies AM.

Yours sincerely



HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES

cc Ms Jocelyn Davies AM, Chair, Finance Committee