

Agenda – Y Pwyllgor Cyfrifon Cyhoeddus

Lleoliad: I gael rhagor o wybodaeth cysylltwch a:
Lleoliad Allanol **Fay Buckle**
Dyddiad: Dydd Llun, 12 Hydref 2015 Clerc y Pwyllgor
Amser: 13.00 0300 200 6565
SeneddArchwilio@Cynulliad.Cymru

Amgueddfa Genedlaethol y Glannau, Abertawe

(Cytunodd y Pwyllgor ar 6 Hydref 2015 ar gynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o eitemau 1 a 2 y cyfarfod hwn).

1 Cronfa Buddsoddi Cymru mewn Adfywio: Sesiwn friffio gan Swyddfa Archwilio Cymru

(13.00–13.40)

(Tudalennau 1 – 14)

PAC(4)–26–15 Papur 1 – Llythyr gan Archwilydd Cyffredinol Cymru (6 Hydref 2015)

(Egwyl 13.40–13.50)

2 Cronfa Buddsoddi Cymru mewn Adfywio: Sesiwn friffio gyda Llywodraeth Cymru

(13.50–14.30)

Owen Evans – Dirprwy Ysgrifennydd Parhaol, Y Grŵp Addysg a Gwasanaethau Cyhoeddus, Llywodraeth Cymru

John Howells – Cyfarwyddwr, Tai ac Adfywio, Llywodraeth Cymru

Richard Baker – Cyd–Pennaeth Dros Dro, Adran Eiddo, Welsh Government

3 Cyflwyniadau, ymddiheuriadau a dirprwyon

(14.30)



4 Cronfa Buddsoddi Cymru mewn Adfywio: Sesiwn Dystiolaeth 1

(14.35 – 15.35)

(Tudalennau 15 – 41)

PAC(4)-26-15 Papur 2 – Ymateb Llywodraeth Cymru i Adroddiad Archwilydd
Cyffredinol Cymru (7 Medi 2015)

PAC(4)-26-15 Papur 3 – Llythyr gan yr Ysgrifennydd Parhaol (23 Gorffennaf 2015)

Papur Briffio'r Gwasanaeth Ymchwil

Owen Evans – Dirprwy Ysgrifennydd Parhaol, Y Grŵp Addysg a Gwasanaethau
Cyhoeddus, Llywodraeth Cymru

John Howells – Cyfarwyddwr, Tai ac Adfywio, Llywodraeth Cymru

Richard Baker – Cyd-Pennaeth Dros Dro, Adran Eiddo, Welsh Government

(Egwyl 15:35 – 15:50)

5 Cronfa Buddsoddi Cymru mewn Adfywio: Sesiwn Dystiolaeth 2

(15.50 – 16.50)

(Tudalennau 42 – 48)

PAC(4)-26-15 Papur 4 – Papur gan gyn-aelodau'r Bwrdd Cronfa Buddsoddi Cymru
mewn Adfywio

Papur Briffio'r Gwasanaeth Ymchwil

Gyn-aelodau'r Bwrdd Cronfa Buddsoddi Cymru mewn Adfywio

Richard Anning

Ceri Breeze

Richard Harris

Chris Holley

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

(16.50)

Eitem 7

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

(16.50 – 17.00)

24 Heol y Gadeirfan / Cathedral Road
Caerdydd / Cardiff CF11 9LJ
Ffôn / Tel: 029 20 320500
Info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Mr Darren Millar AM
Cadeirydd, Y Pwyllgor Cyfrifon Cyhoeddus
Cynulliad Cenedlaethol Cymru
Bae Caerdydd
CF99 1NA

Dyddiad: 7 Hydref 2015
Ein cyf: HVT/2394/caf
Tudalen: 1 o 13

Aranyll Darren

CRONFA BUDDSODDI CYMRU MEWN ADFYWIO (RIFW)

Rwy'n ysgrifennu atoch i ddiweddarar eich Pwyllgor ar wahanol faterion sy'n berthnasol wrth iddo ystyried fy adroddiad ar Gronfa Buddsoddi Cymru mewn Adfywio (RIFW), adroddiad a gyhoeddais ar 15 Gorffennaf 2015. Yn y llythyr hwn, amlinellaf fy sylwadau ar y canlynol:

- llythyr 7 Medi 2015 i'r Pwyllgor oddi wrth Owen Evans, lle rhoddodd ymateb ffurfiol Llywodraeth Cymru i'm hadroddiad ac i bob un o'r wyth argymhelliad sydd ynddo; a
- chyflwyniadau ysgrifenedig i'r Pwyllgor gan (i) gyn-aelodau'r Bwrdd RIFW, (ii) Amber Infrastructure Ltd (Amber) a (iii) Lambert Smith Hampton (LSH) cyn iddynt ymddangos gerbron y Pwyllgor.

Ymateb Llywodraeth Cymru i'm Hadroddiad (llythyr 7 Medi 2015 i'r Pwyllgor oddi wrth Owen Evans)

Mae llythyr Llywodraeth Cymru yn gywir yn nodi'r cyfyngiadau ar Lywodraeth Cymru wrth iddi geisio ymateb i'r pryderon a oedd yn dod i'r amlwg am RIFW o fis Hydref 2012 ymlaen. Rydym yn llwyr gydnabod yn cyfyngiadau hyn yn ein hadroddiad (**Adroddiad, paragraff 4.10**). Hoffwn hefyd gydnabod gwerth y cyfathrebu helaeth a'r cydlynu rhwng Llywodraeth Cymru a'm tîm astudio yn ystod cwrs eu gwaith ac y cyfeiria Owen atynt yn ei drydydd paragraff.

Mae pedwerydd paragraff y llythyr yn cyfeirio at y ffaith fod Llywodraeth Cymru wedi sefydlu grŵp llywio aml-ddisgyblaeth, sydd wedi nodi gwersi ehangach i'w dysgu o'r achos. Efallai y bydd y Pwyllgor yn dymuno gofyn am gopi o'r gwersi hyn. Yn ogystal, mae'r llythyr yn cyfeirio at Lywodraeth Cymru yn datblygu canllawiau diwygiedig ar gyfer

sefydlu cyrff hyd braich. Unwaith eto, efallai y bydd y Pwyllgor yn dymuno gofyn am gopi o'r canllawiau hynny.

Ym mharagraff chwech mae'r llythyr yn cydnabod, heb agor i'r farchnad, nad oes modd dangos bod y pris gwerthu gorau wedi ei sicrhau. Yna mae'n nodi cred Llywodraeth Cymru nad yw tystiolaeth brisio yn pwyntio'n derfynol at werthu o dan y gwerth. Yn amlwg, byddai'n anodd iawn profi'r pwynt hwn yn bendant y naill ffordd neu'r llall. Fodd bynnag, yr wyf yn dal i gredu'n gryf bod fy Adroddiad yn rhoi corff sylweddol a manwl o dystiolaeth i gefnogi fy nghasgliad canolog, sef na all Llywodraeth Cymru na RIFW ddangos bod gwerth am arian wedi ei gyflawni yn achos y trafodion gwerthiant portffolio.

Mae fy adroddiad yn cydnabod yn llawn y cyfyngiadau yr oedd RIFW yn gweithio danynt (**Adroddiad, paragraffau 3.14, 3.17 a 3.56**). Mae hefyd yn cwestiynu penderfyniadau Llywodraeth Cymru i ddarparu asedau (ac yn enwedig asedau oedd â photensial sylweddol o ran datblygu yn y dyfodol) yn lle arian parod (**paragraff 3.16**), ac yn dangos yn glir nad oedd angen i RIFW, mewn gwirionedd, werthu'r holl asedau cyn diwedd 2015 (**paragraffau 3.27, 3.37**). Yn fyr, nid RIFW oedd y cyfrwng priodol i ddiddymu'r asedau hynny er mwyn cael yr enillion gwerthiant gorau i bwrs y wlad. Pe bai'r asedau i'w gwerthu, yna rwyf o'r farn y dylai bargaen (neu fargeinion) gwell fod wedi eu gwneud, ac wedi eu hamseru i gynhyrchu mwy o enillion.

Ymatebion Llywodraeth Cymru i'm hargymhellion archwilio

Gan droi at ymatebion penodol Llywodraeth Cymru i wyth argymhelliad yr Adroddiad, nodaf fod pump wedi'u derbyn yn llawn, dau wedi cael eu derbyn yn rhannol, ac nid yw'n glir i mi p'un a yw un ohonynt wedi ei dderbyn ai peidio.

Yn benodol, nid yw'n glir a yw Llywodraeth Cymru wedi derbyn **Argymhelliad 3**, i ymchwilio p'un a roddwyd cymorth gwladwriaethol anghyfreithlon a thrafod gyda Llywodraeth y DU yr angen i drosglwyddo'r trafodion gwerthiant portffolio i'r Comisiwn Ewropeaidd. Mae cyfathrebiad y Comisiwn Ewropeaidd (97/C 209/03) ar gymorth gwladwriaethol yn gofyn am hysbysu'r Comisiwn ynglŷn ag:

'... unrhyw werthiant na chwblhawyd ar sail gweithdrefn ymgeisio agored a diamod ...; ac unrhyw werthiant a oedd, yn absenoldeb trefn o'r fath, wedi ei gynnal am lai na gwerth y farchnad fel y sefydlwyd y gwerth gan briswyr annibynnol.'

Yn hyn o beth, bydd y Pwyllgor eisiau nodi rhai agweddau ar delerau'r gwerthiant (ar wahân i'r pris gwerthu ei hun), a allai arwain at gymorth gwladwriaethol posibl, gan gynnwys darpariaeth i dalu'r arian yn codi o'r gwerthiant fesul rhandaliad heb log, y defnydd cyfyngedig o orswm, a thelerau gorswm manwl.

Roedd **Argymhelliad 7** yn ymwneud â chynnal adolygiad o effeithiolrwydd trefniadau Llywodraeth Cymru yng nghyswllt trefniadau sicrwydd ansawdd mewnol ar gyfer darparu, i Weinidogion Cymru, ymatebion drafft i Gwestiynau Cynulliad. Mae Llywodraeth Cymru wedi cynnig 'croeso amodol' i'r argymhelliad hwn, ond nid yw'n glir a yw hyn yn cyfateb i dderbyn, derbyn yn rhannol neu ddim derbyn yr argymhelliad - neu yn wir a yw Llywodraeth Cymru yn mynd i adolygu ei threfniadau neu beidio. Fy mhwynt wrth wneud yr argymhelliad hwn oedd un cyffredinol, nid un penodol i RIFW, ac felly mae'n ymddangos i mi nad yw natur yr wybodaeth na chan bwy y cafodd ei darparu, yn berthnasol.

Derbyniwyd **Argymhelliad 8** yn rhannol, gyda'r amod y gall fod amgylchiadau lle nad yw proses gwirio ffeithiau yn briodol. Efallai y bydd y Pwyllgor yn dymuno gofyn am eglurhad gan Lywodraeth Cymru mewn perthynas â'r amgylchiadau lle byddent yn ystyried nad yw gwirio ffeithiau yn briodol.

Daw llythyr Llywodraeth Cymru i ben drwy sicrhau y Pwyllgor fod adrannau ailolygedig adroddiad Gilbert Lloyd a ddarparwyd i'r Pwyllgor ar gael i Swyddfa Archwilio Cymru. Gallaf gadarnhau bod hyn yn wir.

Cyflwyniad ysgrifenedig cyn-aelodau o Fwrdd RIFW i'r Pwyllgor

Yn eu cyflwyniad ysgrifenedig i'r Pwyllgor, tynnodd cyn-aelodau Bwrdd RIFW sylw at gyd-destun sefydlu'r Gronfa a'r cyfyngiadau yr oedd yn gweithio danynt. Mae'r rhain i gyd yn ffactorau yr wyf wedi eu cydnabod yn fy Adroddiad, ochr yn ochr â'r pwysau ar aelodau'r Bwrdd ac yn enwedig ar y tri aelod allanol, a oedd yn gweithio'n ddi-dâl.

Dywed cyn-aelodau'r Bwrdd yn anghywir ym mharagraff 6 o'u cyflwyniad y cynhaliwyd fy adolygiad "*rai blynyddoedd yn ddiweddarach*." Fodd bynnag, dechreuodd fy astudiaeth ar ôl i mi dderbyn gohebiaeth gan Aelod Cynulliad ym mis Mawrth 2012 - yr un mis y cwblhawyd gwerthiant 14 o'r 15 ased (gweler y llinell amser yn **Atodiad 2** o'r Adroddiad).

Ym mharagraff 12 o'u cyflwyniad, cyfeiria cyn-aelodau Bwrdd RIFW yn gywir at ddwy o brif elfennau fy nghasgliad gwerth am arian. Yn gyntaf, cyfeiriant at wir elw'r gwerthiant (ond nid ydynt yn cyfeirio at y diffygion yn y broses werthu a nodir yn fy Adroddiad); ac yn ail, at ddull amgen o weithio. Maent yn datgan yn anghywir y byddai dull amgen o'r fath yn seiliedig ar "*adferiad yn y farchnad eiddo*". Yn fy Adroddiad, yr wyf yn ei gwneud yn glir y gallai dull amgen - un yn seiliedig ar newidiadau yn statws cynllunio'r asedau, a thrwy hynny werthoedd cynyddol (nad ydynt wedi'u priodoli i adferiad yn y farchnad eiddo'n gyffredinol) - fod wedi cynhyrchu mwy o enillion ac yr un pryd fod wedi cwrdd ag anghenion arian parod RIFW (**Adroddiad, paragraffau 8c a 3.27**).

Ym mharagraffau 13 a 17, dywed cyn-aelodau'r Bwrdd yn gywir nad prif bwrpas y Gronfa oedd bod "*yn ddatblygwr eiddo*". Fodd bynnag, mae'n amlwg bod Llywodraeth Cymru wedi disgwyl i'r Gronfa gymryd camau priodol i gynyddu gwerth ei hasedau eiddo, ac i hyrwyddo'r asedau hynny drwy'r broses gynllunio gyda golwg ar gynhyrchu arian i bwrpas buddsoddi (**Adroddiad, paragraffau 2.22 a 3.14**).

Mewn sawl lle yn eu cyflwyniad, mae cyn-aelodau Bwrdd RIFW yn cwestiynu dulliau prasio'r Prisiwr Dosbarth:

- Ym mharagraff 17, maent yn awgrymu y dylai'r Prisiwr Dosbarth fod wedi ystyried gwerthoedd yr asedau yng nghyd-destun Cynllun Busnes y Gronfa. Fodd bynnag, ac yn briodol, briff y Prisiwr Dosbarth (**Atodiad 4**) oedd darparu prisiadau marchnad.
- Ym mharagraff 18, maent yn cwestiynu a yw'r Prisiwr Dosbarth wedi mabwysiadu dull gwahanol o brisio safle Llys-faen yn ei gomisiwn (ar wahân) i Gyngor Dinas Caerdydd. Rwy'n fodlon bod cyfranogiad y Prisiwr Dosbarth o ran darparu asesiad hyfywedd i'r Cyngor, mewn perthynas ag apêl gynllunio gyfredol, yn ymarferiad gwahanol i ddarparu prisiadau marchnad i asedau fel yr oeddynt yn 2012.
- Ym mharagraff 20, cyfeiriant at ddull y Prisiwr Dosbarth fel un "*anghonfensiynol*" a gofynnant a ydyw'n bodloni safonau proffesiynol. Esbonia fy Adroddiad yn glir lle mae prisiadau'r Prisiwr Dosbarth wedi'u seilio, yn gywir, ar dybiaethau sy'n wahanol i brisiadau eraill y portffolio, a hefyd lle nad yw tybiaethau priswyr eraill yn cyd-fynd â'n canfyddiadau archwilio ni (**Blwch 11, tudalennau 76 – 78**).

Yr wyf mewn penbleth yng nghyswllt datganiad cyn aelodau'r Bwrdd ym mharagraff 20: "*Gwerth gobeithiol neu orswm ond nid y ddau*". Mae 'gwerth gobeithiol' yn elfen o werth y farchnad, sy'n cydnabod y gall ased fod â gwerth cyfredol sy'n uwch na'i werth yn seiliedig ar y defnydd presennol. I'r gwrthwyneb, mae 'gorswm' yn fecanwaith, a negodir rhwng y partïon, lle gall gwerthwr elwa o gyfran o gynnydd gwerth yn y dyfodol pan fo hynny'n digwydd (fel arfer o werthu ymlaen a/neu yn sgil newid defnydd). Felly nid yw gwerth gobeithiol a gorswm yn annibynnol ar ei gilydd. Fodd bynnag, mae prynwr yn debygol o negodi pris gwerthu is gyda gorswm (**Adroddiad, cyfeiriad ar dudalen 8 troednodyn 2**), ac nid yw cymalau gorswm yn rhoi sicrwydd yng nghyswllt enillion yn y dyfodol. Gall gwerthwr doeth sicrhau elfennau o'r ddau. Mae'n bwysig cydnabod bod gwerthiant RIFW wedi digwydd yn 2012 am bris (£21.74 miliwn) is na gwerth gobeithiol yr asedau yn 2012 o £25.58 miliwn, a heb unrhyw gymalau gorswm ynghlwm wrth 13 o'r 15 o asedau a werthwyd (**Atodiad 3**).

Ym mharagraff 22, dywed cyn-aelodau o Fwrdd RIFW: "*... mae'n bwysig nodi, hyd yn oed gydag ymgyrch [farchnata agored] o'r fath, nad yw hynny'n golygu yn awtomatig y gallai'r asedau fod wedi cyflawni ffigwr uwch*." Er bod hyn yn amlwg yn gywir, mae hefyd yn wir bod gwerthiant agored yn dilyn marchnata priodol yn rhoi hyder yn y pris gwerthu

dilydol a geir. Mae absenoldeb proses farchnata o'r fath yn elfen allweddol o'm casgliad cyffredinol na ellir dangos gwerth am arian mewn perthynas â'r gwerthu.

Yna honna paragraff 23: "*Drwy ffaith y gwerthiant ei hun, gall y Gronfa ddangos prynwr parod ar gyfer y portffolio am y pris prisiad*". Mae'r cyfeiriad at 'pris prisiad' yn wallus, am nad oedd RIFW wedi cael prisiad annibynnol cyn gwerthu. Ar ben hynny, nid yw prynwr parod am y pris gwerthu ynddo'i hun yn dangos gwerth am arian. Byddai gwerthu am £1 wedi rhoi tystiolaeth o brynwr parod, ond wrth gwrs nid yn seiliedig ar werth y farchnad.

Aiff paragraff 23 ymlaen i ddweud: "*Ni allodd y Prisiwr Dosbarth roddi unrhyw dystiolaeth gredadwy o brynwr parod ar ei ffigwr prisiad llawer uwch*". Roedd prisiadau gwerth marchnad y Prisiwr Dosbarth yn dilyn safonau'r RICS, gan adlewyrchu gwerthu'n agored yn seiliedig ar farchnata priodol. Nid yw safonau'r RICS yn mynnu bod y Prisiwr Dosbarth yn mynd ati, mewn gwirionedd, i wneud gwaith marchnata er mwyn sicrhau prynwr.

Ym mharagraff 26, gwnaeth cyn-aelodau'r Bwrdd sylwadau ar briodoldeb y ffactor disgownt a ddefnyddiwyd wrth gyfrifo gwerth presennol net y derbyniadau gwerthiant (**Adroddiad, paragraff 3.100 ac Arddangosyn 8**). Dewiswyd y gyfradd ddisgownt o 8 y cant yn fy Adroddiad yn benodol i fod yn gyson â'r hyn a ddefnyddir gan LSH yn yr wybodaeth y mae'n ei darparu i Fwrdd RIFW wrth arfarnu cynnig SWLD (**gweler tudalen 72 troednodyn 70**).

Awgryma paragraff 27 bod peidio â chynnwys dosraniad enillion y gwerthiant i safleoedd portffolio unigol yn cynrychioli hepgoriad yn y Tabl yn Atodiad 3 yr adroddiad. Fodd bynnag, mae'r tabl yn cynnwys llinellau sylfaen gorswm ar gyfer Llys-faen a Threfynwy. Dywedodd aelodau'r Bwrdd yn gywir bod gwerth is i'r llinell sylfaen gorswm yn cynhyrchu derbyniadau gorswm ychwanegol, gan dybio bod y pris gwerthu a'r codiad gwerth net yr un fath. Fodd bynnag, mae hefyd yn bwysig cydnabod efallai na fydd taliadau yn y dyfodol yn cefnogi anghenion arian parod RIFW, ac y mae perygl bob amser y gall cymalau gorswm ddod i ben heb gael eu sbarduno neu fod modd eu hosgoi neu eu lliniaru, a thrwy hynny leihau neu negyddu'r gorswm.

Noda paragraff 30 bod yr adroddiad prisiad a gomisiynwyd gan RIFW o Colliers yn cefnogi'r pris gwerthu a gyflawnwyd gan RIFW. Rhoddir sylwadau manwl ar adroddiad Colliers, a dilysrwydd y tybiaethau sy'n sail iddo, ym **Mlwch 11, ar dudalennau 76-78** yr Adroddiad.

Yn olaf, nodaf ym mharagraff 38 fod cyn aelodau'r Bwrdd wedi cyfeirio at statws cynllunio safle Llys-faen. Deallaf fod SWLD ei hun wedi rhoi gwerth hyfywedd y datblygiad fesul erw (y disgwylid fel arfer iddo fod yn is na gwerth marchnad gwirioneddol y tir) ar gyfradd a fyddai'n prisio safle Llys-faen ar £39 miliwn.

Cyflwyniad ysgrifenedig Amber i'r Pwyllgor

Mae cyflwyniad ysgrifenedig Amber yn nodi'n gywir nad oedd prisiad y Prisiwr Dosbarth o'r portffolio: "...wedi ei baratoi ar sail tebyg gyda'i debyg i'r swm gwirioneddol a gyflawnwyd ar gyfer y gwerthiant." Fodd bynnag, mae'n bwysig nodi nad yw hyn yn adlewyrchu unrhyw ddiffyg ym mhriiad y Prisiwr Dosbarth, a oedd yn seiliedig ar werth y farchnad, a chafodd ei gynnal yn unol â safonau'r RICS. Yn lle hynny, mae'r gwahaniaeth allweddol rhwng y prisiad a'r pris gwerthu yn codi oherwydd nad oedd y trafodion portffolio yn werthiant agored wedi'i gefnogi gan farchnata priodol.

Cyfeiria Amber at brisiad Collier a gomisiynwyd gan RIFW ar ôl y gwerthiant, a oedd yn cyd-fynd â'r pris gwerthu. Rhoddir sylwadau ar adroddiad Colliers ym **Mluch 11 tudalennau 76 – 78**. Yn arbennig, mae fy Adroddiad yn dwyn sylw at y tybiaethau y seiliodd Colliers eu prisiad arnynt ond rhai nad ydynt yn cyd-fynd â'm canfyddiadau archwilio. Yn hanfodol, cymerodd Colliers yn ganiataol bod 'gwerth trosglwyddo' yr asedau o Lywodraeth Cymru i RIFW yn cynrychioli eu gwerth ar y farchnad, tra oedd hyn mewn gwirionedd yn seiliedig ar y defnydd presennol (**gweler yr Adroddiad paragraffau 3.56 – 3.63**), a hefyd fod y broses werthu dan sylw wedi cynnwys marchnata agored a chynigion cystadleuol pan nad felly oedd hi mewn gwirionedd.

Aiff cyflwyniad Amber ymlaen i ddatgan (ar sail prisiad Colliers) na ellir dangos unrhyw golled. Hyd yn oed pe bai'n wir na ellid dangos unrhyw golled ar unwaith, ni fyddai fy marn am y gwerth am arian cyffredinol yn newid, fel yr esbonir hynny ym **mharagraff 10 o'm Hadroddiad**.

Efallai na fydd y golled bosibl i RIFW (ac felly i'r pwrw cyhoeddus) wedi ei gyfyngu i elw'r gwerthiant ar unwaith, fel y gwelir o enghraifft safle'r Pîl:

- gwerthwyd y safle hwn heb orswm gan RIFW yn 2012, er bod King Sturge yn 2009 wedi nodi potensial y safle i gynyddu mewn gwerth yn y dyfodol cyn iddo gael ei drosglwyddo i RIFW, ac roedd wedi priso'r safle ar £100,000 ar ei ddefnydd presennol a £450,000 gyda 'gwerth gobeithiol';
- Yn Hydref 2013, nododd Colliers y byddai cynnwys gorswm yn nhelerau'r gwerthiant yn amhriodol ar gyfer safle'r Pîl;
- Yn Ionawr 2014, gwerthodd SWLD oddeutu hanner y safle am £2 filiwn;
- Petai RIFW wedi gwerthu'r safle gyda gorswm ym mis Mawrth 2012, gallasant fod wedi elwa ar gyfran o'r gwerth uwch yn Ionawr 2014.

Mae Amber yn mynegi barn bod Swyddfa Archwilio Cymru yn derbyn na fyddai unrhyw dystiolaeth brisio'n sefydlu, ar sail tebygolrwydd, fod RIFW wedi dioddef colled ar sail cyngor esgeulus. Gallaf gadarnhau nad yw Swyddfa Archwilio Cymru wedi gwneud unrhyw ddatganiad o'r fath. Er hynny, yr wyf yn cydnabod, wrth gwrs, na all prisiad ar ôl y

digwyddiad ddarparu'r un lefel o sicrwydd, mewn perthynas â phris gwerthu, ag a geid drwy broses werthu agored a gefnogir gan farchnata priodol neu gan brisiad annibynnol cyn y gwerthiant. Fodd bynnag, am y rhesymau a nodir yn fy adroddiad, nid yw fy nyfarniad gwerth am arian wedi'i sefydlu ar golled y gellid ei mesur ar unwaith a'i hadennill yn gyfreithiol. Yn wir, oherwydd bodolaeth y telerau gorswm ar safleoedd Trefynwy a Llys-faen, gall fod yn flynyddoedd lawer cyn i drafodion gwerthu'r portffolio gael eu cwblhau'n derfynol, ac y gellir pennu beth yw cyfanswm yr elw i bwrs y wlad.

Awgrymodd Amber bod fy nghasgliadau archwilio *"wrth gwrs wedi eu dylanwadu'n drwm gan ôl-ddoethineb"*. Yr wyf yn anghytuno'n sylfaenol â'r datganiad hwn, gan fod y broses werthu wallus a fabwysiadwyd gan Fwrdd RIFW a bodolaeth dulliau gwaredu amgen a allai fod wedi rhoi gwell elw yn elfennau o bwys yn fy nghasgliad cyffredinol. Yn bwysig iawn, mae fy astudiaeth hefyd wedi sefydlu nad oedd amrywiol bartïon i drosglwyddo'r asedau a'r trafodion gwerthu portffolio dilynol yn meddu ar ddarnau allweddol o wybodaeth ac a ddylai fod wedi cael eu darparu iddynt, a sefydlu na wnaethant weithredu ar wybodaeth oedd ar gael, neu eu bod wedi rhoi cyngor gwael – nid yw dim o hyn angen ôl-ddoethineb.

Mae fy Adroddiad yn nodi bod 'Amber ac LSH yn mynnu bod arian cyfatebol ERDF yn gorfodi RIFW i werthu pob un o'r asedau eiddo er mwyn buddsoddi elw mewn prosiectau adfywio erbyn Rhagfyr 2015' (**paragraff 3.33**). Yn ei gyflwyniad ysgrifenedig, dywed Amber: *"Nid yw AFML yn derbyn y priodoliad iddo o'r sylw hwnnw. Nid yw AFML erioed wedi dal y farn honno ac nid yw'n gwybod am unrhyw reswm a fyddai'n cyfiawnhau i SAC dybio ei fod."* Fodd bynnag, yn sylwadau ysgrifenedig Amber ar fy Adroddiad drafft, a ddarparwyd i mi ym mis Ionawr 2015, nododd Amber yn benodol [gyda'i bwyslais ei hun mewn priflythrennau] *"Gofyniad dogfennau cyfansoddiadol y Gronfa ac felly'r polisi buddsoddi oedd cyflawni'r CYFAN o'i asedau £55m erbyn diwedd 2015."*

Mae Amber wedi dal yn ei gyflwyniad ysgrifenedig, lle y cylchredodd bapurau i Fwrdd RIFW yn ymwneud â gwerthu'r tir, fod y rhain *"wedi eu paratoi gan LSH ac a anfonwyd wedyn gan AFML i RIFW."* Fodd bynnag, mae gan fy nhîm astudio gopïau o ddrafftiau o'r Adroddiad Trafodion Portffolio dyddiedig 21 Ebrill 2011 sy'n cynnwys diwygiadau o natur 'newidiadau wedi'u holrhain' – rhai helaeth - gan Amber i ddrafft cychwynnol LSH, cyn cyflwyno'r adroddiad terfynol i Fwrdd RIFW.

Yn olaf, cyfeiria Amber at sicrwydd mewn perthynas ag ystyriaethau cymorth gwladol, yn seiliedig ar farn gyfreithiol a gafwyd gan RIFW. Mae fy rhesymau dros beidio â gosod dibyniaeth archwilio ar y barnau cyfreithiol hyn wedi'u nodi'n glir ym **mharagraffau 3.131-3.135** fy Adroddiad.

Cyflwyniad ysgrifenedig Lambert Smith Hampton i'r Pwyllgor

Yn ei gyflwyniad ysgrifenedig, gwna Lambert Smith Hampton (LSH) nifer o bwyntiau sydd yn debyg i'r rhai yr wyf eisoes wedi sôn amdanynt uchod ac felly nid wyf am ailadrodd yma. Fodd bynnag, mae nifer o ddatganiadau eraill gan LSH sy'n teilyngu ymateb.

Ym mharagraff 1.7 ei gyflwyniad, mae LSH yn amlinellu telerau trafodion SWLD ac yn cymharu'r pris gwerthu gyda gwerth trosglwyddo'r asedau i RIFW a oedd yn seiliedig ar eu defnydd presennol (**gweler Adroddiad, paragraffau 3.62-3.63**). Fodd bynnag, mae'r gwerth trosglwyddo o £19.83 miliwn a ddyfynnwyd gan LSH wedi cael ei addasu'n amhriodol trwy dynnu ohono werthoedd trosglwyddo llawn y tair ased na werthwyd i SWLD (tynnwyd y tair ased hon yn ôl o'r gwerthiant oherwydd bod eu gwerthoedd wedi gostwng).

Mae'r addasiad hwn wedi gostwng y gwerth trosglwyddo a ddyfynnir yng nghyflwyniad LSH, a thrwy hynny gynyddu'r bwlch rhwng hyn a'r pris gwerthu ac felly gynhyrchu cymhariaeth rhy ffafriol rhwng gwerth trosglwyddo'r 15 ased a werthwyd a'r pris gwerthu o £21.7 miliwn a gyflawnwyd. Yn lle hynny, mae fy Adroddiad yn dyfynnu gwerth trosglwyddo diwygiedig uwch a mwy priodol ar gyfer yr asedau a werthwyd i SWLD o £20.04 miliwn (**gweler troednodyn 74 ar dudalen 76 yr Adroddiad**), a gyfrifwyd drwy gyfeirio at werthoedd is yr asedau annewisol a gadwyd gan RIFW, ac a ddarparwyd i RIFW ar y pryd gan LSH ei hun..

Ym mharagraff 2.3, dywed LSH bod adroddiad LSH o'r enw "Adroddiad Trafodion Portffolio RIFW - Diweddariad i'r Adolygiad Archwilio" (dyddiedig 30 Hydref 2012) wedi ei baratoi i Swyddfa Archwilio Cymru. Dywed fy nhîm astudio wrthyf na wnaeth LSH nac Amber ddarparu'r ddogfen arbennig hon i Swyddfa Archwilio Cymru yn ystod cwrs fy astudiaeth. Fodd bynnag, gallaf gadarnhau hefyd i'r Pwyllgor nad oedd y ddogfen yn cynnwys unrhyw wybodaeth a fyddai wedi achosi i mi ddiwygio casgliadau fy astudiaeth.

Ym mharagraff 3.3, mae LSH wedi rhestru rhai o'r gwasanaethau yr oedd yn ofynnol iddo eu darparu i RIFW drwy'r Cytundeb Rheoli Buddsoddiadau. Fodd bynnag, yn ychwanegol at y gwasanaethau a nodwyd gan LSH yn y rhestr honno, hoffwn dynnu sylw'r Pwyllgor at y dyfyniad canlynol o Atodlen 1 y Cytundeb Rheoli Buddsoddiadau. Mae'r Atodlen hon yn datgan y dylai'r Rheolwr Buddsoddi [LSH], ar y cyd â Rheolwr y Gronfa [Amber]:

"...nodi potensial cynyddu gwerth ar lefel portffolio a thrwy ganiatâd cynllunio... ..gan geisio gwelliannau/ uwchraddio gwasanaethau/ cyfleustodau, a gwelliannau i'r briffordd, gan gydgysylltu ag Adrannau Cynllunio Awdurdodau Lleol; cyflwyno ceisiadau cynllunio; trafod cytundebau Adran 106; paratoi pecynnau gwybodaeth safle ar gyfer

marchnata; marchnata a gwerthu'r asedau yn unol ag amcanion y Gronfa a holl rwymedigaethau statudol Llywodraeth Cynulliad Cymru sy'n berthnasol i'r asedau a drosglwyddwyd."

Mae'r Atodlen hefyd yn nodi bod y cynlluniau busnes ased penodol i gynnwys "Cynllun Gwella Gwerth" a "Strategaeth Optimeiddio Ymadael." Felly, mae'n amlwg nad bwriad Llywodraeth Cymru, o gychwyn cyntaf ymgysylltiad LSH fel Rheolwr Buddsoddi RIFW, oedd i'r asedau gael eu gwerthu ar y cyfle cyntaf oedd ar gael, na'u gwerthu ar eu gwerthoedd defnydd presennol.

Ym mharagraff 4.4, dywed LSH "Roedd yn cael ei gydnabod bob amser ... y gallai gwerthiant portffolio fod yn ddewis buddiol i RIFW." Fodd bynnag, canfu fy nhîm astudio nad oedd y cynlluniau a'r papurau a ddarparwyd gan LSH ac Amber i Fwrdd RIFW yn sôn am werthiant portffolio tan ar ôl i gynnig cychwynnol Buddsoddiadau GST [SWLD] gael ei dderbyn.

Ym mharagraff 5.1, derbynna LSH na chymerodd ran mewn marchnata'r asedau'n ffurfiol.

Ym mharagraff 5.3, deil LSH bod gwerthiant portffolio yn fuddiol i RIFW oherwydd bod risg amlwg y byddai RIFW fel arall yn cael eu gadael gydag asedau llai dymunol. Fodd bynnag, dan delerau'r cytundeb terfynol gyda SWLD, mae'n ffaith bod RIFW wedi cael eu gadael yn berchen tair ased annewisol.

Ym mharagraff 5.4, nodi LSH sawl gwendid yn y teitl – rhai a allai fod wedi atal gwerthiannau unigol neu lotio doeth - ac mae'n cymharu'r strategaethau gwaredu hyn yn anffafriol gyda gwerthiant portffolio. Fodd bynnag, nid yw LSH wedi esbonio pam mai gwerthiannau unigol fesul cam oedd y dull gwaredu a argymhellwyd ganddynt i Fwrdd RIFW (yn unol â'r Cynllun Gwireddu Asedau cydnabyddedig a baratowyd gan LSH ar gyfer y Bwrdd) hyd at yr amser pryd y derbyniwyd y cynnig portffolio. Ychwaith nid yw LSH yn esbonio pam, ers y gwerthiant portffolio, bod SWLD (y mae LSH yn awr yn eu cynghori) wedi dilyn strategaeth o warediadau unigol. Nodaf yn arbennig bod y strategaeth wedi cynhyrchu cyfanswm derbyniadau gros o £16.93 miliwn i SWLD, o werthu 3.5 ased yn unig o'r 15 ased a brynwyd ganddynt oddi ar RIFW.

Ym mharagraff 6.1, dywed LSH bod gorswm wedi'i gytuno ar safleoedd Trefynwy a Llysfaen. Nid ydynt yn datgan bod y gorswm hwn wedi ei gynnwys i Lysfaen ar argymhelliad Amber, ac na chafodd ei sbarduno gan gyngor LSH (**paragraff 3.124**).

Mae LSH yn cydnabod yn ei gyflwyniad mor anodd yw prisio tir datblygu gydag unrhyw fesur o gywirdeb. Yr anhawster hwn yw'r union reswm pam y ceir y sicrwydd mwyaf, mewn perthynas â phris gwerthu, drwy farchnata'r asedau yn iawn, pa un a ydyw'r gwerthu dilynol yn digwydd trwy werthiant agored, trwy ocsiwn neu drwy gynigion seliedig. Mae LSH hefyd wedi disgrifio'r ansicrwydd ynghylch statws cynllunio'r asedau,

yn bennaf yn achos safle Llys-faen. Mae ansicrwydd o'r fath yn cynyddu'r risg o warediad amhriodol, na ellir ond ei liniaru i ryw raddau drwy gytundebau gorswm. Fel mae fy Adroddiad yn ei egluro (**paragraff 3.27**), gallai RIFW fod wedi cwrdd â'i ofynion ariannu tra'n dal i gadw'r asedau hynny oedd â'r potensial mwyaf ar gyfer cynnydd mewn gwerth yn y dyfodol, drwy warediadau fesul cam wedi eu hamseru i facsimeiddio elw unwaith bod mwy o sicrwydd cynllunio wedi dod i'r amlwg. I egluro'r pwynt hwn, nodaf fod SWLD wedi gwerthu rhan breswyl safle Trefynwy am £12 miliwn ym mis Ebrill 2015, wedi iddo gael ei gynnwys yn y Cynllun Datblygu Lleol ym mis Chwefror 2014, a chael caniatâd cynllunio i ddatblygu'r safle ym mis Rhagfyr 2014.

Yn ei gyflwyniad i'r Pwyllgor nododd LSH yn gywir y gwahaniaeth rhwng gwerth y defnydd presennol a 'gwerth gobeithiol', ac ym mharagraff 8.17 noda bod gwerth defnydd presennol yn cael ei ddefnyddio fel arfer yn sail i ddatganiadau ariannol, gan anwybyddu unrhyw werth gobeithiol sy'n deillio o ddefnyddiau eraill. Dyma pam fod King Sturge yn 2009 wedi darparu prisiadau i ddibenion trosglwyddo'r asedau o Lywodraeth Cymru i RIFW ac ar gyfer arian cyfatebol yr UE a oedd yn seiliedig ar ddefnydd presennol. Fodd bynnag, nododd King Sturge hefyd y 'gwerth gobeithiol' i'r asedau hynny a oedd â photensial datblygu yn y dyfodol. Fel yr esboniwyd yn fy Adroddiad (**paragraffau 3.56-3.63**) dylai LSH fod wedi defnyddio prisiad uwch King Sturge gyda 'gwerth gobeithiol', a oedd yn adlewyrchu gwerth marchnad yr asedau (£25.58 miliwn) fel cymharydd wrth werthuso cynnig cychwynnol SWLD o £23 miliwn a hefyd y pris gwerthu a drafodwyd yn y pen draw o £21.747 miliwn. Mae'n briodol i brisiwr nodi 'gwerth gobeithiol' ar wahân wrth ddarparu prisiadau defnydd presennol. Fodd bynnag, ac yn groes i'r hyn a awgryma LSH, wrth ddarparu prisiadau marchnad mae gwerth gobeithiol yn cael ei ymgorffori yn hytrach na'i nodi ar wahân.

Ymddengys datganiad LSH ym mharagraff 8.21, yn anghywir, fel petai'n cyfartalu gwerth datblygu llawn (h.y. gyda chaniatâd cynllunio yn ei le) gyda gwerth y farchnad, a all gynnwys premiwm dros ddefnydd presennol safle sydd â photensial datblygu cyn cael caniatâd cynllunio ar gyfer datblygu.

Ym mharagraff 9.1, dywed LSH: "*Mae barn anecdotaidd gyffredin a fynegwyd yn dangos bod ... gwerth datblygu [safle Llys-faen] yn agos i £1 miliwn yr erw.*" Fodd bynnag, nid 'anecdotaidd' yn unig yw ffigyrau o'r fath. Fel enghraifft, ym mis Ionawr 2012, dywedodd Savills (yn gweithredu ar ran SWLD):

"Rydym felly'n hyderus, petai tir yn Llys-faen yn dod ar y farchnad gyda chaniatâd cynllunio, yn y farchnad bresennol byddem yn disgwyl cynigion o £2.0m yr erw net (glân) ar gyfer tai preifatRydym wedi tybio gwerth tir taladwy net o £1.0 miliwn yr erw am dir preswyl sy'n adlewyrchu didyniadau ar gyfer yr holl enillion cynllunio (gan gynnwys tai fforddiadwy), seilwaith a chostau annormal."

Aiff LSH ymlaen i nodi bod yr ardal y gellid ei datblygu ar safle 121 erw Llys-faen oddeutu 60 erw (tua 50 y cant). Tybiodd y Prisiwr Dosbarth bod yma ardal ddatblygadwy o 59.7 y cant, tra bod SWLD yn eu cais cynllunio cychwynnol wedi tybio 60.27 y cant ac, yn eu hapêl gynllunio, 53.72 y cant. Ar y llaw arall, ym mis Mehefin 2011 cyflwynodd LSH adroddiad i Fwrdd RIFW eu bod yn ystyried mai rhyw 30 erw (25 y cant) yn unig o safle Llys-faen oedd yn ddatblygadwy. Gallai'r datganiad hwn fod wedi cael yr effaith o danddatgan gwerth posibl y safle yn sylweddol iawn ym meddyliau Bwrdd RIFW. Yn gyffredinol, canfu fy nhîm astudio fod adroddiadau LSH i Fwrdd RIFW yn darparu gwybodaeth a manylion helaeth ar faterion fel problemau gyda'r asedau o fewn y portffolio, gwendid y farchnad ac ansicrwydd cynllunio, a dipyn llai o wybodaeth am y potensial am gynnydd yn y gwerth a pheryglon gwarediadau amhriodol.

Ym mharagraff 9.21, darpara LSH ei asesiad o werth datblygu fesul erw i safle Llys-faen (£600,000) a dywed ei fod ers hynny wedi gostwng i £400,000 yr erw *"a gadarnhawyd gan y Prisiwr Dosbarth."* Mae hyn yn ffeithiol anghywir. Nid yw'r Prisiwr Dosbarth wedi 'cadarnhau' gwerth Cyngor Dinas Caerdydd o'r tir o £400,000, sydd beth bynnag yn ddim mwy na gwerth tir meincnod i asesu hyfywedd datblygiad yn ei erbyn. Nid yw'n werth marchnad.

Mae LSH wedi cynnwys cymariaethau â safleoedd amrywiol eraill yn Ne Cymru a Gorllewin Lloegr i gefnogi ei honiadau mewn perthynas â chyflwr anodd y farchnad eiddo a'r prisiau gwerthu a gyflawnir, tra'n ceisio cyferbynnu ei farn gyda phrisiadau marchnad y Prisiwr Dosbarth. Hoffwn felly dynnu sylw'r Pwyllgor at y datganiad canlynol gan Savills, yn eu hadroddiad prisio i SWLD dyddiedig Ionawr 2012 (mis cyn cyfnewid y contractau ar gyfer gwerthu'r portffolio):

"Mae gwerth tir preswyl yng Nghaerdydd, yn enwedig yn y maestrefi, wedi codi bron i'r lefelau cyn yr argyfwng ariannol yn gynnar yn 2007, ac yn y rhan fwyaf o achosion wedi eu gwerthu drwy dendr gyda chynigion cystadleuol."

Ym mharagraff 9.14, noda LSH bod rhan breswyl safle Trefynwy wedi ei gwerthu gan SWLD am £12 miliwn yn dilyn marchnata agored gyda: *"phroses fidio ffurfiol, a derbyn cynigion gan bum adeiladwr tai cenedlaethol"*. Mae'r datganiad hwn yn codi'r cwestiwn amlwg pam nad ystyriwyd bod proses werthu debyg (a ddaeth i ben yn rhwydd o fewn yr amserlen ar gyfer gofynion arian cyfatebol yr UE ym mis Rhagfyr 2015), yn briodol i RIFW ei hun, o gofio bod:

- Gwerthiant gan RIFW o 14 o asedau (gan gynnwys safle Trefynwy) i SWLD wedi ei gwblhau ym mis Mawrth 2012. Cwblhawyd gwerthiant y safle terfynol (ym Mracla) ym mis Mawrth 2013;

- Ym mis Mai 2012 cychwynnodd LSH (yn gweithredu ar ran SWLD) ar y gwaith o farchnata safle Trefynwy yn ffurfiol a gofyn am fynegiant ariannol ffurfiol o ddiddordeb;
- Derbyniwyd cynigion dangosol gwerth miliynau o bunnoedd oddi wrth dri adeiladwr tai mawr erbyn y dyddiad cau ym mis Gorffennaf 2012;
- Daeth y cynigion terfynol i law ym mis Tachwedd 2012 gydag eglurhad terfynol ar delerau ym mis Ionawr 2013; a
- Dewiswyd cynigydd dewisol a chyfnewidiwyd contractau gwerthu cyfreithiol ym mis Hydref 2013, a chwblhau terfynol yn dilyn caniatâd cynllunio, ym mis Ebrill 2015.

Felly mae'n amlwg i mi y byddai RIFW hefyd wedi cael cynigwyr gyda diddordeb yn syth mewn prynu safle Trefynwy (am bris posibl o filiynau lawer o bunnoedd) pe na byddai wedi ei werthu fel rhan o bortffolio, ac y byddai'r prynwyr hyn eu hunain wedi bod yn barod i fuddsoddi amser ac arian mewn ymgeisio i gael caniatâd cynllunio i'r safle.

Yn adran 10 o'u cyflwyniad, gwnaeth LSH sylwadau eu dull o drin gwrthdaro buddiannau. Mae'n bwysig i'r Pwyllgor fod yn ymwybodol bod LSH wedi derbyn cyfarwyddiadau gan SWLD ar y diwrnod ar ôl cwblhau gwerthu 14 o'r 15 safle. Ar y pwynt hwn, er nad oedd contractau wedi cael eu cyfnewid, nid oedd gwerthiant Bracla i SWLD wedi ei gwblhau, a hefyd, o dan y cymalau gorswm, fod RIFW yn cadw diddordeb yn safleoedd Llys-faen a Threfynwy. Yr unigolyn y cyfeiria LSH ato ym mharagraff 10.3 oedd y cyswllt a enwir ar gyfer Bwrdd RIFW mewn perthynas â buddsoddi mewn prosiectau adfywio, ac roedd yn mynychu cyfarfodydd Bwrdd RIFW yn rheolaidd. Nodaf nad yw LSH yn ei gyflwyniad i'r Pwyllgor wedi ymdrin â'r pwynt penodol a wnaed yn fy Adroddiad (**paragraff 3.103**), sef nad oedd ei ffordd o reoli'r gwrthdaro buddiannau hwn yn bodloni gofynion Cytundeb Rheoli Buddsoddiadau RIFW, safonau RICS na gweithdrefnau cwmni LSH ei hun.

Yn olaf, ym mharagraffau 10.12 a 10.13, mewn perthynas â chyfle i fuddsoddiad yn y Mwmbwls, mae LSH yn haeru: "*Nid oedd gennyf berthynas gytundebol na pherthynas cynhyrchu ffi gyda'r partïon dan sylw ac nid oedd unrhyw wrthdaro buddiannau.*" Fodd bynnag, mewn neges e-bost oddi wrth LSH i'm tîm astudio dyddiedig 13 Mehefin 2013, dywedodd LSH: "*Mae LSH wedi gweithredu ar ran y Noddwr ... Prosiect.*" Mewn e-bost arall dyddiedig 14 Mehefin 2013, cadarnhaodd LSH hefyd fod: "*LSH yn darparu cyngor asiantaeth manwerthu i ... Noddwr Prosiect y cynllun.*" Mewn amgylchiadau o'r fath, o dan delerau'r Cytundeb Rheoli Buddsoddiadau RIFW, roedd yn ofynnol i LSH wneud datganiad i Fwrdd RIFW. Fel y nodwyd ym mharagraff 3.104 fy Adroddiad, ni wnaeth hynny.

Yr wyf yn sylweddoli bod hwn yn llythyr hir a manwl, ond yr wyf yn gobeithio bod y pwyntiau hyn o gymorth i'r Pwyllgor pan fydd yn ystyried y sylwadau ysgrifenedig a dderbyniodd gan y gwahanol dystion.

To gyw


HUW VAUGHAN THOMAS
ARCHWILYDD CYFFREDINOL CYMRU

Sir Derek Jones KCB
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

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

Dear Darren,

23rd July 2015

Thank you for your letter dated 15 July requesting a response from the Welsh Government to the Auditor General for Wales report: *Regeneration Investment Fund for Wales*.

Whilst your letter is addressed to directly me, I have in this instance asked Owen Evans, Deputy Permanent Secretary, Education and Public Services, to lead on the development of the Welsh Government's response. Given the complexity of the issue, and a period of annual leave I will be taking out of the country in August, I believe this is the best course of action.

I understand that the PAC Clerk has sought reassurance that cross-departmental consideration will be given to the recommendations. I would like to give the PAC my personal assurance that a whole-government response will indeed be produced which takes into account how the recommendations will apply across the organisation.

Your letter also requests a copy of the Gilbert Lloyd and Deloitte Reports referred to in the Auditor General's report. My colleague John Howells has discussed these reports with the PAC Clerk and explained that further work is required before they can be provided to the Committee.



With the timing of this and the impending summer break in mind, I understand that the submission of both the Welsh Government response to the Auditor General's report and reports requested in your letter by the beginning of September is acceptable to the PAC. With your agreement we will let the Committee have the material requested by 04 September.

Yours,
Derek





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

7 September 2015

Dear Chair

WAO REPORT ON REGENERATION INVESTMENT FUND FOR WALES

Further to Derek Jones' letter of 23 July, the purpose of this letter is to provide you with the Welsh Government's response to the WAO report on the Regeneration Investment Fund for Wales (RIFW) as requested in your letter of 15 July.

We welcome the publication of the WAO report. We believe that the report's publication helps to resolve the uncertainty and concern which has surrounded the Fund since its activities were suspended in October 2012. The sensitivities surrounding the Fund were further heightened when it became public knowledge that matters relating to this case were also being examined by the police. This complicated our ability to respond to the concerns identified by the WAO as well as extending the period over which those concerns were investigated. Now that the WAO report has been published and the history of the events surrounding the Fund has been made clear we are better able to attend to the challenge of ensuring that the Fund's resources can be utilised as effectively as possible for the benefit of Welsh communities.

Ensuring that we could safeguard and then make best use of the resources tied up in the Fund has been the central aim for the Welsh Government throughout the period of the WAO study. We took urgent action in October 2012 to suspend the activities of the Fund. We worked closely with WEFO when they decided in July 2013 that the European funds invested in the Fund should be removed and reinvested in other projects. In November 2013 the then Minister for Housing and Regeneration announced, following consultation with the RIFW Board, that he was placing the activities of the Fund under direct Ministerial control. It is important to acknowledge the full support we received from the original RIFW board through each of these developments. We would also wish to emphasise the importance of our joint working with the WAO.



Given the nature of the concerns identified by the WAO another early action was to establish a cross departmental steering group designed to strengthen our oversight of the Fund. This group has also provided us with a multi-disciplinary forum to reflect on and respond as quickly as possible to the findings of the WAO study as they have emerged throughout the period since October 2012. It has also enabled us to identify and address any shortcomings identified in the governance and oversight arrangements originally established for the Fund. The steering group has also allowed us to identify the wider lessons to be drawn from this case and helped shape subsequent changes to our policies and practice in connection with arms length bodies. We have for example introduced stronger and more effective guidance covering the establishment and oversight of such bodies. This guidance includes draft terms of reference for Welsh Government observers on commercial boards. We have also been able to draw on our experience in this case to inform the way we have established other arms length organisations subsequently.

The two independent reviews announced by the Minister for Housing Regeneration and Heritage on 7 February 2013 provided an important insight into the early activities of the Fund and the process for disposing of its land assets. With the benefit of hindsight we are clear as to the significance of the decision to dispose of RIFW's land assets without a public sale. This means that we are unable to demonstrate conclusively that the sale has achieved best value. The WAO report concludes that the decision taken by the RIFW Board in the early part of 2011 with regard to the sale was reasonable in principle given the technical advice the Board had received. We share that view. We believe that it is important to consider the Board's decision in the context of the very significant economic uncertainty the Board had to deal with at that time with Wales still emerging from the worst effects of the global financial crisis in 2008. However what is also now clear is that the decision to sell the RIFW land assets privately was one of the crucial factors contributing to the uncertainty which has subsequently surrounded the Fund.

The WAO report highlights the conflicting valuation evidence regarding the land assets disposed of by RIFW. We have acknowledged that in the absence of full exposure to the market it is not possible to demonstrate conclusively that best value was achieved for the asset portfolio. But it is important to note that neither do we believe that the valuation evidence available in this case points conclusively to there having been a sale at under value. We note the District Valuer's conclusion that greater value could have been achieved through the sales process had RIFW been tasked solely with realising the best possible price for the land assets in optimal market conditions. But the circumstances in which RIFW was conducting the sale were more constrained than that. RIFW needed to realise the assets it had been given in lieu of cash in order to proceed to invest in desperately needed regeneration as a stimulus to a recessionary economy and to secure European funds for Wales. The WAO have also recognised this point in their acknowledgment that it was unlikely that RIFW could have achieved sale proceeds consistent with the District Valuer's valuation.

We have scrutinised the WAO conclusions regarding valuation evidence and the professional advice received by the Board throughout the land disposal process very carefully indeed. We are not only concerned about these matters because of the importance of RIFW maximising the funds it had available to support regeneration projects. In the context of our continuing oversight of the Fund, we have also needed to be careful to reserve our position on whether the evidence available to us in this case justifies taking any further action in the public interest. I would be pleased to brief the Committee on the latest position.

We are pleased that the report recognises the innovative nature of RIFW and the potential it offered to make available much needed funding in support of regeneration in our towns and cities. We continue to believe - as was the case with RIFW - that wherever possible we should be examining the use of loan rather than traditional grant finance to support regeneration projects with a commercial component. We will draw on the wider operational experience gained through RIFW to inform future policy initiatives in this area.

I will now address each of the Auditor General's recommendations in turn

Recommendation 1 In relation to RIFW, the Welsh Government should ensure that arrangements for its future governance, oversight and accountability are robust and clearly understood by all stakeholders.

We fully accept this recommendation. Since the decisions to suspend the activities of the Fund and then to bring RIFW under direct Ministerial control by appointing an interim Board of officials these matters have effectively been dormant. We are however clear that before we could advise that RIFW could be used as a delivery model in the future we would need to initiate new structures and procedures for its governance, oversight and accountability. There are clear lessons to be drawn from the Auditor General's findings which would inform this process. These include the design and recruitment of the Board; how the Board is briefed regarding its role and the status of the Fund; arrangements for reporting the activities of the Fund to Ministers; as well as clarity around reporting lines and expectations to the Accounting Officer.

We have begun the process of giving practical effect to these findings in the guidance on arms length bodies which has been developed since the investigation began and which has been informed by the emerging findings of the Auditor General.

Recommendation 2 When making decisions on disposing of the remainder of its asset portfolio RIFW should take account of the findings of this Report in relation to the sale process.

We fully accept this recommendation. We will ensure that there will be a clear understanding with RIFW that the remaining assets will only be sold when there is full confidence that the market has been fully tested and the opportunity to optimise the return for the public purse in pecuniary or policy terms has been addressed.

The interim RIFW Board has already sought professional advice on how best to optimise the public return on the small number of remaining assets. The approach will be guided by decisions regarding the future of the Fund. The publication of the Auditor General's report clears the way for such decisions to be taken.

Recommendation 3 The Welsh Government should investigate whether state aid was provided and, if so, whether it was unlawful; and should discuss with the UK Government the need to refer the portfolio sale transaction to the European Commission as required by the European Commission's Communication on state aid elements in sales of land and buildings by public authorities.

We recognise that because there was no open sale process or independent valuation at the time of the sale we can not demonstrate whether best value was achieved in this case. However, we are also clear that the fact that the sales price which was achieved by RIFW may have been less than that which could have been achieved in different circumstances does not in itself allow us to conclude that a state aid has been provided. For there to have

been a state aid we would need to be able to demonstrate that a selective economic advantage had been granted. Because of the range of valuation evidence available in this case determining whether there has been a sale at undervalue is highly uncertain. We are continuing to scrutinise whether any advantage may have arisen from the other aspects of the evidence highlighted in the report; we would be pleased to brief the Committee further on this.

Recommendation 4 The Welsh Government should clearly define the functions of arms-length bodies and ensure that their boards:

Understand their functions and have appropriate capability and capacity to discharge them; are clear about the time commitment for board members and that remuneration levels are appropriate;

are provided with effective induction training covering the respective needs of:

- Welsh Government officials appointed to boards; and
- non-executive and externally appointed board members.

We have already begun to take action to address this recommendation. Revised guidance on the establishment of arms length bodies has been developed to reflect the learning from this case and is now available to staff. We are also now developing training materials for boards intended to be drawn upon as part of the induction process for new board members. In conjunction with representatives of our sponsored bodies we are reviewing the process for appointment and induction of arms length board members, including the development of a programme of core training on matters common to all bodies.

Recommendation 5 The Welsh Government should exercise proper oversight of its arms-length bodies to ensure that they each demonstrate good governance and remain focused on their core activities. This should include an appropriate level of oversight by Welsh Government Corporate Governance Committees.

We fully accept this recommendation. Whilst it is important that arms length bodies have a level of independence reflecting the purpose in establishing them as such, it is also essential that there is clarity about how oversight is achieved through corporate governance mechanisms and through direct reporting. This includes ensuring that there is greater clarity regarding the role of independent board members as well as the role of Welsh Government officials acting as board members or observers. There is also a need to be as clear as possible in establishing reporting lines through to Additional Accounting Officers.

The main Welsh Government Corporate Governance Committee has discussed this issue and has also advised that more should be done to support arms length bodies in their governance arrangements and to ensure that board members are properly trained and equipped to discharge their governance responsibilities effectively. We are developing our response to this as part of the work referred to above and we will report back to the Corporate Governance Committee regularly.

Recommendation 6 The Welsh Government should ensure that transfers of the responsibility for overseeing arms-length bodies between its departments are managed effectively.

We fully accept this recommendation and the implication that arrangements on this occasion could have been improved. The intention has to be to act quickly, to remove any doubt

about where responsibility lies and to ensure that key facts are exchanged to ensure that oversight can be exercised in an informed fashion. Revised protocols and guidance ensures that we now have much improved procedures for transferring business and risks between departments. We have also developed mechanisms to allow a clear handover between Corporate Governance Committees including the need to highlight those projects that carry the biggest risks.

Recommendation 7 The Welsh Government should review the effectiveness of its internal quality-assurance arrangements for providing Welsh Ministers with draft responses to Assembly Questions.

We would offer a qualified welcome to this recommendation. We always keep our policies in this area under review and will continue to attach the highest importance to providing Minister and Assembly Members with answers that are as accurate as possible. I have reviewed the answers given in this case. The information was mainly factual and not entirely provided by third parties. We were not aware of Mr Davies' concerns regarding the sale of the RIFW land assets until some time after they had been referred to the Auditor General.

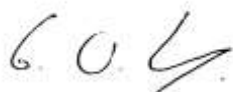
Recommendation 8 When engaging external consultancy services, the Welsh Government should make clear at the outset its expectations concerning the agreement of consultants' reports with relevant third parties for factual accuracy, completeness and balance.

We partially accept this recommendation. It clearly would have been preferable for the peer review we commissioned from Deloitte relating to the professional advice received by RIFW to have been fact checked prior to it being submitted to us for action. However in certain cases where reports are being commissioned and where there may be a dispute as to the facts or the presentation of a case or where it is not intended that the report should be published it may not be appropriate to require a fact checking process. In the case of RIFW the reports we commissioned did succeed in shedding an independent perspective on complicated events which at that time had been referred to the police for further consideration.

I am as requested enclosing a copy of the review of RIFW's governance arrangements we commissioned from Gilbert Lloyd. This has been partially redacted to reflect the fact that certain key sections had not been fully fact checked during the report's preparation. I can however reassure the Committee that the relevant sections have been addressed by the Auditor General during the preparation of the WAO report which was able to examine the circumstances surrounding the sale of RIFW's land assets in more detail. I understand that arrangements are in hand to enable the Committee to have access to the peer review report we commissioned from Deloitte.

We would be pleased to provide any further information the Committee might find helpful in advance of the scrutiny sessions that are planned.

Yours sincerely



Owen Evans

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon

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

Paper from former Board members of the Fund

Introduction

1. This paper responds to the Public Accounts Committee's request to former Board members of the Regeneration Investment Fund for Wales for comments on the Auditor General's report as part of its inquiry. The Committee asked for information on the Board's role, perspective and actions taken on the property sales.
2. The paper is submitted on behalf of five of the six former Board Members of the Fund, namely: Ceri Breeze (Welsh Government - Board member from March 2010; Chair from October 2011); Councillor Christopher Holley (WLGA Representative – Board member from November 2010; Jonathan Geen (Acuity Solicitors – Board member from December 2010); Richard Anning (Sydney and London Properties – Board member from December 2010); Richard Harris (Welsh Government – Board member from July 2012 to June 2013).
3. The following pages highlight information the former members of the Board consider important to the Committee's inquiry. The points major on the portfolio sale and the valuation which underpins the report's findings. Where appropriate, information is also provided on matters which were put forward during the study but which are not reflected in the report.

Background

4. The Auditor General's report sets out in detail the concept of the Fund, its structure and how it was established. Without repeating its contents, the former Board members believe there is a need to highlight some aspects of the Fund as discussions during the Value for Money study revealed some confusion and misconceptions about its nature and purpose. As the report acknowledges, the Fund was innovative and quite different to most bodies established by Government.

Wales-Wide role

5. The Fund was established to invest money in regeneration projects in order to create jobs. Whilst there was a prominent EU element to the Fund, it was set a clear Wales-wide role by Ministers. This was at the forefront of the Board's role and thinking

Operating environment

6. The establishment of the Board and the Fund's operation from January 2011 coincided with deep recession, which had significant impact on the property

market and property values. Forecasts were of declining property market and very poor prospects for recovery. Any review which takes place some years later will inevitably encounter difficulties in achieving a full understanding of the operating environment at that time and the prevailing circumstances.

7. In 2011, rising unemployment and a lack of senior bank debt combined to create an environment of severe economic uncertainty. The fund had been created with the specific intention of assisting in alleviating these types of issues; i.e. market intervention to address finance problems encountered by projects so that regeneration and job creation in particular could proceed. In 2011 and 2012, there was a significant degree of urgency to assist the economic regeneration in all parts of Wales.

Investment vehicle not property speculator

8. The report puts forward an alternative approach to the disposal of assets with a phased disposal over several years and developmental action to secure higher returns over an extended period of time. However, the Fund was not established as a property investor or developer and therefore had a completely different set of commercial drivers. The Fund was designed specifically to compete in the secondary banking sector, providing finance for regeneration for organisations which were not been in a position to obtain sufficient senior debt from traditional sources.
9. As stated in the report, the Fund's chief assets were land, which it needed to sell to facilitate investment in regeneration projects. The time between the sale of assets and the receipt of cash was a key consideration, together with projected cash needs of pipeline projects both inside and outside the ERDF area. The Auditor General's report is clear that, given this context and in difficult economic circumstances, the Board's decision to arrange for the early disposal of the Fund's portfolio was reasonable based on the advice it received.

Business Plan

10. The Asset Realisation Plan was dictated by the Business Plan. The Business Plan had three core elements, namely the "Pan Wales" investment plan to meet the Fund's Wales-wider remit, the investment plan requiring ERDF requiring match funding, and finally, and perhaps not given sufficient prominence in the report, to create a business model which would attract significant external equity investment representing a significant multiple of the public investment of £55,000,000.

The portfolio sale

11. The Fund was referred to the Auditor General specifically in relation to the portfolio sale of its assets. Whilst the Auditor General extended his Value for Money study to consider the establishment of the Fund by the Welsh Government and matters relates to its oversight of the Fund, the primary issue is the sale of the portfolio of properties and whether or not it was undersold.

12. The Auditor General concluded neither the Welsh Government nor the Fund can provide public assurance that the land and property portfolio sale achieved best value for money. There are two elements to this. Firstly, the return on the assets as they were sold i.e. as stated above, an early disposal via a portfolio sale. Secondly, and quite different, the return which might have been possible from the alternative, completely different, strategy of holding on to sites and phasing sales over an extended period based on speculation on the recovery of the property market.
13. The alternative approach is recognised by the former Board members as another option but one which is at odds with the prime purpose of the Fund i.e. an investment vehicle, and the way it was constituted. It is clear the Welsh Ministers did not envisage the Fund as a property developer. It was not in the brief given at public appointment of Members and had it been the intention, it is likely a larger Board would have been appointed to include members with the relevant development expertise.
14. This paper focuses on the former, which is the nub of the original referral to the Auditor General i.e. whether or not the sale, in the way it was done, was made at under value. The report's conclusion about being unable to demonstrate best value was achieved is acknowledged. However, this does not mean the portfolio was actually sold at undervalue, and our view is the valuation evidence presented cannot support any such assertion.

Valuation

15. The critical factor is property valuation, which is influenced by a wide range of factors. The Auditor-General commissioned the District Valuer to produce a valuation and it is the foundation for many of its conclusions. It is not for the former Board members to specifically challenge the individual valuations of the District Valuer, as the Board relied upon the advice it received. However, a number of points are important to the Committee's inquiry.
16. We have significant concerns about the methodology which underpins the District Valuer's valuation, which is unconventional, and the lack of transparency around it. Unfortunately, the former Board members have not been allowed access to the valuation, and therefore have been unable to undertake any proper scrutiny. This contrasts with the Board's approach of allowing unfettered access to the valuation it commissioned from Colliers. The lack of access puts the former Board members at a disadvantage in commenting on the valuation and it therefore welcomes this opportunity to highlight to the Committee its concerns and questions to inform the inquiry.
17. From our discussions, there appears to be a possible departure from the aim of the Valuation Brief issued to the District Valuer. It is clear the District Valuer was not considering the valuation exercise in the context of the Fund's Business Plan. His approach allowed for phasing of disposal to obtain the maximum possible value and he appears to have concluded the potential for creation of additional value by speculative capital expenditure as a property developer. As

stated earlier, the Fund is not a property speculator or developer and was not established as such.

18. There is a question on whether the District Valuer has taken a different approach to the valuation of the Lisvane site for the Auditor General to that he has undertaken in his commission for Cardiff City Council. As the Committee is no doubt aware, the District Valuer was also commissioned by the Council to advice on the planning process for the Lisvane site. This is further discussed under “Outcomes” at the end of this paper.

Planning advice

19. Of all the valuations presented in the report, the District Valuer’s is the outlier. It is considerably higher than those of four major firms. Significantly, it is the only one which, to the Board’s knowledge, has not been subject to any professional Planning advice, which is considered a prerequisite for a valuation of this nature.

Hope value or overage but not both

20. The District Valuer’s valuation is based on an unconventional approach and there is a question on whether it meets the Royal Institution for Chartered Surveyors’ Red Book standards. The valuation is a quite different approach to the other professional valuations and therefore, is not “like-for like”. The report acknowledges the District Valuer’s figures are predicated on different valuation assumptions and an alternative approach to disposal but unfortunately, it has been perceived as being a like-for-like comparison with the other valuations, which it is not.

Open marketing and a willing buyer

21. The report (footnote 71, page 76) explains the District Valuer’s valuation is based upon an open sale of the portfolio, supported by proper marketing, between a willing seller and willing buyer, in which both parties acted knowledgeably, prudently and without compulsion.
22. On the point of open marketing, it is important to note even with such a campaign it does not automatically mean the assets could have achieved a higher figure. This is Deloitte’s view in its report for the Welsh Government.
23. A valuation cannot be realised without a willing buyer. By the very fact of the sale, the Fund can demonstrate a willing buyer for the portfolio at the valuation price. The District Valuer has been unable to produce any plausible evidence of a willing buyer at his, much higher, valuation figure.

Prudent Lotting / Phasing of development

24. “Lotting” refers to the parts of an asset or collection of assets which can be broken up and sold separately. The valuation of such assets should be done on the assumption that they will be lotted in such a way as to maximise the proceeds of sale. In relation to undeveloped land, prudent lotting can take place without phasing for a valuation certificate provided the valuer is confident that at

the specific valuation date there will be sufficient parties to exchange contracts on every one of the lots being put forward. In reality, lotting usually takes place where the phasing of development is envisaged.

25. The lotting of large areas of land which does not have the necessary infrastructure or planning consent is counter-productive. The attraction for a property speculator is the ability to control the planning process and the timing of the infrastructure. At Lisvane, there are already a number of land owners and therefore, to some extent, a "committee" approach has had to be coordinated. This would have been exacerbated by any sub-dividing of the Fund's land at Lisvane at the point of sale and would have made it far less attractive. If such an approach had been taken by the Fund, in all probability it would have attracted a lower overall price.

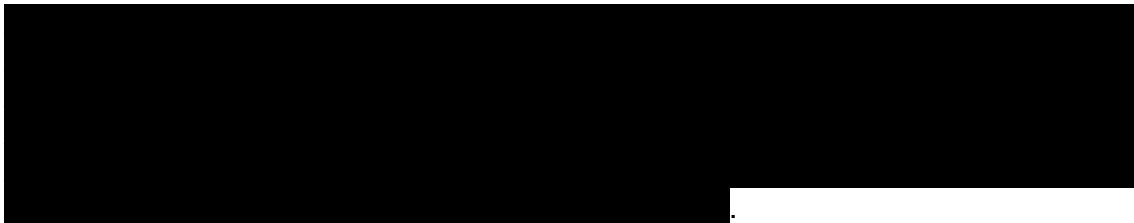
Net Present Value

26. The phasing of payments for large land sales is common. There is an opportunity costs to such arrangements. The critical issue is that that an appropriate discount value is used when calculating Net Present Value. The District Valuer appears to have used a discount value which would be appropriate for a property developer. Given that Fund is not a property developer, a discount value for a vehicle similar to the nature of the Fund would have been more appropriate.


Apportionment

27. When land is sold, there is an apportionment of the income or expenses between the vendor and the purchaser. The table in Appendix 3 does not include the apportionment of the sale consideration for the portfolio. This is particularly important when assertions are made concerning properties which should, or should, not, have included overage in the contract. We confirm the extent of the knowledge of, and recommendations received by, the former Board members concerning the two sites which should have had an overage calculation attached to them. In a sale, it is in the interest of the vendor, in this case the Fund, to secure the lowest possible base values of sites which are most likely to provide the greatest uplift and therefore the greatest percentage increase in additional income from the sale.

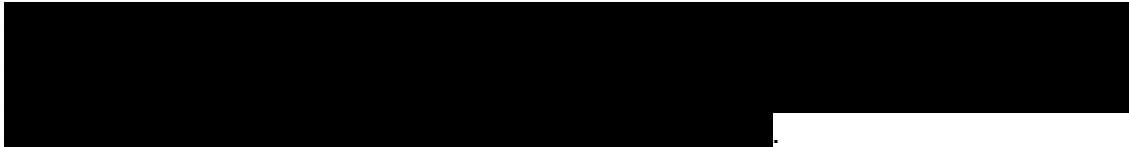
28.



Discount for Property Portfolio Sale

29. The former Board members relied upon the advice of Amber and Lambert Smith Hampton. The subsequent valuation advice from the various valuers suggests different discounts. This is clearly a matter for conjecture. 

30.



Action by the former Board members post sale

31. In view of the concern raised about the terms of the contract for sale, the Board decided to undertake its own independent review. Messrs Colliers International was instructed to prepare an independent comprehensive report, which was supportive of the value achieved. The full report was made available to the Wales Audit Office.

Outcomes

32. In relation to Monmouth and Lisvane, it is important to note the current environment is completely different to that which existed in 2011 and 2012. There is now ample senior debt available for housing development and the national House Builders are keen to acquire land and commence development as soon as is practical. In any consideration of the outcome with the benefit of hindsight, the different economic conditions must be reflected.

Monmouth

33. The Board was correct to accept the advice that this was a speculative residential site. The granting of Planning Consent by Monmouth District Council was on the basis of a split vote and a majority of one.
34. The former Board members are not fully aware of the commercial matters associated with the recent disposal of the site. However, we understand that a detailed report on the marketing campaign, its results, subsequent negotiations, and conclusions was submitted by Lambert Smith Hampton to the Wales Audit Office prior to the publication of its report. It is understood that following a full marketing exercise, there was a competitive bidding process and detailed negotiations, which arrived at a headline price but on the basis of a phased payment. This is normal for large land sales. The headline price achieved is understood to be slightly below the valuation advice given to the Board at the time of sale. This indicates that Lambert Smith Hampton had appropriate knowledge of residential land values as at the date of sale.

Lisvane

35. The planning position has yet to be resolved. A Planning Inquiry in relation to the proposals was held in July 2015. We understand significant discussion took place as to the potential land value for the purposes of Community Infrastructure Levy. It appears Cardiff City Council has been promoting a rate of £400,000 per acre, whereas the national House Builders have been promoting a rate of £600,000 per acre. Under normal timetable arrangements, the Planning Inspector's report would probably now be with the relevant Minister for review and decision. However, we understand that the Inspector is likely to reconvene

for two days later this month, which means it may not reach the relevant Minister until the end of the year.

36. None of the former Board members were present at the Inquiry but we are aware representatives of both Lambert Smith Hampton and Amber were present and heard the evidence given by the District Valuer. We understand that as part of his evidence and during cross-examination, he stated it was particularly difficult for valuers to assess “hope value”, presumably because of the lack of certainty as to density, “abnormals”, the risk that Planning Consent might not be obtained, and the time taken to achieve that consent. In light of this, it would seem reasonable for the District Valuer’s “hope value” valuation of the Lisvane site to be reviewed against the range of valuations produced on or around the time of sale given the fact that his is the outlier.
37. It should be noted that the rate adopted by Lambert Smith Hampton for the net developable acre was in line with the House Builders’ opinion at the Public Inquiry.

Conclusion

38. This paper is provided to assist the Committee’s in taking evidence on matters relating to the Fund. As requested, it focuses on matters relating to the Board’s role, perspective and actions taken on the property sale. It summarises key points on a range of matters, behind which is detailed, technical, information relating to land and property transactions. The former members of the Board attending the Committee session will be pleased to answer questions from Assembly Members.
39. As a broad but important point on which to end, the process by which the portfolio was sold has been scrutinised and the report identifies ways in which it could have been better. In acknowledging this, the former Board members believe the final outcome i.e. the initial sales price achieved plus all additional income from overage clauses, is the most significant factor to any consideration of whether or not the portfolio was sold at undervalue. Lambert Smith Hampton, Amber and the current Board members may be able to provide the Committee with the most up-to-date information on this. The Planning Inspector’s report for Lisvane may also be of assistance to the Committee.
