

Agenda – Finance Committee

Meeting Venue: Hybrid – Committee room 4 Ty Hywel and video conference via Zoom	For further information contact: Owain Roberts Committee Clerk 0300 200 6388 SeneddFinance@senedd.wales
Meeting date: 18 July 2024	
Meeting time: 09.30	

At its meeting on 3 July 2024, the Committee agreed a motion under Standing Order 17.42(ix) to exclude the public from the start of today's meeting.

Registration / Private Pre-meeting

(09.15–09.30)

1 Financial Transactions Capital: Technical briefing with Welsh Government officials

(09.30–10.15)

(Pages 1 – 16)

Matt Wellington, Head of Budget Policy & Delivery, Welsh Government

Sharon Bounds, Deputy Director Financial Controls, Welsh Government

Supporting documents:

Senedd Research Brief

Break

(10.15–10.20)

Public

2 Introductions, apologies, substitutions and declarations of interest

(10.20)



3 Paper(s) to note

(10.20)

(Pages 17 – 25)

Minutes of the meeting held on 26 June and 3 July.

- 3.1 PTN 1 – Letter from the Chair of the Petitions Committee: P-06-1455 Protect the junior departments of the Royal Welsh College of Music and Drama from closure – 26 June 2024**

(Pages 26 – 27)

- 3.2 PTN 2 – Letter from the Cabinet Secretary for Finance, Constitution & Cabinet Office: Local Government Finance (Wales) Bill – Updated explanatory memorandum – 2 July 2024**

(Pages 28 – 36)

- 3.3 PTN 3 – Letter from the Trefnydd and Chief Whip to the Chair of the Reform Bill Committee: Senedd Cymru (Electoral Candidate Lists) Bill – 10 July 2024**

(Pages 37 – 51)

- 3.4 PTN 4 – Letter from the Trefnydd and Chief Whip to the Chair of the Legislation, Justice and Constitution Committee: Senedd Cymru (Electoral Candidate Lists) Bill – 10 July 2024**

(Pages 52 – 63)

4 Financial Transactions Capital: Evidence session 1

(10.20-11.05)

(Pages 64 – 67)

David Staziker, Chief Financial Officer, Development Bank of Wales

Robert Hunter, Strategy, People and Development Director, Development Bank of Wales

Supporting documents:

FIN(6)-16-24 P1 – Development Bank of Wales: Written evidence

Break

(11.05-11.15)

5 Financial Transactions Capital: Evidence session 2

(11.15-12.05)

(Pages 68 – 75)

David Ward, Chief Executive Officer, Tirion Group Ltd
Richard Mann, Group Chief Executive, United Welsh
Kate Pender, Deputy Chief Executive Officer, Fair4allFinance

Supporting documents:

FIN(6)-16-24 P2 - Transport for Wales: Written evidence
FIN(6)-16-24 P3 - United Welsh - Tai Ffres: Written evidence
United Welsh - Tai Ffres: <https://youtu.be/gYOpU82QNaE>
United Welsh - Tai Ffres: <https://youtu.be/2y-lQn8pvhY>

6 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting.

(12.05)

7 Financial Transactions Capital: Consideration of evidence

(12.05-12.20)

8 Fiscal Intergovernmental Relations: Consideration of key issues

(12.20-12.50)

(Pages 76 - 119)

Supporting documents:

FIN(6)-16-24 P4 - Council of the Federation, Canada: Written evidence
FIN(6)-16-24 P5 - Key issues paper

9 Welsh Government Draft Budget 2025-26: Approach to budget scrutiny

(12.50-13.00)

(Pages 120 - 129)

Supporting documents:

FIN(6)-16-24 P6 - Cover paper
FIN(6)-16-24 P7 - Letter from the Cabinet Secretary for Finance, Constitution and Cabinet Office: Budget timetable - 4 July 2024
FIN(6)-16-24 P8 - Letter from the Trefnydd and Chief Whip to the Chair of Business Committee: Budget timetable - 4 July 2024
FIN(6)-16-24 P9 - Letter from the Llywydd and Chair of the Business Committee: Budget timetable - 9 July 2024

10 Consideration of Forward Work Programme

(13.00–13.05)

(Pages 130 – 143)

Supporting documents:

FIN(6)–16–24 P10 – Forward Work Programme

11 Membership of the Wales Audit Office Board: Changes to existing commitments

(13.05–13.15)

(Pages 144 – 146)

Supporting documents:

FIN(6)–16–24 P11 – Cover paper

12 Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales: Update letter from the PSOW

(13.15–13.25)

(Pages 147 – 148)

Supporting documents:

FIN(6)–16–24 P12 – Letter from the Public Services Ombudsman for Wales – 2 July 2024

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Agenda Item 3

Concise Minutes – Finance Committee

Meeting Venue: Hybrid – Committee room 3, Senedd and video conference via Zoom

This meeting can be viewed on [Senedd TV](#) at:

<http://senedd.tv/en/14726>

Meeting date: Wednesday, 26 June 2024

Meeting time: 09.30 – 10.56

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS Rhianon Passmore MS
Witnesses:	Dr Ed Poole, Senior Lecturer, Wales Governance Centre (Wales Fiscal Analysis)
Committee Staff:	Owain Roberts (Clerk) Leanne Hatcher (Second Clerk) Cerian Jones (Second Clerk) Mike Lewis (Deputy Clerk) Martin Jennings (Researcher) Christian Tipples (Researcher) Ben Harris (Legal Adviser)



Registration

Private Pre-meeting

1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the meeting of the Finance Committee.

2 Paper(s) to note

2.1 The papers were noted.

- 2.1 PTN 1 – Letter from the Cabinet Secretary for Culture and Social Justice: Regulations relating to the Well-being of Future Generations (Wales) Act 2015 – 17 May 2024
- 2.2 PTN 2 – Independent Review of the Public Service Ombudsman for Wales's Investigation of Code of Conduct Complaints: Final terms of reference – 20 May 2024
- 2.3 PTN 3 – Letter from the Llywydd and Chair of the Business Committee: Committee remits – 22 May 2024
- 2.4 PTN 4 – Letter from Audit Wales: Notification of audit deadline position – 23 May 2024
- 2.5 PTN 5 – Letter from Audit Wales: Community Pharmacy Data Matching Pilot – 23 May 2024
- 2.6 PTN 6 – Letter from the Minister of Finance, Northern Ireland Assembly: Fiscal Intergovernmental Relations – 29 May 2024
- 2.7 PTN 7 – Letter from the Cabinet Secretary for Finance, Constitution and Cabinet Office: delaying of the publication of the Welsh Government's first supplementary budget 2024–25 – 10 June 2024
- 2.8 PTN 8 – Letter from the Chair of Health and Social Care Committee to the Minister for Social Care: Health and Social Care (Wales) Bill and general scrutiny session – 12 June 2024
- 2.9 PTN 9 – Letter from the Trefnydd and Chief Whip on the financial implications of the Senedd Cymru (Electoral Candidate Lists) Bill – 31 May 2024
- 2.10 PTN 10 – Letter from the Trefnydd and Chief Whip: Senedd Cymru (Electoral Candidate Lists) Bill – 14 June 2024

2.11 PTN 11 – Joint letter from the Legislation, Justice and Constitution Committee and the Finance Committee: Welsh Tax Acts etc. (Power to Modify) Act 2022: Section 6 (Review of operation and effect of this Act) – 7 June 2024

3 Fiscal Intergovernmental Relations: Evidence session 7

3.1 The Committee took evidence on its inquiry into Fiscal Intergovernmental Relations from Ed Poole, Senior Lecturer, Wales Governance Centre (Wales Fiscal Analysis).

4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting

4.1 The motion was agreed.

5 Fiscal Intergovernmental Relations: Consideration of evidence

5.1 The Committee considered the evidence received.

6 Changes to the Budget Protocol – Responses from the Directly Funded Bodies

6.1 The Committee considered the paper on changes to the Budget Process Protocol, and the responses received from Audit Wales and the Senedd Commission.

6.2 The Committee agreed to write to the Cabinet Secretary for Finance, Constitution and Cabinet Office on issues relating to the Budget Process Protocol and other budgetary matters, and to send a copy of the letter to the Directly Funded Bodies.

7 Consultation with Senedd Committees on Draft Budget Scrutiny

7.1 The Committee noted the letters submitted by Senedd Committees and considered the issues raised on their experiences of scrutinising the Welsh Government's Draft Budget.

7.2 The Committee agreed to write to the Cabinet Secretary for Finance, Constitution and Cabinet Office, highlighting the views expressed by Senedd Committees on their experiences of scrutinising the Welsh Government's Draft Budget.

8 Membership of the Wales Audit Office Board: Response from Audit Wales

8.1 The Committee noted the response from Audit Wales on membership of the Wales Audit Office Board and agreed to write back, seeking an update on changes to the Public Audit (Wales) Act 2013, that Audit Wales would like to be brought forward.

Concise Minutes – Finance Committee

Meeting Venue: **Hybrid – Committee room 4 Ty Hywel and video conference via Zoom**

Meeting date: Wednesday, 3 July 2024

Meeting time: 09.30 – 12.14

This meeting can be viewed on [Senedd TV](#) at:

<http://senedd.tv/en/13972>

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS Rhianon Passmore MS
Witnesses:	Rebecca Evans MS, Cabinet Secretary for Finance, Constitution and Cabinet Office Sarah Govier, Welsh Government Julian Revell, Welsh Government Dawn Bowden MS, Minister for Social Care Alistair Davey, Welsh Government Anthony Jordan, Welsh Government
Committee Staff:	Owain Roberts (Clerk) Leanne Hatcher (Second Clerk) Cerian Jones (Second Clerk) Mike Lewis (Deputy Clerk) Christian Tipples (Researcher)



	Owen Holzinger (Researcher) Ben Harris (Legal Adviser) Catherine McKeag (Citizen Engagement Manager)
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Registration

Private Pre-meeting

1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the meeting of the Finance Committee.

2 Paper(s) to note

2.1 The Committee noted the letter from the Chair of the Petitions Committee and agreed to write back with information on the Welsh Government scrutiny process for 2025–26.

2.1 PTN 1 – Letter from the Chair of the Petitions Committee Petition P–06–1437

Increase, don't cut, funding for the National Library, Amgueddfa Cymru and the Royal Commission – 26 June 2024

3 Fiscal Intergovernmental Relations: Evidence session 8

3.1 The Committee took evidence on its inquiry into Fiscal Intergovernmental Relations from Rebecca Evans MS, Cabinet Secretary for Finance, Constitution and Cabinet Office; Sarah Govier, Head of Intergovernmental Relations, Welsh Treasury; and Julian Revell, Head of Fiscal Analysis, Welsh Treasury.

Break

4 Health and Social Care (Wales) Bill: Evidence session

4.1 The Committee took evidence on the financial implications of the Health and Social Care (Wales) Bill from Dawn Bowden MS, Minister for Social Care; Alistair Davey, Deputy

Director, Enabling People, Social Services and Integration Directorate; and Anthony Jordan, Head of Programme and Legislative Implementation, Social Services and Integration Directorate.

4.2 The Committee agreed to write to the Minister for Social Care with additional questions that weren't reached during the evidence session.

5 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting and start of the meeting on 18 July

5.1 The motion was agreed.

6 Fiscal Intergovernmental Relations: Consideration of evidence

6.1 The Committee considered the evidence received.

6.2 The Committee agreed to write to the Cabinet Secretary for Finance, Constitution and Cabinet Office with additional questions that weren't reached during the evidence session.

7 Health and Social Care (Wales) Bill: Consideration of evidence

7.1 The Committee considered the evidence received.

7.2 The Committee agreed to write to the Minister for Social Care with additional questions that weren't reached during the evidence session.

8 The Land Transaction Tax and Anti-Avoidance of Devolved Taxes (Wales) Act 2017 (Amendments to Schedule 5) Regulations 2024

8.1 The Committee considered the Legal Services note on the Land Transaction Tax and Anti-Avoidance of Devolved Taxes (Wales) Act 2017 (Amendments to Schedule 5) Regulations 2024 and agreed to take no further action.

9 Scrutiny of the Welsh Government Draft Budget 2025–26: Finance Committee Summary Engagement Report

9.1 The Committee noted its summary engagement report on scrutiny of the Welsh Government Draft Budget 2025–26.

10 Committee Ways of Working and Development

10.1 The Committee considered the paper on the Committee's ways of working and development; and noted the training and development brochure provided by the Member Learning and Engagement Team.

Y Pwyllgor Deisebau

Petitions Committee

Peredur Owen Griffiths MS

Chair, Finance Committee

Senedd Cymru

CF99 1SN

Dyddiad | Date: 26 June 2024

Dear Peredur,

P-06-1455 Protect the junior departments of the Royal Welsh College of Music and Drama from closure

At our meeting on Monday 24 June, the Committee agreed to write highlighting this petition to the Finance Committee, so that it could be given consideration during your deliberations on next year's budget which traditionally takes place at the end of the summer term. It is not the only recent petition seeking to protect funding for culture – the Petitions Committee led a debate on funding to the National Library and Amgueddfa Cymru on 26 June. (**P-06-1437 Increase, don't cut, funding for the National Library, Amgueddfa Cymru and the Royal Commission**)

I have copied this letter to the Culture Committee for information, as I am aware that they are also following this issue closely.

If you have any queries, please contact the Committee clerking team.

Yours Sincerely,



Jack Sargeant

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

cc Delyth Jewell MS, CHair, Culture Committee

Annex 1

P-06-1455 Protect the junior departments of the Royal Welsh College of Music and Drama from closure

Petitioner:

Rebecca Totterdell

Petition text:

Protect the junior departments of the Royal Welsh College of Music and Drama from closure

The Royal Welsh College of Music and Drama has provided a junior music and acting programme to students aged from 4 to 18 for the past 25 years. The school currently sees around 300 talented young people through its doors each weekend, and many of those are on bursaries. It is the only such provision in Wales.

Due to financial difficulties the RWCMD is being forced to consult on closing the Young Acting and Young Music programmes at the end of this term.

More details

If the closure goes ahead, the RWCMD will be the only Royal School of Music without a junior department.

10,560 signatures



Rebecca Evans AS/MS
Ysgrifennydd y Cabinet dros Gyllid, y Cyfansoddiad
a Swyddfa'r Cabinet
Cabinet Secretary for Finance, Constitution & Cabinet Office



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA-RE-5685-24

Peredur Owen Griffiths MS
Chair, Finance Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

2 July 2024

Dear Peredur,

Local Government Finance (Wales) Bill

I am writing to inform you that an updated Explanatory Memorandum has been published ahead of stage 3 proceedings for the Local Government Finance (Wales) Bill, and a copy has been included with this letter.

You will be aware that I accepted all of the Finance Committee's stage 1 recommendations, some of which required revisions to the Explanatory Memorandum. These are as follows:

In relation to recommendation 4, changes have been made to Table 8.2, paragraphs 8.91, 8.92 and 8.128 to address inconsistencies identified by the committee in paragraph 53 of your report. All other relevant figures quoted in the RIA have also been reviewed and updated to ensure consistency between the text and tables.

In relation to recommendation 5, paragraph 8.15 of the RIA has been updated with additional information about the potential implications if the non-domestic rating revaluation cycles in Wales diverged from that in England.

In relation to recommendations 6 and 7, paragraphs 8.125 to 8.127 of the RIA have been updated to clarify the estimated cost to ratepayers of compliance with the new duties to provide information to the Valuation Office Agency and provide further information about timing implications of the delivery of the associated online service.

A number of government amendments were made to the Bill at stage 2 which have also required changes to the Explanatory Memorandum. In particular, the committee will note

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Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

that as a result of the government amendment which brings forward the start of council tax revaluation cycles from 2030 to 2028, two revaluation cycles will now take place over the RIA's 10-year analysis period, rather than one cycle under the original provision. The total estimated costs in the RIA have been updated from £59 million in the version published at introduction to £106 million in the revised version to reflect this change, and other minor changes.

A number of other revisions have also been made to the Explanatory Memorandum to reflect government responses to recommendations made by the Local Government and Housing Committee and the Legislation, Justice and Constitution Committee. All of the revisions made to the Explanatory Memorandum are listed in Annex A below.

I hope you find this information useful.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive, flowing style.

Rebecca Evans AS/MS

Ysgrifennydd y Cabinet dros Gyllid, y Cyfansoddiad a Swyddfa'r Cabinet
Cabinet Secretary for Finance, Constitution & Cabinet Office

Annex A

Local Government Finance (Wales) Bill – Revisions made to EM/RIA to reflect government responses to stage 1 recommendations from the Local Government and Housing Committee

Recommendation	Government response	Revisions to EM/RIA
<p>Recommendation 2: The Welsh Government should amend the Bill to include a requirement for a statutory review to be undertaken on the use of powers under sections 5 [NDR reliefs], 9 [NDR exemptions], 10 [NDR multipliers], 13 [NDR avoidance] and 18 [CT discounts] of the Bill. The review should be undertaken before the end of the Seventh Senedd and should include:</p> <ul style="list-style-type: none"> • An assessment by the Welsh Ministers of alternative legislative mechanisms for making changes to Welsh legislation in the context of NDR reliefs, exemptions, multipliers, anti-avoidance provisions and council tax discounts; and • A requirement to consult the Senedd. 	<p>ACCEPT IN PRINCIPLE. Rather than include a commitment to undertake a statutory review on the face of the Bill, the Government will amend the Explanatory Memorandum after stage 2 to include a commitment to undertake a post-implementation review of the operation and impact of this legislation before the end of the Seventh Senedd. This will include consideration of the relevant subordinate legislation making powers in the Bill.</p>	<p>Revisions have been made to paragraph 11.5 of Chapter 11 of the Explanatory Memorandum, to include the commitment to undertake the post-implementation review set out in response to the stage 1 recommendation from the committee.</p>

Local Government Finance (Wales) Bill – Revisions made to EM/RIA to reflect government responses to stage 1 recommendations from the Finance Committee

Recommendation	Government response	Revisions to EM/RIA
<p>Recommendation 4: The Committee recommends that the Minister reviews the points raised around inconsistencies in the RIA noted in this section, with a view to clarifying the information identified in a revised RIA.</p>	<p>ACCEPT We thank the committee for bringing these to our attention. We will review and ensure the figures are consistent. A revised RIA will be provided ahead of stage 3.</p>	<p>Changes have been made to Table 8.2; paragraph 8.128 and paragraphs 8.91 and 8.92 to address inconsistencies identified by the committee in paragraph 53 of your report. All other relevant figures quoted in the RIA have also been reviewed and updated to ensure accuracy and consistency between the text and tables.</p>
<p>Recommendation 5: The Committee recommends that the</p>	<p>ACCEPT The RIA explains that, at the present time, it is not possible</p>	<p>Additional information has been included in paragraph 8.15 of the RIA. Divergence</p>

Recommendation	Government response	Revisions to EM/RIA
Minister provides information on the risks and cost implications for Wales in diverging from England in terms of the timing of its non-domestic rates revaluations, and for this information to be included in a revised RIA.	to fully quantify the costs and risks which would arise from divergence. It is, however, possible to provide further information on the resourcing implications for the Valuation Office Agency ('VOA') and high-level risks. Additional details will be included ahead of stage 3.	with England in relation to the revaluation cycle would lead to an increase in resource requirements in all valuation areas in Wales. The VOA's estimates indicate an additional cost of around £1m per revaluation cycle. Valuations of some property types may be less robust, leading to appeals and rateable value loss.
Recommendation 6: The Committee request further information on the total cost to ratepayers of the new duty to supply up-to-date information to the VOA, in particular, whether the £35 and £20 cost per ratepayer is in addition to the costs currently estimated for relevant activity, and for this information to be included in a revised RIA.	ACCEPT. The figures represent an average estimate of the additional costs of compliance. Actual costs will depend on individual circumstances. For some ratepayers, the costs of complying with the new duty will not represent new or additional costs compared to those incurred on the current system. This information will be included in the revised RIA ahead of stage 3.	The requested information, as described in response to the committee during stage 1, has been included in paragraph 8.126 of the RIA.
Recommendation 7: The Committee recommends that the Minister provides further information on the potential costs and risks associated with the VOA's new online system. This should include when it will be implemented and the risks of any potential delays in implementation to ratepayers complying with the new requirements to provide information, and for this information to be included in a revised RIA.	ACCEPT. The completion of a revaluation in 2026 is not dependent on the launch of the online system, as the VOA is already preparing to undertake that exercise under current arrangements. The system is intended to ensure the sustainability of more frequent revaluations over the longer-term. There is no risk to ratepayers associated with the timing of launch, because the duties will only be brought into force when the Welsh Government and the VOA are satisfied that ratepayers can reasonably be expected to comply. This information will be included, alongside the estimated costs already provided, in the revised RIA ahead of stage 3.	Paragraph 8.125 of the RIA has been updated to clarify that the VOA cost profile for the online system is based on an assumption that it will launch during 2026-27. This is subject to confirmation as the programme progresses. Paragraph 8.127 of the RIA has been updated to provide the additional explanation and clarification, provided in response to the committee during stage 1, about the timing implications of the delivery of the online service.

Local Government Finance (Wales) Bill – Revisions made to EM/RIA to reflect government responses to stage 1 recommendations from the Legislation, Justice and Constitution Committee

Recommendation	Government response	Revisions to EM/RIA
Recommendation 13: The Minister should clarify which scrutiny procedure will apply to regulations made under section 13(1) of the Local Government Finance Act 1992 ('the 1992 Act') (as amended).	Regulations made under section 13(1) of the 1992 Act will be subject to the negative procedure as already provided in the 1992 Act. Table 5.1 in the Explanatory Memorandum will be amended to reflect this position.	Table 5.1 in the Explanatory Memorandum has been amended.

Local Government Finance (Wales) Bill – Revisions made to EM/RIA to reflect stage 2 government amendments

Government amendment	Impact of amendment	Revisions to EM/RIA
Government amendment 1: Section 14, page 24, line 22, after 'paragraphs', insert '1(2)'.	This amendment ensures that the affirmative procedure continues to apply to an existing regulation-making power relating to the setting of the daily chargeable amount for unoccupied hereditaments before any reliefs are applied.	The only change required is a minor update made to reflect the effect of the amendment in the Keeling Schedule for section 143A(5)(i) of the Local Government Finance Act 1988 ('the 1988 Act').
Government amendment 2: Section 21, page 33, line 27, leave out '2029' and insert '2027'.	This amendment replaces a reference to the year 2029 with a reference to 2027. This will change the latest year by which the Welsh Ministers may, under existing legislative powers, specify as the year when the next council tax valuation list is to be compiled. The intention is for five-yearly council tax revaluation cycles to begin in 2028.	The Explanatory Notes have been updated in relation to section 21 'Procedure for the compilation of valuation lists' to replace a reference to the year 2029 with a reference to 2027. The Keeling Schedule, particularly new subsections (3A) to (3C) within section 22B of the 1992 Act, have also been updated in this respect.
Government amendment 3: Section 21, page 33, line 31, leave out '2030' and insert '2028'.	This amendment changes a reference to the year when the five-yearly council tax revaluation cycles will begin under the provisions of the Local Government Finance (Wales) Bill, from 2030 to 2028.	References to 2030 have been changed to 2028 throughout the Explanatory Memorandum, and information provided outlining the Phase 2 consultation outcome. The

Government amendment	Impact of amendment	Revisions to EM/RIA
		<p>paragraphs and tables amended are as follows:</p> <p>Paragraphs - 3.95; 4.9 – 4.13; 8.154; 8.162 – 8.166; 8.168 – 8.169; 8.173; 8.175 – 8.177; 8.180; 9.26; 12.9 – 12.10; & 12.17.</p> <p>Tables - RIA Summary Table at pp.48 – 49; Tables 8.8 – 8.12; Table 8.14; Tables 12.3; 12.4 & 12.6.</p>
<p>Government amendment 4: Section 24, page 36, line 11, after ‘25’, insert ‘and paragraph [first sub-sub-paragraph to be inserted by amendment 6] of the Schedule (and section 15 in so far as relating to paragraph [first sub-paragraph to be inserted by amendment 6])’.</p>	<p>This amendment will ensure that the sub-paragraph which will enable the Welsh Ministers to provide a right to appeal to the Upper Tribunal in respect of decisions made by the Valuation Tribunal for Wales in the context of appeals under paragraphs 5C and 6AA of Schedule 9 to the 1988 Act will come into force on the day after the day of Royal Assent for the Bill.</p>	<p>The Explanatory Notes, particularly in relation to section 15 of, and Schedule 1 to, the Bill, which make minor and consequential amendments relating to Part 1, have been revised to reflect the coming into force date of the sub-paragraph which will enable the Welsh Ministers to provide a right to appeal to the Upper Tribunal in respect of decisions made by the Valuation Tribunal for Wales in the context of appeals under paragraphs 5C and 6AA of Schedule 9 to the 1988 Act.</p>
<p>Government amendment 5: Schedule 1, page 42, after line 12, insert— ‘Local Government and Rating Act 1997 (c. 29) [] (1) The Local Government and Rating Act 1997 is amended as follows. (2) In Schedule 3, omit paragraph 23.’</p>	<p>This amendment will add a reference to paragraph 23 of Schedule 3 to the Local Government and Rating Act 1997 to the Schedule to the Local Government Finance (Wales) Bill.</p>	<p>The Explanatory Notes, particularly in relation to section 15 of, and Schedule 1 to, the Bill, which make minor and consequential amendments relating to Part 1, have been revised to reflect the addition to the Schedule to the Bill the reference to paragraph 23 of Schedule 3 to the Local Government and Rating Act 1997 (for the purpose of</p>

Government amendment	Impact of amendment	Revisions to EM/RIA
		<p>repealing that spent provision which relates to time limits on discretionary NDR reliefs which will no longer apply to Wales as a result of the Local Government Finance (Wales) Bill).</p> <p>The Keeling Schedule also illustrates the change to the Local Government and Rating Act 1997.</p>
<p>Government amendment 6:</p> <p>Schedule 1, page 44, after line 27, insert— ‘ () after paragraph 11(1) insert— “(1A) Regulations under paragraph 1 may also include provision that an appeal lies to the Upper Tribunal in respect of a decision or order given or made by a tribunal established under that paragraph on an appeal under paragraph 5C or 6AA of Schedule 9.”; () in paragraph 11, in subparagraph (1A) (as inserted by subparagraph [first subparagraph to be inserted by this amendment]) before “5C or 6AA” insert “5BB, 5BE, ”.’</p>	<p>Amendment 6 will ensure that regulations may provide for rights of appeal to the Upper Tribunal, where ratepayers are subject to a penalty for failure to comply with requirements to provide information to the VOA, HMRC and local authorities. The intention is to enable consistency across similar duties on ratepayers within the NDR system, including those introduced by section 12 of the Bill.</p>	<p>Table 5.1 (Summary of powers to make subordinate legislation) of the Explanatory Memorandum has been updated to include this amendment.</p> <p>The Explanatory Notes, particularly in relation to section 15 of, and Schedule 1 to, the Bill, which make minor and consequential amendments relating to Part 1, have been revised to reflect the amendment to paragraph 11 of Schedule 11 to the 1988 Act which relates to rights of appeal from the Valuation Tribunal for Wales to the Upper Tribunal in respect of decisions made by local authorities, VOA or HMRC.</p> <p>The Keeling Schedule also illustrates the changes to Part 3 of Schedule 11 to the 1988 Act.</p>
<p>Government amendment 7:</p> <p>Schedule 1, page 44, line 36, after ‘(e)’, insert ‘, (3)(b)(i) and (6)’.</p>	<p>This amendment will add section 151(3)(b)(i) and (6) of the Local Government and Elections (Wales) Act 2021 to the list of provisions omitted by this Bill. The effect of this amendment is to include provisions previously inserted into the 1988 Act in respect of penalties for failing to provide information to valuation officers, but which</p>	<p>The Explanatory Notes, particularly in relation to section 15 of, and Schedule 1 to, the Bill, which make minor and consequential amendments relating to Part 1, have been revised to reflect the fact that these provisions no longer apply in Wales.</p>

Government amendment	Impact of amendment	Revisions to EM/RIA
	are superseded by new provisions in this Bill, in the Schedule so that they will no longer apply in Wales.	The Keeling Schedule also illustrates the change to the Local Government and Elections (Wales) Act 2021.
<p>Government amendment 8:</p> <p>Schedule 1, page 45, after line 9, insert— ‘() in paragraph 11, in sub-paragraph (1A) (as inserted by paragraph [first sub-paragraph to be inserted by amendment 6] of this Schedule) after “on an appeal under” insert “section 63L or”.’.</p>	This amendment will enable regulations to provide for a right of appeal to the Upper Tribunal, in relation to a liability notice imposed to counteract an artificial avoidance arrangement.	<p>Table 5.1 (Summary of powers to make subordinate legislation) of the Explanatory Memorandum has been updated to include this amendment.</p> <p>The Explanatory Notes, particularly in relation to section 15 of, and Schedule 1 to, the Bill, which make minor and consequential amendments relating to Part 1, have been revised to reflect the right of appeal for ratepayers to the Upper Tribunal in relation to a liability notice imposed to counteract an artificial avoidance arrangement.</p> <p>The Keeling Schedule also illustrates the changes to Part 3 of Schedule 11 to the 1988 Act.</p>



Llywodraeth Cymru
Welsh Government

David Rees MS
Chair
Reform Bill Committee

10 July 2024

Dear David,

Senedd Cymru (Electoral Candidate Lists) Bill

Thank you for the Reform Bill Committee's Report in relation to the Senedd Cymru (Electoral Candidate Lists) Bill published on 7 June 2024. I wrote to you on 14 June to explain that I was intending to defer the Stage 1 debate to 16 July in order to give due consideration to your report and that of the Legislation, Justice and Constitution Committee and to respond as fully and appropriately as possible ahead of the Stage 1 debate.

Please see my response to the set of recommendations within the report in Annex 1.

You indicated that it would be helpful to receive my written response two days in advance of the Stage 1 debate to enable Members to reflect upon it before the debate, and I am pleased to be able to provide this response to the Committee well in advance of the debate next week. I trust that this will be helpful to both Committee members and Members of the Senedd participating in the general principles debate.

I would like to express my thanks to the Committee for scrutinising the Bill and its supporting documentation. I look forward to continuing to work with Members as the Bill progresses through the Senedd process.

I am copying this letter to the Chair of the Legislation, Justice and Constitution Committee, the Chair of the Finance Committee and all Members of the Senedd for information.

Yours sincerely,

Jane Hutt AS/MS
Y Trefnydd a'r Prif Chwip
Trefnydd and Chief Whip

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Annex 1

Recommendation	Response
<p>Recommendation 1</p> <p>By majority, we recommend that the Senedd should agree the general principles of the Senedd Cymru (Electoral Candidate Lists) Bill, but, throughout their ongoing scrutiny of the Bill, Members of the Senedd should have regard to the issues highlighted in our report. [page 39]</p>	<p>Noted</p> <p>This recommendation is for the Senedd. As such, no specific response is provided, though the Welsh Government welcomes the recommendation.</p>
<p>Recommendation 2</p> <p>The Member in charge should clarify which situations involving the removal of a candidate from a list will be detailed in the Conduct Order in accordance with new section 7D(1)(a) (to be inserted into the Government of Wales Act 2006), and provide detail of the Welsh Government's policy intentions in relation to each circumstance. [page 62]</p>	<p>Accept in part</p> <p>Work by the Welsh Government to identify the full range of situations and circumstances, and the most appropriate potential policy solution in each case is ongoing.</p> <p>In taking this work forward, consideration is being given to situations where a candidate may withdraw after a candidate list has been submitted to the Constituency Returning Officer, with a view to ensuring that a party does have an opportunity to address any last-minute and unexpected changes that impact on their compliance with the quota rules.</p> <p>Consideration will also be given to situations involving the death of a candidate during the nominations process and up until the Statement of Persons Nominated is published. The impact of disqualification of a candidate during this period will also be considered. The power in section 7D(1)(a) to treat a non-compliant list as compliant, may be used where it is appropriate, although other solutions may be more appropriate in some situations.</p> <p>The policy will be addressed during the development of, and consultation on, the subordinate legislation. I continue to be mindful of the need for the provisions to be compatible with Convention rights, in particular the rights of parties and candidates to stand, giving consideration to the points raised during Stage 1 scrutiny of the Bill with regard to the potential impact of withdrawals on political parties.</p>

	<p>I would be content to provide further details to committees as part of our consultation on the subordinate legislation.</p>
<p>Recommendation 3</p> <p>The Member in charge should bring forward amendments at Stage 2 to change the “may” in new section 7D(1) (to be inserted into the Government of Wales Act 2006) to a “must” as it relates to provision to be made in the Conduct Order in relation to the effect of the removal of a candidate from a list of candidates on compliance with sections 7A and 7B. [page 62]</p>	<p>Reject</p> <p>As noted in the response to recommendation 2, policy work in this area is ongoing and continues to be informed by our collaboration with stakeholders and the evidence provided to the committees during Stage 1 scrutiny. There are a range of situations where a candidate may be removed from a list and they may potentially require bespoke solutions, for which the power in section 7D(1)(a) to treat a non-compliant list as compliant may or may not be required.</p> <p>I do not believe it is necessary or appropriate to place a duty on Ministers to make the provision described in section 7D(1) in the Conduct Order.</p> <p>I have noted the evidence provided by stakeholders with regards to the withdrawal of candidates and will consider this alongside the impact upon the right to stand for election for parties and candidates.</p> <p>The policy detail and its impacts will be addressed in the public consultation on the draft subordinate legislation.</p>
<p>Recommendation 4</p> <p>The Member in charge should confirm that provision made in the Conduct Order in relation to the effect of the removal of a candidate from a list of candidates on compliance with sections 7A and 7B will require that where a candidate withdraws after a list had been submitted, the remaining list must be reassessed against the quota rules. If that assessment finds that the list is no longer compliant, the party should be given an opportunity to reorder their candidates to achieve compliance. If the party’s view is that they wish to stand an additional candidate to replace the withdrawn candidate, that additional candidate must have made the same statement as the withdrawn candidate on whether they are a woman or not a woman. [page 63]</p>	<p>Accept in part</p> <p>Party lists will need to comply with the quota rules. If a party list candidate withdraws their nomination, resulting in the list no longer complying with the rules, then the list will be rejected by the Constituency Returning Officer. The party will however have an opportunity to submit a further list which complies with the rules, up until close of nominations.</p> <p>It is not the policy intention to require parties to replace a withdrawn candidate with a new candidate who has made the same gender statements as the withdrawn candidate. While it is anticipated that, in practice, this may be what a party would want to/need to do in the circumstances, there may also be scenarios where a party</p>

	<p>may want to change their list in other ways to make it compliant. I do not consider it appropriate for the legislation to prevent a party from taking whatever action it considers appropriate in the circumstances to achieve compliance. The Constituency Returning Officer's role when assessing the alternative list, will be to check that the list is compliant with the rules in the Bill about the placement and proportion of women.</p> <p>As stated in my response to recommendations 2 and 3, we will continue to work with stakeholders in developing the detail of the subordinate legislation, which will be subject to consultation.</p>
<p>Recommendation 5</p> <p>The Member in charge should bring forward amendments at Stage 2 to include provision that requires vacancies arising between elections to be filled by the next eligible and willing person on the list who made the same statement as the outgoing Member on whether they are a woman or not a woman. If no such candidates remain on the list, the vacancy may be filled by the next eligible and willing person on the list who did not make the same statement. [page 63]</p>	<p>Reject</p> <p>The Bill introduces a candidate quota, with the rules applying only in respect of the placement and proportion of women on party lists. The Bill does not include provisions which extend beyond the point at which party lists candidates stand nominated.</p> <p>I believe any intimidation or pressure placed on a candidate in any circumstances, including those set out in the committee's report, is unacceptable and would likely reflect negatively on the political party if their members behaved in this way. If this did occur, we would encourage the Member to raise the matter with their party through established complaints and grievance procedures, and for the party to act on any concerns raised.</p> <p>Candidates should be able to participate in public and political life free from harassment and intimidation. We are taking steps to address this as outlined in my response to recommendation 23.</p> <p>This recommendation would not necessarily further the Bill's purpose of a more effective Senedd achieved as a result of greater gender balance amongst its Members. Although I believe the provisions in the Bill offer a good chance of returning a gender-balanced Senedd, this cannot be guaranteed. If it were the case that there was an imbalance with women still in the</p>

	<p>minority, this recommendation could result in that gender imbalance being perpetuated: an outgoing man would be replaced by a man.</p> <p>Given this risk and the fact that vacancies are a rare occurrence, I consider it disproportionate to incorporate a gender-related element into the vacancies system.</p> <p>Should the concerns of the committee relating to this recommendation materialise as a result of implementing the provisions in the Bill, then I would be content to consider the matter, and the most appropriate solution, in further detail.</p>
<p>Recommendation 6</p> <p>When giving effect to our recommendations 4 and 5 in the Conduct Order, the Member in charge should undertake a data protection impact assessment to ensure that any appropriate steps are taken in respect of the retention of candidates' statements on whether they are a woman or not a woman for an appropriate period (which, for casual vacancies, would be the duration of the relevant Senedd term). [page 64]</p>	<p>Noted</p> <p>As I have not accepted recommendation 5 and only accept recommendation 4 in part, this recommendation is no longer relevant.</p> <p>The Bill does not currently give rise to a need to retain candidates' data as to whether or not they are a woman beyond the period within which an election petition may be brought or, if brought, when it is resolved. Where there are data protection impacts arising from the Bill, these have been assessed and reflected in the Data Protection Impact Assessment published alongside the legislation.</p> <p>We will undertake an assessment of the impacts (including data impacts) of the provisions of the subordinate legislation as part of its development and publish those as part of any supporting documentation. This will include consideration of the appropriateness of providing for further safeguards regarding candidate statements.</p>
<p>Recommendation 7</p> <p>The Member in charge should bring forward amendments at Stage 2 to include a requirement on the face of the Bill that the Welsh Ministers must make provision in the Conduct Order for the designation of a deputy National Nominations Compliance Officer. [page 74]</p>	<p>Accept in principle</p> <p>I accept the principle that there should be scope for a Deputy National Nominations Compliance Officer to whom functions of the National Nominations Compliance Officer may be delegated. Further consideration will be given to what, if any, amendments are needed to the Bill so that this can be provided for in the Conduct Order.</p>

<p>Recommendation 8</p> <p>The Member in charge should provide assurances that the performance standards and offence of breach of official duty that apply to Constituency Returning Officers will be extended to the National Nominations Compliance Officer (and deputy National Nominations Compliance Officer). In her response to our report, she should outline whether any primary or secondary legislative changes will be required to achieve this. [page 74]</p>	<p>Accept</p> <p>I accept the recommendation and can confirm that we are discussing with the Electoral Commission extending its functions so that the performance standards regime applies to the National Nominations Compliance Officer in a similar way to how it applies to Constituency Returning Officers. This will require primary legislative changes and consideration will be given to appropriate amendments to the Bill to achieve this.</p> <p>As the Justice Impact Assessment for the Bill indicates, it remains my intention that the breach of official duty offence will apply to the National Nominations Compliance Officer (and any deputy), as it does currently to Returning Officers. The subordinate legislation will provide for this.</p>
<p>Recommendation 9</p> <p>The Member in charge should commit to making provision in the Conduct Order to extend the corrupt practice offence for providing false statements in nomination and other papers to include false statements made under section 7D(2) (to be inserted into the Government of Wales Act 2006). In her response to our report, she should outline whether any primary or secondary legislative changes will be required to achieve this. [page 93]</p>	<p>Reject</p> <p>As I stated during Stage 1 scrutiny of the Bill, I do not consider that the corrupt practice offence regarding false statements should apply in respect of a candidate's statement as to whether or not they are a woman.</p> <p>Candidates and their parties run the risk of reputational damage and legal challenge in the event of a false gender statement being made. I would expect parties to continue to take due care when undertaking checks during their candidate selection processes.</p>
<p>Recommendation 10</p> <p>The Member in charge should bring forward amendments at Stage 2 to require that if the Senedd decides to establish a committee pursuant to a motion under section 2(1) of the Senedd Cymru (Electoral Candidate Lists) Act 2024, the Welsh Ministers must collect and publish sufficient data about the diversity of candidates and elected Members to inform the committee's review. If the Bill is amended in accordance with our recommendation 11 to place responsibility for reviewing the effect and operation of the Act and related provision on the Welsh Ministers, the requirement to</p>	<p>Reject</p> <p>The Elections and Elected Bodies (Wales) Bill places a duty on the Welsh Ministers to issue guidance for the purpose of encouraging political parties to collect, collate and publish diversity information on candidates for Senedd elections. That Bill provides that this guidance must be published before 1 May 2025.</p> <p>If political parties respond positively to the guidance, information on the diversity of Senedd candidates and Members will be available in time to inform the review (envisaged by section 2 of this Bill) of the operation and effect of this Bill.</p>

<p>collect and publish data should be incorporated within that statutory review provision. [page 99]</p>	<p>The Senedd Commission also publishes information on some diversity aspects (including gender) relating to elected Members shortly after a Senedd election, which may be used to inform the committee's review.</p> <p>In response to recommendation 24, the Welsh Government will continue to make representations to the UK Government at the appropriate time regarding commencement of section 106 of the Equality Act 2010.</p> <p>I do not intend to amend the Bill in accordance with recommendation 11.</p>
<p>Recommendation 11</p> <p>The Member in charge should bring forward amendments at Stage 2 to:</p> <ul style="list-style-type: none"> ▪ Remove section 2 (review of operation and effect of the Act) from the Bill on the basis that the provision is constitutionally problematic and legally unnecessary. ▪ Require the Welsh Ministers to review and report on the operation and effect of sections 7A to 7D of the Government of Wales Act 2006 and any related provision made under section 13 of that Act or under the Senedd Cymru (Electoral Candidate Lists) Act 2024. The outcomes of this review will inform decisions to be taken by future Seneddau and their committees whether, and if so, when and how, they consider it appropriate to conduct post-legislative scrutiny. [page 100] 	<p>Reject</p> <p>Section 2 of the Bill imposes a duty on the Llywydd to table a motion within a specific timescale on the issue of a review of the operation and effect of the legislation. Placing a duty on the Llywydd of a future Senedd is not unprecedented.</p> <p>The future Senedd, which would be asked to consider the motion brought by the Llywydd, could choose to amend or reject the motion. Therefore, it remains for the Senedd to determine how it responds to the motion. For this reason, I do not consider that the provisions in section 2 constrain the freedom of the action of a future Senedd. A similar provision is found in section 19 of the Senedd Cymru (Members and Elections) Act.</p> <p>As the Bill emanated from the recommendations of the Special Purpose Committee, it is appropriate in my view that the Senedd is responsible for post-legislative review of the operation and effect of the legislation. Section 2 provides a mechanism for the Senedd to give consideration to this in a timely way.</p> <p>The committee may also wish to note my response to recommendation 20 of the Legislation, Justice and Constitution Committee report.</p>

<p>Recommendation 12</p> <p>If the Member in charge does not accept our recommendation 11, she should bring forward amendments at Stage 2 to remove section 2(2)(b) (which requires the motion tabled by the Presiding Officer to propose that the committee established to review the operation and effect of sections 7A to 7D of the Government of Wales Act 2006 and any related provision made under section 13 of that Act or under the Senedd Cymru (Electoral Candidate Lists) Act 2024 must complete a report on the review no later than twelve months after the first meeting of the first Senedd to be elected after section 1 of the Senedd Cymru (Electoral Candidate Lists) Bill comes into force). [page 100]</p>	<p>Reject</p> <p>I am rejecting this recommendation on the basis that it is necessary for the review to be undertaken swiftly to provide sufficient time following publication of the report for the future Senedd, if it so wishes, to pursue any legislative changes arising from the review and for these changes to be implemented ahead of the following scheduled ordinary general election.</p>
<p>Recommendation 13</p> <p>If the Member in charge does not accept our recommendations 11 or 12, she should bring forward amendments at Stage 2 to section 2(2)(b) to replace the current requirement that the motion tabled by the Presiding Officer must specify that the committee’s work is to be completed within twelve months of the first meeting of the first Senedd to be elected after section 1 of the Senedd Cymru (Electoral Candidate Lists) Bill comes into force with provision that the motion may include a proposed deadline by which the committee’s report is to be completed. [page 101]</p>	<p>Reject</p> <p>As I have set out in my response to recommendation 12, I consider it important that the review be undertaken swiftly to provide sufficient time following publication of the report for the future Senedd, if it so wishes, to pursue any legislative changes arising from the review and for these changes to be implemented ahead of the following scheduled ordinary general election.</p> <p>I do not consider it necessary to accept this recommendation because should the future Senedd wish to provide for a different deadline for the review committee to report, this can be actioned by way of an amendment to the motion tabled by the Llywydd under section 2.</p>
<p>Recommendation 14</p> <p>As part of the development of and consultation on the Conduct Order, the Welsh Government should undertake, and publish, an equality impact assessment on the proposed election timetable. This should include assessment of any impacts on people from different socio-economic backgrounds. [page 114]</p>	<p>Accept</p> <p>In introducing the Bill, I published a full suite of impact assessments, including an Equality Impact Assessment and Integrated Impact Assessment. These impact assessments will be kept under review as the Bill progresses through the legislative process.</p> <p>Any further impacts arising out of provisions in the subordinate legislation, including those on people from different socio-economic backgrounds, will be considered</p>

	and published as part of the supporting documentation for that legislation and made available for scrutiny.
<p>Recommendation 15</p> <p>The Member in charge should detail all costs associated with implementing the Senedd Cymru (Electoral Candidate Lists) Bill discretely from the Senedd Cymru (Members and Elections) Bill in a revised Regulatory Impact Assessment. [page 114]</p>	<p>Accept in principle</p> <p>In response to the letter from the Finance Committee, I have committed to ensuring that the Regulatory Impact Assessment is revised at the appropriate time in accordance with established procedures and ensure the revised Regulatory Impact Assessment reflects any additional costs which may arise from amendments to this Bill.</p> <p>Further consideration will be given to the feasibility of isolating costs associated solely with the implementation of the Senedd Cymru (Electoral Candidate Lists) Bill from the wider implementation of Senedd reform.</p>
<p>Recommendation 16</p> <p>The Member in charge should clarify whether the additional £6,000 cost identified since publication of the Regulatory Impact Assessment will be borne by the Welsh Government or the Electoral Commission, and reflect the additional cost in a revised Regulatory Impact Assessment. [page 115]</p>	<p>Accept</p> <p>I can confirm the £6,000 costs (£2,000 per year for the initial three years, starting in 2024/25) incurred by the Electoral Commission reflect costs to the Welsh Consolidated Fund (WCF) as the Electoral Commission's budget is agreed by the Llywydd's committee.</p> <p>In response to the letter from the Finance Committee, I have committed to ensuring that the Regulatory Impact Assessment is revised at the appropriate time in accordance with established procedures and ensure the revised Regulatory Impact Assessment reflects any additional costs which may arise from amendments to this Bill.</p>
<p>Recommendation 17</p> <p>The Member in charge should work with the Llywydd, the Electoral Commission, electoral administrators, political parties and such other stakeholders as she considers appropriate to develop and publish a clear pathway for identifying, managing and mitigating any risks to the conduct and/or outcomes of the 2026 Senedd election that may result from the lack of consensus about whether the Senedd has legislative</p>	<p>Noted</p> <p>As Member in Charge, I recognise the concerns which have been raised during Stage 1 scrutiny relating to the potential for disruption to the 2026 election as a result of the risk of legal challenges to both the primary and secondary legislation. While steps have already been taken to manage potential risks to the 2026 election identified by earlier reports by bringing forward these measures in a separate Senedd Reform</p>

<p>competence to pass the Senedd Cymru (Electoral Candidate Lists) Bill. The pathway must be published prior to the Senedd being asked to pass the Bill at Stage 4 of the legislative process. [page 141]</p>	<p>Bill, I accept that further steps should now be taken to mitigate risks to the 2026 election in light of the committees' concerns set out in their Stage 1 reports.</p> <p>In order to protect the integrity of the 2026 Senedd election, including the implementation of the Senedd Cymru (Members and Elections) Act, the Senedd Cymru (Electoral Candidate Lists) Bill will be implemented in time for the scheduled 2030 Senedd election. This will ensure that the legislation is implemented in an orderly way and gives time for any potential legal challenges to the legislation to be resolved well in advance of the election.</p> <p>I will be bringing forward an amendment to the Bill to take commencement out of the hands of the Welsh Ministers and ensure that the Bill's provisions (subject to Royal Assent) are commenced automatically and take effect for the scheduled 2030 Senedd election.</p> <p>Please see also my response to recommendations 2, 3 and 15 of the Legislation, Justice and Constitution committee report.</p>
<p>Recommendation 18</p> <p>The Member in charge should, after the current UK general election period, discuss with the UK Government the mechanisms through which the question of whether the Senedd Cymru (Electoral Candidate Lists) Bill would be within the Senedd's legislative competence may be put beyond doubt, including any potential use of an Order in Council under section 109 of the Government of Wales Act 2006 or an Act of the UK Parliament with the objective of avoiding prolonged legal debate and ensuring that any uncertainty is resolved in advance of the 2026 Senedd election. The Member in charge must lay a statement before the Senedd providing an update on these discussions prior to the Senedd being asked to pass the Bill at Stage 4 of the legislative process. [page 142]</p>	<p>Noted</p> <p>I will consider this recommendation further.</p> <p>On 22 April, the First Minister wrote to the then Secretary of State for Wales indicating that he would be content "for officials to meet to discuss the Bill at an appropriate time in the future, after the Committees have completed their Stage 1 scrutiny of the Bill".</p> <p>As Member in Charge of the Bill, I am of the view, as stated in the Explanatory Memorandum and during scrutiny that the Senedd Cymru (Electoral Candidate Lists) Bill is within the Senedd's legislative competence.</p> <p>The committee will also wish to note my response to recommendations 4 and 5 of the Legislation, Justice and Constitution Committee report.</p>

<p>Recommendation 19</p> <p>If the Senedd Cymru (Electoral Candidate Lists) Bill is passed by the Senedd at Stage 4 of the legislative process, then, in order to put the question of whether the Bill would be within the Senedd's legislative competence beyond doubt, the Counsel General must exercise his power under section 112 of the Government of Wales Act 2006 to refer the Bill to the Supreme Court and request that the matter is considered, if possible, within an expedited timescale that would not, if the Bill is found to be within competence, prevent candidate quotas from being implemented for the 2026 Senedd election. [page 143]</p>	<p>Reject</p> <p>This recommendation concerns a function of the Counsel General which is exercised independently of government and is only exercisable after the Bill has passed.</p>
<p>Recommendation 20</p> <p>The Senedd Commission should commission a gender sensitive audit of the Senedd's culture, ways of working and facilities. The outcomes of the audit should be available in sufficient time to inform decisions on the Cardiff Bay 2032 project, and decisions to be taken by the Seventh Senedd about its ways of working. [page 161]</p>	<p>Noted</p> <p>This recommendation is for the Senedd Commission. As such, no specific response is provided here.</p>
<p>Recommendation 21</p> <p>The Senedd Commission should ensure that its Tŷ Hywel 2026, Siambr 2026 and Cardiff Bay 2032 projects are informed by engagement and consultation with diversity organisations to ensure that decisions are informed by best practice and are futureproofed in respect of the potential needs of currently underrepresented groups, in addition to the needs identified by current Members, support staff, Welsh Government staff, Commission staff and associated trade unions. Similar engagement and consultation should inform work to ensure that committees, their meetings and informal activities are fully accessible to Members, Commission staff and contributors to their work. [page 162]</p>	<p>Noted</p> <p>This recommendation is for the Senedd Commission. As such, no specific response is provided here.</p>
<p>Recommendation 22</p> <p>The Welsh Government should commission research on the best ways to provide financial support for women candidates</p>	<p>Accept in principle</p> <p>Research previously commissioned by the Welsh Government and others has shown there are a range of issues and barriers</p>

<p>from underrepresented groups. This should include consideration of how funding can be targeted and allocated, and the form that financial support should take. The research should be completed in time to ensure that new financial assistance schemes can be in place in sufficient time to enable potential candidates to make informed decisions about whether to put themselves forward for selection or election at the 2026 Senedd election. [page 162]</p>	<p>facing those who seek to represent others. While some of these issues and barriers are gender-based, others are not.</p> <p>These factors are complex, often intersectional and cover a range of areas, including financial, social and cultural.</p> <p>The Elections and Elected Bodies (Wales) Bill makes provision for financial and non-financial support to be put in place to promote diversity in the protected characteristics and socio-economic circumstances of candidates.</p> <p>The Welsh Government is currently building on the arrangements to support disabled people, including women, to stand for elected office informed by the evaluation of the Access to Elected Office Fund which was in place for the last elections.</p> <p>We are also finalising the scope of research to identify barriers that exist due to socio-economic circumstances to inform future support.</p>
<p>Recommendation 23</p> <p>The Welsh Government should work with the Electoral Commission and other partners to ensure that sufficient guidance and support is in place for candidates and elected Members on handling abuse and harassment, including how to report it and what support is available for those affected by it. [page 163]</p>	<p>Accept</p> <p>This is an important issue. We will continue to work with stakeholders to support candidates that may face abuse, including in terms of how they can raise their concerns and access services. The Cabinet Secretary for Housing, Local Government and Planning will continue the work of the former Minister for Local Government on this agenda and keep the Local Government and Housing Committee informed of progress.</p>
<p>Recommendation 24</p> <p>The Welsh Government should make further representations to the UK Government seeking information about how the UK Government has kept section 106 of the Equality Act 2010 under review since 2020, and what further consideration it has given to the commencement of the provision. The Welsh Government should also reiterate its call for section 106 to be commenced in relation to Senedd elections (and/or for the power to do so to be</p>	<p>Accept</p> <p>Having previously engaged with the UK Government on this issue, the Welsh Government remains of the view that the section 106 provision should be commenced and accepts the recommendation to make further representations to the UK Government on this matter.</p>

<p>transferred to the Welsh Ministers). [page 163]</p>	
<p>Recommendation 25</p> <p>The Welsh Government should explain why section 30 of the Elections and Elected Bodies (Wales) Bill (as inserted by amendment at Stage 2) requires the guidance to be published by the Welsh Ministers in relation to the collection and publication of candidate diversity data by political parties to cover only Senedd elections, and not all devolved Welsh elections. [page 164]</p>	<p>Accept</p> <p>The Elections and Elected Bodies (Wales) Bill places a duty on the Welsh Ministers to issue guidance to encourage political parties to collect, collate and publish diversity information on Senedd candidates only.</p> <p>There are arrangements already in place for the collection and publication of diversity data at local government level. Under the Local Government (Wales) Measure 2011, local authorities are required to conduct a standardised survey of County and Town and Community Councillors and candidates. The Welsh Ministers take a lead role in providing guidance to local authorities in respect of the local government survey and in prescribing the survey questions.</p> <p>There is a distinction between local government and Senedd candidates, in that a significantly larger proportion of local government candidates are independent and would therefore not be captured by the provision in the Elections and Elected Bodies (Wales) Bill. This would result in an incomplete and potentially misleading dataset in respect of local government.</p> <p>In developing guidance for political parties, the Welsh Ministers will look to align the survey questions, where applicable and appropriate, with those included in the survey for local government candidates, so that the information which is published for all devolved elections is comparable.</p> <p>It is anticipated that political parties will draw on both the diversity information that they themselves collect and publish (for the Senedd) and the diversity information published by the Welsh Ministers (on behalf of local authorities in respect of local government) to inform their Diversity and Inclusion Strategies.</p>

Jane Hutt AS/MS
Y Trefnydd a'r Prif Chwip
Trefnydd and Chief Whip

Agenda Item 3.4


Llywodraeth Cymru
Welsh Government

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee

10 July 2024

Dear Mike,

Senedd Cymru (Electoral Candidate Lists) Bill

Thank you for the Legislation, Justice and Constitution Committee's Report in relation to the Senedd Cymru (Electoral Candidate Lists) Bill published on 7 June 2024. I wrote to you on 14 June to explain that I was intending to defer the Stage 1 debate to 16 July in order to give due consideration to your report and that of the Reform Bill Committee, and to respond as fully and appropriately as possible ahead of the Stage 1 debate.

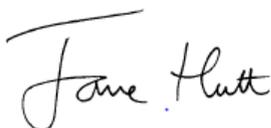
Please see my response to the set of recommendations within the report in Annex 1. I have also noted the Committee's conclusions. In responding to the 22 recommendations I have sought to address some of the concerns expressed by the Committee through these conclusions, particularly where these relate to legislative competence, the balance between primary and secondary legislation and the Bill's review provisions.

I am pleased to be in a position to publish my response earlier than that requested by the Committee (Recommendation 1) and trust that this will be helpful to both Committee members and Members of the Senedd participating in the general principles debate.

I would like to express my thanks to the Committee for scrutinising the Bill and its supporting documentation. I look forward to continuing to work with Members as the Bill progresses through the Senedd process.

I am copying this letter to the Chair of the Reform Bill Committee, the Chair of the Finance Committee and all Members of the Senedd for information.

Yours sincerely,



Jane Hutt AS/MS
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Annex 1

Recommendation	Response
<p>Recommendation 1</p> <p>The Trefnydd should respond to the conclusions and recommendations we make in this report at least two working days before the Stage 1 general principles debate takes place. [page 8]</p>	<p>Accept</p> <p>This recommendation is accepted, and actioned through the response detailed below.</p>
<p>Recommendation 2</p> <p>The Welsh Government must undertake and publish, prior to Stage 4 (Final Stage) of the Senedd’s legislative process, a full risk assessment of the potential for disruption to the 2026 Senedd general election as a consequence of the potential for legal challenges to the Bill. [page 25]</p>	<p>Noted</p> <p>The Legislation, Justice and Constitution Committee and the Reform Bill Committee (in its recommendation 17, in particular) raise concerns about the risk of potential disruption to the outcome of the 2026 Senedd election.</p> <p>In light of the committees’ concerns set out in their Stage 1 reports, I accept that further steps now need to be taken to mitigate risks to the 2026 election.</p> <p>In order to protect the outcome and integrity of the 2026 Senedd election, including implementation of the Senedd Cymru (Members and Elections) Act, the Senedd Cymru (Electoral Candidate Lists) Bill will now be implemented in time for the scheduled 2030 Senedd election. This will ensure that the legislation is implemented in an orderly way and gives time for any potential legal challenges to the legislation to be resolved well in advance of the election.</p> <p>I will be bringing forward an amendment to the Bill to take commencement out of the hands of the Welsh Ministers and ensure that the Bill’s provisions (subject to Royal Assent) are commenced automatically and take effect for the scheduled 2030 Senedd election.</p> <p>I have also responded on this in relation to recommendation 15 and recommendation 17 of the Reform Bill Committee’s report.</p>
<p>Recommendation 3</p> <p>The risk assessment required by recommendation 2 should include the steps the Welsh Government will take to mitigate</p>	<p>Noted</p> <p>Please see my response to recommendation 2 and my detailed response to recommendation 17 of the Reform Bill Committee’s report.</p>

<p>the likelihood of legal challenges to the Bill to ensure that:</p> <ul style="list-style-type: none"> i. the legislation is in force in good time for the 2026 Senedd general election to take place; ii. the integrity of the election process and the ensuing results in the 2026 Senedd general election are not placed in jeopardy. [page 25] 	
<p>Recommendation 4</p> <p>In the event that, following the UK general election on 4 July 2024, the Welsh Government holds discussions at the earliest available opportunity with the UK Government about whether the Bill is within the Senedd’s legislative competence, the Trefnydd must issue a statement notifying the Senedd of the outcome of the discussions. [page 25]</p>	<p>Noted</p> <p>On 22 April, the First Minister wrote to the then Secretary of State for Wales indicating that he would be content “for officials to meet to discuss the Bill at an appropriate time in the future, after the Committees have completed their Stage 1 scrutiny of the Bill”.</p> <p>As Member in Charge of the Bill, I am of the view, as stated in the Explanatory Memorandum and during Senedd scrutiny, that the Senedd Cymru (Electoral Candidate Lists) Bill is within the Senedd’s legislative competence.</p> <p>The committee will also wish to note my response to recommendation 5, and recommendation 18 of the Reform Bill Committee.</p>
<p>Recommendation 5</p> <p>The Welsh Government should work with the UK Government following the 2024 UK general election to deliver an Order in Council under section 109 of the Government of Wales Act 2006 to ensure and put beyond doubt that the Senedd has the power to make the Bill as currently drafted. [page 25]</p>	<p>Noted</p> <p>As Member in Charge of the Bill, I am of the view, as stated in the Explanatory Memorandum and during scrutiny, that the Senedd Cymru (Electoral Candidate Lists) Bill is within the Senedd’s legislative competence.</p> <p>I will consider this recommendation further as the Bill progresses.</p> <p>However, I have been advised that, even if a section 109 Order were pursued, it cannot put the question of competence beyond doubt. Only the ruling of the Supreme Court on a question of competence can put the matter beyond doubt and only in relation to the provisions which are the subject of the reference.</p>

<p>Recommendation 6</p> <p>The Welsh Government should issue a statement notifying the Senedd of any discussions that take place with the UK Government following the 2024 UK general election about such a section 109 Order in Council under the Government of Wales Act 2006. [page 25]</p>	<p>Noted</p> <p>As Member in Charge of the Bill, I am of the view, as stated in the Explanatory Memorandum and during scrutiny that the Senedd Cymru (Electoral Candidate Lists) Bill is within the Senedd’s legislative competence.</p> <p>The Committee will wish to note my response to recommendations 4 and 5. If relevant, I will consider this recommendation further.</p>
<p>Recommendation 7</p> <p>A motion that the Bill be passed at Stage 4 (Final Stage) of the Senedd’s legislative process should not be debated unless the Welsh Government has issued a statement setting out whether the Welsh and UK Governments have reached agreement on whether they believe the Bill is within, or will be brought within, the Senedd’s legislative competence (including by means of amendments to the Government of Wales Act 2006). If agreement has not been reached, the reasons for that disagreement must be clearly stated. [page 25]</p>	<p>Noted</p> <p>As Member in Charge of the Bill, I am of the view as stated in the Explanatory Memorandum and during scrutiny that the Senedd Cymru (Electoral Candidate Lists) Bill is within the Senedd’s legislative competence.</p> <p>As set out in relation to recommendation 5, a change to the devolution settlement by way of either a section 109 Order or an Act of Parliament cannot put the matter of competence beyond doubt.</p>
<p>Recommendation 8</p> <p>The Welsh Government must take full and appropriate action to minimise the risk of disruption to the 2026 Senedd general election caused by potential legal challenges to the Bill, including (if necessary) by means of the Counsel General referring the Bill to the Supreme Court using his powers under section 112 of the Government of Wales Act 2006. [page 26]</p>	<p>Accept in part</p> <p>Having considered the Stage 1 reports, I accept that further steps should now be taken to mitigate risks to the 2026 election. My more detailed responses to recommendations 2 and 3, and to recommendation 17 of the Reform Bill Committee’s report are relevant.</p> <p>This recommendation concerns a function of the Counsel General which is exercised independently of government and is only exercisable after the Bill has passed.</p>
<p>Recommendation 9</p> <p>The Welsh Government should work with the UK Government following the 2024 UK general election to expand the list of “devolution issues” in Schedule 9 to the Government of Wales Act 2006 that can be referred to the Supreme Court, so that proposed Senedd Bills can be referred to</p>	<p>Noted</p> <p>I will consider this recommendation further.</p> <p>Whilst the Welsh Government may wish to pursue this course of action following the UK general election, it would have implications for the devolution settlement more broadly, which are outside the remit of this Bill.</p>

<p>the Supreme Court at an early stage. [page 27]</p>	
<p>Recommendation 10</p> <p>The Trefnydd should table an amendment to the Bill setting out the functions of a national nominations compliance officer as a consequence of new section 7C of the Government of Wales Act 2006 (as inserted by section 1 of the Bill). [page 47]</p>	<p>Accept in principle (subject to further consideration)</p> <p>Please see the response to recommendation 14, regarding the balance the Bill strikes between what is in the Bill and what is left to subordinate legislation.</p> <p>Regarding this recommendation, I am considering further whether it is feasible and appropriate to bring forward an amendment providing more detail in the Bill related to the functions of the National Nominations Compliance Officer.</p>
<p>Recommendation 11</p> <p>The Trefnydd should table an amendment to the Bill setting out the functions of a constituency returning officer in relation to new section 7C of the Government of Wales Act 2006 (as inserted by section 1 of the Bill). [page 47]</p>	<p>Accept in principle (subject to further consideration)</p> <p>Please see the response to recommendation 14, regarding the balance the Bill strikes between what is in the Bill and what is left to subordinate legislation.</p> <p>Regarding this recommendation, I am considering further whether it is feasible and appropriate to bring forward an amendment providing more detail in the Bill related to the functions of a Constituency Returning Officer in ensuring compliance with section 7B.</p>
<p>Recommendation 12</p> <p>The Trefnydd should table an amendment to the Bill to provide more information related to candidate statements and how will they operate. [page 47]</p>	<p>Reject</p> <p>Please see the response to recommendation 14, regarding the balance the Bill strikes between what is in the Bill and what is left to subordinate legislation.</p> <p>Regarding this particular recommendation, I note that the Bill already provides for the terms of the candidate statement, which is whether the candidate is “a woman” or “not a woman”.</p> <p>Operational or administrative matters, such as where in the nomination papers the statement is to be made and any further details to be on the form containing the statement will be provided for in the subordinate legislation.</p>

	<p>These are matters that are appropriately dealt with in subordinate legislation. It may be desirable for them to align with other matters that are provided for in the subordinate legislation and for there to be flexibility to change them in future.</p>
<p>Recommendation 13</p> <p>The Trefnydd should table an amendment to the Bill to set out more information about how the provisions of the Bill will be enforced, including but not limited to section 7B of the Government of Wales Act 2006 (as inserted by section 1 of the Bill). [page 48]</p>	<p>Accept in principle (subject to further consideration)</p> <p>Please see the response to recommendation 14, regarding the balance the Bill strikes between what is in the Bill and what is left to subordinate legislation.</p> <p>Regarding this recommendation, I am considering further whether it is feasible and appropriate to bring forward an amendment providing more detail about the enforcement of section 7B.</p>
<p>Recommendation 14</p> <p>In considering our recommendations 10 to 13, the Trefnydd should take account of the Statement of Policy Intent for Subordinate Legislation and consider what detail from the information it includes about how the provisions in the Bill will operate, would be more appropriate to include on the face of the Bill. [page 48]</p>	<p>Accept in principle (subject to further consideration)</p> <p>The balance struck by the Bill between what is provided for on its face and what is left to be dealt with under subordinate legislation reflects:</p> <ul style="list-style-type: none"> • the existing balance between the primary and subordinate legislation for Senedd elections provided for in the Government of Wales Act 2006 (including as it is amended by the Senedd Cymru (Members and Elections) Act 2024). • that it is appropriate that there is flexibility to change, by way of subordinate legislation, details of the nominations process and other detailed provisions related to the quota rules. For example, this could be to align with wider changes to the conduct of elections, which are given effect through subordinate legislation. <p>As I said during Stage 1 scrutiny, there are practical barriers to putting more detail on the face of the Bill. For example, the functions of Constituency Returning Officers and the National Nominations Compliance officer related to the quota rules are to be integrated within the nominations process and their functions as part of it. Under the Government of Wales</p>

	<p>Act 2006, that process falls to be provided for in the subordinate legislation.</p> <p>However, I acknowledge the Committee's concerns regarding what is left to be provided for in the subordinate legislation. As a result, I am considering further what details it may be feasible and appropriate to provide for on the face of the Bill in some way. In undertaking this work, I have considered recommendations 10 to 13 and the details set out in the Statement of Policy Intent and is still considering recommendations 10, 11 and 13 (see the responses to those recommendations).</p>
<p>Recommendation 15</p> <p>The risk assessment we refer to in recommendations 2 and 3 should include an assessment of the risk of challenge to an Order to be made under section 13 of the Government of Wales Act 2006 in order to implement provisions of the Bill should it be enacted. [page 48]</p>	<p>Noted</p> <p>As Member in Charge of the Bill, I recognise the concerns which have been raised during Stage 1 scrutiny relating to the potential for disruption to the 2026 election as a result of the risk of legal challenges to both the primary and subordinate legislation.</p> <p>Earlier reports on Senedd reform have identified potential risks and challenges associated with seeking to legislate to introduce gender quotas for Senedd elections. The Welsh Government responded to this by bringing forward these measures in a separate Bill, and in planning for an amending Order under section 13 of the Government of Wales Act 2006.</p> <p>In light of the Stage 1 reports, I accept that further steps now need to be taken to mitigate risks to the 2026 election.</p> <p>In order to protect the outcome and integrity of the 2026 Senedd election, the Senedd Cymru (Electoral Candidate Lists) Bill will be implemented in time for the scheduled 2030 Senedd election. I will be bringing forward an amendment to the Bill to take commencement out of the hands of the Welsh Ministers and ensure that the Bill's provisions (subject to Royal Assent) are commenced automatically and take effect for that 2030 Senedd election.</p> <p>See also my response to recommendations 2 and 3, and recommendation 17 of the Reform Bill Committee.</p>

<p>Recommendation 16</p> <p>The Trefnydd should provide more detailed information about why definitions of ‘a woman’ and ‘not a woman’ have not been included in the Bill. [page 48]</p>	<p>Reject</p> <p>As explained during Stage 1 scrutiny, but for reference I have repeated here, a definition of ‘woman’ is not included in the Bill. The Bill is not about defining ‘a woman’ and it is not about gender recognition. The Bill’s purpose is to make the Senedd more effective, which will be achieved through aiming to ensure there is greater gender balance of its Members.</p> <p>It is not unusual for legislation to use the term ‘woman’ without a definition.</p> <p>It will be for individual candidates to be responsible for completing the statement, just as they are in respect of other information provided on their nomination forms.</p> <p>Political parties and candidates will have an interest in ensuring that accurate statements are made during the nominations process, as otherwise they run the risk of reputational damage and/or legal challenge.</p>
<p>Recommendation 17</p> <p>The Trefnydd and Counsel General should provide details of the timetable for consultation and making of an Order under section 13 of the Government of Wales Act 2006 required to implement the Senedd Cymru (Electoral Candidate Lists) Bill. [page 49]</p>	<p>Accept</p> <p>My response to recommendation 15 explains my intention to implement the legislation in time for the scheduled 2030 election. The consultation on the Order under section 13 of the Government of Wales Act 2006 to implement quota rules can only take place once the Bill has passed and the settled provisions and powers for the subordinate legislation are known. At the appropriate juncture, I will provide details of the timetable for the subordinate legislation.</p>
<p>Recommendation 18</p> <p>The Counsel General should explain what steps he will take to ensure that a consolidated, accessible version of Orders made under section 13 of the Government of Wales Act 2006 governing the conduct of the 2026 Senedd general election is available to candidates. [page 49]</p>	<p>Accept in principle</p> <p>This recommendation is directed at the Counsel General. The Counsel General and I have agreed to continue to keep political parties informed of progress in relation to any Orders under section 13 of the Government of Wales Act 2006, through the Senedd Political Parties Panel convened by the Electoral Commission. The Electoral Commission are responsible for producing guidance for candidates and</p>

	<p>agents on the rules for the election, enabling a more user-friendly engagement with the election rules.</p>
<p>Recommendation 19</p> <p>The Trefnydd must publish for consultation all Orders in draft format which are to be made under section 13 of the Government of Wales Act 2006 in readiness for the 2026 Senedd general election. [page 50]</p>	<p>Accept</p> <p>The Welsh Government will shortly begin the extensive consultation process on the main Order being made under section 13 of the Government of Wales Act 2006 in readiness for the 2026 Senedd general election. This includes statutory consultation with the Electoral Commission, and a public consultation later in the autumn.</p> <p>With specific reference to the Senedd Cymru (Electoral Candidate Lists) Bill, the Explanatory Memorandum accompanying the Bill states that “The Welsh Government will also undertake a public consultation on the Order that will be made under section 13 of GoWA ... which will provide the statutory basis for the 2026 election. This Order will implement many of the detailed aspects necessary to enforce the proposals, which are summarised in the Statement of Policy Intent that accompanies the Bill.”</p> <p>Although the intention is now to implement for the scheduled 2030 election, the Welsh Government remains committed to consulting publicly on the draft Order.</p>
<p>Recommendation 20</p> <p>In light of conclusion 7, the Trefnydd should consider whether section 2 is appropriate for inclusion in the Bill. [page 50]</p>	<p>Reject</p> <p>Section 2 of the Bill imposes a duty on the Presiding Officer to table a motion within a specific timescale proposing a review of the effect and operation of the Act.</p> <p>It is not unprecedented for duties to be placed on a Presiding Officer. An example of such a duty can be found in section 110(3) of the Government of Wales Act 2006 where a duty is placed on the Presiding Officer to make a decision on whether or not a Bill is within the Senedd’s legislative competence, and to state that decision.</p> <p>In accordance with Standing Order 12.22, the motion may be amended by any</p>

	<p>Member. The motion may also be rejected, resulting in no further action.</p> <p>On this basis, and considering the freedom which remains for the Senedd to determine how it responds to any such motion, it is not considered that the provisions in section 2 constrain the freedom of action of a future Parliament.</p> <p>As the Bill emanated from the recommendations of the Special Purpose Committee on Senedd Reform, it is appropriate that the Senedd is responsible for post-legislative review of the operation and effect of the legislation. Section 2 provides a mechanism for the Senedd to undertake such a review.</p> <p>Please also see my response to recommendations made by the Reform Bill Committee on section 2 of the Bill (recommendations 11, 12 and 13).</p>
<p>Recommendation 21</p> <p>The Trefnydd should state whether, in her view, the enabling powers in the Bill and/or the powers in section 13 of the Government of Wales Act 2006 as amended by the Bill, could be used to define ‘a woman’ or ‘not a woman’. [page 53]</p>	<p>Accept</p> <p>The Bill does not give any power for the meaning of ‘a woman’ within the Bill to be provided for in an order under section 13 of the Government of Wales Act 2006 or in any other subordinate legislation.</p>
<p>Recommendation 22</p> <p>The Trefnydd should state whether, in her view, defining ‘a woman’ or ‘not a woman’ would be within the legislative competence of the Senedd. [page 53]</p>	<p>Noted</p> <p>Competence for any provision can only be assessed against the precise terms of the proposed provision. Without that, it is neither possible nor relevant for me to give a view.</p>

Development Bank of Wales

Our mission is to unlock economic potential in Wales and enhance the local economy by providing sustainable, effective finance.

By providing sustainable, effective finance where options have seemed limited, we're bringing ambitions to life and fuelling possibilities for people, businesses and communities in Wales and beyond. Financial Transactions Capital (FTC) is a core part of how we provide Wales with a funding mechanism that can deliver this sustainable and effective supply of finance for economic development.

1. The rules governing the use of Financial Transactions Capital.

As highlighted by the 2019 Inquiry into the Welsh Government's capital funding sources, broadly Financial Transaction Funding is subject to repayment profiles agreed by the Welsh Government with HM Treasury. Whilst this limits its use, it does have some flexibility in limited circumstances to be used over longer periods and returns from the investments made can be reinvested in and recouped from Welsh businesses prior to any repayments to HMT. The need to generate a financial return positions the Development Bank of Wales as a natural choice for deploying FTC.

Another factor of FTC is that, DBW understands, around 80% of the original sum where this is gross FTC must be repaid to HM Treasury. This means we, in the Development Bank, must ensure we generate sufficient returns in order for the Welsh Government to meet its overall repayment obligations. As the Welsh Government manage FTC as a portfolio, which includes the Development Banks portfolio of FTC financed schemes, the returns required for each fund or scheme are agreed in advance.

Over £1.1bn of FTC has been deployed by the Development Bank, spread across a range of sector and generalist funds, meeting an extensive range of needs for loan and equity finance on commercial terms.

Our investment principles ensure we operate where there is market failure, investing on commercial terms as a patient investor to crowd-in private sector co-investment. These, alongside our responsible investor principles delivered with expert, independent investment management services, ensures the Development Bank is well placed to deploy FTC.

Each Business Case submitted to the Welsh Government details the economic development and commercial case for use of FTC. Welsh Government codify rules governing the use of FTC for each project in a Finance Offer Letter. Finance Offer Letters will include the Development Banks commitment concerning the target date and repayment amount.

Development Bank of Wales Plc

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Mewn Partneriaeth â
Llywodraeth Cymru
In Partnership with
Welsh Government

Development Bank of Wales Plc is the holding company of a Group that trades as Development Bank of Wales. The Group is made up of a number of subsidiaries which are registered with names including the initials DBW. Development Bank of Wales Plc is a development finance company wholly owned by the Welsh Ministers and it is neither authorised nor regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). The Development Bank of Wales has three subsidiaries which are authorised and regulated by the FCA. Please note that neither the Development Bank of Wales Plc nor any of its subsidiaries are banking institutions or operate as such. This means that none of the group entities are able to accept deposits from the public. A complete legal structure chart for Development Bank of Wales Plc can be found at www.developmentbank.wales

2. The purposes for which the Welsh Government has used Financial Transactions Capital.

FTC deployed by the Development Bank comes from a range of governmental departments including Economy, Housing and Regeneration, and Environment and Energy. We work closely with them to understand their challenges and help to develop products and services to deliver their programme for Government objectives.

The Funds currently operated by the Development Bank of Wales which utilise FTC encompass the very high risk (early stage seed funding and micro finance) to low risk (residential property development and management succession funding). This diversification spreads the risk and costs on a portfolio basis rather than isolating risks and costs on a project by project basis.

The Development Bank of Wales closely monitors the overall forecast returns on our FTC commitments. This helps to inform the risk appetite for future funds and our investment strategy.

The 2019 Inquiry into the Welsh Government’s capital funding sources detailed how substantial a component FTC is in delivering the Help to Buy – Wales Scheme since 2014. FTC use for loan and equity investments into businesses and to the building of homes while providing support for homeowners, as the Development Bank does, is common across the UK.

Below is a table of the FTC deployed by the Development Bank through live Funds and services:

Government Department	FTC Deployed (£m)
Business Division Sub-Total	248
Other Economy Funds	175
Economy total	423
Property Development	109
Homeowner support	557
Housing & Regeneration total	666
Mutual Investment Model	22
Total Financial Transaction Capital Deployed	1,111

3. The strengths and weaknesses of Financial Transactions Capital.

As a high percentage of gross FTC has to be repaid by Welsh Government to HM Treasury, it must be invested in projects or funds that can generate a financial return, which in some cases means that repayment profiles to Welsh Government may exceed the 80% threshold. While this can limit uses and change risk appetites for deployment, varying repayment targets and profiles facilitates a portfolio approach for sustainable repayable finance.

Lower risk projects which repay FTC in full or provide the opportunity to overpay on our commitments enable us to deliver in higher risk environments. This is crucial for the continued support for the smallest businesses in the economy and those only at the start of their growth journey. Our lower risk property & homeowner and management succession funds allow us to take on higher risk products such as early stage equity and the Covid-19 Wales Business Loan scheme.

Recycling of funding is particularly important in the context of FTC. Rather than having a single short-term fund, where our repayment obligation to Welsh Government can be met, FTC can in some circumstances be used over a more extended period with reutilisation of receipts. Central to our long-term sustainability is the ability to utilise receipts for future investment, particularly within the context of ERDF no longer being deployed in Wales. The blending of FTC with any available core capital can create more sustainable long-term solutions.

Not all funds are candidates for recycling but the increase in impact for those that are suitable is substantial. A good example is the £54.5million Wales Property Fund II which, through recycling, is forecast to invest up to £272million. The Fund has already recycled twice, investing nearly £115m and is on track to repay its FTC commitment.

4. How Financial Transactions Capital is repaid, including expectations and amounts.

Repayment targets of the £1.1bn FTC deployed by the Development Bank range from 80% to 100%. Repayment deadlines typically extend up to 10-15 years after the deployment period for our patient capital funds. In the some of the services we administer on behalf of Housing & Regeneration, FTC repayment extends to 2049.

This range of repayment targets and deadlines is key to our portfolio approach to managing FTC commitments. While repayment deadlines often require us to front load FTC in our projects, this complements our robust forecasting of returns on its FTC commitments.

Forecasting returns on FTC commitments feeds back into our investment strategy allowing us to be dynamic with risk profiles. Active management of investment strategy includes careful review of interest rates and risk appetite. Each year we commission independent expert advice to review our fees and interest rate policy to ensure they are calibrated to provide sustainable, affordable and flexible finance for businesses that also meets our repayment commitments.

One example for repayment is the Wales Capital Growth Fund. Launched in 2014 it provided short-term working capital solutions between £50k and £2m for stock purchases, project finance and export contract fulfilment by SMEs in Wales. Our commitment was to repay £25m, after the fund had recycled twice which has been achieved and repaid.

Development bank has an agreed overall repayment of FTC over 80%. Repayment commitments over 80% gives some headroom and varies from fund to fund according to the risk profile of its target investments. Development Bank is on target to repay its commitments on the £1.1bn deployed and we have already repaid £132.6m to Welsh Government.

5. How the Welsh Government reports Financial Transactions Capital allocations in its draft and final budgets, including clarity on how much has been received, how much has been spent, and how much has been transferred back to HM Treasury.

N/A



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Agenda Item 5

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tfw.wales

Peredur Owen Griffiths MS
Chair, Finance Committee

5th July 2024

Dear Peredur Owen Griffiths MS

As requested by the Finance Committee, I am writing to outline Transport for Wales's (TfW's) experience to date when applying for Financial Transactions Capital (FTC) funding.

TfW successfully applied for FTC funding to enable commercialisation of surplus telecommunications fibre capacity on the Core Valley Lines.

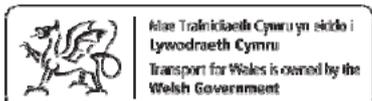
The Welsh Government provided TfW with the FTC Bid Template, alongside the FTC Bid Template Companion Guide 2024/25. We completed and returned the template to Welsh Government in September 2023 and in turn, the Welsh Government submitted the bid to His Majesty's Treasury (HMT). Less than a month later, HMT approved the bid and awarded TfW £7.7m for the mobilisation of TfW Fibre (a new subsidiary of TfW to commercialise our CVL fibre network capacity).

Following Management Agreement (MA) approval in order to set up the company, all requirements have been met by TfW for close of 2023/24 financial year, and we await the loan agreement to be released by the Welsh Government in order to draw down the funds. We believe this is imminent.

I hope the Committee finds this information of use and if I can be of any further assistance, please do not hesitate to get in touch.

Kind regards

Heather Clash
Chief of Finance, Governance and Corporate Services





Written Evidence for Senedd Finance Committee Hearing - Tai Ffres, United Welsh Housing Association

1. Introduction

1.1. United Welsh welcomes the opportunity to attend the evidence session of the Senedd Finance Committee, to discuss our experience and use of capital funding for the purpose of delivering the Tai Ffres service. In preparation for the evidence session on the 18th of July 2024 we have prepared some brief background information on the Tai Ffres service.

2. Background to Tai Ffres

2.1. Tai Ffres is a collaborative service between United Welsh and Llamau to deliver a bespoke housing pathway for young people aged 16-25years old in Wales. Tai Ffres is a financially sustainable model of housing that overcomes young peoples' disadvantage in their ability to access and maintain tenancies in affordable, good quality homes in Wales. The Service does not require Housing Support Grant.

2.2. As a youth focussed housing service within United Welsh, we offer safe, secure, and affordable homes for young people in Wales, with access to Asset Based Coaching as required. We help to create safe spaces for young people, where they can thrive and realise their potential. Tai Ffres provides services to young people who are homeless or threatened with homelessness, fulfilling a crucial gap in housing provision:

- Where young people do not need specialised supported housing provision
- Where young people are ready to move on into independence from specialised supported housing provision
- Where young people are ready to leave looked after care services such as "When I'm Ready" or Supported Lodgings services.
- Which are affordable to young people in low income or insecure work, training and education.

2.3. The development of Tai Ffres was initially supported by the Welsh Government Youth Homelessness Innovation Fund and was based on our knowledge of the gaps in the current pathways out of homelessness and for those at risk of becoming homeless; and how they did not meet the needs of many young people.

2.4. Tai Ffres is founded on the principle of to *preventing* homelessness (or where homelessness has already occurred – ensuring it is very brief and unrepeated). Many young people moving into independent general needs housing, from specialist supported services or temporary homelessness services are at risk homelessness due to.

- tenancy failure,
- developing more complex issues if left unsupported in moving into inappropriate general needs housing provision either within the social or private rented sectors.

- Living in precarious financial circumstances due to the limited availability of affordable private rented accommodation.
- Struggles with extreme cost of living pressures

2.5. Thus, Tai Ffres seeks to move beyond a narrow focus of providing young people with a roof over their head, to providing a more rounded approach which carefully considers the blend of housing, neighbourhood, finances, skills development, support, processes, relationships, and community. This will give a young person the best possible chance of success in life and will make a significant difference in preventing homelessness.

2.6. Whilst Tai Ffres is a new model to the UK and Wales, similar models of provision for young people have been in operation elsewhere in the world for over fifty years. We have been inspired by our international colleagues in Finland¹ and Australia², and we have drawn on these longstanding services as examples to emulate for young people in Wales.

3. Financing

3.1. Through the provision of £15m, 0% Capital Loan Funding from Welsh Government we have been able to move from concept to the delivery of high quality, affordable homes for young people in Cardiff.

3.2. The specific benefits of this form of capital finance are:

- Borrowing at 0% interest allows us to significantly reduce our operating costs as we do not have to factor in loan finance costs.
- Our lower operating costs for this service allow us to offer the lowest rents in Cardiff. Significantly lower than private rented accommodation and lower than all other Housing Association accommodation in the city.
- Not having to service debt enables us to have low rents and still be able to run the service with ZERO requirement for Housing Support Grant (HSG). The four members of staff are fully funded from the rent income from the stock portfolio (even at record low rents).
- Having the funds immediately available allows us to move quickly to acquire and refurbish properties.
- The long-term nature of the loan allows us to think and act strategically.
- The service is sustainable and scalable.
- The service is not at risk due to short term revenue grants or funding cycles.

3.3. Tai Ffres accommodation costs far less to the public purse than temporary accommodation, whilst being of much higher quality and providing a long-term home for young people.

¹ <https://nal.fi/en/finnish-youth-housing-association/>

² <http://mfyh.org.au/about-us.php>

4. The Tai Ffres Operational Model

- 4.1. Tai Ffres currently has 28 units of accommodation, 6 of which are currently being refurbished and will be ready for occupation imminently.
- 4.2. Tai Ffres will grow to c. 102 homes within the next 18-24 months.
- 4.3. Cardiff City is the initial location of the Service due to its acute homelessness pressures.
- 4.4. Staffing x4:
 - Service manager
 - Expert housing management professional,
 - X2 Asset-based coaches, (employed by Llamau)
- 4.5. All young people in Tai Ffres can access all aspects of United Welsh and Llamau client services including the Money Advice, Customer Involvement, and bespoke learning services.
- 4.6. Governance:
 - The Service has a ‘Shadow Board’ with a range of professionals from a variety of disciplines. Young people are actively involved and encouraged to become Board members. Cardiff City Council are active Board members.
 - United Welsh Executive Team provides oversight of the service
 - United Welsh Board – provides a level of oversight.
 - Llamau Executive Team provides additional oversight of the service

5. Rent Model

- 5.1. Tai Ffres rents are uniquely low in comparison to other housing services, internally they are 17% below our general needs rents for similar properties and sit well below the Local Housing Allowance (LHA) rates for Cardiff. Our current rental model for 2024/2025 is below, shows the difference between the weekly Tai Ffres rents against United Welsh General Needs, Local Housing Allowance Rates for Cardiff, and private rental sector rents for Cardiff.

Weekly rent per type of apartment	Tai Ffres Rents	United Welsh Rents	Local Housing Allowance	Private Sector Rents³
Studio apartment	£75.33	£88.66	£84.25	N/A
1 bedroom apartment	£83.33	£98.51	£149.59	£179.55
2-bedroom apartment	£110.54	£130.79	£189.86	£216.45

³Price Index of Private Rents (PIPR) from the Office for National Statistics
www.ons.gov.uk/visualisations/dvc2974/fiq07/index.html

5.2. The Tai Ffres model of rents is also significantly below those of more traditional and more intensive supported housing services provided. The figures in the table below, from the Supported Accommodation Review⁴ highlight the high costs of providing traditional supported housing services, supported by revenue grants such as HSG.

	Average rent per week	Average service charge per week
Single homeless people	£93	£124
Homeless families	£96	£89
Young people leaving care	£90	£120
Young people at risk	£99	£117
Young parents	£93	£100

5.3. One of the driving forces behind the development of Tai Ffres was to ensure that those young people who are working are not disproportionately worse off as a result of choosing to move into employment or training opportunities. Thus, ensuring the affordability of rents for young people was a major concern during the innovation and design stage of Tai Ffres. Therefore, ensuring access to innovative low-cost forms of financing for the service implementation was fundamental.

5.4. Our calculations show that the Tai Ffres service provides affordable rents for those young people in paid employment, well within the JRF/ Shelter Housing Costs Affordability (2015) level of 28% for rental costs. The example below shows the levels of rental affordability for a 21-year-old in employment on a 40-hour contract, on minimum wage of £11.44 per hour, living alone in a 1-bedroom apartment.

% affordability of direct housing costs	Tai Ffres Rents	United Welsh Rents	Local Housing Allowance	Private Sector Rents
1 bedroom apartment	18.21%	21.53%	32.69%	39.24%

6. Client Groups and outcomes

6.1 Our client groups for the service are as follows.

- 35% of young people were homeless and living in temporary hotel accommodation before moving to Tai Ffres services.
- 65% were living in specialist young persons supported housing provision.
- 41% of young people are care experienced.
- 35% of young people have a child under the age of 3 years.
- 65% are single households. Half of the young people accommodated in the service are in some form of education, training, or employment.

⁴ [Supported accommodation review - The scale, scope and cost of the supported housing sector](#) | A report of research carried out by Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership on behalf of the DWP and the DCLG (Nov 2016) - Table B.8 Summary of rents and service charges (rounded) for Private Registered Providers in England (CORE 2014/15) by supported housing client group page 117.

- Of those not in education, training, or employment 58% are currently seeking education, training and employment opportunities, and the remainder are unable to work due to medical conditions or childcare support issues.

6.2 Whilst we're in our relative infancy as a service, we can demonstrate that young people are seeing the value of the provision of the Tai Ffres service.

- One child is no longer on the child protection register because of them and their parent living in stable and secure accommodation for the first time.
- One young person has applied and been accepted into university to study a foundation science degree with a hope that this will lead into a dentistry degree.
- Three young people have moved into their first experience of training or education since living in Tai Ffres accommodation.
- Two young people have moved into full time paid employment for the first time

6.3 As part of our commitment to ensuring we're developing a service which meets the needs of young people and stakeholders, we have received funding from The National Lottery, Supporting Great Ideas Fund, to work in partnership with colleagues from Cardiff University on a bespoke research and evaluation of the service. Initial interviews have taken place with several young people in the service, and they have provided us with the following quotes from young people in the service, on their experiences of Tai Ffres.

7. Testimonials:

Support Services

If I didn't have that kind of [practical] support and I was just renting a private, just give me the keys and be like, yeah, 'there you go that's your house', it would have been much harder with no support." (Molly, 18 years-old, care leaver)

"I do wanna go back to work and I'm looking at it and I just need to let [the support worker] know and then we can see what we can do. It's more like if I need the support, I can go to them rather than them being on top of me for it, which I prefer anyway. Like if I need it." (Olivia, 22 years old, living with 3-year-old son)

Feelings of home

"[Interviewer: do you feel like this is your home?] Yeah, I do feel like, like every time the heating is on all the time. So, I feel warm. Comfortable. And I don't really have anyone to tell me off about anything. Yeah, I wake up whenever I want. Yeah, I cook whenever I want. Sometimes I cook like 4 in the morning, which I didn't really have the opportunity in support lodgings. Umm, come back home sometimes. Late night. [...] Yeah, that's literally what I call a home." (Molly, 18 years-old, care leaver)

"It was a really quick and easy process. Very quick. You know, a lot of people probably get very overwhelmed by it. But and I probably did, to be fair, but. No, I didn't. Yeah, it's just been. Nice. It's been like 'this is your place now, here you go, do what you want with it', you know? And I like the freedom that it gives in a

sense. Like there's still support. But you can do what you want. Like it's still your place.” (Jade, lives with partner and one-year old son)

Affordability

“Yes, it is affordable because I do a part-time job and I'm not earning that much to be honest. But I still could afford it. It's not that much, but it's just something new that I have to like look after like. Before, I didn't really care about bills or anything you know? But now it's like no, I need to take care of it. I have to pay. This much amount monthly, so you know it's just more responsibilities I've got. But it's not like something to say I'm worried about that. I'm not gonna have enough money to pay you anything. It's not like that.” (Molly, 18 years-old, care leaver)

“When I do go back to work...so if I was to pay towards my rent it's not like a headache going like ‘oh my god, I'm gonna pay this much towards my rent and then be left with this much.’ Obviously, it's a cost-of-living crisis, everyone's struggling in ways but the rent [here] is a massive difference to what people are paying [elsewhere].” (Olivia, 22 years old, living with 3-year-old son)

Location

“Yes, that was amazing. When I found out that I got a house here because my workplace is literally on [name of street] and it's 5 minute's walk for me.” (Molly, 18 years-old, care leaver)

“I think it's obviously my family only live 10 minutes away now. So, and I think it's just like the safety of the area [...] And obviously, you're close to everything. It's like, really central so...I don't have to get a bus to town. I don't have to get a bus to [where the shops are]. So, everything I need is in one place.” (Olivia, 22 years old, living with 3-year-old son)

How life has improved since living in Tai Ffres

“[Interviewer: how is your relationship with your family?] Better now I've moved out. I feel like when we were all on top of each other, it was arguments and then a baby in the mix [...] it was just arguments that wouldn't be if we weren't overcrowded. Now, we get along fine that I live by myself. Yeah, it's amazing now [laughs] that I live where I live on my own with [my son]. And then they have theirs and then we just visit now.” (Olivia, 22 years old, living with 3-year-old son)

“Since he [Jade's partner] was like 18 or something he's been in and out of hostels before. The place he was in before was a hostel, and we didn't live together. He, like, came over the temporary accommodation [that Jade was staying in] and like stayed for a day or two in the week, but then you have to go back to the hostels [because] could lose your space. But our plan was like when we moved into a permanent place he'd go on the tenancy, and it'd be our space. And he doesn't have to go in and out of hostels anymore.” (Jade, lives with partner and one-year old son)

8. Conclusions

- 8.1 Tai Ffres would not exist without the 0% interest Capital Loan funding United Welsh received.
- 8.2 Tai Ffres is an innovative housing solution for young people, using an innovative model of finance. Tai Ffres is a financially sustainable model of housing that overcomes young peoples' disadvantage in their ability to access and maintain tenancies in affordable, good quality homes in Wales without reliance on insecure revenue grant funding.
- 8.3 Through the provision of the Tai Ffres service, we are ensuring that specialist supported service provision is accessed by those people who require it, rather than being the "pathway" out of homelessness or social services provision. We also are ensuring a safe and managed transition into independence, without putting young people at risk in inappropriate housing services.
- 8.4 To date, twenty-eight young people, their partners and children have been accommodated in our service provision. Without the development of this service, they would have remained for a further period either in expensive temporary homelessness hotel accommodation or specialist supported accommodation at a cost to the welfare benefit system, whilst waiting for permanent accommodation.
- 8.5 Circa 28 lives have changed for the better, with young people having hope and every chance of fulfilling their potential.

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Rebecca Evans AS/MS
Ysgrifennydd y Cabinet dros Gyllid, y Cyfansoddiad
a Swyddfa'r Cabinet
Cabinet Secretary for Finance, Constitution & Cabinet Office



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: RE/179/2024

Peredur Owen Griffiths MS
Chair of Finance Committee
Senedd Cymru
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04 July 2024

Dear Peredur,

In complying with Standing Order 20, the Trefnydd and Chief Whip, in her capacity as Minister with responsibility for government business, has written to the Business Committee to set out a timetable for when the 2025-26 draft budget will be laid, and the annual budget motion will be tabled.

The current 2024-25 budget year is the final year of the multi-year settlement for which we have an indicative budget allocation. There continues to be a lack of clarity regarding the date of the fiscal event in which we will learn the precise details of our budget settlement for the 2025-26 budget year. This uncertainty will continue until an announcement is made following the forthcoming General Election.

I have considered the benefits of publishing a draft budget based on indicative figures, which would be revised in a final budget once the settlement amount has been confirmed. However, doing so would not provide sufficient certainty for our delivery partners to make plans with any great degree of confidence, particularly given the levels of uncertainty over the fiscal context. This approach would only be considered if our settlement would not be known until it was too late to complete the budget process within the budget year.

As a result, we are, once again, obliged to recognise that the only prudent choice is to work on the basis that our settlement will be announced during the autumn term, and to follow a budget timetable akin to that employed in recent years, where we publish our draft budget close to the Christmas recess.

The difficulties in publishing a draft budget when learning details of our final budget settlement at such a late stage are well-rehearsed. It presents challenges for both the development of departmental spending plans and their scrutiny by the Senedd. The timetable we intend to follow recognises the uncertainty over when we will learn our budget settlement and takes account of the need to provide sufficient time to ensure we can effectively undertake our

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Pack Page 141

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

budget preparations and provide an appropriate level of detail in our budget documentation, while also ensuring the maximum available time for scrutiny in the Senedd.

Standing Order 20.6 makes provision for the Committee to change the timetable at the request of the Government. Subject to this, and on the understanding that we will provide a firm timetable as soon as possible after the UK Government has made an announcement regarding its budget, I wish to indicate now that we are planning to publish the outline and detailed draft budgets together on **10 December 2024**, and the final budget on **25 February 2025**.

In proposing these dates, I am mindful of both Standing Order 20.5 and the arrangements agreed between the Welsh Government and the Welsh Parliament about the period provided for scrutiny. Standing Order 20.5 provides, in 'normal' circumstances, for the Finance Committee to be given eight weeks to report on the outline budget proposals and five weeks for committees to consider the detailed budget proposals. Whilst this, once again, cannot be termed a 'normal' year under the current version of Standing Orders and the Budget Protocol, we are committed to ensuring the fullest possible scrutiny of our spending proposals. As a result, the timetable I have set out would enable 7 weeks and four days for scrutiny of the draft budget, including four sitting weeks and four days, and three non-sitting weeks.

These dates would require the Finance Committee to publish its report on the draft budget on or before Monday 3 February to enable the debate on the draft budget to take place on Tuesday 4 February.

I am seeking the Finance Committee's understanding and trust you will recognise there is no better alternative in these current circumstances.

The dates provided are dependent upon our budget settlement being announced in sufficient time to prepare the draft budget and may change. I will confirm arrangements once the date for the UK Government's fiscal event is known. Should the date of the UK fiscal event be early in the Autumn term I will carefully consider the case for amending our own budget timetable,

I am grateful for the Committee's understanding and trust these arrangements are acceptable given the circumstances, which are driven, once again, by external factors beyond our immediate control.

Yours sincerely,



Rebecca Evans AS/MS
Cabinet Secretary for Finance, Constitution and Cabinet Office
Ysgrifennydd y Cabinet dros Gyllid, y Cyfansoddiad a Swyddfa'r Cabinet

Jane Hutt AS/MS
Y Trefnydd a'r Prif Chwip
Trefnydd and Chief Whip



Llywodraeth Cymru
Welsh Government

Elin Jones MS
Llywydd
Chair of Business Committee
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4 July 2024

Dear Elin,

Under Standing Order 20, in my capacity as Minister with responsibility for government business, I am required to write to the Business Committee two weeks before the end of the summer term to set out a timetable for when the 2025-26 Draft Budget will be laid, and the annual budget motion will be tabled.

The current 2024-25 budget year is the final year of the multi-year settlement for which we have an indicative budget allocation. There continues to be a lack of clarity regarding the date of the fiscal event in which we will learn the precise details of our budget settlement for the 2025-26 budget year. This uncertainty will continue until an announcement is made following the forthcoming General Election.

The Cabinet Secretary for Finance, Constitution and Cabinet Office has carefully considered the benefits of publishing a draft budget based on indicative figures, which would be revised in a final budget once the settlement amount has been confirmed. However, doing so would not provide sufficient certainty for our delivery partners to make plans with any great degree of confidence, particularly given the levels of uncertainty over the fiscal context, and this approach would only be considered if our settlement would not be known until it was too late to complete the budget process within the current budget year.

As a result, we are, once again, obliged to recognise that the only prudent choice is to work on the basis that our settlement will be announced during the autumn term, and to follow a budget timetable akin to that employed in recent years, where we publish our draft budget close to the Christmas recess.

The difficulties in publishing a draft budget when learning details of our final budget settlement at such a late stage are well-rehearsed. It presents challenges for both the development of

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departmental spending plans and their scrutiny by the Senedd. The timetable we intend to follow recognises the uncertainty over when we will learn our budget settlement and takes account of the need to provide sufficient time to ensure we can effectively undertake our budget preparations and provide an appropriate level of detail in our budget documentation, while also ensuring the maximum available time for scrutiny in the Senedd.

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In proposing these dates, I am mindful of both Standing Order 20.5 and the arrangements agreed between the Welsh Government and the Welsh Parliament about the period provided for scrutiny. Standing Order 20.5 provides, in 'normal' circumstances, for the Finance Committee to be given eight weeks to report on the outline budget proposals and five weeks for committees to consider the detailed Budget proposals. Whilst this, once again, cannot be termed a 'normal' year under the current version of Standing Orders and the Budget Protocol, we are committed to ensuring the fullest possible scrutiny of our spending proposals. As a result, the timetable I have set out would enable 7 weeks and four days for scrutiny of the draft Budget, including four sitting weeks and four days, and three non-sitting weeks.

These dates would require the Finance Committee to publish its report on the draft budget on or before Monday 3 February to enable the debate on the draft budget to take place on Tuesday 4 February.

The Cabinet Secretary for Finance, Constitution and Cabinet Office is writing formally to the chair of the Finance Committee to seek the Committee's understanding given the circumstances. I would like to take the opportunity at Business Committee to seek confirmation from my fellow Business Managers that they would be similarly supportive.

The dates provided are dependent upon our budget settlement being announced in sufficient time to prepare the draft budget and may change. I will confirm arrangements once the date for the UK government's fiscal event is known. Should the date of the UK fiscal event be early in the Autumn term, we will carefully consider the case for amending our own budget timetable,

I am grateful for the Committee's understanding and trust these arrangements are acceptable given the circumstances, which are, once again, driven by external factors beyond our immediate control.

Yours sincerely,

A handwritten signature in black ink that reads "Jane Hutt". The signature is written in a cursive style with a long horizontal stroke at the top.

Jane Hutt AS/MS
Y Trefnydd a'r Prif Chwip
Trefnydd and Chief Whip

Peredur Owen Griffiths MS
Chair, Finance Committee

9 July 2024

Budget timetable 2025–26

Dear Peredur,

As required by Standing Order 20.2, the Business Committee has been formally notified that the Government intends to publish the outline and detailed proposals of the 2025–26 Draft Budget together on 10 December 2024, at the latest, and to publish the final Budget on 25 February 2025. I am writing to seek the views of the Finance Committee on the proposed deadline for you to report on the Draft Budget, as required by Standing Order 20.4.

In doing so, I note your letter of 27 June 2024 to the Cabinet Secretary for Finance, Constitution and the Cabinet Office summarising the views received in response to your consultation with other Senedd committees on their experiences of scrutinising the Draft Budget for 2024–25. That letter was noted by the Business Committee at its meeting held on 2 July 2024.

Standing Order 20.5(i) states that the Finance Committee must normally be given eight weeks to report on the outline budget proposals, while Standing Order 20.5(ii) requires that other committees have at least five weeks to consider the detailed budget proposals, within the timeframe set by the above dates notified to us by the Government.



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The Trefnydd has indicated that the Government intends to schedule the debate on the Draft Budget on Tuesday 4 February 2025. This would require the Finance Committee and other committees to report on or before Monday 3 February 2025, which would provide seven weeks and four days, comprising four sitting weeks, for scrutiny of both the outline and detailed Draft Budget proposals.

In her letter, the Trefnydd indicated that there was once again uncertainty regarding the date of the UK Government fiscal event, this time due to the General Election. Therefore, the Welsh Government will provide a firm timetable as soon as possible after the UK Government has made an announcement regarding its Budget.

I would be grateful for your views on the proposed timetable to enable the Business Committee to publish the timetable for the consideration of the budget.

Yours sincerely,



Rt. Hon Elin Jones MS

Y Llywydd and Chair of the Business Committee



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Agenda Item 12



Ombudsman Ombudsman Cymru · Wales

Your ref:

Ask for: Michelle Morris

Our ref: MAM/mdm



Date: 2 July 2024



Peredur Owen Griffiths
Chair, Finance Committee

By email only
seneddfinance@senedd.wales

Dear Peredur

Review into operations, processes and investigations - Councillor Code of Conduct Complaints

When I appeared before the Committee on 9 May, and in your subsequent letter, you requested an update on the review before the summer recess.

I am pleased to say that the review started promptly at the end of May, with Dr Melissa McCullough attending our offices on 24 May to finalise practical arrangements, meet members of the Code of Conduct Team and formalise the appointment. We have arranged appropriate access to our case records for the review team, which is progressing each of the five elements of the work. For ease of reference, an extract from the terms of reference is provided below.

- (1) *Review the PSOW's Code of Conduct processes and delegations to ensure that they are appropriate, fair and impartial and free from political bias.*
- (2) *Review the decisions taken by the former team leader and her Team not to investigate Code of Conduct complaints from 1 April 2021 to 22 October 2023, to ensure that the PSOW's two stage test was applied properly, and decisions were free from political bias (673 cases).*
- (3) *Review cases where the former team leader was the 'case owner' which were investigated and closed without a referral to a standards committee or the Adjudication Panel for Wales from 1 April 2019 to 22 October 2023, to ensure that there is no evidence of political bias in the handling of these cases (11 cases).*

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We are happy to accept and respond to correspondence in Welsh.

- (4) *Establish whether there is evidence that the team leader expressed her personal views on political matters akin to her social media posts in the office and/or inappropriately influenced other staff members, in the performance of their duties under the Local Government Act 2000.*
- (5) *Make any recommendations which Dr McCullough considers appropriate and issue a final report which the PSOW will share with the Senedd's Finance Committee.*

In the event that Dr McCullough considers it necessary to widen the scope of this review, she will inform and agree this with the Ombudsman.

As at the end of June 2024, the reviewer reports that the review team is finding no difficulties accessing information. She has commented positively on the comprehensive documentation available in our case files. In respect of (2) above, 617 of the 673 cases have been reviewed, so this element is around 90% complete. In respect of (4) above, all staff interviews, with members of the Code of Conduct Team, have been completed.

The reviewer has stated that she has not, to date, identified any need to widen the scope of the review.

Whilst there remains much work to do, good progress is being made and the reviewer indicates that the work and report will be complete in September.

I hope that this update is helpful. Should the Committee require any further information, please let me know.

Yours sincerely



Michelle Morris
Public Services Ombudsman