

## Agenda – Finance Committee

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Meeting Venue: Hybrid – Committee room 4 Ty Hywel and video conference via Zoom	For further information contact: <b>Owain Roberts</b> Committee Clerk 0300 200 6388 <a href="mailto:SeneddFinance@senedd.wales">SeneddFinance@senedd.wales</a>
Meeting date: 7 May 2025	
Meeting time: 09.30	

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### Registration

(09.00 – 09.15)

### Private pre-meeting

(09.15 – 09.30)

- 1 Introduction, apologies, substitutions and declarations of interest**  
(09.30)
- 2 Paper(s) to note**  
(09.30)
  - 2.1 PTN 1– Disused Mine and Quarry Tips (Wales) Bill: Welsh Government's response to the Finance Committee's report – 25 April 2025**  

(Pages 1 – 18)
  - 2.2 PTN 2 – Letter from the Cabinet Secretary for Finance and Welsh Language: Welsh Language and Education (Wales) Bill – Revised Regulatory Impact Assessment – 28 April 2025**  

(Pages 19 – 22)
  - 2.3 PTN 3 – Letter from the Cabinet Secretary for Economy, Energy and Planning: Inter–Ministerial Group for Business and Industry (IMG) – 30 April 2025**  

(Page 23)
  - 2.4 PTN 4 – Letter from the Cabinet Secretary for Economy, Energy and Planning: Tourism Inter–Ministerial Group (IMG) – 29 April 2025**  

(Page 24)



**2.5 PTN 5 – Letter from the Public Services Ombudsman for Wales: Review into operations, processes and investigations – Councillor Code of Conduct Complaints – 29 April 2025**

(Pages 25 – 38)

**2.6 PTN 6 – Second Supplementary Budget 2024–25: Welsh Government response – 30 April 2025**

(Pages 39 – 55)

**3 Post-legislative review of the Public Services Ombudsman (Wales) Act 2019: Evidence session 2**

(09.30 – 10.10)

(Pages 56 – 84)

Margaret Kelly, Northern Ireland Public Services Ombudsman

Andrew Crawford, Acting Scottish Public Services Ombudsman

Ger Deering, Office of the Ombudsman (Ireland), Ombudsman and Information Commissioner for Ireland

**Break**

(10.10 – 10.20)

**4 Post-legislative review of the Public Services Ombudsman (Wales) Act 2019: Evidence session 3**

(10.20 – 11.00)

(Pages 85 – 104)

Nick Bennett, former Public Services Ombudsman for Wales

**Break**

(11.00 – 11.10)

**5 Bus Services (Wales) Bill: Evidence session**

(11.10 – 12.10)

(Pages 105 – 124)

Ken Skates MS, Cabinet Secretary for Transport and North Wales, Welsh Government

Alex Walters, Deputy Director, Public and Integrated Transport, Welsh Government

Andrew Hobden, Economist, Welsh Government

James Burgess, Head of Bus and Community Transport, Welsh Government

Supporting documents:

[Bus Services \(Wales\) Bill, as introduced](#)

[Explanatory Memorandum](#)

- 6 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting.**  
(12.10)
- 7 Bus Services (Wales) Bill: Consideration of evidence**  
(12.10 – 12.25)
- 8 Post-legislative review of the Public Services Ombudsman (Wales) Act 2019: Consideration of evidence**  
(12.25 – 12:40)
- 9 First Supplementary Budget 2025–26: Directly Funded Bodies**  
(12.40 – 12.50) (Pages 125 – 150)

Huw Irranca-Davies AS/MS  
 Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros  
 Newid Hinsawdd a Materion Gwledig  
 Deputy First Minister and Cabinet Secretary for Climate  
 Change and Rural Affairs

Ein cyf/Our ref: MA/HIDCC//0865/25

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

25 April 2025

Dear Peredur,

Thank you for your Stage 1 Report on the Disused Mine and Quarry Tips (Wales) Bill that was published on 4 April. Please see below my responses to the recommendations set out in your report.

**Recommendation 1. The Committee recommends that the Welsh Government shares the evidence it has received from other bodies which was used to inform the costs of the Bill with the Committee ahead of the Stage 1 debate and provides an updated Regulatory Impact Assessment to reflect this information following Stage 2 proceedings.**

### Response – Accept

Whilst I am content to accept the recommendation, it is not always possible to provide a specific document or spreadsheet as evidence for inclusion in the RIA this is due to the need to capture information from various sources. I can confirm that my officials have and will continue to work closely with other bodies to inform the estimated costs and in particular information has been incorporated from the Mining Remediation Authority (MRA), Natural Resources Wales (NRW), Welsh Local Government Association (WLGA), Planning and Environment Decisions Wales (PEDW) and MEDR.

On this basis, I think it would be sensible for me to confirm the source of any information contained in the RIA.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
 0300 0604400

Bae Caerdydd • Cardiff Bay  
 Caerdydd • Cardiff  
 CF99 1SN

[Gohebiaeth.Huw.Irranca-Davies@llyw.cymru](mailto:Gohebiaeth.Huw.Irranca-Davies@llyw.cymru)  
[Correspondence.Huw.Irranca-Davies@gov.wales](mailto:Correspondence.Huw.Irranca-Davies@gov.wales)

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.

Operational staffing costs – advice on the likely staffing costs for the Authority was obtained from the MRA based on its experience of the current inspection regime. They provided information on the number of hours, at each grade, required to undertake each of the tasks within the regime (preliminary assessment, full assessment, management plans, general inspection and detailed inspections). We used this information to estimate a minimum staffing level required to carry out the functions of the Authority (estimates have been included in the RIA under section 8.76). The MRA have confirmed that they thought our estimates were fair and reasonable.

Senior appointments costs – advice on the cost of recruitment of senior appointments has been verified with recruitment consultants and psychometric test providers. Remuneration for senior appointments, including the Board members have been sense-checked with NRW recruitment adverts and advice by officials who implemented the Tertiary Education and Research (Wales) Bill.

Advice on cost of appeals – Advice on the average cost of an appeal (including daily inspectors and administrative rates) was provided by PEDW, and from experience of operating the Marine Licensing appeals system.

Cost of Personal Protective Equipment (PPE) and vehicle leasing – advice on the cost of PPE was provided by PEDW and the assumptions on the amount of equipment needed was provided by the MRA. MRA also advised on the leasing assumptions used in ascertaining the vehicle leasing cost in the RIA.

Non-staff costs - Digital – advice on the costs of the digital equipment was provided by officials who implemented the Tertiary Education and Research (Wales) Bill, who delivered the IT platform and system to budget for MEDR. Each component of Digital spend (such as laptops, office 365 subscriptions, system licensing or annual support) has been verified by live prices available by reputable suppliers.

Office costs – advice on the costs of the location costs was provided by officials in the Facilities team in the Corporate Services Division, where Welsh Government offices/spaces have been rented out to other ALB's or organisations.

**Recommendation 2. The Committee recommends that the Welsh Government shares the data it has used to calculate the benefits arising from the Bill, particularly those relating to cost savings related to the creation of the Disused Tips Authority, ahead of the Stage 1 debate and provides an updated Regulatory Impact Assessment following Stage 2 proceedings.**

**Response - Accept**

I am happy to accept this recommendation, and the data used to calculate the benefits arising from the bill have been included as an Annex 1 to this letter. I will instruct my officials to update the RIA following stage 2 proceedings.

**Recommendation 3. The Committee recommends that the Welsh Government confirms how the Disused Tips Authority will prioritise applications for funding to ensure these are provided to those areas at greater risk on a needs basis.**

**Response – Accept**

Whilst I am not able to pre-empt how the Authority will choose to prioritise its funding and its approach to applications for the coal tip safety grant, I am able to confirm how Welsh Government prioritises applications at the current time, which will form the basis of guidance that will be made available to the Authority.

Applications made to the Coal Tip Safety Grant Scheme are appraised against a number of factors:

- category of the tip;
- the potential for mitigating risk factors and;
- project feasibility and viability within the scope and terms of the scheme.

I can confirm that applications made for higher rated tips are prioritised over those for lower rated tips, if the proposed works are feasible and deliverable.

**Recommendation 4. The Committee recommends that the Welsh Government continues its work with Audit Wales to ensure that the relevant cost estimates are robust and are reflected in an updated Regulatory Impact Assessment after Stage 2.**

**Response - Accept**

I am happy to accept this recommendation and can confirm that an updated RIA will be provided after stage 2.

**Recommendation 5. The Committee recommends that the Welsh Government provides a further breakdown of staff costs arising from the establishment of the new Authority and assurances that the level of remuneration are appropriate and demonstrate value for money.**

**Response - Accept**

I am happy to accept this recommendation and provide clarification of the costs used - I attach a revised breakdown of staffing costs for the Authority in Annex 2 to this letter which will be used to amend the RIA after stage 2.

I can confirm that the approach taken in this document is in line with the HM Treasury Green Book guidance on producing economic appraisals. This means that the annual cost of salaries displayed is the total staff cost to the Authority – which includes employer national insurance contributions and employer pension contributions.

**Recommendation 6. The Committee recommends that the Welsh Government confirms whether funding allocations for bodies whose responsibilities will transfer to the Disused Tips Authority will be subject to change and that this information, including amounts involved, is included in an updated Regulatory Impact Assessment after Stage 2.**

**Response - Accept**

I am happy to accept this recommendation and will consider how I can update the RIA after stage 2 to make the position clearer

I can confirm:

- funding currently allocated to the MRA for the inspection regime will transfer to the authority from 1 April 2027;
- funding allocated to local authorities through the RSG will not be subject to change. This is primarily because whilst LA's will lose some responsibility under the new regime, they will retain the responsibility for the tips that they own and maintain;
- funding for the coal tip safety grant will transfer from Welsh Government to the Authority on the 1 April 2027.

**Recommendation 7. The Committee recommends that the Welsh Government continues to work with the Welsh Local Government Association to maintain the skills base within its workforce in light of the establishment of the Disused Tips Authority.**

**Response – Accept**

I am happy to accept this recommendation and can confirm that alongside the WLGA, NRW and MRA we have undertaken a capability assessment,

My officials will continue to work with partners to discuss, identify and support new technological developments which could be used to assist the work in this area and identify future skills requirements.

Early discussions are also continuing with officials responsible for apprenticeships and post 16 education and MEDR to identify opportunities that might be available to create a pipeline of new talent to address the skills gaps and create a long-term strategy.

My Officials have also looked at wider opportunities to help address skill gaps having had discussions with Talent Beyond Boundaries (TBB) who launched their programme, in Wales, in September. The aim being to match internationally displaced skilled workers with Welsh employers to address skills shortages. This scheme is also available to local authorities and other organisations to use to address skills gaps. Officials plan to introduce the scheme to WLGA, local authorities, MRA and NRW at the Coal Tip Safety Technical Working Group.

**Recommendation 8. The Committee recommends that the Welsh Government shares the evidence it has considered when determining the level of contingency required to support the Bill ahead of the Stage 1 debate and in an updated Regulatory Impact Assessment after Stage 2.**

**Response – Accept in principle**

Whilst I am content to accept the principle of the recommendation, I think the RIA is clear that we have estimated the contingency provision based on discussions with stakeholders who have recently been involved in setting up new bodies.

Given that we have provided an estimate of the costs of the new body (rather than as a range), we believed that a contingency of 25% on non-staff costs and 5% on staff costs is sensible and pragmatic way to factor in unknowns, and incorporate potential project risks such as market price volatility, or variance in the pay scales / bands that the new Authority decides to use.

**Recommendation 9. The Committee recommends that any post implementation review undertaken by the Welsh Government assesses the overall costs and benefits of the Bill and whether this meets the expectations set out in the Regulatory Impact Assessment.**

**Response – Accept**

I am happy to accept this recommendation and can confirm that the post implementation review, will include an assessment of the overall costs and benefits.

If you have any further questions, please let me know.

Your sincerely,

A handwritten signature in black ink, appearing to be 'Huw Irranca-Davies', written in a cursive style.

**Huw Irranca-Davies AS/MS**

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd  
a Materion Gwledig

Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

## Annex 1: Benefits calculations

**Table 1: Area of coal tips by local authority**

<b>Local Authority</b>	<b>Area of Tips (m<sup>2</sup>)</b>	<b>Local authority Area (m<sup>2</sup>)</b>	<b>Local authority area covered (%)</b>
Blaenau Gwent	10,597,263.2	108,728,046.1	9.75
Bridgend	6,389,780.6	250,785,314.1	2.55
Caerphilly	12,979,594.6	277,387,807.1	4.68
Cardiff	86,701.0	142,303,613.2	0.06
Carmarthenshire	3,260,850.9	2,371,104,044.6	0.14
Ceredigion		1,788,379,261.9	
Conwy		1,130,179,030.9	
Denbighshire		838,716,213.4	
Flintshire	524,639.6	439,830,305.3	0.12
Gwynedd		2,548,292,895.1	
Isle of Anglesey	16,788.4	715,212,551.9	0.00
Merthyr Tydfil	6,202,440.7	111,956,970.9	5.54
Monmouthshire	1,477,824.8	850,327,720.8	0.17
Neath Port Talbot	10,069,362.2	442,272,629.1	2.28
Newport		190,431,147.3	
Pembrokeshire	256,044.6	1,618,344,480.4	0.02
Powys	3,238,642.5	5,195,311,063.6	0.06
Rhondda Cynon Taf	22,096,750.6	424,150,476.0	5.21
Swansea	1,853,622.8	377,614,545.0	0.49
Torfaen	4,059,955.6	126,239,929.8	3.22
Vale of Glamorgan		331,261,382.6	
Wrexham	3,037,868.8	503,773,535.2	0.60
<b>Total (Wales)</b>	<b>86,148,131.0</b>	<b>20,782,602,964.4</b>	<b>0.41</b>

**Table 2: discounting for use in the avoided cost benefit calculation**

<b>2023 (%)</b>	<b>2022 (%)</b>	<b>2021 (%)</b>	<b>2020 (%)</b>	<b>2019 (%)</b>	<b>2018 (%)</b>	<b>2017 (%)</b>	<b>2016 (%)</b>	<b>2015 (%)</b>	<b>2014 (%)</b>	<b>2013 (%)</b>	<b>2012 (%)</b>	<b>2011 (%)</b>
1.57	2.52	6.68	-0.80	4.45	2.36	2.11	1.57	2.27	0.72	1.22	1.92	1.84
101.57	104.13	111.09	110.20	115.10	117.82	120.30	122.19	124.97	125.87	127.40	129.85	132.24

**Table 3: avoidable costs benefits using local authority data**

Tip slips	FY	Value of works		In 2024 prices*
Tylors town	2019	12,000,000		13,812,058.83
Wattstown	2020	700,000		771,377.15
Graig Ddu	2020	4,425,000		4,876,205.55
Cilfynydd	2014	4,425,000		5,569,528.46
Cwm cynon	2020	3,000,000		3,305,902.07
Penrhiwceiber	2020	2,000,000		2,203,934.71
Llanmarch Llanelly	2020	75,000		82,647.55
Llwyn-On Colliery Tip A	2020	20,000		22,039.35
Llwyn y Ffynnon - Tip B	2018	15,000		17,672.53
Cynon Argoed Colliery - South Tip	2020	5,000		5,509.84
Argoed Colliery - Tip D	2020	20,000		22,039.35
Caroline	2018	35,000		41,235.90
Lady Margaret	2020	18,000		19,835.41
Pen Yr Englyn Eastern Tip	2020	4,262,775		4,697,438.89
Blaenrhondda	2020	35,000		38,568.86
Blaenycwm	1989	-		
Pen Rhiw House	2021	55,000		-
Pen Rhiw Colliery	2021	100,000		-
<b>Total (10 years 2010-2020)</b>	<b>Cash:</b>	<b>31,190,775</b>	<b>2024 prices:</b>	<b>35,485,994.44</b>
			Estimated avoidable cost per year (A):	3,548,599.44
			<b>Over 12 years:</b>	<b>42,583,193.32</b>

\* Using Table 2 discounting

**Table 4: Hatfield event**

50-year event such as similar to Hatfield	(£)
Hatfield	65,000,000
In 2024 prices *	82,810,392.29
every x years	50
Yearly cost (B)	1,656,207.85
<b>Over 12 years</b>	<b>19,874,494.15</b>

\* Using Table 2 discounting

**Table 5: summary**

Avoidable costs (A+B)		£5,204,807.29
Assumption that x is saved		80%*
<b>Total avoidable costs per year</b>		<b>£4,163,845.83</b>
<b>Over 12 year window</b>		<b>£49,966,149.98</b>

\* Estimate of 80% impact of the avoidable costs as a result of mitigating measures and actions taken.

Table 6: welfare value benefits 2027 to 2032

Local authority	Welfare value	Tip coverage (%)*	2027 (£)	2028 (£)	2029 (£)	2030 (£)	2031 (£)	2032 (£)
Blaenau Gwent	9,391,005.89	9.75	0	915,301.66	915,301.66	915,301.66	915,301.66	915,301.66
Bridgend	24,112,423.04	2.55	0	614,362.50	614,362.50	614,362.50	614,362.50	614,362.50
Caerphilly	26,893,839.69	4.68	0	1,258,422.78	1,258,422.78	1,258,422.78	1,258,422.78	1,258,422.78
Cardiff	48,919,535.11	0.06	0	29,805.10	29,805.10	29,805.10	29,805.10	29,805.10
Carmarthenshire	28,408,092.00	0.14	0	39,068.11	39,068.11	39,068.11	39,068.11	39,068.11
Flintshire	25,197,684.00	0.12	0	30,056.37	30,056.37	30,056.37	30,056.37	30,056.37
Isle of Anglesey	17,013,857.00	0.00	0	399.37	399.37	399.37	399.37	399.37
Merthyr Tydfil	5,762,300.62	5.54	0	319,232.72	319,232.72	319,232.72	319,232.72	319,232.72
Monmouthshire	19,834,110.00	0.17	0	34,470.64	34,470.64	34,470.64	34,470.64	34,470.64
Neath Port Talbot	27,607,337.45	2.28	0	628,545.07	628,545.07	628,545.07	628,545.07	628,545.07
Pembrokeshire	29,736,301.00	0.02	0	4,704.70	4,704.70	4,704.70	4,704.70	4,704.70
Powys	29,397,394.00	0.06	0	18,325.69	18,325.69	18,325.69	18,325.69	18,325.69
RCT	23,897,273.35	5.21	0	1,244,964.04	1,244,964.04	1,244,964.04	1,244,964.04	1,244,964.04
Swansea	58,061,091.07	0.49	0	£285,008.52	285,008.52	285,008.52	285,008.52	285,008.52
Torfaen	13,558,224.69	3.22	0	£436,041.04	436,041.04	436,041.04	436,041.04	436,041.04
Wrexham	18,485,486.00	0.60	0	£111,471.68	111,471.68	111,471.68	111,471.68	111,471.68
<b>Welfare benefits (16 LAs)</b>	<b>406,275,954.90</b>		<b>Total</b>	<b>5,970,179.98</b>	<b>5,970,179.98</b>	<b>5,970,179.98</b>	<b>5,970,179.98</b>	<b>5,970,179.98</b>
<b>All of Wales</b>	<b>569,177,928.00</b>		<b>Discounted total</b>	<b>5,202,414.83</b>	<b>5,026,891.54</b>	<b>4,856,741.41</b>	<b>4,692,561.46</b>	<b>4,533,754.68</b>
			<b>Lower Estimate – 25% discounted</b>	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99
			<b>Central Estimate - 50% discounted</b>	2,601,207.42	2,513,445.77	2,428,370.71	2,346,280.73	2,266,877.34
			<b>Higher Estimate - 75% Discounted</b>	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99
				2,601,207.42	2,513,445.77	2,428,370.71	2,346,280.73	2,266,877.34
				2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99
				2,601,207.42	2,513,445.77	2,428,370.71	2,346,280.73	2,266,877.34

\* Using table one

Table 6 continued: welfare value benefits 2033 to 2040

Local authority	2033 (£)	2034 (£)	2035 (£)	2036 (£)	2037 (£)	2038 (£)	2039 (£)	2040 (£)	Total (£)
Blaenau Gwent	915,301.66	915,301.66	915,301.66	915,301.66	915,301.66	915,301.66	915,301.66	915,301.66	915,301.66
Bridgend	614,362.50	614,362.50	614,362.50	614,362.50	614,362.50	614,362.50	614,362.50	614,362.50	614,362.50
Caerphilly	1,258,422.78	1,258,422.78	1,258,422.78	1,258,422.78	1,258,422.78	1,258,422.78	1,258,422.78	1,258,422.78	1,258,422.78
Cardiff	29,805.10	29,805.10	29,805.10	29,805.10	29,805.10	29,805.10	29,805.10	29,805.10	29,805.10
Carmarthenshire	39,068.11	39,068.11	39,068.11	39,068.11	39,068.11	39,068.11	39,068.11	39,068.11	39,068.11
Flintshire	30,056.37	30,056.37	30,056.37	30,056.37	30,056.37	30,056.37	30,056.37	30,056.37	30,056.37
Isle of Anglesey	399.37	399.37	399.37	399.37	399.37	399.37	399.37	399.37	399.37
Merthyr Tydfil	319,232.72	319,232.72	319,232.72	319,232.72	319,232.72	319,232.72	319,232.72	319,232.72	319,232.72
Monmouthshire	34,470.64	34,470.64	34,470.64	34,470.64	34,470.64	34,470.64	34,470.64	34,470.64	34,470.64
Neath Port Talbot	628,545.07	628,545.07	628,545.07	628,545.07	628,545.07	628,545.07	628,545.07	628,545.07	628,545.07
Pembrokeshire	4,704.70	4,704.70	4,704.70	4,704.70	4,704.70	4,704.70	4,704.70	4,704.70	4,704.70
Powys	18,325.69	18,325.69	18,325.69	18,325.69	18,325.69	18,325.69	18,325.69	18,325.69	18,325.69
RCT	1,244,964.04	1,244,964.04	1,244,964.04	1,244,964.04	1,244,964.04	1,244,964.04	1,244,964.04	1,244,964.04	1,244,964.04
Swansea	285,008.52	285,008.52	285,008.52	285,008.52	285,008.52	285,008.52	285,008.52	285,008.52	285,008.52
Torfaen	436,041.04	436,041.04	436,041.04	436,041.04	436,041.04	436,041.04	436,041.04	436,041.04	436,041.04
Wrexham	111,471.68	111,471.68	111,471.68	111,471.68	111,471.68	111,471.68	111,471.68	111,471.68	111,471.68
<b>Total</b>	<b>5,970,179.98</b>	<b>77,612,340.72</b>							
<b>Discounted total</b>	<b>4,380,321.05</b>	<b>4,232,260.59</b>	<b>4,088,976.27</b>	<b>3,951,065.11</b>	<b>3,817,333.08</b>	<b>3,688,377.19</b>	<b>3,563,600.43</b>	<b>3,443,002.79</b>	<b>55,477,300.43</b>
<b>Lower Estimate - 25%</b>	1,492,544.99	1,492,544.99	1,492,544.99	1,492,544.99	1,492,544.99	1,492,544.99	1,492,544.99	1,492,544.99	<b>19,403,084.93</b>
<b>Discounted</b>	1,095,080.26	1,058,065.15	1,022,244.07	987,766.28	954,333.27	922,094.30	890,900.11	860,750.70	<b>13,869,325.11</b>
<b>Central Estimate - 50%</b>	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	<b>38,806,169.86</b>
<b>Discounted</b>	2,190,160.53	2,116,130.29	2,044,488.13	1,975,532.55	1,908,666.54	1,844,188.60	1,781,800.21	1,721,501.40	<b>27,738,650.22</b>
<b>Higher Estimate - 75%</b>	4,477,634.98	4,477,634.98	4,477,634.98	4,477,634.98	4,477,634.98	4,477,634.98	4,477,634.98	4,477,634.98	<b>58,209,254.79</b>
<b>Discounted</b>	3,285,240.79	3,174,195.44	3,066,732.20	2,963,298.83	2,862,999.81	2,766,282.89	2,672,700.32	2,582,252.10	<b>41,607,975.32</b>

\* Using table one

**Table 7: indirect employment benefits 2025 to 2031**

The minimum wage figure of £20,048 is used to ascertain the quantifiable employment benefit as a result of the number of new jobs created.

Local authority	Employment	Tip coverage (%) *	Average annual growth rate 2011-2020 (%)	Specific Growth Factor (%)	New jobs	2025 (£)	2026 (£)	2027 (£)	2028 (£)	2029 (£)	2030 (£)	2031 (£)
Blaenau Gwent	31,100	9.75	1.3	0.13	39.9	0	0	0	799,816	799,816	799,816	799,816
Bridgend	65,200	2.55	0.7	0.02	12.3	0	0	0	246,119	246,119	246,119	246,119
Caerphilly	85,100	4.68	1.8	0.09	72.6	0	0	0	1,454,987	1,454,987	1,454,987	1,454,987
Cardiff	185,600	0.06	2.0	0.00	2.2	0	0	0	44,393	44,393	44,393	44,393
Carmarthenshire	78,400	0.14	0.3	0.00	0.3	0	0	0	6,359	6,359	6,359	6,359
Flintshire	78,200	0.12	1.0	0.00	0.9	0	0	0	18,675	18,675	18,675	18,675
Isle of Anglesey	30,600	0.00	0.1	0.00	0.0	0	0	0	17	17	17	17
Merthyr Tydfil	24,200	5.54	0.1	0.01	1.5	0	0	0	30,293	30,293	30,293	30,293
Monmouthshire	45,400	0.17	0.9	0.00	0.7	0	0	0	14,868	14,868	14,868	14,868
Neath Port Talbot	61,500	2.28	1.0	0.02	14.4	0	0	0	288,589	288,589	288,589	288,589
Pembrokeshire	55,700	0.02	0.9	0.00	0.1	0	0	0	1,667	1,667	1,667	1,667
Powys	60,700	0.06	0.1	0.00	0.0	0	0	0	663	663	663	663
RCT	99,800	5.21	0.6	0.03	29.1	0	0	0	582,868	582,868	582,868	582,868
Swansea	113,400	0.49	1.7	0.01	9.5	0	0	0	189,583	189,583	189,583	189,583
Torfaen	41,000	3.22	0.7	0.02	9.3	0	0	0	185,660	185,660	185,660	185,660
Wrexham	64,400	0.60	0.3	0.00	1.1	0	0	0	21,999	21,999	21,999	21,999
<b>Totals</b>	<b>1,120,300.00</b>				<b>193.9**</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,886,555</b>	<b>3,886,555</b>	<b>3,886,555</b>	<b>3,886,555</b>
<b>All of Wales</b>	<b>1,432,700.00</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>3,386,744</b>	<b>3,272,480</b>	<b>3,161,713</b>	<b>3,054,833</b>

\* Using table one

\*\* 193.9 is the sum of new jobs across 16 local authorities. This represents approximately 0.01% of the number of people in employment in Wales, or 0.02% across the 16 local authorities with disused coal tips.

**Table 8 continued: indirect employment benefits 2032 to 2040**

<b>Local authority</b>	<b>2032 (£)</b>	<b>2033 (£)</b>	<b>2034 (£)</b>	<b>2035 (£)</b>	<b>2036 (£)</b>	<b>2037 (£)</b>	<b>2038 (£)</b>	<b>2039 (£)</b>	<b>2040 (£)</b>	<b>Total (£)</b>
Blaenau Gwent	799,816	799,816	799,816	799,816	799,816	799,816	799,816	799,816	799,816	
Bridgend	246,119	246,119	246,119	246,119	246,119	246,119	246,119	246,119	246,119	
Caerphilly	1,454,987	1,454,987	1,454,987	1,454,987	1,454,987	1,454,987	1,454,987	1,454,987	1,454,987	
Cardiff	44,393	44,393	44,393	44,393	44,393	44,393	44,393	44,393	44,393	
Carmarthenshire	6,359	6,359	6,359	6,359	6,359	6,359	6,359	6,359	6,359	
Flintshire	18,675	18,675	18,675	18,675	18,675	18,675	18,675	18,675	18,675	
Isle of Anglesey	17	17	17	17	17	17	17	17	17	
Merthyr Tydfil	30,293	30,293	30,293	30,293	30,293	30,293	30,293	30,293	30,293	
Monmouthshire	14,868	14,868	14,868	14,868	14,868	14,868	14,868	14,868	14,868	
Neath Port Talbot	288,589	288,589	288,589	288,589	288,589	288,589	288,589	288,589	288,589	
Pembrokeshire	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	
Powys	663	663	663	663	663	663	663	663	663	
RCT	582,868	582,868	582,868	582,868	582,868	582,868	582,868	582,868	582,868	
Swansea	189,583	189,583	189,583	189,583	189,583	189,583	189,583	189,583	189,583	
Torfaen	185,660	185,660	185,660	185,660	185,660	185,660	185,660	185,660	185,660	
Wrexham	21,999	21,999	21,999	21,999	21,999	21,999	21,999	21,999	21,999	
<b>Totals</b>	<b>3,886,555</b>	<b>50,525,220</b>								
<b>Discounted totals</b>	<b>2,951,450</b>	<b>2,851,566</b>	<b>2,755,179</b>	<b>2,661,902</b>	<b>2,572,122</b>	<b>2,485,064</b>	<b>2,401,114</b>	<b>2,319,885</b>	<b>2,241,377</b>	<b>36,115,427</b>

\* Using table one

**Table 9: summary of benefits 2025 to 2033**

	2025 (£)	2026 (£)	2027 (£)	2028 (£)	2029 (£)	2030 (£)	2031 (£)	2032 (£)
Total avoidable costs	0	0	0	4,163,845.83	4,163,845.83	4,163,845.83	4,163,845.83	4,163,845.83
discounted avoidable costs	0	0	0	3,628,375.26	3,505,958.19	3,387,288.58	3,272,782.82	3,162,024.52
welfare benefits	0	0	0	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99
discounted welfare benefits	0	0	0	2,601,207.42	2,513,445.77	2,428,370.71	2,346,280.73	2,266,877.34
indirect employment benefits	0	0	0	3,886,555.41	3,886,555.41	3,886,555.41	3,886,555.41	3,886,555.41
discounted indirect benefits	0	0	0	3,386,744.38	3,272,479.65	3,161,712.82	3,054,832.55	2,951,450.18
<b>Total benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,035,491.23</b>	<b>11,035,491.23</b>	<b>11,035,491.23</b>	<b>11,035,491.23</b>	<b>11,035,491.23</b>
<b>Total discounted benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,616,327.06</b>	<b>9,291,883.61</b>	<b>8,977,372.11</b>	<b>8,673,896.10</b>	<b>8,380,352.04</b>

Table 10 continued: summary of benefits 2034 to 2040

	2033 (£)	2034 (£)	2035 (£)	2036 (£)	2037 (£)	2038 (£)	2039 (£)	2040 (£)	Total (£)
Total avoidable costs	4,163,845.83	4,163,845.83	4,163,845.83	4,163,845.83	4,163,845.83	4,163,845.83	4,163,845.83	4,163,845.83	54,129,995.81
discounted avoidable costs	3,055,013.69	2,951,750.31	2,851,818.01	2,755,633.17	2,662,363.02	2,572,423.95	2,485,399.58	2,401,289.89	38,692,121.01
welfare benefits	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	2,985,089.99	38,806,169.86
discounted welfare benefits	2,190,160.53	2,116,130.29	2,044,488.13	1,975,532.55	1,908,666.54	1,844,188.60	1,781,800.21	1,721,501.40	27,738,650.22
indirect employment benefits	3,886,555.41	3,886,555.41	3,886,555.41	3,886,555.41	3,886,555.41	3,886,555.41	3,886,555.41	3,886,555.41	50,525,220.29
discounted indirect benefits	2,851,565.70	2,755,179.13	2,661,901.80	2,572,122.37	2,485,063.53	2,401,113.93	2,319,884.92	2,241,376.50	36,115,427.46
<b>Total benefits</b>	<b>11,035,491.23</b>	<b>143,461,385.96</b>							
<b>Total discounted benefits</b>	<b>8,096,739.91</b>	<b>7,823,059.73</b>	<b>7,558,207.94</b>	<b>7,303,288.09</b>	<b>7,056,093.09</b>	<b>6,817,726.48</b>	<b>6,587,084.71</b>	<b>6,364,167.79</b>	<b>102,546,198.68</b>

**Table 11: summary of quantified benefits**

Type	Totals (£ millions)
Avoided costs	54.1
Welfare value	38.8
Employment	50.5
<b>Total</b>	<b>143.4</b>

**Table 10: discount rates**

<b>Standard Discount Rates and Associated Discount Factors from the green book</b>			
Year	Discount Rate	Discount Factor	Year
<b>0</b>		1	2024
<b>1</b>	3.50%	0.9662	2025
<b>2</b>	3.50%	0.9335	2026
<b>3</b>	3.50%	0.9019	2027
<b>4</b>	3.50%	0.8714	2028
<b>5</b>	3.50%	0.842	2029
<b>6</b>	3.50%	0.8135	2030
<b>7</b>	3.50%	0.786	2031
<b>8</b>	3.50%	0.7594	2032
<b>9</b>	3.50%	0.7337	2033
<b>10</b>	3.50%	0.7089	2034
<b>11</b>	3.50%	0.6849	2035
<b>12</b>	3.50%	0.6618	2036
<b>13</b>	3.50%	0.6394	2037
<b>14</b>	3.50%	0.6178	2038
<b>15</b>	3.50%	0.5969	2039
<b>16</b>	3.50%	0.5767	2040

The above table is used where figures have been discounted for a particular year.

## Annex 2: staff costs breakdown

Table 1: staff costs rates

2023-24								
	Including On Costs				Breakdown of annual salary			
Salaries	Annual cost (£)	Monthly cost (£)	Weekly cost (£)	hourly cost (£)	Basic (£)	Ers NICs (£)	Ers Pension (£)	Total Annual Cost (£)
SCS3	189,592	15,799.33	3,646.00	97.23	133,675	17,192	38,726	189,593
SCS2	163,417	13,618.08	3,142.63	83.80	116,042	14,759	33,617	164,418
SCS1	127,981	10,665.08	2,461.17	65.63	90,520	11,237	26,224	127,980
Grade 6 (uplift)	123,773	10,314.43	2,380.25	63.47	87,573	10,830	25,370	123,773
Grade 6	112,521	9,376.75	2,163.87	57.70	79,696	9,743	23,088	112,527
Grade 7 (uplift)	102,128	8,510.70	1,964.01	52.37	72,410	8,737	20,977	102,125
Grade 7	92,844	7,737.00	1,785.46	47.61	65,910	7,840	19,094	92,844
SEO (uplift)	78,518	6,543.17	1,509.96	40.27	55,875	6,456	16,187	78,517
SEO	71,380	5,948.33	1,372.69	36.61	51,839	5,899	15,018	72,755
HEO (uplift)	62,765	5,230.41	1,207.02	32.19	44,841	4,933	12,990	62,764
HEO	57,059	4,754.92	1,097.29	29.26	41,675	4,496	12,073	58,244
EO (uplift)	48,991	4,082.56	942.13	25.12	35,194	3,602	10,196	48,991
EO	44,537	3,711.42	856.48	22.84	32,500	3,230	8,808	44,537
Board Chair	12,288	N/A	N/A	N/A				
Non-exec director	9,504	N/A	N/A	N/A				

**Table 2: staff numbers per grade**

Grade	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
SCS3	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1
SCS2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SCS1	0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2
Grade 6 (uplift)	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1
Grade 6	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1
Grade 7 (uplift)	0	0	2	6	6	6	6	6	6	6	6	6	6	6	6	6
Grade 7	0	0	6	14	14	14	14	14	14	14	14	14	14	14	14	14
SEO (uplift)	0	0	4	10	10	10	10	10	10	10	10	10	10	10	10	10
SEO	0	0	9	9	9	9	9	9	9	9	9	9	9	9	9	9
HEO (uplift)	0	0	4	13	13	13	13	13	13	13	13	13	13	13	13	13
HEO	0	0	6	6	6	6	6	6	6	6	6	6	6	6	6	6
EO (uplift)	0	0	0	3	3	3	3	3	3	3	3	3	3	3	3	3
EO	0	0	1	5	5	5	5	5	5	5	5	5	5	5	5	5
Board Chair	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Non-exec director	0	0	5	5	5	5	5	5	5	5	5	5	5	5	5	5
<b>Total</b>	0	0	39	77	77	77	77	77	77	77	77	77	77	77	77	77

**Table 3: staff costs per grade – 2025 to 2033**

Grade	2025	2026	2027	2028	2029	2030	2031	2032	2033
SCS3	0.00	0.00	189,592.00	189,592.00	189,592.00	189,592.00	189,592.00	189,592.00	189,592.00
SCS2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SCS1	0.00	0.00	0.00	255,962.00	255,962.00	255,962.00	255,962.00	255,962.00	255,962.00
Grade 6 (uplift)	0.00	0.00	0.00	123,773.10	123,773.10	123,773.10	123,773.10	123,773.10	123,773.10
Grade 6	0.00	0.00	0.00	112,521.00	112,521.00	112,521.00	112,521.00	112,521.00	112,521.00
Grade 7 (uplift)	0.00	0.00	204,256.80	612,770.40	612,770.40	612,770.40	612,770.40	612,770.40	612,770.40
Grade 7	0.00	0.00	557,064.00	1,299,816.00	1,299,816.00	1,299,816.00	1,299,816.00	1,299,816.00	1,299,816.00
SEO (uplift)	0.00	0.00	314,072.00	785,180.00	785,180.00	785,180.00	785,180.00	785,180.00	785,180.00
SEO	0.00	0.00	642,420.00	642,420.00	642,420.00	642,420.00	642,420.00	642,420.00	642,420.00
HEO (uplift)	0.00	0.00	251,059.60	815,943.70	815,943.70	815,943.70	815,943.70	815,943.70	815,943.70
HEO	0.00	0.00	342,354.00	342,354.00	342,354.00	342,354.00	342,354.00	342,354.00	342,354.00
EO (uplift)	0.00	0.00	0.00	146,972.10	146,972.10	146,972.10	146,972.10	146,972.10	146,972.10
EO	0.00	0.00	44,537.00	222,685.00	222,685.00	222,685.00	222,685.00	222,685.00	222,685.00
Board Chair	0.00	0.00	12,288.00	12,288.00	12,288.00	12,288.00	12,288.00	12,288.00	12,288.00
Non-exec director	0.00	0.00	47,520.00	47,520.00	47,520.00	47,520.00	47,520.00	47,520.00	47,520.00
Total	0.00	0.00	2,605,163.40	5,609,797.30	5,609,797.30	5,609,797.30	5,609,797.30	5,609,797.30	5,609,797.30
1% for staff training			26,051.63	56,097.97	56,097.97	56,097.97	56,097.97	56,097.97	56,097.97
Discounted total		0.00	2,349,596.87	4,888,377.37	4,723,449.33	4,563,570.10	4,409,300.68	4,260,080.07	4,115,908.28
Incl 5% contingency			2,735,421.57	5,890,287.17	5,890,287.17	5,890,287.17	5,890,287.17	5,890,287.17	5,890,287.17

**Table 3 continued: staff costs per grade – 2034 to 2040**

<b>Grade</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>Total</b>
SCS3	189,592.00	189,592.00	189,592.00	189,592.00	189,592.00	189,592.00	189,592.00	2,654,288.00
SCS2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SCS1	255,962.00	255,962.00	255,962.00	255,962.00	255,962.00	255,962.00	255,962.00	3,327,506.00
Grade 6 (uplift)	123,773.10	123,773.10	123,773.10	123,773.10	123,773.10	123,773.10	123,773.10	1,609,050.30
Grade 6	112,521.00	112,521.00	112,521.00	112,521.00	112,521.00	112,521.00	112,521.00	1,462,773.00
Grade 7 (uplift)	612,770.40	612,770.40	612,770.40	612,770.40	612,770.40	612,770.40	612,770.40	8,170,272.00
Grade 7	1,299,816.00	1,299,816.00	1,299,816.00	1,299,816.00	1,299,816.00	1,299,816.00	1,299,816.00	17,454,672.00
SEO (uplift)	785,180.00	785,180.00	785,180.00	785,180.00	785,180.00	785,180.00	785,180.00	10,521,412.00
SEO	642,420.00	642,420.00	642,420.00	642,420.00	642,420.00	642,420.00	642,420.00	8,993,880.00
HEO (uplift)	815,943.70	815,943.70	815,943.70	815,943.70	815,943.70	815,943.70	815,943.70	10,858,327.70
HEO	342,354.00	342,354.00	342,354.00	342,354.00	342,354.00	342,354.00	342,354.00	4,792,956.00
EO (uplift)	146,972.10	146,972.10	146,972.10	146,972.10	146,972.10	146,972.10	146,972.10	1,910,637.30
EO	222,685.00	222,685.00	222,685.00	222,685.00	222,685.00	222,685.00	222,685.00	2,939,442.00
Board Chair	12,288.00	12,288.00	12,288.00	12,288.00	12,288.00	12,288.00	12,288.00	172,032.00
Non-exec director	47,520.00	47,520.00	47,520.00	47,520.00	47,520.00	47,520.00	47,520.00	665,280.00
<b>Total</b>	<b>5,609,797.30</b>	<b>75,532,528.30</b>						
1% for staff training	56,097.97	56,097.97	56,097.97	56,097.97	56,097.97	56,097.97	56,097.97	755,325.28
Discounted total	3,976,785.31	3,842,150.17	3,712,563.85	3,586,904.39	3,465,732.77	3,348,488.01	3,235,170.10	54,478,077.30
Incl 5% contingency	5,890,287.17	5,890,287.17	5,890,287.17	5,890,287.17	5,890,287.17	5,890,287.17	5,890,287.17	79,309,154.72

Mark Drakeford AS/MS

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg

Cabinet Secretary for Finance and Welsh Language

Llywodraeth Cymru  
Welsh GovernmentPeredur Owen Griffiths MS  
Chair of the Finance Committee  
Senedd Cymru

28 April 2025

Dear Peredur,

**Welsh Language and Education (Wales) Bill – Revised Regulatory Impact Assessment**

Following the completion of Stage 2 in respect of the Welsh Language and Education (Wales) Bill, and in line with Standing Order 26.28, a revised Explanatory Memorandum has been laid today. I would like to bring the key changes which have been made to the Regulatory Impact Assessment (RIA) to the Committee's attention.

The costs underpinning the RIA for the Bill have been updated in response to recommendations set out in the Finance Committee Stage 1 report on the Bill, as well as Government and Non-Government amendments agreed during Stage 2 proceedings. Furthermore, Welsh Government staff costs for developing and implementing certain Bill provisions have been updated to ensure that the RIA continues to provide our best estimate of costs at this point in time. A summary of these changes, along with an affordability assessment, is provided below.

**Late Immersion Costs**

The RIA laid with the Bill at introduction stipulated that the funding available for late immersion provision in 2024-25 would need to continue for the duration of the ten-year Bill appraisal period to ensure the continued viability of this provision. This equated to an annual recurrent cost of £2.3m from years 4-10 of the Bill appraisal period, totalling £16.1m.

Since the original version of the RIA was published, funding for late immersion provision has increased to £3m in 2025-26. The funding increased when the allocation of funding changed from a competitive grant process to a formula-based structure as part of the new Local Authority Education Grant (LAEG) funding arrangements. To prevent this change resulting in some local authorities receiving a cut to their funding, an additional £0.7m was added to the funding for late immersion in 2025-26 to ensure existing provision could be maintained.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN[Correspondence.Mark.Drakeford@gov.wales](mailto:Correspondence.Mark.Drakeford@gov.wales)  
[Gohebiaeth.Mark.Drakeford@llyw.cymru](mailto:Gohebiaeth.Mark.Drakeford@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.

## FIN(6)-12-25 PTN 2

In addition to this increase, the Finance Committee report recommended “*that the Welsh Government provides cost estimates relating to increased demand for language immersion courses and that these changes are made to the Regulatory Impact Assessment after Stage 2*”. I accepted this recommendation, and a modelling exercise on late immersion costs has now been undertaken.

The Bill has also been amended as a result of the Children, Young People and Education Committee’s agreement of Amendments 136 and 137 tabled in the name of Cefin Campbell MS to ensure that local authorities are encouraged to increase demand and participation in late immersion education.

As a result of the above factors, the initial baseline cost of late immersion provision has increased from £2.3m to £3m to ensure the RIA reflects current funding levels. As with the original version of the RIA, costs of late immersion continue to be attributed to the Bill from the point the relevant provisions (i.e. the revised Local Welsh in Education Strategic Plans (WESPs)) come into effect in 2028-29. The recurrent annual cost of late immersion provision subsequently increases incrementally each year until the end of the Bill appraisal period to reflect an anticipated increase in demand and participation. The approach underpinning this modelling exercise is explained in paragraphs 8.101-8.104 of the revised RIA.

### *Estimated Annual Costs for Late Immersion Provision*

Year	Estimated late immersion costs per year over the appraisal period
2028-29	£3,000,000
2029-30	£3,060,100
2030-31	£3,119,600
2031-32	£3,200,500
2032-33	£3,291,100
2033-34	£3,386,300
2034-35	£3,490,600
<b>Total Cost - £22,548,300</b> <b>(Additional Cost £22,548,300, Opportunity Cost £0)</b>	

### *Affordability Assessment*

The total cost of late immersion education in Welsh is estimated at £22.5m over the Bill appraisal period. This amounts to a £6.4m increase in costs when compared with the original RIA. The current increase of £0.7m in 2025-26 is being managed as a pressure on the Local Authority Education Grant budget within the Education Main Expenditure Group (MEG). This approach in 2025-26 has not resulted in an uplift in budget for late immersion and there is no guaranteed recurrent funding. Options to uplift the budget recurrently in future years, to £3m baseline (and any potential increase in late immersion costs due to increased participation generated by the Bill), will need to be explored as part of future budget setting processes.

### **Welsh Government Staff Costs**

Opportunity costs have been added for Welsh Government analytical staff (Grade 7 and Senior Research Officer (SRO)) for the following parts of the RIA:

- Part 1: Reviewing the Welsh language standards and developing regulations on calculating the number of Welsh speakers (RIA Table 2).
- Part 3: Developing and consulting on regulations relating to school language categories and delivery plans (RIA Table 4).

## FIN(6)-12-25 PTN 2

- Part 4: Creating and/or updating the National Framework every 5 years (RIA Table 9)
- Part 4: Developing and consulting on new local WESP regulations (RIA Table 10).

Analytical staff will play a key role in these areas on activities including collecting and analysing data, estimating costs and benefits to prepare RIAs, and assessing impacts to prepare IIAs.

### *Affordability Assessment*

The total cost of these additions is £0.156m over the Bill appraisal period. Similar to other Welsh Government staff costs outlined in the RIA, these are opportunity costs associated with time spent by existing analytical staff on activities related to the implementation of the Bill and the development of regulations. The costs will be met from existing divisional running cost budgets. Staff costs continue to reflect 2023-24 pay scales as the RIA base year has not been changed. However, the full affordability assessment in the RIA has been adjusted to reflect anticipated inflation during the appraisal period. This adjustment has been made on the basis of the GDP deflator projections included in the Office for Budget Responsibility's (OBR) Economic and Fiscal Outlook, which was published in March 2025.

### **National Institute for Learning Welsh Costs**

Recommendation 4 in the Finance Committee report recommended "*that the Welsh Government provides a full breakdown of how costs relating to the National Institute for Learning Welsh was estimated and how this compares with the costs relating to the National Centre for Learning Welsh, and updates the Regulatory Impact Assessment after Stage 2*". Since the original RIA was published, my officials have also made further progress in planning the establishment of the National Institute. The best estimate of additional costs for establishing and running the National Institute compared to business as usual over the appraisal period have been updated accordingly.

### *Affordability Assessment*

The additional cost of establishing and running the National Institute over the appraisal period has increased by £2.2m, with total additional costs compared to business-as-usual increasing from £4.161m in the original RIA to £6.345m in the updated RIA. As in the original RIA, the additional cost of establishing the National Institute will be met through reallocation of the existing grant to the National Centre for Learning Welsh and additional budget of £0.125m allocated to support Bill implementation, from Welsh Language budgets within the Central Services and Administration MEG.

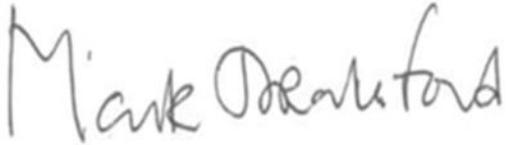
### **Summary**

As a result of the above amendments to key costs in the RIA, the overall cost of the Bill during the appraisal period has increased from £103.2m to £111.9m. This includes opportunity costs of £11.5m and additional costs of £100.4m, and it represents an £8.7m or 8.5% cash increase in the overall cost of the Bill versus the costs outlined in the original RIA.

FIN(6)-12-25 PTN 2

I am copying this letter to the Chair of the Children, Young People and Education Committee.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive style with a large initial 'M'.

**Mark Drakeford AS/MS**

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg  
Cabinet Secretary for Finance and Welsh Language

Rebecca Evans AS/MS  
 Cabinet Secretary for Economy, Energy and Planning  
 Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio



Llywodraeth Cymru  
 Welsh Government

Our ref: DC-RE-00412-25

Mike Hedges MS  
 Chair  
 Legislation, Justice and Constitution Committee  
 Senedd Cymru

30 April 2025

Dear Mike,

I am writing in accordance with the inter-institutional relations agreement to notify you of the Inter-Ministerial Group for Business and Industry (IMG) and the meeting which will take place on 6 May 2025.

The Welsh Government is hosting the next meeting, which I will Chair. The discussion will focus on the Industrial Strategy, offering devolved nations an opportunity to provide a strategic overview of their place-based economic priorities.

I have copied this letter to the Chairs of the Finance Committee and the Economy, Trade and Rural Affairs Committee.

I will provide an update after the meeting.

Yours sincerely,

**Rebecca Evans AS/MS**  
 Cabinet Secretary for Economy, Energy and Planning  
 Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
 0300 0604400

Bae Caerdydd • Cardiff Bay  
 Caerdydd • Cardiff  
 CF99 1SN

[Correspondence.Rebecca.Evans@gov.wales](mailto:Correspondence.Rebecca.Evans@gov.wales)  
[Gohebiaeth.Rebecca.Evans@llyw.cymru](mailto: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.

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Llywodraeth Cymru  
 Welsh Government

Mike Hedges MS  
 Chair  
 Legislation, Justice and Constitution Committee  
 Welsh Parliament  
 Cardiff Bay  
 CF99 1SN  
[SeneddLJC@senedd.wales](mailto:SeneddLJC@senedd.wales)

29 April 2025

Dear Mike,

Further to my correspondence regarding the Tourism Inter-Ministerial Group (IMG), scheduled for 7 May 2025, I am now writing to notify you that the meeting has been postponed.

I will write again in due course when a new date for the Tourism IMG has been agreed.

I have copied this letter to the Chairs of the Finance Committee, the Economy, Trade and Rural Affairs Committee, and the Culture, Communications, Welsh Language, Sport, and International Relations Committee.

Yours sincerely,

*Rebecca Evans*

**Rebecca Evans AS/MS**

Cabinet Secretary for Economy, Energy and Planning  
 Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

Copy to the Chairs of:

- the Finance Committee;
- the Economy, Trade and Rural Affairs Committee; and
- the Culture, Communications, Welsh Language, Sport, and International Relations Committee.

Bae Caerdydd • Cardiff Bay  
 Caerdydd • Cardiff  
 CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
 0300 0604400

[Correspondence.Rebecca.Evans@gov.wales](mailto:Correspondence.Rebecca.Evans@gov.wales)  
[Gohebiaeth.Rebecca.Evans@llyw.cymru](mailto: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.



**Ombwdsmon**  
**Ombudsman**  
Cymru · Wales

# Agenda Item 2.5

Your ref:

Ask for: Michelle Morris

Our ref: MAM/mdm



Date: 29 April 2025



Peredur Owen Griffiths MS  
Chair, Finance Committee

**By email only**  
seneddfinance@senedd.wales

Dear Peredur

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

I refer to the Committee's report on its 'Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales' (November 2024) and Dr Melissa McCullough's report on her Independent Review of my office's Code of Conduct processes and investigations (September 2024).

I welcomed both Dr McCullough's conclusion that my office's decision making, in respect of Code of Conduct complaints, is free from political bias and the Committee's conclusion that we engaged transparently with the Independent Review and were responding positively to Dr McCullough's recommendations and lessons learned. Further to my letters of 29 October 2024 and 24 January 2025, I now write to update the Committee on the work we have taken forward.

### **Dr McCullough's recommendations and lessons learned**

I am pleased to confirm that we have taken forward all of the recommendations and lessons learned in Dr McCullough's report. The action plan which I shared with the Committee in October has been updated and is attached for information. It shows how each recommendation and lesson learned has been implemented.

As I outlined in January, Dr McCullough is undertaking a follow up review in the first quarter of this year, to look at our progress in implementing the recommendations of the Independent Review.

ombwdsmon.cymru  
holwch@ombwdsmon.cymru  
0300 790 0203  
1 Ffordd yr Hen Gae, CF 35 5LJ  
Rydym yn hapus i dderbyn ac  
ymateb i ohebiaeth yn y Gymraeg.

ombudsman.wales  
ask@ombudsman.wales  
0300 790 0203  
1 Ffordd yr Hen Gae, CF 35 5LJ  
We are happy to accept and respond  
to correspondence in Welsh.

An update on this work and Dr McCullough's follow up review will be included in my next Annual Report and Accounts for 2024/25.

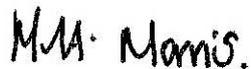
**Finance Committee's recommendations**

I am also pleased to provide an update to the Committee on the recommendations in its report, which have also been added to the action plan. It shows how each recommendation has been taken forward.

As the Committee will note, in relation to the Committee's Recommendation 2, our new key performance indicators based on the sampling of decisions taken by Investigation Officers and the Code Team Manager, will be reported in my Annual Report and Accounts. Dr McCullough will be sampling 5% of closed Code assessment decisions annually for a period of 3 years, for the purpose of quality sampling decisions.

I look forward to discussing the progress made by my office with the Committee further, when it considers my Annual Report & Accounts. I would, of course, be happy to provide any further information or clarification you may need in the meantime.

Yours sincerely

Handwritten signature of Michelle Morris in black ink.

**Michelle Morris**  
Public Services Ombudsman

**Dr Melissa McCullough's Independent Review of investigations into  
code of conduct complaints (September 2024)**

**Recommendations & Lessons Learned**

**Recommendations**

	<b>Recommendation</b>	<b>Action to be taken</b>	<b>Update on Actions</b>	<b>Completion Date</b>
1	<b>Documenting the political affiliation of the Accused Member</b>			
	In order to mitigate the risk of unconscious bias on the part of the Investigation Officer and to underpin the fairness of the complaint assessment process, it is recommended that steps are taken to ensure that the political affiliation of the Accused Member is not recorded on the Pre-assessment and Assessment Form ('PAAF'). The process manual will need to be amended accordingly, with updated instructions for the Intake Team.	Agreed. The Complaints Process will be updated to clarify that a member's political affiliation must not be included on the case file when the case record & PAAF form is being created and this change will be implemented in practice.	Completed – process amended and PSOW staff updated.	26 September 2024
2	<b>Accused Member not informed of complaint until after assessment</b>			
	In the interests of fairness and transparency, it is recommended that the PSOW considers reverting to the previous practice of notifying the Accused Member of the complaint once it is received. This would also protect the PSOW from criticism in that regard, which might arise from circumstances in which the Accused Member is unsighted of the complaint and learns of its existence via a third party or the media. If the PSOW decides to revert to the previous practice, the process manual will need to be amended accordingly.	Agreed. PSOW will undertake a consultation on this aspect of its procedure to seek the views of Monitoring Officers, One Voice Wales, the WLGA and members of public authorities in Wales via these representative groups. The practice of other regulatory bodies who undertake work of a similar nature to PSOW's Code of Conduct work and any resource implications for PSOW will also be considered.	Completed. Consultation exercise and benchmarking of other organisations undertaken.  The PSOW decided to revert to its previous practice of notifying the Accused member of the complaint once it is received.	19 February 2025

	Recommendation	Action to be taken	Update on Actions	Completion Date
		PSOW will carefully consider the responses and other information gathered when deciding whether to revert to its previous practice. It will publish its decision on this recommendation and implement any changes to its process.	Change in practice took effect on 1 April 2025.	
<b>3</b>	<b>Investigation Officer decisions not to investigate</b>			
	Notwithstanding the applicable provisions in the process manual and in the Decision Review Process, it is recommended that an additional review/ check mechanism is put place for the purpose of quality assuring the Investigation Officer decisions in this regard, particularly around the public interest test, and as a further safeguard against the potential for unconscious bias on the part of the Investigation Officer. This recommendation is supported by findings from the staff interviews. Given the volume of complaints, however, the proposed measure needs to be proportionate and it is suggested that this could be achieved by way of occasional random sampling of Investigation Officer decisions.	<p>Agreed.</p> <p>PSOW will introduce an additional review/check mechanism to quality assure Investigation Officer decisions, particularly around the public interest test.</p> <p>This will be undertaken on an at least annual basis and achieved by way of random sampling of Investigation Officer decisions.</p>	<p>Complete</p> <p>Dr Melissa McCullough has been appointed to sample 5% of Code assessment decisions taken by Investigation Officers on an annual basis, for the purpose of quality assuring decisions, for a period of 3 years.</p>	28 January 2025

	Recommendation	Action to be taken	Update on Actions	Completion Date
4	<b>Code Team Manager’s delegated authority to overrule Investigation Officer proposals to investigate and Investigation Officer proposals to extend the investigation or commence a new investigation against another member</b>			
	<p>Notwithstanding the applicable provision in the Decision Review Process, it is recommended that an additional review/check mechanism is introduced in respect of these delegated decisions, in order to mitigate the risk of unconscious bias on the part of the Code Team Manager when deciding not to agree Investigation Officer proposals. It is suggested that this measure could also be achieved by way of random sampling of Code Team Manager decisions. Also, the Scheme of Delegation should be updated to include these Code Team Manager decision-making powers.</p>	<p>Agreed.</p> <p>PSOW will introduce an additional review/check mechanism to quality assure decisions taken by the Code Team Manager to overrule Investigation Officer proposals to investigate; to extend an investigation or to commence a new investigation against another member. This will be undertaken on an at least annual basis and achieved by way of random sampling of decisions.</p> <p>PSOW will update its Scheme of Delegation to include the Code Team Manager’s decision-making powers.</p>	<p>Complete</p> <p>Dr Melissa McCullough has been appointed to sample 5% sample of Code assessment decisions where the Code Team Manager has overruled Investigation Officer proposals to investigate, on an annual basis for the purpose of quality assuring decisions, for a period of 3 years.</p> <p>Scheme of delegation updated.</p>	<p>28 January 2025</p>

	Recommendation	Action to be taken	Update on Actions	Completion Date
5	<b>Opportunity for the Accused Member to provide comment</b>			
	<p>The review recognises that, as part of the combined PSOW and Adjudication Panel for Wales/standards committee process, the Accused Member has a number of opportunities to comment on the facts of the case. The review therefore found the process to be demonstrably fair. That said, the PSOW may wish to consider whether there are any additional points in the process in which there would be a benefit in providing the Accused Member with the opportunity to comment further on relevant facts, particularly in advance of reaching draft conclusions/findings on whether the evidence is suggestive of a breach.</p>	<p>Agreed.</p> <p>Members have the opportunity to comment on the facts of the case on three occasions under the current Code process. PSOW will consider whether there are any additional points in the process in which there would be a benefit in providing the Accused Member with further opportunity to comment on the facts of the case. PSOW will seek views from the President of the Adjudication Panel for Wales on this issue in light of the Tribunal's expertise and experience of adjudicating cases which the PSOW refers to it for hearing.</p> <p>PSOW will publish its decision on this recommendation and implement any changes to its process.</p>	<p>Complete.</p> <p>As PSOW's process is demonstrably fair and aligns with other similar regulatory processes, PSOW decided not to add any additional points in the process. However, we have reviewed and updated our communication with members to ensure that we clearly inform them that they may comment on the facts of the case on the three available occasions in the process.</p>	19 February 2025
6	<b>Public interest factors and considerations</b>			
	<p>The review recognises the factors and considerations listed are non-exhaustive, but recommends that PSOW gives consideration to developing more detailed internal guidance on assessing the public interest test. Additionally, the public interest factors and considerations should be reviewed regularly.</p>	<p>Agreed.</p> <p>PSOW will introduce more detailed internal guidance for staff on assessing the public interest test and provide training for staff on this.</p>	<p>Complete</p> <p>Detailed internal guidance for staff on assessing the public interest has been developed with staff and introduced.</p>	19 February 2025

	Recommendation	Action to be taken	Update on Actions	Completion Date
		PSOW will review its public interest factors and considerations on an annual basis.	The Guidance will be reviewed on an annual basis.	

	Recommendation	Action to be taken	Update on Actions	Completion Date
7	<b>Clarificatory amendments</b>			
I	The process manual is amended to address the apparent contradiction in terminology whereby “direct evidence that a breach of the Code took place” is a requirement for a complaint to pass assessment stage (paragraphs 5.4 and 5.5) whereas an investigation can be concluded based on the finding that there is “no evidence of a breach of the Code” (paragraph 13.1(a))	Agreed.  Paragraph 5.4 and 5.5 of the process manual will be amended to ‘direct evidence that a breach of the Code may have taken place’.	Complete. Complaints process amended.	29 November 2024
II	The process manual is amended to reflect the existing practice that, when the Lead Review Officer upholds a complaint review request, the reassessment/ reconsideration is undertaken by a different Investigation Officer to the Investigation Officer who undertook the original assessment/investigation	Agreed.  The process manual will be amended to reflect existing practice that when the Lead Review Officer upholds a complaint review request, the reassessment/ reconsideration is undertaken by a different Investigation Officer to the Investigation Officer who undertook the original assessment/investigation	Complete. Complaints process amended.	29 November 2024
III	The Scheme of Delegation is updated in light of the retitling of the Lead Review Officer post to make clear that the Lead Review Officer has delegated authority in respect of decisions on whether to uphold a review request that the complaint should be reassessed/reconsidered.	Agreed.  The Scheme of Delegation will be amended to make it clear that the Lead Review Officer has delegated authority in respect of decisions on whether to uphold a review request that the complaint should be reassessed/reconsidered.	Complete. Scheme of delegation updated.	29 November 2024

**Lessons Learned**

	<b>Lesson Learned</b>	<b>Action to be taken</b>	<b>Update on Actions</b>	<b>Completion Date</b>
1	Whether the PSOW's Staff Code of Conduct, policies and practices relating to social media usage could be more comprehensive in relation to setting out the circumstances in which social media activity by an employee amounts to misconduct, both in their work and private lives, with consideration of current case law in relation to freedom of expression (Article 10) and other relevant precedent cases.	Staff Standards of Conduct Policy will be reviewed and Social Media requirements will be expanded and clarified. This will be subject to staff and trade union consultation: <ul style="list-style-type: none"> <li>• Review existing policies</li> <li>• Revised policies drafted</li> <li>• Management Team and Advisory Panel consideration</li> <li>• Consultation with staff and TU – responses</li> <li>• Management Team approval of new policies</li> <li>• Implementation</li> </ul>	Complete.  Revised policies approved following consultation.  Training provided for all staff on the revised policies.	31 March 2025
2	Whether steps need to be taken to ensure clear information is provided as part of any PSOW recruitment processes to ensure candidates are made aware of any necessary curtailment of PSOW employees' right to freedom of expression, including activity on social media.	Information in recruitment packs will be revised.	Complete.  Recruitment information updated.	28 October 2024
3	Whether bias/unconscious bias assessments should be a mandatory part of the recruitment process.	Consideration will be given to this, available assessments, value and costs to inform decision on future approach.	Complete.  Agreed to continue external Critical thinking assessments for prospective caseworkers. This assesses the ability of candidates to distinguish between	31 March 2025

	Lesson Learned	Action to be taken	Update on Actions	Completion Date
			<p>fact and opinion and their ability to make decisions based on evidence.</p> <p>Also decided to trial a personality and values based recruitment test.</p>	
4	Whether mandatory refresher training on unconscious bias and on social media usage should be implemented on an annual basis.	<p>Unconscious bias annual training arranged for all staff.</p> <p>Social media usage training and unconscious bias training will be included in each annual training plan</p>	<p>Complete.</p> <p>Unconscious bias training arranged for all staff and completed.</p> <p>Social media and unconscious training included in annual training plan.</p>	30 September 2025
5	Whether, should similar exceptional circumstances arise, the PSOW requires any further policies or processes to be in place to support its staff.	<p>We will engage with staff to understand the scope for additional measures, policies or procedures to support staff</p> <p>Review of policies and support arrangements for staff</p>	<p>Complete.</p> <p>Staff suggestions considered and agreed.</p>	12 March 2025

Pack Page 34

	Lesson Learned	Action to be taken	Update on Actions	Completion Date
6	Whether, due to the particular challenges arising from investigating the conduct of elected members, appropriate training is in place for applicable PSOW staff in relation to resilience in managing the pressures and vulnerabilities which come with this role.	<p>We will engage with staff to review resilience training and identify need for additional training for staff</p> <p>Review of policies and support arrangements for applicable staff</p>	<p>Complete.</p> <p>Existing training reviewed and resilience training arranged for staff.</p> <p>Stress risk assessment lunch and learn sessions offered to all staff.</p>	12 March 2025

**Finance Committee’s Recommendations following its review into the operations, processes and investigations carried out by PSOW (November 2024)**

	<b>Recommendation</b>	<b>Action to be taken</b>	<b>Update on Actions</b>	<b>Completion Date</b>
Pack Page 36	FC1	The Committee recommends the Ombudsman provides a formal response to our report and recommendations as well as regular updates, including updates in its Annual Reports, to the Committee on progress thereafter in implementing the recommendations and lessons learned identified in the Independent Review.	Response to be drafted, translated and sent by 31 January 2024.  Response sent to the Committee on 24 January 2024.  Further update sent on 29 April 2025 and to be included in 2024/25 Annual Report.	24 January 2025
	FC2	The Committee recommends the Ombudsman considers introducing a new key performance indicator based on a sample of decisions made by Investigating Officers and Code Team Managers undergoing additional checks.	Consideration of new KPI to be discussed & agreed by Management Team in February.  Complete.  New KPIs introduced from 1 April 2025.	31 March 2025
	FC3	The Committee recommends that the Ombudsman provides an update as to whether any follow-up work would be conducted following the Independent Review, including any associated financial and resource implications.	Ombudsman to discuss engagement of Dr McCullough to undertake a follow up in April/May to provide external QA that the Recommendations & Lessons Learnt have been delivered and addressed.  Complete.  Dr McCullough engaged to undertake follow up work by the end of Q1 to provide external assurance that the Recommendations and Lessons Learned	24 January 2025

Recommendation	Action to be taken	Update on Actions	Completion Date	
		have been delivered and addressed.		
FC4	The Committee recommends that the Ombudsman provides updates to the Committee on how it is monitoring staff compliance in respect of its social media policy.	Ombudsman to consider how compliance can be assured, while respecting staff rights to a private life.	<p>We have reviewed and strengthened our internal policies on social media use; provided staff briefings to explain the requirements and expectations and give guidance to staff on how to comply; introduced annual reminder briefings to staff.</p> <p>We have also reviewed our recruitment processes, made it clear at application stage that PSOW staff are subject to restrictions on their political activity and are required to comply with our policy on social media use and introduced pre-employment checks of social media accounts, to identify</p>	24 January 2025

	<b>Recommendation</b>	<b>Action to be taken</b>	<b>Update on Actions</b>	<b>Completion Date</b>
			any concerns or issues.	

Mark Drakeford AS/MS  
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg  
Cabinet Secretary for Finance and Welsh Language

Agenda Item 2.6



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MA/MDWL/0809/25

Peredur Owen Griffiths MS  
Chair, Finance Committee  
Senedd Cymru  
Cardiff Bay  
CF99 1NA

30 April 2025

Dear Peredur

Thank you for your Committee's scrutiny of the Second Supplementary Budget 2024-25 and the report that followed.

I attach a written response to the recommendations which I hope you find useful.

Yours sincerely,

**Mark Drakeford AS/MS**  
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg  
Cabinet Secretary for Finance and Welsh Language

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Correspondence.Mark.Drakeford@gov.wales](mailto:Correspondence.Mark.Drakeford@gov.wales)  
[Gohebiaeth.Mark.Drakeford@llyw.cymru](mailto:Gohebiaeth.Mark.Drakeford@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.



# Response to the recommendations in the Finance Committee's report "Scrutiny of the Second Supplementary Budget 2024- 25"

March 2025

On 18 February 2025, the Cabinet Secretary for Finance and Welsh Language (the Cabinet Secretary) laid the Welsh Government's Second Supplementary Budget 2024-25 and accompanying documents.

Finance Committee took evidence from the Cabinet Secretary at its meeting on 6 March 2025 and published its report on 17 March. Finance Committee's report contained nine recommendations and one conclusion.

This document is the Welsh Government's response to those nine recommendations.

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**Introduction**

The Welsh Government tabled the second supplementary budget for 2024-25 in accordance with Standing Order 20. It reflects budgetary changes since the First Supplementary Budget 2024-25 laid on 1 October 2024.

It regularises allocations to and from reserves, transfers within and between portfolios and includes adjustments to the Wales budget to reflect the impact of UK Government fiscal events.

I thank the members of the Finance Committee for their report on the Welsh Government's Second Supplementary Budget 2024-25. I have set out my response to the Report's nine recommendations below.

Rt Hon Mark Drakeford MS

Cabinet Secretary for Finance and Welsh Language

**Recommendation 1**

The Committee recommends that the Cabinet Secretary:

- outlines the mechanisms used to decide how money identified through departmental underspends is allocated at the end of the financial year; and
- outlines the consideration given to allocating funding associated with underspends to bodies that can carry funding forward into 2025-26, and to provide an explanation if this approach is not adopted.

**Response:** Accept

Across Welsh Government, we have a robust monthly monitoring process in place whereby updated forecasts of spend are reported to and reviewed by senior officials and Cabinet Secretaries. That process also identifies the risks and opportunities within each MEG and allows us to carefully monitor emerging pressures across Government to ensure that we allocate resources most efficiently.

Therefore, allocations are made following cross government consultation and are prioritised to respond to the need to protect our citizens, provide support to our public services, businesses and communities while reflecting our key priorities and taking account of the principles and objectives of the Well-being of Future Generations Act. We continue to closely monitor the 2024-25 financial position to ensure budgets are used most efficiently and effectively to deliver our objectives.

An example of the process being employed to inform resourcing decisions is that of the monitoring arrangements for Planned Care in the NHS (waiting times) that was discussed at the scrutiny session. Each health board provided a plan and trajectory of spend against their proposed additional allocation, by speciality for Referral to Treatment and diagnostic modality for the diagnostic investment.

A weekly monitoring process with weekly management data on numbers waiting was established to monitor progress against plan and was supported by weekly discussions with health boards to challenge delivery and understand mitigation plans when progress was not on track. Guidance was given on tracking financial spend against the additional investment, to ensure it was used for additional activity not to cover core activity funded through their already established budgets.

A separate monitoring process was established for the Paediatric Neurophysiology investment £3m as part of the redesign of the pathway and need for validation.

The principles of MWPM also guide our decisions to allocate funding to bodies that can carry funding forward into 2025-26. Everyone in the public service in Wales shares a personal responsibility for the stewardship of taxpayers' money and

public sector organisations should avoid carrying forward significant cash balances as this represents an inefficient use of public monies.

MWPM is clear it is not acceptable to provide funding to other bodies where no value has been received, simply to avoid underspending. Payments in advance should be exceptional and only considered if a good value for money case can be made (i.e. that "need" can be demonstrated).

**Financial Implications** – none.

## **Recommendation 2**

The Committee recommends that the Cabinet Secretary explains any impact of the UK Spending Review on arrangements relating to reserves, and other areas that help manage the Welsh Government's budget, such as borrowing, as soon as possible after the conclusion of that review.

**Response:** Accept

I will inform the Committee of any impact of the UK Spending Review on these arrangements following its conclusion on 11 June 2025.

**Financial Implications** – none.

**Recommendation 3**

The Committee recommends that the Cabinet Secretary confirms arrangements for monitoring capital projects and the structures in place that ensure they are delivering in line with the Welsh Government's stated priorities and maximising value for money.

**Response:** Accept

The importance of robust monitoring arrangements throughout the year cannot be overestimated. This ensures we manage our financial planning effectively and resources, both revenue and capital, are deployed efficiently.

I cannot do this alone and so fellow Cabinet Secretaries have an important role to play in managing their budgets. That is why I meet with them regularly to discuss budgetary matters and any emerging funding pressures that they may have.

Individual Ministers are each responsible for the management of their own portfolios and in that management give consideration to both Value for Money and the impact on this Government's priorities.

In respect of capital projects, the Wales Infrastructure Investment Strategy (WIIS), published in 2021, is our outcome-based strategy, set over a 10-year term, which sets the framework for all Welsh Government infrastructure investments.

As Cabinet Secretary for Finance, my primary lever in delivering the strategic outcomes is through our budgetary processes, ensuring that our capital budgets are prioritised to finance those infrastructure investment areas that most effectively deliver the outcomes we have committed to in the WIIS.

Taking the budget settlement from the UK Spending Review, our first Infrastructure Finance Plan (IFP) was published alongside the WIIS, allocating capital budgets over the financial years 2022-23 to 2024-25. A further IFP was published alongside the draft Budget in December 2024 and allocating capital budgets for the financial year 2025-26.

Once budget allocations are within Ministerial portfolios, deployment of those budgets is the responsibility of the relevant portfolio Minister. However, the WIIS makes clear that when providing advice to Ministers, individual spending departments must set out clearly how the specific use of a particular budget allocation delivers against the strategic objectives laid out in the WIIS.

Investment decisions in WG are reached through the utilisation of the five case model (the UK public sector best practice approach to developing business cases), linked to the HM Treasury "Green Book" guidance on decision making. This

ensures that the most appropriate investments are made and that value for money is integral to these decisions.

**Financial Implications** – none.

**Recommendation 4**

The Committee recommends that the Cabinet Secretary:

- provides updates on discussions taking place between the Welsh Government and the Treasury on the development of codified rules relating to the sharing of information between the Treasury and the devolved administrations; and
- confirms which areas could be codified under such arrangements.

**Response:** Accept

Welsh Ministers are seeking enhanced budget flexibilities, to enable the Welsh Government to manage its resources more effectively to support the delivery of high-quality public services and boost economic growth.

The Welsh Government has already seen some improvement in the budget process under the new UK Government. For example, it ensured the Welsh Government was aware of as much funding as possible at the Autumn Budget, including the Housing Support Fund consequential – something which the previous UK Government said would not be confirmed until UK supplementary estimates. This enabled the Welsh Government to allocate this funding and set out in-year funding announcements, maximising Welsh resources and offering better value for public money.

During the Finance: Interministerial Standing Committee (F:ISC) on 27 February, the Chief Secretary to the Treasury noted the progress made so far, including improvements to the in-year budget process to manage late changes to our settlement at Supplementary Estimates, sharing more information and giving early sight of issues and agreed to codify these improvements through an exchange of letters with the devolved government finance ministers. I will provide further details to the Committee as this work progresses.

**Financial Implications** – none.

**Recommendation 5**

The Committee recommends that the Cabinet Secretary confirms whether the First Minister or another member of the Cabinet is responsible for the categorised areas of spending relating to the First Minister's priorities, as outlined in the Supplementary Budget

**Response:** Accept

Individual Cabinet Secretaries and Ministers remain responsible for the delivery of government priorities and related areas of spend within their portfolio.

**Financial Implications** – none.

## Recommendation 6

The Committee recommends that the Cabinet Secretary:

- provides information on how data informs decisions in the Supplementary Budget; and
- explains the initiatives that exist within the Welsh Government to improve the use of data in the future to ensure that funding decisions are underpinned by reliable and accurate information and deliver value for money.

**Response:** Accept

To supplement discussions with Ministers I receive monthly forecasts of year end expenditure from the Finance Director and his officials throughout the year. These updates are based on the latest financial information which allows us to make informed financial decisions.

In addition, there is an internal change programme within Welsh Government to improve the delivery of corporate services; to adopt UK Government functional standards; and to procure corporate IT systems designed to deliver the processes underpinning these standards.

This Transforming Corporate Services Programme (“the Programme”) is currently reviewing its scope and conducting a Digital, Data and Technology Roadmap exercise to reaffirm the systems in scope for the next phase of the Programme.

It is anticipated that the Programme will deliver a number of benefits which will directly support improvements in the use of data in the future to help ensure funding decisions are underpinned by reliable and accurate information and deliver value for money, and these include:

- **Effective Management Information, Data Quality and Utilisation and Data Analytics:** The Programme will enable effective management information and data analytics capabilities, providing accurate insights for decision-making and reducing time spent generating data-based answers to simple questions. This will be achieved through the creation of master data sets and the integration of people and finance datasets;
- **Alignment with Strategic Direction:** The Programme will improve and create alignment with strategic direction and objectives, enhancing support for initiatives and enabling adaptability to changing business needs and priorities;
- **Cost and Efficiency Gains:** The Transform options are expected to deliver significant additional benefits, including simplifying policies and processes,

enabling better data-driven resourcing decisions, and embedding a culture of continuous improvement.

- **Potential for AI and Analytics Capabilities:** The Transform options also have the potential to incorporate AI and analytics capabilities across the landscape in the future.

These benefits are expected to be realised through the implementation of new technologies and operating models, as well as through the adoption of leading practices and functional standards.

**Financial Implications** – none.

**Recommendation 7**

The Committee recommends that the Cabinet Secretary provides:

- a breakdown of the specific costs associated with the unanticipated pressures of £100 million relating to the Transport Main Expenditure Group; and
- further information on forecast spending within the Transport Main Expenditure Group to cover costs relating to Transport for Wales in 2025-26.

**Response:** Accept

An additional £147m was allocated in the Second Supplementary Budget for the Core Valleys Line programme within the Transport Main Expenditure Group. This funding was provided from:

- £70m from central reserves for activity anticipated before the start of 2024-25;
- c. £43m of further reprioritisation from within the Transport MEG for additional costs arising in year; and
- £33.9m of additional activity that would otherwise have been scheduled for 2025-26, reducing the pressure on 2025-26 budgets.

One of the major challenges of the programme has been to keep costs tightly under control while at the same time working on a live railway with material discoveries on some new asset conditions and a tight regulatory requirement as the work goes on to design and build the scheme.

To ensure effective financial management, the programme has seen a gradual and continual strengthening of the level of Transport for Wales (TfW) control over the monitoring process.

TfW continue to work to minimise the financial risks around the total expenditure on the programme; and Welsh Government officials work closely with TfW to manage that risk with officials maintaining a process of appropriate scrutiny and challenge.

The costs relating to Transport for Wales in in the Final Budget for 2025-26 are summarised in the recently published remit letter found here [Transport for Wales funding and remit | GOV.WALES](#)

**Financial Implications** – none.

**Recommendation 8**

The Committee recommends that the Cabinet Secretary provides an update on the outcome of discussions taking place between the Welsh and UK governments on rail funding and asks for an update to be provided as soon as possible after the outcome of that review is published on 11 June 2025.

**Response:** Accept

Discussions are continuing with the UK Government on rail funding. This follows the UK Government's acknowledgement of the historic low levels of enhancement spending on railways in Wales and endorsement of a pipeline of rail enhancement priorities identified by the Wales Rail Board in an exchange of letters between the Cabinet Secretary for North Wales and Transport and the Secretary of State for Wales and Secretary of State for Transport in January this year.

I will provide an update to the Committee on the outcome of discussions after the conclusion of the UK Spending Review on 11 June 2025.

**Financial Implications** – none.

**Recommendation 9**

The Committee recommends that the Cabinet Secretary provides a breakdown of the additional £25 million allocated to the Central Services and Administration Main Expenditure Group and an explanation of the intended outcomes.

**Response:** Accept

The Central Services and Administration MEG is the primary source of budget to support the running of the Civil Service, our people, our estates and the supporting IT and Digital infrastructure. The MEG also supports a number of our crucial delivery organisations, including Welsh Tribunals, Welsh Revenue Authority, and for the majority of the year, our Inspectorates.

Due to years of UK Government austerity and the need to prioritise our top line priorities of Health, Education and Local Government the Central Services and Administration MEG has had to manage with minimal uplift for a number of years and indeed, had a revenue baseline reduction of £27.69m or 8.3% for 2024/25.

The reductions to budgets have left the MEG with a very restricted financial quantum and a number of significant financial pressure areas have evolved during 2024/25, in relation to supporting our staff costs, due to pay awards and general price inflation and within the Tribunals and Estates functions. With particular exponential cost increases as a result of significant increases in utility costs and increasing numbers of Tribunal cases - which are demand led.

To respond to these immediate financial challenges to our running costs budget and to prepare for the wider challenges ahead, work was done through the WG2025 programme, our vehicle for change and continuous improvement, to introduce tighter controls to strive to operate within budget.

The recent budget settlement and the action we have already taken through WG2025 means we will be in a more stable position for the next few years and this allocation of £25m in year supports us to deliver those functions for which we are responsible and allow us to recapture some lost ground in meeting our objectives.

The inclusion of a £15m transfer from reserves and an in-year additional non recurrent allocation of £10m, has enabled a 5% pay award for staff, provided funding for the exit payments in relation to the Voluntary Exit Scheme of 91 staff in 2024/25 and helped offset pressures on Staff, Estates and Tribunals budgets.

Without these additional allocations there would be a significant forecasted overspend being reported against the CSA MEG.

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I was pleased to be able to make this modest allocation in this supplementary budget and have treated Welsh Government no more or less favourably than other public service organisations that we have supported in such a way.

**Financial Implications** – none.

# Agenda Item 3

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Adolygiad o weithrediadau, prosesau ac ymchwiliadau Ombwdsmon Gwasanaethau Cyhoeddus Cymru](#).

This response was submitted to the [Finance Committee](#) consultation on the [Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales](#).

**PPSOWA12: Ymateb gan: Ombwdsmon Gwasanaethau Cyhoeddus Gogledd Iwerddon |  
Response from: Northern Ireland Public Services Ombudsman (NIPSO)**

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## **Senedd Finance Committee, Post legislative review of the Public Services Ombudsman (Wales) 2019**

### **Submission from the Northern Ireland Public Services Ombudsman**

#### **Introduction**

The Public Services Ombudsman (Wales) Act 2019 (the 2019 Act) provides a modern legal framework to support the Ombudsman in the delivery of her functions. It represents one of the most modern pieces of ombuds legislation in these islands. As with all legislation it is important to review whether the legal framework has delivered the objectives expected. The Committee's five year review will be important in establishing whether any changes or amendments are needed to ensure that the Public Services Ombudsman can continue to deliver a means to access justice and accountability for those impacted by poor public services, provide individual redress where things have gone wrong, as well as making recommendations aimed at bringing about improvement in public services.

#### **Do you have any comments about the Ombudsman's own initiative powers?**

Providing the authority for an Ombudsman to conduct Own Initiative investigations while not universal across the UK is generally accepted internationally, as a power which is beneficial. Own Initiative investigations enable an Ombudsman to focus on issues or areas that they do not receive complaints about, either because of the nature of the issue or the vulnerability of a group who may not be able to access the complaints process. NIPSO has conducted two Own Initiative investigations since announcing their first proposal in 2019. The investigations undertaken by NIPSO provide useful examples of how the power can be used to provide systemic improvement. NIPSO's first own initiative investigation considered how further evidence was used in the assessment process for Personal Independence Payments (PIP). Whilst NIPSO was receiving complaints about PIP, these were generally about the benefit award for which an appeal was available. To enable complaints to contest the benefit decisions, NIPSO signposted the complainants to the appeal process (which had a time limit) and to organisations who could support them. The appeal process needed to take precedence rather than NIPSO undertaking complaint investigations. NIPSO's analysis of the information provided in these complaints and the appeal process outcomes identified that further evidence about the impact of the persons condition was often available but was not being

requested or fully considered in the assessment process. Often, the only information taken into account was the information from a CAPITA assessment, despite assessors being informed that additional, relevant further evidence was available (CAPITA are a professional services company contracted by the Northern Ireland Department for Communities). This further evidence was often not considered at mandatory reconsideration either, but increased benefit awards were often offered prior to appeal. Furthermore, in many cases that proceeded to appeal when the further evidence was considered this resulted in increased award decisions. There were also many people who had further evidence and who did not appeal. As a result of the NIPSO Own Initiative investigation 33 recommendations were made to the Department for improvements in the process. This included changes to the DWP computer system and the contract with CAPITA, which in some respect incentivised speed of decision making over assessing all the evidence and arriving at the correct benefit award first time.

While benefits are not part of the remit of PSOW this is a useful example of where the power of Own Initiative can bring about significant systemic improvement. The PIP report can be accessed [here](#). NIPSO has also published an [update report](#) on the progress of the implementation of the recommendations. Providing updates on progress is important in maintaining public trust in the Ombudsman's use of the Own Initiative power.

NIPSO's second Own Initiative investigation 'Forgotten' focused on how Health Trusts communicated with patients on health care waiting lists. The report can be [accessed here](#). This was not an issue that many people complained to NIPSO about but was in the background information in many health complaints. Northern Ireland has very significant health care waiting lists with many people classed as 'urgent' waiting years to be seen and more years before they receive treatment. Despite this, our investigation found that the frequency and content of communication with patients was not following the relevant Department of Health policy. NIPSO made a number of recommendations for improvement but key among these was clarity for patients about what waiting list they are on, what their clinical priority is, how long they could expect to wait and what they should do if their condition changes. NIPSO are due to publish an update on progress with the implementation of the recommendations, but the indications are that communication with patients has improved significantly.

NIPSO has used the assessment stage of its Own Initiative process in a flexible way to enable impact and improvement, while ensuring the efficient use of resources. Information gathered through scoping and strategic inquiries to determine whether an issue will become an Own Initiative investigation is sometimes published in an Own Initiative Overview Report. These early stage investigations do not progress to Ombudsman's 'findings' but set out the current situation and make recommendations for improvement. This approach is useful where there is an acceptance of a need for change and evidence that things are improving through actions being taken already. NIPSO has published two such reports' [Strengthening Our Roots](#) which focused on how local councils are using Tree Preservation Order's to protect trees and [Lost in Translation](#) which focused on how GP Practices are using the interpretation services

available to them through central commissioning when dealing with patients whose first language was not English. Two further reports on the theme of access to health care are due to be published in the near future, focusing on health care charging and the removal of patients from GP practice patient lists.

We trust these examples help illustrate the far-reaching range of issues that can be considered by an Ombudsman under Own Initiative powers and the importance of this as part of their statutory powers. Both the Public Services Ombudsman for Wales and NIPSO have demonstrated that they can be trusted to use the power of Own Initiative appropriately. The legislation in both Northern Ireland and Wales sets out a mandatory process which must be followed in proposing an investigation.

The process established in the Public Services Ombudsman (Wales) Act 2019 appears to have an additional requirement of which is not included in the equivalent legislative provisions in Northern Ireland. The absence of this step has not been problematic in NI and there is an argument for consideration to be given to the removal of the requirement to generally consult those who may be affected or have an interest in Wales. Legislation regarding Ombudsman offices generally give significant discretion to the office holder and this should be no different for Own Initiative investigations and the requirements that must be adhered to should be the minimum necessary so as not to be a barrier to the Ombudsman's effective use of the power. NIPSO consider the minimum is that the public body or bodies subject to the investigation are made aware and that the Ombudsman is satisfied that it would be an effective use of resources. Such an approach could assist with a more effective use of the Own Initiative Power and ensure the process is not overly time consuming. In NIPSO's experience publicising that a proposal has been issued often brings in a wider range of groups and stakeholders than simply the public body or bodies involved directly in any investigation, and this would be sufficient in most cases.

### **Do you have any views on how the changes implemented by the 2019 Act compares with current best practice, both within the UK and internationally?**

The Public Services Ombudsman (Wales) Act 2019 is largely in line with best practice. The 2019 Act provides simplified procedures for individuals making a complaint, provides the Ombudsman with Own Initiative powers and provides the powers to enable the Ombudsman to set standards for public sector complaints handling. In this respect the 2019 Act is similar to the 2016 Act in Northern Ireland. The 2019 Act extends the remit of the Ombudsman into areas of private medical treatment, no similar provision exists in Northern Ireland. NIPSO consider this is an important aspect of the 2019 Act given the journey of many individuals involves both NHS and private care and treatment. It is important that in considering a patient's journey the Ombudsman has powers to consider all the journey and is not restricted in what she can consider.

An area where NIPSO has a remit which is not currently within the jurisdiction of the Ombudsman in Wales is the investigation of complaints about publicly funded schools and complaints about further and higher education. In 2024/25 NIPSO received 172 complaints about education of which just over half (91) were about schools and 33 (19%) were about further and higher education. Overall education accounts for about 13% of complaints made to NIPSO.

The addition of schools to the remit of NIPSO in 2017 has proved to be of significant benefit both at a systemic and individual level. Key issues raised in complaints about schools include the use of restraint and seclusion, the implementation of support for children with special education needs, bullying, and parental experience of the complaints process which links directly to school culture. NIPSO has published a digest of school complaints which can be accessed [here](#). In one complaint raised with NIPSO the complainant had approached 52 other organisations before approaching NIPSO with her concerns regarding how her son was being treated, this included the Board of Governors of the school, the schools governing authority and the organisation responsible for safeguarding advice and policy in schools. The complainant alleged that her six-year-old autistic son was being locked on his own in a room for not completing his work. The NIPSO investigation established that the child was locked in the room on his own and that staff taking the child to the room failed to act in line with the school's Reasonable Force policy in relation to the use of restraint.

NIPSO provided evidence on this complaint and a number of others relating to restrictive practices in schools to the Northern Ireland Assembly Committee for Education. NIPSO also published a report into restrictive practices in [schools](#). NIPSO's work in this area alongside the work of the Education Committee and others led to the Department of Education publishing interim guidance on restrictive practices in schools to ensure situations such as this did not recur. The Department have since conducted a public consultation on restrictive practices in schools and new guidance is awaited.

NIPSO understand the landscape in Wales is somewhat different and that Further and Higher Education are in the jurisdiction of the Office of the Independent Adjudicator. The Committee may wish to consider this issue.

Scotland, Wales and Northern Ireland all have Public Services Ombudsman Offices which have a wide remit. NIPSO consider having a public services Ombudsman with as wide a remit as possible is important. Having a single public services ombudsman operating as the final stage in the complaints process for most public services simplifies the overall process for users of public services, ensures complaints are not lost due to the complexity of the complaint landscape and provides greater access to justice for citizens. The committee may wish to consider with the Ombudsman any gaps in her current jurisdiction.

## Do you have any other comments regarding the 2019 Act which are relevant to the Committee's Terms of Reference for this inquiry?

The ability to set clear standards for public services relating to the management of complaints as part of wider work to improve candour and culture are essential to the work of an Ombudsman. Many people are traumatised by their experience of public services particularly so in the delivery of health and social care. Many of these individuals say that they are retraumatized by the process of complaining, therefore the work of the Ombudsman in this area is crucial. A standardised simplified complaints process focused on early resolution and learning is what we should expect from public services. The attitude to the management of complaints by public services will not change overnight and sustained effort in training and the provision of guidance is essential. The work undertaken by PSOW in establishing complaint handling principles, developing a model complaints handling procedure, providing training and publishing complaint statistics are key for building public trust in the complaints handling of public bodies.

A focus on resolving complaints as early as possible not only spares complainants the effort involved in complaining but is much more efficient and effective. The National Audit Office estimated that it cost 40 times more to deal with a complaint at stage three of a complaints process than at stage one.

The use of technology in learning and development is increasing. To ensure that training on good complaints handling reaches as many people as possible involved in the delivery of public services and the management of complaints, the development of online resources for inclusion on learning management systems is an area that could be further developed. This can support other forms of training and guidance. NIPSO have recently launched a series of short videos as part of a move to more digital [resources](#) to support improved understanding of what to expect from public services in the management of complaints.

### Conclusion

The Public Services Ombudsman is an officer of the parliament, in Wales the Senedd and for NIPSO the Northern Ireland Assembly. This relationship is key and critical to maintaining the independence and effectiveness of the office. It ensures that the Ombudsman can act to provide an alternative access to justice for citizens, acts in the public interest and through investigations and reports provides assistance to elected representatives in their scrutiny role of public bodies. The 2019 PSOW legislation is one of the most modern underpinning legislation in these islands and we welcome this review to ensure it remains so. We hope our

reflections on the current legislation and comparators with the NIPSO Act are useful to the Senedd in their deliberations.

A handwritten signature in black ink that reads "Margaret Kelly". The signature is written in a cursive style with a horizontal line under the name.

**Margaret Kelly**  
**NI Public Services Ombudsman**

FIN(6)-12-25 P2

PPSOWA6 Ombwdsmon Gwasanaethau Cyhoeddus yr Alban | Scottish Public Services Ombudsman,

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Senedd Cymru | Welsh Parliament

Y Pwyllgor Cyllid | Finance Committee

Adolygiad ôl-ddeddfwriaethol o Ddeddf Ombwdsmon Gwasanaethau Cyhoeddus (Cymru) 2019 | Post-legislative review of the Public Services Ombudsman (Wales) Act 2019

Ymateb gan: Ombwdsmon Gwasanaethau Cyhoeddus yr Alban | Evidence from: Scottish Public Services Ombudsman

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## 1. Have you used the Ombudsman's service to make a complaint?

Not applicable

### 1a. What did your complaint(s) relate to?

(We would be grateful if you could keep your answer to around 500 words).

### 1b. If your complaint was about health which included a private health related element, do you have any comments about the process of making that complaint?

(We would be grateful if you could keep your answer to around 500 words).

### 1c. Was your complaint(s) made on or after 23 July 2019?

### 1d. How did you make your complaint(s)?

### 1e. Do you have any comments about the process of submitting an oral complaint to the Ombudsman?

(We would be grateful if you could keep your answer to around 500 words).

## 2. Have you made a complaint to a public body since 23 July 2019?

Not applicable

### 2a. Do you have any comments on the standard of complaints handling at public bodies, and whether they have improved since the Act came into force in 2019?

(We would be grateful if you could keep your answer to around 500 words).

**3. If you are a public body, have you engaged with the Ombudsman or used resources and/or guidance produced by the Ombudsman to change or improve your complaints handling policies and processes?**

Yes

**3a. Do you have any comments in this area?**

(We would be grateful if you could keep your answer to around 500 words).

As Scottish Public Services Ombudsman, I and my office are in regular contact with other public services ombudsman services, including PSOW. As part of that contact, resources and good practice are often shared.

**4. Are you aware that the Ombudsman can investigate on their own initiative where evidence suggests that there may be systemic service failure or maladministration?**

Yes

**5. Are you aware that the Ombudsman can extend an investigation of a complaint into matters that have a substantial connection with a matter already being investigated?**

Yes

**6. Have you been involved in an own initiative investigation conducted by the Ombudsman and/or read or used an own initiative report, such as the report about homelessness in Wales**

**(<https://www.ombudsman.wales/own-initiative-wider-investigations-reports/>)?**

Yes

**7. Do you have any comments about the Ombudsman's own initiative powers?**

(We would be grateful if you could keep your answer to around 500 words).

SPSO recognise that having own initiative powers is positive for PSOW and of huge public value. The powers enable the Ombudsman to add significant value and insight into public service delivery in Wales.

Own Initiative (OI) powers are common internationally, and the Ombudsman for Wales was the second UK public service Ombudsman to be given such powers (and remain only one of two). OI investigations enable PSOW to target their resources effectively, to investigate issues in the public interest, without having to receive a complaint or being constrained by the details of an individual complaint.

Being able to investigate in the public interest in this way enables PSOW to focus in depth on current issues across Wales. PSOW's reports of OI investigations demonstrate their value and impact; in what they find, recommendations to drive change, and the voice they can give to the voiceless and those experiencing vulnerability - who often don't or can't complain, or who struggle to access public services in the first place. This is significant because it enables PSOW to build on what they learn from casework, and wider knowledge, to bring issues to public attention.

PSOW's reports provide clear and reliable evidence and practical recommendations. The report and follow-up report on homelessness are good examples that demonstrate that being able to investigate and report in this way leads to improvements, despite the generally challenging environment for public services. Notably, improvements were most likely in authorities with which they had the highest levels of engagement, demonstrating the real impact Ombudsman involvement can have on improving services.

It is evident to us, that having OI powers has successfully enabled the Ombudsman for Wales to innovate and to extend the impact of their work, and deliver important findings efficiently and effectively.

## **8. Do you have any views on how the changes implemented by the 2019 Act compares with current best practice, both within the UK and internationally?**

(We would be grateful if you could keep your answer to around 500 words).

Over the last few years, the international community has recognised the role and importance of Ombudsman by developing and adopting international standards. The most significant of which are the Venice Principles, which were adopted by the Council of Europe in 2019. The 2019 Act means the PSOW broadly meets these international standards for Ombudsmen (where it doesn't meet them it is because they are not appropriate within the UK constitutional setup).

## **9. Do you have any other comments regarding the 2019 Act which are relevant to the Committee's Terms of Reference for this inquiry?**

(We would be grateful if you could keep your answer to around 500 words).

The 2019 Act was a welcome updating of the existing legislation. The impact of Own Initiative powers is reinforced and supported by changes relating to the handling of individual complaints about services. The other very significant powers the 2019 Act gave PSOW was in relation to complaints handling at front line.

This “complaints standards authority” function enabled PSOW to develop and implement national standards for how organisations under jurisdiction should handle complaints. These powers go beyond process, and enable PSOW to drive learning from complaints, achieve better outcomes for complainants and drive a cultural change in relation to how complaints are valued by public bodies. All of this in turn drives wider improvement in public services.

SPSO have had these powers since 2010—2011 with the first procedures going live in 2012. SPSO's experience is that the standards and supporting model complaints handling procedures take time to develop and implement. Implementation is not simply a matter of consulting and developing standards and procedures; to be effective, they need to be augmented by training, advice and guidance for public bodies, and complainants accessing complaints procedures. This in turn means the impact of applying these powers takes time to become apparent.

Thirteen years on, SPSO has seen a significant improvement in how complaints are handled by public bodies. This is the result of training, support and guidance, and more formal intervention. The latter includes proactively contacting organisations where SPSO monitoring identifies or indicates poor complaint handling practice by a specific organisation. It also includes making findings about complaint handling when assessed against SPSO model standards as part of investigations, and giving formal feedback from complaints investigations – both in relation to good practice and where improvement is needed.

The impact of improvements in complaint handling by public bodies has been shown to have significant benefits. For complainants, it can result in resolution much earlier in the process, rebuilding trust and confidence. For public bodies, it is a driver and opportunity for learning to drive service improvement at a local level. For the SPSO it has enabled us to introduce more efficient complaints handling for complaints escalated to us. Good complaints handling by public bodies has reduced the number of in-depth investigations we need to do, as (having tested public bodies position) we can focus on complainants and what more can be achieved for them in terms of outcomes, and complaints of significant public interest. For example, there is little value for any party (or the public purse) in SPSO re-investigating where the local investigation has identified and taken

responsibility for service failure, taken action to address it and has resulted in learning for wider improvement, we do consider cases beyond a preliminary investigation to test the organisation's permission.

It is notable that since SPSO has had complaints standards powers, the volume of complaints being escalated to us has increased by 20 % , but we have been able to absorb this by applying a more proportionate approach.

This approach has wider benefit too. The approach enables SPSO to triage cases more effectively to target resources where they will have the greatest impact; it enables us to take a more trauma informed approach in that it means complainants (and those complained about) do not have to wait for the outcome of an investigation which reaches what are essentially the same conclusions and outcomes as the local investigation; and it is promoting consistency across public sector organisations.

I am confident that these will be benefits the PSOW will realise over time.

We would, of course, be happy to provide additional information should it be required.



By virtue of paragraph(s) ix of Standing Order 17.42

Document is Restricted

## Agenda Item 4

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Adolygiad o weithrediadau, prosesau ac ymchwiliadau Ombwdsmon Gwasanaethau Cyhoeddus Cymru](#).

This response was submitted to the [Finance Committee](#) consultation on the [Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales](#).

**PPSOWA9: Ymateb gan: Nick Bennett (Cyn Ombwdsmon Gwasanaethau Cyhoeddus Cymru) | Response from: Nick Bennett (Former Public Services Ombudsman for Wales)**

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## **WITNESS STATEMENT OF NICK BENNETT**

1. I make this statement in response to the Senedd' Finance Committee's Consultation request for evidence to inform its review of the Public Services Ombudsman (Wales) Act 2019 ("the Act"). I do so in my capacity as former Ombudsman - an office I held from 2014 – 2022. Accordingly, I was in post at the time the Act became law (in May 2019).

### **Background**

2. In 2015, I submitted evidence to the Committee in support of the case for change and provision of new powers by seeking changes in the areas below:
  - (a) To enable me to undertake Own Initiative investigations (OIs)
  - (b) To remove the legal requirement for complaints to be in writing
  - (c) To streamline and improve complaint handling across the public sector by establishing a Complaints Standards Authority (CSA)
  - (d) To extend my powers to allow me to investigate certain aspects of private healthcare
  - (e) To improve links with the courts and enable me to refer legal points for determination by a court where that would assist my investigation.
3. I remain extremely pleased that the Committee agreed and implemented all but one (the link with courts) of the above powers within the new Act. This has, in my view, enabled Wales to stay ahead of most of the UK Ombudsmen in having a modern Act fit for the 21<sup>st</sup> century and it is future proofed in most areas. I will say more about this comparison with other jurisdictions later. I will briefly focus on each of the powers above in relation to the Committee's Terms of Reference for this review.

### **Operation and effectiveness of the Act / public confidence**

4. I think it is better for my successor to primarily address this overall given my tenure ended in March 2022, as she will be better placed to give a more meaningful view of the entire period. What I do know is that the pandemic impacted progress during the initial period after powers were granted (see below). Nevertheless, public access to the Ombudsman has been increased and I know that my successor will demonstrate increased public confidence, for example, from the Black Minority Ethnic (BME) community.

### **Oral complaints**

5. With the advent of technology, and to provide a right to vulnerable citizens (particularly those who have difficulties with the written word) to bring their

complaint directly to an Ombudsman by presenting it orally, this new power has proven itself to be absolutely necessary. Whilst I always had the discretion to accept complaints orally, this was usually exercised only for equality reasons, and exceptionally, given the specific requirement for writing under the old legislation. It remains the case that complaints about elected members having breached the Code of Conduct are made in writing as the Act does not cover that complaints regime.

6. Whilst this has increased the workload to my office, the advantages and benefit to complainants cannot be underestimated. Many complainants, whilst able to write, do lack the confidence in their written skills to present written complaints effectively and may not have approached the office in the past. This power was also impacted by the COVID-19 pandemic given staff had to work from home and we were not able to immediately upgrade our telephone system to enable full telephone access at home. Messages had to be left on answerphones and call backs arranged, meaning the process was initially slower, however a service was being provided.
7. The ability to take complaints other than in writing has, without doubt, considerably increased accessibility to the Ombudsman. Since the power was granted in 2019 to March 2022 (the end of my tenure) the office had recorded taking 332 complaints other than in writing. I believe that many of those people would not have accessed the service when they did - if ever - so greatly improving public access to the office.

### **Own Initiative (OI) investigations and protecting the vulnerable**

8. A number of extended OI investigations have been undertaken in regular casework. This has enabled some complainants to have wider issues explored than those initially complained about – something not previously possible under the constraints of the old legislation. In the first year of being granted these new powers we had commenced four such investigations (Annual report 2020/2021).<sup>1</sup> The Act also gave me the power to undertake wider OIs, the first of which was completed during my tenure and I will refer to later.
9. The first significant case using the extended OI power related to a complainant who had come to me complaining about delays in his prostate cancer care. The delays were such that he had ultimately paid for part of his own treatment. Apart from uncovering failings in his care, information provided during the investigation led me to consider that there had been

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<sup>1</sup> [Delivering Justice](#)

delays in other cases. Even though those individuals had not complained to me, I extended the investigation to consider the wider aspect of prostate cancer delays at the Health Board concerned. The investigation uncovered delays and potential impact to 16 other patients within the same period. Furthermore, in the case of half of those, the Health Board had not undertaken any reviews to assess whether the delays had caused those patients harm (simply because they had later been referred for treatment to England under local commissioning arrangements). This would not have been unearthed unless those individuals had all made direct complaints to me and was only possible to pursue because of the extended OI power. I was able to recommend that the Health Board undertook reviews into potential harm caused to those patients under the “Putting Things Right” NHS complaints process, and offer any individual redress, as appropriate.

10. The first wider OI was launched in early 2020 with a consultation (closing date of 10 April 2020) on the suggested service failure or maladministration in the field of homelessness (homelessness assessments and reviews in particular). I selected this given some compelling evidence already provided to me by the third sector, and as homeless people are amongst the most vulnerable – and voiceless - in our society. However, in March 2020, shortly before I could properly start my investigation, the COVID-19 pandemic struck. Being mindful of the pressure on public services, and the urgent action taken to try to temporarily house all street homeless people to protect them from the COVID-19 virus, I felt it appropriate to suspend the OI. It was better to focus and try as best as we could to continue with the individual investigations from our regular complaints and continue to provide access to my service during challenging times. I am proud that the office did so.
11. When revisiting the investigation later in October 2020, I re-consulted on it adding a further strand to my original proposal in order to consider whether the actions taken during the pandemic, to assess and review the needs of homeless people, could provide opportunities for longer term or wider improvements. Therefore, the investigation itself only properly began on 20 November 2020 against 3 named local authorities. I will comment further on how I think such delays may be avoided in future.
12. My findings were finally issued on 29 September 2021.<sup>2</sup> I found that work undertaken by local authority Homelessness Teams during the pandemic crisis had often been exemplary. In considering practices before that, I found that often there had been no clear evidence in assessment or reviews of proper regard being given to both human rights or equality matters, as well as

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<sup>2</sup> <https://www.ombudsman.wales/wp-content/uploads/2021/10/Executive-Summary-Homelessness-Reviewed.pdf>

matters being missed during an assessment. There were also delays in the process as well as an evident failure to provide support to vulnerable people or those with complex needs. I made several recommendations to the 3 authorities under investigation (as the Act only enabled me to make formal recommendations to bodies I investigated). As a report issued in the public domain, I was hopeful of other authorities taking note and electing to implement the recommendations too and expressly invited them to do so. I also identified instances of good practice and highlighting this in the report enabled the sharing of this with other authorities throughout Wales.

13. Two years after the publication of the OI report, my successor published a follow up report after a review of how the OI recommendations had been met. It was pleasing to see that the majority of Welsh local authorities had implemented the recommendations directed at the 3 authorities under investigation, that there was greater collaboration with third sector organisations and that the Welsh Government had itself built the findings of the OI investigation into its Ending Homelessness Action Plan. In my view, this shows the benefit of the wider OI investigation in highlighting issues and in enabling wide scale improvement throughout Wales. It was always envisaged that the power would be used sparingly but the outcome benefits are far reaching.
14. Before my term of office ended, another wider OI was being considered in relation to carers' needs assessments – another vulnerable group whose voices are often unheard. I understand that it was concluded on 17 October 2024 and so I shall leave it to my successor to expand on its findings and value as an OI, as appropriate.
15. As noted above, the first OI suffered a delay in its commencement in part due to the pandemic. There was also a delay due to the advance consultation required under s66 of the Act. I know from the discussions at the time, that the additional consultation requirements were felt necessary to provide safeguards against any perceived misuse of the OI power and/or potential overlap with work of other regulatory bodies. I believe, however, that the office has demonstrated that the power has not been over used and that it has been used wisely. The delays caused by the consultation process has been a source of frustration in preventing the office being able to progress an OI more swiftly. I believe that greater accessibility to justice could be achieved if the advance consultation requirement were removed, and that the OI power was aligned with the more streamlined and efficient power available to the Northern Ireland Ombudsman (of only consulting the relevant body proposed to be investigated).

## Private healthcare

16. When arguing for this power I was struck by being unable to provide justice to a complainant whose health journey had been a combination of both NHS and private healthcare (see my evidence to the Committee in 2015). Whilst I understand that, to date, it remains the case that there has been no investigation using these powers, I firmly believe that this power should remain available for future use, if the need arose. This is to ensure that the Act and the Ombudsman's powers are future proofed. With increasing pressures on the NHS in Wales, more services are being commissioned in the private sector to meet need and more individuals are paying for some elements of care themselves when facing lengthy waits for treatment in some instances. As a result, the scenario I initially faced where I was powerless to assist the individual where there had been a combination of NHS and private care, could prove more likely to arise in future.

## Complaints handling and the CSA

17. The aim of the CSA was to work with all public bodies in my jurisdiction to drive up improvement through supporting effective complaint handling and deliver bespoke training packages, and to collect and publish complaint data. It is fair to say that the CSA "hit the ground running" and, for example, despite the pandemic, in its first year adapted to deliver 90 virtual training courses to public bodies -primarily local authorities (Annual Report 2020/2021).<sup>3</sup> The following year (which was the last of my tenure – 2021/2022)) saw a total of 140 virtual training courses delivered, 39 bodies brought under the CSA and our first set of CSA data published.<sup>4</sup> I know that this has improved complaint handling practice across Wales. The number of complaints to the office against local authorities has increased since the implementation of the CSA, but this is largely because local authorities are now properly recording some contacts as complaints whereas in the past they were not.

18. Whilst the CSA has delivered training to NHS bodies in Wales, those organisations have their own separate NHS complaints regime (Putting Things Right). The model complaints policy is closely aligned with it, making direct comparison across the board with local authorities possible. I am sure that my successor will expand and provide more recent information about the CSA's work.

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<sup>3</sup> [Delivering Justice](#)

<sup>4</sup> [2021-22-ANNUAL-REPORT-2021-22-EXECUTIVE-SUMMARY.pdf](#)

## The Act's objectives and its comparison with other legislation and practice

19. In my view, the Act and its extended powers has met its objectives. At the time of its introduction, I said that it was my hope that the new powers would give a voice to the voiceless, and I believe this has been the case. The use of the wider OI powers are clear examples. There has been greater access to the Ombudsman service, and more powerful investigations undertaken through the use of extended and wider OI investigations. For example, there is no more marginal a group than homeless people and the wider OI has secured improved practice Wales wide. It is also the case that Wales compares very favourably with other UK Ombudsmen jurisdictions for the following reasons. It is only the Northern Ireland Ombudsman which could be said to be a little ahead in the approach (for the reason I set out in paragraph 15 above).
20. The Ombudsman's offices in England and Scotland<sup>5</sup> still require all complaints to be made in writing. In England there is also a requirement for some complaints to be made via a Member of Parliament, providing citizens wishing to take their concerns further with no direct access to do so.<sup>6</sup> Neither country has OI investigation powers. Other countries are looking to Wales as a leading example and seeking the enhancement of their powers to match ours.
21. The only Ombudsman having OI powers is the Northern Ireland office, having held them since 2018.<sup>7</sup> Like Wales, it has used that power sparingly and only where appropriate. It has undertaken just 8 OI investigations in the last 5 years (3 on topics not within our jurisdiction in Wales – e.g. practices in Schools / Benefit payments). As noted above, the legislation in Northern Ireland enables a more streamlined process, and goes some way to explain why Wales has overall undertaken slightly fewer OIs in number, as well as the pandemic impact I commented upon earlier.

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<sup>5</sup> Offices of the Parliamentary and Health Service Ombudsman (OPHSO) and Local Government and Social Care Ombudsman cover what is dealt with by the single Ombudsman office in Wales. The Scottish Public Services Ombudsman is a single office as in Wales.

<sup>6</sup> Requirements for OPHSO complaints

<sup>7</sup> Public Services Ombudsman Act (Northern Ireland) 2016 with OI powers in force from 1 April 2018

**Costs and benefits of the Act / value for money**

22. At the outset (see paragraph 2 above), when seeking additional powers, I provided full costings reflecting the budget increase I felt was necessary in order for the office to deliver on the extension in powers. The final total would be dependent on the actual powers granted to me – for example no power was granted for the links and referral to courts, as I sought. I was pleased to be granted what I requested and pleased that oral complaints have increased public accessibility I also think the office, for its relatively small size, delivers quality work and outcomes for the citizens of Wales..

23. In conclusion, I am proud that Wales continues to lead the way in Ombudsman jurisdictions across the UK and therefore I am grateful that the Senedd agreed to implement the new Act to enable the improvements I have addressed above.

.....

**Nick Bennett**

**Public Services Ombudsman for Wales 2014 – 2022 .**

By virtue of paragraph(s) ix of Standing Order 17.42

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**Public Services Ombudsman for Wales**

**1<sup>st</sup> Supplementary Budget – 2025/26**

**Explanatory Memorandum to the Chair of the Finance  
Committee**

This Supplementary Budget submission has been prepared in accordance with Welsh Parliament Standing Orders 18A.2 and 20.36 (dated January 2025).

**Increase to National Insurance contributions**

The UK Government has implemented changes in employer National Insurance contributions for 2025/26. This was announced after our Estimates submission in October 2024 and will result in an additional annual cost of £84k.

The increase in employer National Insurance contributions for staff is outside the Ombudsman's control. The Cabinet Secretary for Finance and Welsh Language confirmed that the UK Treasury had advised that additional funding will be provided to cover the costs of employer national insurance contributions for public sector workers.

In previous years, such changes were handled through an in-year supplementary budget allocation. This was the case when employer pension contributions increased significantly in 2019/20, and when National Insurance contributions were increased (and then subsequently reduced) in 2022/23.

**Additional Resources Sought**

In summary, we propose a variation to the annual budget motion in compliance with Standing Order 20.36 in respect of:

- A sum of £84k (cash and resource) to cover the increase in employer National Insurance contributions from April 2025.

FIN(6)-12-25 P5

All figures in £000s	Estimate	Changes	Revised Estimate
Staff salaries and related costs	5,110	84	5,194
Premises and facilities	162		162
Professional fees	267		267
IT costs	351		351
Investment in IT & Digital Strategy	105		105
Office costs	105		105
Travel, training and recruitment	43		43
Communications	70		70
<b>Total Revenue Expenditure</b>	<b>6,213</b>	<b>84</b>	<b>6,297</b>
Total Income	(27)		(27)
<b>Net Revenue Expenditure</b>	<b>6,186</b>	<b>84</b>	<b>6,270</b>
Capital Expenditure – DEL	5		5
<b>Total Resources Required</b>	<b>6,191</b>	<b>84</b>	<b>6,275</b>
Depreciation and amortisation	70		70
Depreciation – leased assets	87		87
Interest charge – leased assets	44		44
Capital AME – dilapidations	-		-
<b>Total Resource Expenditure</b>	<b>6,392</b>	<b>84</b>	<b>6,476</b>
Depreciation and amortisation	(70)		(70)
Depreciation – leased assets	(87)		(87)
Interest charge – leased assets	(44)		(44)
Capital AME – dilapidations	-		-
Change in working capital	147		147
Other non-cash movements	20		20
<b>Cash Requirement from WCF</b>	<b>6,358</b>	<b>84</b>	<b>6,442</b>

# Explanatory Memorandum to the Finance Committee Regarding the Variation of the Estimate of the Wales Audit Office for the Year Ending 31 March 2026

Issued: April 2025

Document reference: 4794A2025

Submitted to the Finance Committee of the Senedd for consideration under Standing Order 20.35.

Adrian Crompton  
**Auditor General for Wales**

Dr Ian Rees  
Chair, on behalf of the **Wales Audit Office**

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# Explanatory memorandum

## Introduction

- 1 For each financial year, the Wales Audit Office must submit an annual estimate of its income and expenditure to the Finance Committee of the Senedd. The responsible committee must examine that Estimate and lay it before the Senedd after making any amendments that it considers appropriate.
- 2 The Estimate for the Wales Audit Office for 2025-26 was included in the Welsh Government's Annual Budget Motion under Standing Order 20.26 and was approved in Plenary on 4 March 2025 following scrutiny by the Finance Committee.
- 3 The budget motion authorised the Wales Audit Office to retain £18.610 million of accruing resources, generated through fees charged to audited bodies, and supplied a further £9.791 million of other resources in support of our expenditure plans for the year. Together, this £28.401 million is used to fund the costs of the Wales Audit Office in delivering its duties under the Public Audit (Wales) Act 2013.
- 4 The Wales Audit Office now seeks to amend the approved Estimate for the year ending 31 March 2026.

## Reason for change

### Increased National Insurance costs

- 5 On 30 October 2024, the UK Government delivered its Autumn Budget which included details of increased National Insurance costs for employers from April 2025.
- 6 The timing of this announcement meant that we were unable to reflect these additional costs in our Estimate for 2025-26 which was laid before the Finance Committee on 31 October 2024.
- 7 From April 2025, the following changes are being made to employer National Insurance payments:
  - decreasing the NICs<sup>1</sup> Secondary Threshold, the earnings after which an employer becomes liable to pay secondary Class 1 NICs on a given employment. The Secondary Threshold is currently set at £9,100 a year and will be reduced to £5,000 a year.
  - the Secondary Threshold of £5,000 a year will be in effect from 6 April 2025 until 5 April 2028. Thereafter, the Secondary Threshold will be increased in line with the Consumer Prices Index (CPI). This does not impact other employer NICs thresholds such as the Apprentice Upper Secondary Threshold or the Upper Secondary Threshold for employees under 21.

<sup>1</sup> National Insurance Contributions.

- this measure also increases the secondary Class 1 NICs rate from 13.8% to 15%.
  - increases the maximum Employment Allowance from £5,000 to £10,500.
- 8 For the Wales Audit Office, these changes will increase the cost of employers National Insurance from £1.953 million to £2.342 million an increase of £389,000.
- 9 As set out in the Autumn Budget, the UK Government plans to compensate public sector employers for the cost of this increase for the next five years– although final allocations are yet to be confirmed.
- 10 As set out in our letter to the Finance Committee on 4 February 2025, we have carefully considered whether we could fund the extra cost by identifying savings and efficiencies, but with an already challenging savings target of £200,000 being included in our Estimate for 2025-26, we are unable to do so.

## Adjustments to budgets

- 11 The budget changes associated with these increased costs for 2025-26 are set out in **Exhibit 1**.

### Exhibit 1: budget changes 2025-26

	Estimate 2025-26 £'000	Supplementary Estimate 2025-26 £'000	Revised Estimate 2025-26 £'000
Revenue resource	9,324	389	9,713
Capital resource	467	–	467
Accruing resources	18,610	–	18,610
Total expenditure	28,401	389	28,790
Net cash requirement	9,236	389	9,625

# Appendix 1

## Summary of the 2025-26 budget requirements for inclusion in the Welsh Ministers' Supplementary Budget Motion under section 126 of the Government of Wales Act 2006

Under section 126 of the Government of Wales Act 2006 (the 2006 Act), Ministers may move a Supplementary Budget Motion in the Senedd to authorise the use of resources, retention of income and drawings of cash from the Welsh Consolidated Fund (WCF) for certain relevant persons, including the Wales Audit Office.

In respect of the services and purposes of the Wales Audit Office in the year ending 31 March 2026, the Budget Motion will authorise:

- the amount of resources to be used by the Wales Audit Office;
- the amount of resources accruing to the Wales Audit Office which may be retained (rather than paid into the WCF); and
- the amount which may be paid out of the WCF to the Wales Audit Office.

These requirements, which due to the variability of income streams can only be estimates, are summarised in **Tables 1 and 2** below.

**Table 1: summary of the estimated 2025-26 budget requirements**

	£'000
Resources other than accruing resources for use by the Wales Audit Office on the discharge of the statutory functions of the Wales Audit Office, the Auditor General and local government appointed auditors, and on the administration of the Wales Audit Office.	10,180
Accruing resources from fees and charges for audit and related services; other recoveries of costs associated with the functions of the Auditor General; miscellaneous income from publications, conferences, and provision of administrative and professional and technical services for use by the Wales Audit Office on related services and the administration of the Wales Audit Office.	18,610
Net cash requirement from the WCF to meet the net amounts falling due for payment in the year by the Wales Audit Office.	9,625

**Table 2: reconciliation of resource requirement to cash drawing requirement from the WCF**

	Estimate 2025-26 £'000	Supplementary Estimate 2025-26 £'000	Net change £'000
Net request for resources	9,791	10,180	389
Non-cash adjustment – depreciation and interest charges	(608)	(608)	–
Non-cash adjustment IFRS16 capitalisation	(187)	(187)	-
Lease rental payments	200	200	–
Movements in working capital	40	40	–
Net cash requirement from the WCF to meet the net amounts falling due for payment in the year by the Wales Audit Office	9,236	9,625	389



Audit Wales

1 Capital Quarter

Cardiff CF10 4BZ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

# Supplementary Budget 2025-26

## Explanatory Memorandum

May 2025



The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

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# **Supplementary Budget 2025-26**

## Explanatory Memorandum

May 2025





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## Background

The 2025-26 Commission Budget was included in the Annual Budget Motion under Standing Order 20.26 and was approved in Plenary on 20 November 2024, following scrutiny by the Senedd's Finance Committee.

The budget motion provided the Commission with £83.845 million of Resource Budget in relation to:

- Expenditure under the Commission's direct control, including a Project Fund (the operational budget);
- Three ring-fenced budgets for specific programme work;
- Expenditure relating to preparatory work for Senedd Reform;
- Ways of Working programme of works; and
- Pre-Election preparatory work.
- Depreciation (a non-cash expense);
- The budget identified for the Independent Remuneration Board's Determination on Members' Pay and Allowances;
- The budget for the clerking, administrative and other costs to provide support to the Independent Remuneration Board;
- The budget for the Office of the Standards Commissioner; and
- The accounting provision for the Members of the Senedd Pension Scheme under HM Treasury's Annually Managed Expenditure ("AME") heading (Pension Finance Cost).

This Explanatory Memorandum is laid in compliance with Standing Order 20.32, in support of changes to be proposed to the Commission's approved 2025-26 budget, via a Supplementary Budget Motion.

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## Explanatory memorandum

The effect of the Commission's supplementary budget will be to increase the overall Commission budget by £0.773 million with a corresponding increase in the net cash requirement. The following changes are proposed:

- **An increase to the Commission's budget of £0.475 million to reflect the increase in Employer NI contributions;**
- **An increase in the budget for Members' salaries and related costs of £0.298 million to reflect the increase in Employer NI contributions;**

## Budget Amendments

### Increase in Employer NI contributions – Commission Staff

The 2025-26 budget was laid on the 27 September 2024 and debated in Plenary on 20 November 2024. On 30 October 2024 the Chancellor of the Exchequer delivered the UK Government's Autumn Budget in Parliament. The most significant tax decisions announced by the chancellor were changes to the National insurance contributions (NICs), effective from 6 April 2025:

- The rate of employers' NICs will rise by 1.2 percentage points to 15%.
- The level at which employers start paying NICs for each employee will fall from £9,100 to £5,000.

The expectation is that funding will be made available by HM Treasury to mitigate the impact of the increase. It is not possible for the Commission to meet these additional costs from within existing resources due to the scale of project delivery during 2025-26 to deliver the change to a larger Senedd and support the on-going Ways of Working programme.

The Commission budget was laid before the Autumn budget was delivered and therefore the impact of the increase in Employer NICs was not included.

The increase in Employer NI contributions means that the Commission will incur additional employment taxes from 6 April 2025 to the value of £0.475 million.

### Increase in Employer NI contributions – Budget for the Independent Remuneration Board's Determination

The increase in Employer NI contributions has a corresponding increase in the amount required of £0.298 million to meet the cost of salaries for Members and their Support Staff.

#### Budget impact

The impact of the increase in Employer NI contributions will be:

- **An increase in the Commission's budget of £0.475 million**
- **An increase in the budget for the Remuneration Board's Determination of £0.298 million**

## Budget Ambit

This supplementary budget submission is laid in compliance with Senedd Standing Order 20 to assist in the compilation of the Budget Motion required by Section 126 of the Government of Wales Act 2006. This submission seeks to amend the resource and annually managed expenditure requirements of the Senedd Commission for the year ending 31 March 2026.

The Supplementary Budget Motion authorises the net resources to be used for the services and purposes of Members and Senedd Services. The motion includes the maximum income (or accruing resources) that may be retained for use on those services and purposes instead of being paid into the Welsh Consolidated Fund, and the cash amount that will need to be issued from the Welsh Consolidated Fund to meet the anticipated net amounts falling due for payment by the Commission.

The amended 2025-26 Budget for the Senedd Commission, addressing the revised requirements, is set out in Table 1 below.

**Table 1: 2025-26 Budget for the Senedd Commission against requirements**

Senedd Requirements	2025-26 £'000
Resources other than accruing resources for use by the Senedd Commission ('the Commission') on resource and capital costs associated with the administration and operation of services to support the Senedd; promotion of the Senedd including payments to the Electoral Commission and others; payments in respect of the Commissioner for Standards and the Independent Remuneration Board; any other payments relating to the functions of the Senedd or functions of the Commission. Resources other than accruing resources for use by the Commission in respect of the decisions of the Independent Remuneration Board and expenditure in respect of Members of the Senedd Pension provision	£84,618
Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the Commission from the disposal of fixed assets and other capital income for use on the purchase or acquisition of fixed assets, rental income, gifts, grants, cheques, recharges and income from commercial sales and other services provided to the public or others for use on administrative costs of the Senedd.	£61
Amount to be issued from the Welsh Consolidated Fund to meet the anticipated amounts falling due for payment in the year and in respect of the above services and purposes less expected receipts and recoverable VAT	£80,348

Table 2 below reconciles the net resource requirement to the cash drawing requirement from the Welsh Consolidated Fund.

<b>Table 2: Cash requirement</b>	<b>£'000 2025-26 Laid Budget</b>	<b>£'000 2025-26 Revised Budget</b>
Members' net revenue requirement	20,525	20,823
Office of the Standards Commissioner	105	106
Independent Remuneration Board Costs	602	609
Senedd Reform	4,674	4,686
Ways of Working	2,130	2,135
Commission net revenue requirement	52,501	52,951
Net capital requirement	2,308	2,308
Annually Managed Expenditure	1,000	1,000
<b>Subtotal</b>	<b>83,845</b>	<b>84,618</b>
Adjustments		
Depreciation	(5,000)	(5,000)
Interest charges/Capital adjustments	(600)	(600)
Rental payments	2,330	2,330
Movements in provisions	(1,000)	(1,000)
<b>Net cash requirement from the Welsh Consolidated Fund</b>	<b>79,575</b>	<b>80,348</b>
<b>Increase in cash requirement</b>		<b>773</b>



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