

Agenda – Public Accounts Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: 29 September 2015

Meeting time: 09.00

For further information contact:

Fay Buckle

Committee Clerk

0300 200 6565

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1 Introductions, apologies and substitutions

(09:00)

2 Papers to note

(09:00)

(Pages 1 – 3)

3 Scrutiny of Accounts 2014 – 15: Assembly Commission

(09:00 – 09:45)

(Pages 4 – 179)

PAC(4)-24-15 Paper 1

Research Briefing

David Melding AM – Acting Assembly Commissioner

Claire Clancy – Chief Executive and Clerk to the Assembly

Nicola Callow – Director of Finance, National Assembly for Wales

4 Scrutiny of Accounts 2014 – 15: Sport Wales

(09:45–10:35)

(Pages 180 – 310)

PAC(4)-24-15 Paper 2

PAC(4)-24-15 Paper 2A

Research Briefing

Sarah Powell – Chief Executive Officer, Sport Wales

Peter Curran – Finance Director, Sport Wales



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Wales

**5 The Procurement and Management of Consultancy Services:
National Procurement Service Annual Report 2014–15**

(10:35–10:45)

(Pages 311 – 405)

PAC(4)–24–15 Paper 3 – National Procurement Service (NPS) – Annual Report
2014–15

PAC(4)–24–15 Paper 3A – NPS Framework Guidance – Solicitors

PAC(4)–24–15 Paper 3B – NPS Resource Efficiency Wales Framework Guidance –
Energy Efficiency Advice and Environmental

PAC(4)–24–15 Paper 3C – NPS Framework Guidance – Construction

**6 Intra–Wales – Cardiff to Anglesey – Air Service: Consideration of
the Welsh Government's Response**

(10:45–10:50)

(Pages 406 – 411)

PAC(4)–24–15 Paper 4

PAC(4)–24–15 Paper 5

**7 Responding to Welfare Reform in Wales: Consideration of the
Welsh Government Response**

(10:50–10:55)

(Pages 412 – 420)

PAC(4)–24–15 Paper 6

**8 Motion under Standing Order 17.42 to resolve to exclude the
public from the meeting for the following business:**

(10:55)

Item 9

**9 Scrutiny of Accounts 2014 – 15: Consideration of evidence
received**

(10:55 – 11:00)

Concise Minutes – Public Accounts Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: 22 September 2015

Meeting time: 09.02 – 11.09

This meeting can be viewed

on [Senedd TV](#) at:

<http://senedd.tv/en/3227>

Attendance

Category	Names
Assembly Members:	Darren Millar AM (Chair) Mohammad Asghar (Oscar) AM Jocelyn Davies AM Mike Hedges AM Sandy Mewies AM Julie Morgan AM Jenny Rathbone AM Aled Roberts AM
Witnesses:	David Anderson, National Museum Wales Colin John, National Library for Wales Avril Jones, National Library for Wales David Michael, National Library for Wales Neil Wicks, National Museum Wales
Committee Staff:	Fay Buckle (Clerk) Claire Griffiths (Deputy Clerk)



	Joanest Varney–Jackson (Legal Adviser) Terry Lewis (Wales Audit Office) Matthew Mortlock (Wales Audit Office) Steve Wyndham (Wales Audit Office)
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TRANSCRIPT

View the [meeting transcript](#).

1 Introductions, apologies and substitutions

1.1 The Chair welcomed the Members to the meeting.

2 Papers to note

2.1 The papers were noted.

3 Scrutiny of Accounts 2014 –15: National Library for Wales

3.1 The Committee considered the National Library for Wales' annual accounts for 2014–15, questioning David Michael, Director of Corporate Resources, Colin John, Treasurer of the Board of Trustees and Avril Jones, Director of Collections and Public Programmes, National Library for Wales.

3.2 David Michael agreed to provide a copy of the Review undertaken by PWC and a timeline for implementing the recommendations contained within that Review.

4 Scrutiny of Accounts 2014 –15: National Museum Wales

4.1 The Committee considered National Museum Wales' annual accounts for 2014–15, questioning David Anderson, Director General, and Neil Wicks, Director of Finance and Corporate Resources, National Museum Wales.

4.2 Julie Morgan AM declared an interest as a Member of the Public and Commercial Services Union (PCS) Group in the National Assembly.

4.3 David Anderson agreed to provide a note showing the breakdown of the £6.5m cost of charitable activities in respect of museum operations.

5 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

5.1 The motion was agreed.

6 Scrutiny of Accounts 2014 – 15: Consideration of evidence received

6.1 The Committee considered the evidence received.

7 Committee Correspondence – Public Accounts Committee: Letter from the Auditor General for Wales on Concessionary Fares Scheme (17 September 2015)

7.1 The paper was noted.

National Assembly for Wales
Annual Report and Statement of Accounts

The Year in Review

April 2014 - March 2015

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Introducing the report

Presiding Officer's Foreword



Dame Rosemary Butler AM

Presiding Officer and Chair of the Assembly Commission

It is an enormous privilege to be the Presiding Officer of the National Assembly and Chair of the Assembly Commission. To have been the Presiding Officer during a period that will have such an influence over our constitutional future has been an incredible opportunity. The Annual Report next year will paint a picture of what we deliver in the final year of this Assembly, but it will be introduced by my successor and not by me. I will be standing down as an Assembly Member at the next election. So, I want to make the most of my final opportunity in an Annual Report to look back at what we have achieved, and reflect on what I hope it will mean for the future of the Assembly.

There are many facets to the role of Presiding Officer. I have chosen to focus in particular on three major areas that I believe to be hugely significant for the Assembly and for Wales: constitutional reform; robust scrutiny; and engagement and participation in public life.

I welcome the UK Government's commitment to deliver a Wales Bill which honours in full the commitments made in the St David's Day process. That will lead to a shift in the balance of power between Westminster and the Assembly and will enable us finally to determine our own affairs. It will also place the Assembly on a firm and permanent footing. We must be certain that any new reserved powers model does not in any way reduce our ability to legislate and that it enables us to do so with clarity and coherence. The Supreme Court judgment on the Recovery of Medical Costs for Asbestos Diseases (Wales) Bill further demonstrated the complexity of the current devolution settlement in Wales and the vital importance of clarity if the Assembly is to legislate effectively and the people of Wales are to understand its powers.

The changes that I have been calling for most strongly will mean that the Assembly will:

- have the power to increase its capacity to match the size of its task and allow us to fully scrutinise the growing policy and legislative programme of the Government and new tax raising powers;
- be able to decide its own electoral arrangements as well as important symbolic and practical matters such as the name of the Assembly itself and its internal operation;
- need to consent formally before the UK Parliament makes laws in areas which are devolved to the Assembly; and
- determine the appropriate voting age for Assembly elections.

Robust scrutiny is a fundamental, essential part of any democratic culture. I have sought to increase the effectiveness of scrutiny by creating more flexible, responsive opportunities for Members to raise important issues of pressing concern to the public in the Assembly. I have initiated a number of changes over the course of this Assembly, such as shorter tabling deadlines for oral questions in order to increase the topicality and variety of backbenchers' scrutiny of Ministers; Individual Member Debates with cross-party motions; dedicated time for Leaders' Questions during First Minister's Questions, which have given an opportunity for party leaders to scrutinise the First Minister in depth on topics of their choice without having to give notice in advance; and Spokespeople's Questions during Oral Assembly Questions, allowing party spokespeople to ask three questions, without notice, to the relevant Minister. All these changes have given the opportunity for greater topicality and in-depth questioning of the Government.

The Scottish referendum sparked a democratic revival north of the border, and an unprecedented level of public engagement. My ambition is that we see similar democratic enthusiasm in Wales by encouraging more people to have their voices heard and to directly affect our work here at the Assembly. To achieve that, we must develop a dynamic relationship with the people we represent.

The Commission and I have placed young people at the centre of our public engagement strategy. Last year, I launched a Children and Young People Engagement Charter, based on what young people told us they wanted from the Assembly. Our consultation showed a huge appetite from young people across Wales to have their say on the issues that matter to them. We need to listen and act on their views. I want the Assembly to be a world leader in youth engagement by enabling young people to have their opinions heard and valued at the heart of Welsh democracy. Recently, we have been exploring the question of whether the voting age should be lowered to 16 through a national conversation with young people in Wales. The response has been tremendous, with over 10,000 young people taking part. We will hold a youth day in July to consider the results and what should happen next.

Another strand of my work to increase the diversity and breadth of people participating in public life has been my Women in Public Life campaign. There are fewer women than men in public life, and women's voices are not being heard. I have been working to address the need for more women to apply for and take up public roles and appointments so that they are fairly represented at all levels of public life in Wales. There is considerably more to be done but, as the first woman Presiding Officer, and through my Women in Public Life Campaign, I hope that I have provided some inspiration and encouragement to other women to take the step into public life.

Finally, I would like to thank Assembly Commissioners, the Chief Executive and Commission staff for all they do to deliver outstanding support across all our parliamentary services. They can be proud that the Assembly is regarded as an exemplar and role model in so many aspects of its work. We are a strong parliamentary body, full of promise for the future and I am grateful to have been able to play my part. I look forward to making further important progress in the coming months before the Assembly enters yet another new era in 2016.

Introduction from the Chief Executive and Clerk



Claire Clancy

Chief Executive and Clerk of the National Assembly for Wales

The National Assembly for Wales is a unique place to work and the Assembly Commission is an incredible organisation to lead. During the penultimate year of the Fourth Assembly, we have continued to work hard to strengthen the Assembly as a parliament, through delivery of the Assembly's current responsibilities and by exerting an influence on future constitutional changes that will enable the Assembly to realise its potential for future generations.

Our role as the staff of the Assembly is to help make the Assembly a strong, accessible and forward-looking democratic institution and legislature that delivers effectively for Wales. We are here to serve Assembly Members who have been elected by the people of Wales and who must represent the interests of their constituents, make laws and hold the Welsh Government to account. Our work in doing that covers a very wide range, from responsibilities for managing an estate with iconic buildings, to the intellectual rigour of procedural, constitutional and legislative work; to engaging with people across Wales, and right down to the detail of making sure that everything runs like clockwork for Plenary and committee meetings. This Annual Report will give you an insight into what has been achieved and what is yet to come.

The formal business conducted in Plenary and committees is the very heart of what the Assembly does as a legislature. It is there that the government is held to account and its proposals for legislation, its policy thinking and delivery, and its decisions, are improved by the scrutiny of the Assembly. The continued excellence and integration of all of the specialisms of Commission staff are key to the successful delivery of our goal to provide outstanding parliamentary support. We have tried to understand even better during the year the services that Members want from us and to flex our use of resources to deliver them.

Our ambition is to be a truly bilingual institution, in which Assembly Members and the public can choose to work or communicate in either or both of our Official Languages, and where the use of both languages is a source of pride to all. The Official Languages Act 2012 places duties on the Assembly Commission to ensure that every engagement with Assembly proceedings can happen in either of the official languages – Welsh or English. The Official Languages Scheme sets out how the Assembly Commission will deliver bilingual services to Assembly Members and members of the public – and in the work we have been doing we have been trying to raise the bar for other institutions to follow, in the UK and internationally.

For politics to work there needs to be an engaged electorate. Commissioners have stressed to us the importance of reaching out beyond the walls of the Assembly to all people right across Wales. They have been particularly keen that we engage with different sectors of our communities, not just those who already tend to get involved. In terms of young people, our education service was already the envy of other parliaments and our youth engagement work has built on this tremendous foundation, so that more young people are taking the opportunity to contribute to the future shape of Wales and Welsh democracy.

As the home of Welsh democracy, our Assembly estate is a valuable and significant asset, which we can use to promote the Assembly, to attract and engage with the public and to inform them of its work. Our stewardship of our estate provides us with significant opportunity to demonstrate outstanding service for those visiting and using our estate, and the highest standards of best practice in terms of sustainability.

Finally, the focus in an Annual Report is inevitably on what has been delivered, and rightly so. However, the way in which we do our jobs is also very important to us and creates the culture of our organisation. Through our work, all of us who work for the Assembly strive to:

- act with full regard for our equalities responsibilities, respecting everyone and treating all people fairly;
- deliver all aspects of the Commission’s responsibilities with pace, professional expertise and a strong service ethos;
- set high standards and keep our promises;
- be open and transparent, expose ourselves to the most intense scrutiny, and provide measurable evidence of our achievements; and
- demonstrate our absolute commitment to Welsh parliamentary democracy and our pride in the Assembly.

These values will stand us in good stead as we move towards the conclusion of the Fourth Assembly and anticipate the challenges that lie ahead for the Assembly.

Commissioners and Deputy Presiding officer

The Assembly Commission serves the National Assembly for Wales to help make it a strong, accessible and forward-looking democratic institution and legislature that delivers effectively for the people of Wales. Its role is to provide the National Assembly with the staff, property and the services required to fulfil this role.

The Commission consists of the Presiding Officer and four Assembly Members, one nominated by each of the four party groups represented in the Assembly.



Dame Rosemary Butler AM (Welsh Labour)

Presiding Officer and Commission Chair, taking lead responsibility for communications as well as professional development for Members and their staff.



Peter Black AM (Welsh Liberal Democrats)

Commissioner with responsibility for ICT, broadcasting and e-democracy, alongside sustainability and the Assembly's estate.



Angela Burns AM (Welsh Conservatives)

Commissioner with responsibility for budget, governance (including Audit and Risk Assurance Committee membership) and links with the Remuneration Board. Angela also has responsibility for the improvement of services to Assembly Members and the Commission's role as the employer of Assembly staff.



Rhodri Glyn Thomas AM (Plaid Cymru)

Commissioner with responsibility for legal services, alongside the Assembly's Official Languages function and policy.



Sandy Mewies AM (Welsh Labour)

Commissioner with responsibility for education services, front of house, the Assembly's facilities, retail, catering and security. Sandy also has responsibility for the Assembly's statutory equality functions and Freedom of Information (FOI).



David Melding AM (Welsh Conservatives)

Deputy Presiding Officer, able to exercise the functions of the Presiding Officer in the absence of or at the request of the Presiding Officer. David also attends meetings and functions as Deputy Presiding Officer in order to raise the profile of the National Assembly for Wales.

Independent advisers

The Assembly Commission has appointed independent advisers to ensure that Commissioners and the Assembly's senior management team are supported and constructively challenged in their roles.

The advisers are involved in a number of the activities and service areas of the Assembly. They participate in the meetings of the Commission; consider our performance management and reporting arrangements; advise on the Commission's responsibilities for staff appraisal and remuneration policies and systems, and maintain a critical overview of the Commission's financial controls and risk management procedure.



Keith Baldwin

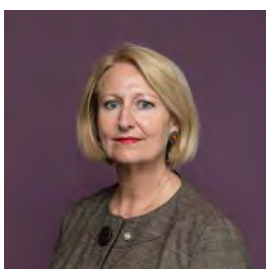
Keith spent 20 years as a partner at PricewaterhouseCoopers (PWC). Apart from his client responsibilities during this period, he also held a number of management roles including Deputy Partner-in-Charge of Government Consulting and partner responsible for the risk and quality management functions within PWC's Advisory Business.

Since leaving PWC he has filled a number of non-executive and advisory roles, including non-executive Board member and member of the Audit Committee at CVQO Ltd (which helps young people obtain vocational qualifications). He is a member of Council and a member of the Audit and Remuneration Committee at the National Army Museum, both since 2010. He was a non-executive director of the Judicial Studies Board (now the Judicial College) from 2007 to 2011 and now serves on two committees at the Bar Standards Board (the independent regulator for the Bar).



Mair Barnes

Mair Barnes advises and mentors a number of Board directors across a variety of sectors in addition to being a non-executive director of a global business. She is the former Chair of Vantios plc and Managing Director of Woolworths plc. She has held non-executive directorships at the Department of Trade and Industry and the Cabinet Office.



Helena Feltham

Helena has experienced a long career in Retail and Human Resource Leadership. She has most recently been the Global HR Director for TOPSHOP TOPMAN and has previously held appointments as HR Director at Marks & Spencer, Jack Wills Ltd. and Woolworths South Africa. She has also spent time in Executive search with Odgers Berndtson, covering senior appointments across both public and private sectors. Helena has served as a non-executive director of an NHS Trust, is currently a Justice of the Peace and Board Member and Trustee of Action for Children and The Retail Trust.



Eric Gregory

Eric is a non-executive director for Her Majesty's Passport Office (HMPO), the Ministry of Justice Legal Aid Agency (LAA) and the Cabinet Office Electoral Registration Transformation Programme, where he also chairs the Programme Risk and Assurance Board. He is a member of both the HMPO and LAA Audit Committees. He worked for the John Lewis Partnership for 25 years until 2009, where he was a Board Director for seven years, holding all three principal IT Director roles before becoming Personnel Director. He was previously non-executive director for the Crown Prosecution Service (CPS) London and a member of their ICT Board. He has also held the position of Chair of the Consumer Goods Forum IT Board, and was a member of the e-skills Businesses Board for six years.



Hugh Widdis

Hugh is the Director of Legal and Governance Services for the Northern Ireland Assembly. In that role, he is Counsel to the Assembly, delivers internal audit and governance services, and is a member of the Management Board. He has over 13 years of experience in parliamentary service. Prior to joining the Assembly's legal team, he worked in research, as a barrister in private practice and as an in-house lawyer in a leading financial services provider. He has also worked in the Scottish Parliament's legal office, and on discrimination law in the Office of the First Minister and deputy First Minister. Hugh is a barrister. He is a member of the Bar of Ireland and the Bar of Northern Ireland.

Statement of Purpose

The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.

The Assembly Commission serves the National Assembly to help make it a strong, accessible and forward-looking democratic institution and legislature that delivers effectively for the people of Wales.

The Commission's strategic goals for the Fourth Assembly

We will:

- provide outstanding parliamentary support;
 - engage with the people of Wales and promote Wales;
 - use resources wisely.
-

Setting the scene – the strategic and constitutional context

Achieving the Commission's Strategy for the Fourth Assembly

This annual report looks at how the Assembly Commission is achieving against its strategic goals and priorities for the period 2014-15. The strategic goals provide the focus for all our work.

In May 2014, the Commission produced a strategic plan and priorities for the final two years of the Fourth Assembly. Achieving these priorities, and delivering excellent, cost effective services for Assembly Members and the Welsh public, will ensure that the Commission leaves a strong, clear legacy for 2016 onwards and the advent of the Fifth Assembly.

The Commission identified five updated priority areas for change, innovation, and investment:

- enabling the Assembly to be as effective as possible through the support we provide, including through the impact of the next stages of our ICT Strategy;
- enhanced bilingual services;
- increased engagement with people in Wales;
- making the most of our estate; and
- complete readiness for the transition to, and new challenges of, the Fifth Assembly.

Wales receives approximately £15 billion annually to provide essential public services for the people of Wales. Known as the Welsh Block, almost all of this money funds the delivery of public services in Wales; our schools, hospitals, transport infrastructure and every aspect of our lives that is the responsibility of the Welsh Government.

The Assembly Commission spends a small proportion of this money (0.3%) to cover the costs of the National Assembly for Wales. This money allows the Assembly to fulfil its roles of representing the people of Wales (through the 60 elected Assembly Members), making laws and scrutinising the policies and spending decisions of the Welsh Government.

During 2014-15, the Assembly Commission had responsibility for a budget of £51.8 million. Of this total, £14.1 million was available for the remuneration of our 60 Assembly Members, that of their support staff, and the costs of running their constituency and regional offices all over Wales.

The remainder of the budget is for the Commission to provide the property, staff and services for the Assembly to function. This ranges from the smooth running of the Senedd and Tŷ Hywel to ensuring that the Assembly is staffed with the right people to provide outstanding parliamentary services to Assembly Members.

At the outset of the Fourth Assembly, the Commission set out a budget strategy for the duration of the Assembly. Each year, our annual budget is set out within this multiple year planning and funding framework. The Commission publishes Key Performance Indicators to demonstrate corporate

performance across all areas of activity. These continued to show improvement for almost all indicators throughout 2014-15, high, sustained performance across many services and rapid improvement where efforts have been targeted.

These efforts have been centred on two major themes. The first has been a renewed focus on continuous improvement to make the Assembly an exemplar parliamentary organisation. An ambitious programme of organisational change and strategic transformation has been set to ensure a strong, enduring legacy in preparation for the transition to the Fifth Assembly. The second has been the rate and scale of UK-wide constitutional developments and our response and preparedness for further constitutional changes in the future.

Change, transformation and transition

The Commission has an ambitious programme of strategic change and transformation in place: change, to build upon and improve what we have done in the past; and transformation, to develop new, innovative ways of working in the future. We have invested in our staff skill base, building resource in project and change management; financial and constitutional research and legislative expertise; business and corporate legal skills; professional development for Members and their support staff; procurement and HR expertise; secondment and job shadowing opportunities, and in-house ICT capacity. Good governance arrangements and a strong and clear emphasis on strategic, joined up working across Commission services underpin all of this work.

Having full control over the cost and delivery of ICT services has provided the Commission with the capability and capacity to address new ways of working. In addition, the creation of a Strategic Transformation Service in 2013 is enabling us to work with pace and to drive the transformation of critical elements of Commission services.

Consequently, work is well underway in a number of areas:

- reviewing and transforming the way we produce and use the reports of the formal work of the Assembly in Plenary and committee, including how we can increase engagement with and understanding of the work of the Assembly;
- further enhancements to our delivery of bilingual services;
- projects to replace the telephony system and to develop Siamb software which will be used during Plenary;
- continuing enhancements to the Assembly estate and meeting the key challenges of sustainability;
- planning for a smooth transition to the Fifth Assembly in May 2016.

A great deal of planning work has already gone into preparing for the transition to the Fifth Assembly. In doing so, we have been putting arrangements in place to ensure that Members have the expertise and capacity to deal with the changing powers and greater responsibilities they face. This will strengthen democracy and accountability and the way the Assembly serves the people of Wales.

The Commission's continuous improvement ethos is consistently reflected in financial management and performance. Laying the foundations for the smooth transition to the next Commission involves having financial management strategies in place for resourcing in the Fifth Assembly.

During the year, the Remuneration Board, set up in 2010 as an independent body to decide Assembly Members' pay and allowances, considered the full package of remuneration for Members in the Fifth Assembly. During the summer and autumn of 2014, the Board consulted on proposals for pension arrangements and changes to matters relating to the arrangements for Members' support staff and Members' expenses. In November, the Board also consulted on proposals for Member salaries in the Fifth Assembly, which provoked significant media and public interest.

Following these consultations, the Board published Determinations for the final year of the Fourth Assembly and for the Fifth Assembly in April and May 2015 respectively.

What are conferred and reserved powers?

The National Assembly operates under a 'conferred' powers model. This means that the Government of Wales Act 2006 sets out the areas in which it can make laws.

Moving to a 'reserved' powers model (as is the case in Scotland) means that the legislation would set out those areas in which the National Assembly cannot make laws.

Moving to a reserved powers model is an opportunity to provide more clarity and enable the people of Wales to better understand the constitution of their country and participate in the democratic process.

Constitutional developments

Constitutional developments across the UK have formed a significant backdrop to our work this year, with fundamental questions being asked about the nature of the Union, the powers of its parliaments and the size and powers of national and local governance. The Commission has focused on making sure that the support and services provided to Members are fully prepared for the implications of constitutional change.

Wales has already seen the Wales Act 2014 come into force in December 2014, giving the Assembly tax-raising powers for the first time and implementing many of the recommendations of the Silk Commission's first report (published in November 2012).

The Scottish Independence Referendum in September 2014 gave a renewed urgency to pan-UK constitutional change and triggered new processes in each of the nations.

Following the establishment of the Smith Commission in Scotland, the Secretary of State for Wales announced his intention in October 2014 to secure a similar cross-party consensus on future devolution for Wales, based on the second Silk Commission report (published in March 2014) which considered its legislative competence. The Secretary of State would also take account of the Smith Commission recommendations, published in November 2014.

This resulted in the St David's Day Announcement on 27 February 2015, a 'blueprint' on which to base future Welsh devolution. It shows areas where the four parties agree on what should be devolved, as well as constitutional matters such as the move to reserved powers and granting the National Assembly power over its own organisation including its size, name and internal operations. The Announcement does not transfer any further powers but provides a guide to the legislation that can be expected following the UK General Election in May 2015.

The Presiding Officer has consistently promoted her three priorities for constitutional change: enhancing the capacity of the Assembly by increasing its size; embedding the sovereignty and permanence of the Assembly, and moving towards a clearer devolution settlement that could be delivered through a reserved powers model. The St David's Day Announcement reflects this position.

Whilst recognising its limited scope, the Presiding Officer welcomed the Announcement as setting out a good basis for institutional reform to advance discussion on the devolution of further powers:

“For the first time, there is cross-party consensus, both in Cardiff and Westminster, that the Assembly should be a sovereign parliament that controls for itself how it delivers laws and scrutinises the Welsh Government.”

The Commission published a major report in January 2015, adding to the debate about the future powers of the Assembly. The Commission set out its view in ***The Future of the Assembly: ensuring its capacity to deliver for Wales*** that the number of elected Members in the Assembly should be increased. In this report the Commission put forward provisional costings for 80, 90 or 100 Members. The argument was based on the desire to give Members a realistic opportunity to scrutinise the policy, administration, spending and legislative proposals of the Welsh Government as robustly as the people of Wales deserve. The report also gave support to the key principle that the Assembly should have greater autonomy to determine its own affairs. In launching the report on behalf of the Commission, the Presiding Officer said:

“We want this Assembly to be a strong, accessible and forward-looking democratic institution and legislature that delivers for the people of Wales.

Much has been achieved by Assembly Members to deliver this since the Assembly was established.

However, the strength and success of Welsh devolution in the future will be at risk if we do not take steps to match the size of the institution to the size of the task.”

The report welcomed the Secretary of State’s commitment to the introduction of a reserved powers model, setting out how challenging it is to explain the powers and legislative competence of the Assembly in simple terms and how this is a barrier to public understanding. However, the two Supreme Court rulings on Welsh Bills we saw this year provide an important context to the consideration of moving towards a clearer devolution settlement through a reserved powers model.

The Supreme Court’s ruling of 9 July 2014 on the Agricultural Sector (Wales) Bill, now an Act, supported the view that matters related to devolved areas, even if not specifically devolved, are within the competence of the Assembly. On 9 February 2015, the Supreme Court ruled that the Recovery of Medical Costs for Asbestos Diseases (Wales) Bill was not within the legislative competence of the Assembly and was incompatible with the rights of compensators under the European Convention on Human Rights (ECHR).

These judgments – particularly the second one, where the Supreme Court was divided on the detail of the result – have highlighted the complexity of the current settlement. The Presiding Officer has made plain her expectation that any new model must give the Assembly and the people of Wales greater clarity about the legislative powers of the institution. She has also emphasised that a new settlement must preserve and build on the Assembly’s current competence – as unanimously interpreted by the Supreme Court in the Agricultural Wages case – and is not to be seen as an opportunity to row back on elements of that competence.

Recognising the significant amount of work to be done in this area, the Commission tasked the Strategic Transformation team with responsibility for leading the Commission’s response to constitutional change and ensuring that the services and support provided to Members are prepared for any ensuing changes, such as tax-raising powers. Due to the scale of constitutional work underway, a Constitutional Change Steering Group, comprising senior Commission staff, has been set

up to ensure comprehensive oversight of all aspects of constitutional work, thereby strengthening governance arrangements.

The work to date has focused around three strands:

- ensuring that legislation meets the needs of the Assembly;
- readiness for change, ensuring we have the right capacity and skills to respond to new powers and wider implications for the Assembly’s ways of working and procedures; and
- awareness raising about the changes to ensure the possibilities are taken into account in planning for the Fifth Assembly.

Preparing for the fiscal devolution contained in the Wales Act 2014 is another priority area of work for the Commission and its staff. The Finance Committee has published two reports on Best Practice Budget Procedures in response to the Silk recommendations. The second report, published in March 2015, provided a model budget process and recommended that the Assembly and the Government work together to implement a new budget procedure that meets the needs and requirements of both organisations.

Looking to the future

This report focuses on the Assembly Commission's achievements and how we have performed against our strategic objectives over the financial year. However, the Commission's vision and planning and budget strategy are long term and the direction of travel is set not only for the remainder of this Assembly, but beyond. In the final year of the Fourth Assembly, the Commission will continue to deliver strong, cost effective services to Members, striving to achieve its strategic priorities and leave a lasting legacy. The Commission plans to publish a legacy report, including ideas that the Fifth Assembly Commission can consider for the future.

Work will concentrate on:

- Supporting the increased programme of legislative work. Between January 2015 and June 2015 the Assembly concurrently considered 11 Bills (an increase on the previous maximum of eight under parallel consideration).
- Ensuring that the Assembly has a strong voice in, and is prepared for, UK and European constitutional changes, the scale of which will be significant following the Wales Act 2014 and the St David's Day UK Announcement in February 2015. Influencing any future Wales Bill and the Assembly's place in UK constitutional arrangements, and ensuring delivery of the Presiding Officer's priorities, will be a priority.
- Continuing the Commission's engagement and promotion work, with additional emphasis to reflect new constitutional developments. The Commission's focus on the importance of enabling and encouraging public engagement and participation in the Assembly's work will continue with renewed pace. Work is planned which will help achieve a step change in the Assembly's public engagement work, including the development of a consistently clear and engaging narrative to explain how Welsh parliamentary democracy works for Wales and widening the reach of our media work. The Senedd's tenth anniversary on 1 March 2016 provides an excellent opportunity to raise awareness of the Assembly, the 2016 election, and to reinforce the building as the Assembly's home in the hearts and minds of the people of Wales.

- Continuing to change our services through changes in technology, transforming Plenary Support systems, refreshing hardware and desk adjustments, all to cost, quality and time to give Members a better and more effective working environment.
- Undertaking further work to fully realise the opportunities presented by changing the way we report the Assembly’s work and proceedings and exploring the potential to present a bilingual Parliamentary Record that is reusable, available earlier, accessible and fit for 21st century communication methods. This work will sit within the context of broader changes anticipated across the organisation such as the need to improve our publication of open, re-useable data. Work will begin to deliver digital parliamentary democracy, to transform the way we generate, manage, share and use our information.
- Strengthening further the Members’ professional development programme to meet the needs of new and returning Assembly Members. This work will build on the existing programme, which will be subject to a full evaluation, and will provide appropriate induction and access to a wide range of Continuous Professional Development training for Members.
- Building on the Commission’s strong record in delivering value for money in hand with our strategic goals and priorities from the outset of the Fifth Assembly. We will be taking every opportunity to learn the lessons from this Assembly to ensure appropriate support is in place to support Members in carrying out their duties in the future, particularly in light of the new fiscal powers of the Fifth Assembly and the changing constitutional landscape.



Delivering the strategic goals

ASSEMBLY BUSINESS

During 2014-15, Assembly Members represented their constituents and scrutinised government policy, legislation and expenditure in weekly Plenary and Committee meetings.



67

PLENARY
MEETINGS

14

URGENT
QUESTIONS



5 BILLS RECEIVED
ROYAL ASSENT



10

INDIVIDUAL MEMBER DEBATES



253

COMMITTEE
MEETINGS



68

COMMITTEE
REPORTS

Providing outstanding parliamentary support

The Commission's priority is to ensure that consistently strong, integrated support is provided to meet the needs of individual Assembly Members and committees. This is to enable them to operate as an outstanding parliament. The role of the staff of the Commission is to make parliamentary democracy work for Wales. In everything they do, they aim to be acknowledged as a model of best practice by other parliaments and everyone affected by their work. This means continuously improving upon the high quality parliamentary services they provide for Members and Assembly committees.

Topicality in the Siambr

The Presiding Officer and the Business Committee have continued to focus on increasing opportunities for backbenchers and improving the topicality and relevance of Assembly business. The Presiding Officer introduced 'Spokespeople's Questions' during Oral Assembly Questions in the Siambr in September 2014, having shortened the tabling deadlines in 2013 to enable more topical questions to be tabled. The new procedure is modelled on the Leaders' Questions that have existed since 2011, and enable party spokespeople to ask three questions without notice to the Minister. This allows for both topicality and for spokespeople to question a Minister in greater depth.

A major success over the past year has been Individual Member Debates. First introduced in 2011, the Business Committee had scheduled one debate each half term. Over the last year, however, such has been the interest from Members and the quality of the cross-party motions tabled that there have been ten debates in total, with the Business Committee sometimes choosing to schedule all the motions tabled for debate. Meanwhile, the Assembly's increased legislative workload is reflected in the fact that seven Bills have been considered in Plenary since the start of 2014.

Making laws for Wales

This continues to be an exciting time for those involved in making laws for Wales. In the autumn, the Presiding Officer gave evidence to the Constitutional and Legislative Affairs Committee about the Commission's role in supporting legislative scrutiny, as well as her observations from a procedural point of view. We look forward to the Committee's forthcoming inquiry report on Making Laws in the Fourth Assembly.

The volume and complexity of legislative scrutiny the Assembly is undertaking is increasing significantly and rapidly and we expect it to become the norm in the Fifth Assembly.

The key features of this increase are:

- More Bills and larger and more wide-ranging Bills. Assembly Bills are now comparable with those of the UK Parliament in terms of size and complexity. In addition, the entire legislative procedure in the Assembly – from introduction, through scrutiny and amendment to final approval – is undertaken bilingually. Our Acts carry equal legal status in both Welsh and English.

- Increased demand for in-depth legal advice on legislative competence. Given the ratio of referrals to the Supreme Court of Assembly Bills, this work has to be given the highest possible priority and detailed attention.
- In March 2015, 17 Acts had received Royal Assent since the start of the Fourth Assembly. A further eight Bills were in the process of being considered by the Assembly, with further legislation anticipated.
- Increased demand for accessible information from the Research Service in support of legislative scrutiny, and publically available information explaining how a Bill changes as it progresses through the Assembly. Bill summary papers (which look at the policy context, main objectives and provisions of each new Bill) and glossaries of Welsh technical terms and phrases used in Assembly Bills are particularly popular.
- More subordinate legislation flowing from powers in Acts of the Assembly.
- More Legislative Consent Memoranda, which at the moment receive only the briefest scrutiny despite their far-reaching policy and constitutional implications; and,
- Legislation that is broader in scope: driven by factors such as the Supreme Court’s judgments on competence and, in the Fifth Assembly, the introduction of fiscal powers, and the move towards a clearer devolution settlement through a reserved powers model.

The scrutiny of Bills has dominated the work programmes of some committees and has constrained, to some extent, their capacity for policy scrutiny. Legislation is particularly reactive, demand-led work, with the timescales and volume largely determined by the Government. A Bill, once introduced, becomes the responsibility of the Assembly (not the Welsh Government). It is vital that high quality support is in place for legislative scrutiny and amendment, as it is for the scrutiny of Welsh Government policy and financial decisions. This step change in volume has required flexibility in the way we organise support for legislative scrutiny.

Our response has been to undertake an organisation-wide capacity planning exercise to better align resources to priority areas. This resulted in the deployment of temporary additional resources to address the heavy legislative workload. Establishing a Legislation Programme Board, made up of senior Commission staff, has enabled greater strategic oversight of legislative scrutiny. It also ensures resources are aligned across service areas and provides oversight of development projects such as enhancing the Legislation Workbench software that we use jointly with the Welsh Government.

The Commission has continued an initiative to build and improve the legislative drafting skills of Commission lawyers, through coaching and mentoring from an experienced former Parliamentary Counsel. Three Assembly Bills introduced by Assembly Members have been produced through this initiative, including the Holiday Caravan Sites (Wales) Bill; the Financial Education and Inclusion (Wales) Bill; and the Safe Nurse Staffing Levels (Wales) Bill.

MAKING LAWS FOR WALES

Bills and their progress through the Assembly (on 31 March 2015), and the Bills which received Royal Assent during the year.

1

Stage 1: Committee inquiry then Plenary debate on general principles

Local Government (Wales) Bill

Regulation and Inspection of Social Care (Wales) Bill

Holiday Caravan Sites (Wales) Bill

Renting Homes (Wales) Bill

Safe Nurse Staffing Levels (Wales) Bill

Financial Education and Inclusion (Wales) Bill

2

Stage 2: Committee consideration of amendments

Qualifications Wales Bill

3

Stage 3: Plenary consideration of amendments

Planning (Wales) Bill

4

Stage 4: Plenary debate on whether to pass Bill



Post Stage 4: The period when a Bill is prepared for Royal Assent, or sometimes referred to the Supreme Court

Violence against Women, Domestic Abuse and Sexual Violence (Wales) Bill

Well-being of Future Generations (Wales) Bill

Recovery of Medical Costs for Asbestos Diseases (Wales) Bill



Royal Assent: Bill becomes law

Housing (Wales) Act 2014

Higher Education (Wales) Act 2015

Education (Wales) Act 2014

Social Services and Well-being (Wales) Act 2014

Agricultural Sector (Wales) Act 2014

Supporting world-class committees

Committees play a vital role in making laws for Wales and in holding the Welsh Government to account for their policy and spending decisions. They have dual responsibility for both policy and legislative scrutiny and the Commission is responsible for ensuring that committees are fully resourced to fulfil their functions.

For a small institution, support for committees is well resourced, but it is also organised in such a way as to optimise efficiency and ensure committees have the broadest range of skills, knowledge and expertise at their disposal. The Commission's continued investment in a dedicated EU Office in Brussels is also recognition of the importance of a presence in the EU capital to support the EU-related work of the Assembly and committees.

Each committee is supported by an integrated team (a feature unique among UK legislatures), made up of clerks, researchers, outreach and communications staff, lawyers and translators who provide different aspects of specialist advice. The aspiration is that we deliver high quality, innovative services without Members ever 'seeing the wiring'.

The focus for 2014-15 has been on strengthening the culture of continuous improvement in our support for committees, embedding the Commission's vision for world class committee support and ensuring that activity is Member-led and tailored to their needs.

In November 2014, the Commission endorsed a number of enhancements made to committee support, including more concise, tailored research briefings; the increasing availability of private papers in both official languages; greater depth and breadth of engagement with the people of Wales, especially young people; and the delivery of an ongoing programme of professional development for Members. Other highlights include:

- monitoring the timely delivery of committee papers as a Key Performance Indicator, measuring against deadlines agreed by each committee;
- working with Members' support staff to help them get involved in committee work;
- increasing use of external expert advice when required;
- better preparation of witnesses through online guidance and tailored stakeholder training sessions;
- involving stakeholders in events around report launches and Plenary debates;
- more accessible and searchable online information;
- new ways of sharing the outputs of committee work beyond traditional reports, including tailored feedback to stakeholders who have participated in committee work, videos, infographics, plain language summaries and brochures showing how evidence has influenced recommendations.

The Commission's aspiration

Committees of the Assembly should demonstrably improve the quality of policy outcomes, legislation and public services for society as a whole in Wales. They should be respected, influential, and accessible, acting with integrity and independence. Their work should be strategic and rigorous.

The Commission's focus

The areas that need our attention in order to deliver our aspiration with the tools at our disposal.

The Commission's tools

The things that can be improved to make our committees, and their support, as good as they can be.



Feedback from Members and their support staff, through the annual survey, reflects high levels of satisfaction with the enhanced services the Commission has delivered for committees. The rating from Members has remained at a constant high level, and from support staff has improved since last year.

These enhancements have also been informed by a Member preference exercise. Integrated teams held conversations with committee members to gain as much intelligence as possible about how they approach committee work, to understand how they use the products and services provided to them and to find out what else teams can do to help Members engage and participate in committee work.

This intelligence has enabled staff to implement a range of quick wins and actions tailored to each committee and aimed at continuously improving and refining the level of support.

There has been a significant emphasis on cross team working and sharing good practice as part of the drive for more efficient and effective ways of working. Integrated teams have made good use of learning and development opportunities. The Assembly Business Directorate Procedures and Good Practice Forum helps support this through a structured programme, with high-profile speakers from other legislatures and focused workshop sessions on topics such as sharing good practice in consultation and evidence gathering and looking at how committees might best scrutinise the Assembly's increased financial powers. Other opportunities have been taken up to develop knowledge and awareness of EU affairs, with staff from across the Commission visiting Brussels for a structured training programme, funded by the European Commission and supported by the Assembly's EU Office.

Staff supporting committees regularly engage in and lead on discussions at UK-wide parliamentary networks which demonstrate high levels of support and innovation in our committee work.

Improving services to committees – quick wins

Following Members feedback, the Health and Social Care Committee's integrated team adjusted its timelines and processes for producing translated briefings. By matching services to the needs of committee members, it improved its level of service while also making some efficiency gains.

Understanding when and where Assembly Members undertake their committee preparation has meant that the integrated team supporting the Environment and Sustainability Committee can target communications outside committee meetings in a more informed way. The team are now able to work with a degree of flexibility around providing committee papers (including briefing) and have been able to deliver enhanced bilingual services for example. This would not have been possible had they continued working to the more restrictive and less intelligent deadlines previously established.

Feedback from Members led to the Public Accounts Committee (PAC) adjusting the way it plans its forward work programme. Members reported that they would prefer to focus their full attention on one issue at a time. Previously, it had considered multiple issues concurrently. Adjusting the forward work programme means that the Committee now takes evidence on a single issue over consecutive weeks. To facilitate this, the integrated team made changes to how it supports PAC-led inquiries.

Using social media and different methods of engagement

- Every committee now operates dedicated Twitter feeds in both official languages.
- Relevant hashtags are used to target groups and individuals online to ask them to submit evidence to committee consultations.
- Using the online platform Google Hangouts for discussions between committee members and participants across Wales enabled experts and service users to contribute without needing to travel to the Senedd for a formal evidence session.
- Storify has been used more widely as an effective way of collating information about specific committee inquiries, and sharing it on social media. Our Storify boards can be found here: <https://storify.com/assemblywales>
- Using focus group discussions such as the ones between committee members and cancer patients during the Health and Social Care Committee's inquiry into progress made on implementing the Welsh Government's Cancer Delivery Plan:

"Excellent turnout at @seneddhealth session w/ AMs & cancer patients. Key messages: people need a key worker & written care plan" #cancerwales' (@MacMillanCymru)

"Great to hear about the positive discussions today @seneddhealth focus group session with patients on #cancerwales delivery plan" (@NestaLloydJones).



Engaging with a broader range of people from across Wales

Committees are a core part of Assembly business and delivering innovative engagement support for committees has been a priority. A number of public engagement activities have supported committee work with more, and different, voices contributing to committee inquiries through surveys, focus groups and video evidence, strengthening the range and richness of evidence gathered. The Commission has also re-focused resources towards empowering children and young people to contribute to Assembly business and engaging with them beyond the confines of the classroom.

Here are some of the examples of engagement work undertaken by committees during the year:

- 3,252 people, including 2,377 children and young people, took part in a survey on recycling as part of the Environment and Sustainability Committee’s inquiry.
- Members of the Health and Social Care Committee visited projects such as the Wrexham Warehouse Project, Dan 24/7 in north Wales, DrugAid and Forsythia Youth Club in Merthyr Tydfil as part of their New Psychoactive Substances inquiry, followed by events with frontline staff in Wrexham and Merthyr.
- Over 1,000 young people took part in a survey asking for their opinions about the curriculum and qualifications. They told us that financial literacy, politics and modern business languages should be taught more in schools. Only 29 per cent of respondents felt that what they were currently being taught in school would adequately prepare them for later life and finding a job. The Children, Young People and Education Committee shared these findings with Professor Graham Donaldson, who is leading the Welsh Government’s Review of the Curriculum and Assessment in Wales. Professor Donaldson said:

“I am very grateful to the Committee for bringing this to my attention and for sharing with me the findings of your recent survey. It will certainly be of great interest to me as I formulate my recommendations for the Minister for Education and Skills.”

- The results of this survey were also considered by the Enterprise and Business Committee, as part of its inquiry into Assisting Young People into Work which looked at the careers advice young people receive in schools. The results support what a number of young people from across Wales told the Outreach team during video interviews; namely, that careers advice needs to be improved in schools to help young people decide how to go about finding work and to give them the skills they need to do that. The Committee showed the survey findings and the video evidence to the Deputy Minister in a public Committee scrutiny session at the Senedd.

- Tenants took part in a series of informal roundtable discussions with members of the Communities, Equality and Local Government Committee to share their views on the Renting Homes (Wales) Bill as part of the Committee’s Stage 1 scrutiny of the Bill. Writing as a guest on the Assembly’s blog, the Vice President for the Heath Park Campus at Cardiff University Students’ Union said:

“I thoroughly enjoyed taking part in the focus groups, and it was great to hear AMs so interested in the views of students. I look forward to seeing the Housing Bill being released, and hope that my views will be taken on board. Thank you to the Welsh Assembly for inviting me along!”

- The Outreach team arranged an event for the Constitutional and Legislative Affairs Committee as part of their Making Laws in the Fourth Assembly inquiry. This was the first time that a committee event was accredited, meaning that those in attendance contributed by taking part in group discussions with Members and also received Continuous Professional Development points for participating.
- As part of the Communities, Equalities and Local Government Committee inquiry into poverty, Members visited Remploy, RNIB and the Oasis projects across Wales to discuss issues with service users.
- The Enterprise and Business Committee held a stakeholder event at the University of South Wales Cyncoed Campus to discuss experiences of students, academics and staff of the EU Erasmus mobility programme as part of their EU funding opportunities 2014-2020 inquiry.

We are proud of the work being done to engage children and young people and to involve them in meaningful ways in the work of the Assembly. As the next page shows, a great deal of work has gone into embedding youth engagement into committee consultations, with over 8,000 young people getting involved in Assembly business over the past year. We have achieved this by adjusting our engagement techniques depending on the nature of the consultation; widening our partnership network; ensuring that we let young people know how committees have considered and used their input, and learning lessons to continuously improve our services to children and young people.

INVOLVING YOUNG PEOPLE IN THE WORK OF THE ASSEMBLY

During the year, over 8,000 young people have been involved in the work of Assembly Committees

Environment and Sustainability
Committee

Recycling inquiry

2,783

Member Bill

Financial Education and Inclusion
(Wales) Bill

623

Health and Social Care
Committee

New Psychoactive Substances
inquiry

519

Children, Young People and
Education Committee

Supply Teaching inquiry

929

Enterprise and Business
Committee

Assisting Young People into Work inquiry

2,008

Children, Young People and
Education Committee

Curriculum, Assessments and
Qualifications inquiry

1,177

Engaging through the petitions process

The Assembly's petitions system continues to be a popular, straightforward and easily understood way for citizens to engage with the Assembly and, through it, the Welsh Government. The Petitions Committee considered 85 new petitions between April 2014 and March 2015, supported by almost 90,000 people between them.

Of particular value is the way the petitions system can help bring about improvements in policies or practices on matters of specific concern. For instance, one petition called on the Welsh Government to make more consistent arrangements across Wales for the personalisation of graves, particularly the graves of babies and children. This led to the responsible Minister agreeing to write to all local authorities in Wales asking them to ensure that they have clear rules and regulations in place, which are kept up-to-date and enforced consistently.

The considerable number of petitions submitted (almost 600 since the start of the current Assembly), and the significant numbers of people who sign them, is just part of the picture. While many petitions will not directly achieve their initial aims, we know from our close dealings with petitioners that the petitions system is seen as a positive way of trying to influence or change Government policy and of initiating public debate on new ideas or policies for the Assembly to consider. We also know that petitioners value the fact that the system provides citizens with a direct route to having their concerns and ideas heard at the heart of government and directly by Assembly Members themselves.

Looking forward, the Petitions Committee is reviewing the system to see what further improvements can be made. As part of this, the Committee is surveying the views of all current and past petitioners and the general public and is also consulting with other stakeholders with an interest in this area. The results of the review will help the Assembly decide how best to support the petitions process in the future.



Working in a truly bilingual organisation

The ability to engage freely in either language in a truly bilingual institution is an important aspiration for the Commission. The Official Languages Scheme, agreed by the Assembly in July 2013, set out our ambition to be an exemplar within Wales. Presenting the Assembly Commission's first Annual Compliance Report on the Scheme in July 2014, Rhodri Glyn Thomas AM, Commissioner with responsibility for bilingual policy, said:

“We are committed to using our resources wisely to provide the best bilingual services across all areas of the Assembly's work to ensure that all those who engage with us can do so in either of our official languages. Bilingualism is an integral part of all services.”

We have worked to transform our delivery of bilingual services through our use of technology, by putting in place our Bilingual Skills Strategy in April 2015 to refocus staff resources and change organisational culture so that bilingual working is the norm.

Progress has been significant in the last year and this can be seen in the 2014 Assembly Member survey results when Members and their staff were asked to rate the support they receive to work in the language of their choice; this achieved the highest score of all areas surveyed. The launch of Microsoft Translator in 2014 has transformed ways of working by enabling the user to translate from one language to the other directly from Microsoft supported applications. This has led to a change in the ways we communicate as an organisation, both for non-Welsh speakers and for professional translators. Non-Welsh speakers are able to get the gist of correspondence received in Welsh, and translators' use of machine translation has led to an overall increased efficiency of around 20 per cent. This has released internal staff resource to be used in other priority areas.

Work is ongoing to collaborate with Microsoft to improve the facility and the Translation Service has also liaised with other bilingual public sector organisations to demonstrate the benefits of machine translation, as well as encouraging organisations to share data with us to improve the quality of the translation system.

Efforts to transform our bilingual working do not just rely on technology. The launch of the Bilingual Skills Strategy outlines our approach to planning, developing and managing the organisation's bilingual skills resource. One of the strategy's five objectives is to assess the Welsh language skills of every staff member. The subsequent audit of Welsh language skills will map the existing Welsh language skills of all staff members and will be used to identify our strengths and areas for improvement.

In addition, the appointment in November 2014 of a staff Welsh language tutor has proved successful because of the varied and tailored approach on offer. This has included one-to-one mentoring sessions, formal lessons and more informal learning activities for individuals and groups, from absolute beginners to advanced learners. One of the main priorities was to offer tuition to our public-facing staff members, such as the security officers and the catering staff, which has proved to be particularly successful. Other initiatives, such as the 'Welsh word of the day' feature on the staff

intranet, have also proved popular and 74 staff members (62 Commission staff and 12 catering staff) have now received tuition.

Enhancing skills through Continuous Professional Development

The Commission has continued to provide CPD opportunities to Assembly Members and their support staff during the year, with excellent levels of participation. Overall, 40 Members and 164 of their staff have taken up CPD opportunities during the year. Members and committees took part in a CPD programme for Committee Chairs, an element of which was jointly delivered with counterparts at the Northern Ireland Assembly, and ongoing support has been provided for committees in carrying out legislative and financial scrutiny. Briefings have been given on UK-wide constitutional changes and support given for those wanting to learn and improve their Welsh language skills. Interventions specifically targeted at Members' support staff included an accredited Management and Leadership course; speech writing and media relations training; and CDP support for those working in constituency offices on welfare reform, suicide intervention, office management and recruitment.

The Senedd

Visitor numbers on tours and visitor satisfaction levels have continued to increase throughout the year. Feedback received from visitors is positive and shows that groups leave with a better understanding of the Assembly and how it works.

“We loved every minute of the tour! It was interesting, so lovely to look around the Senedd and to learn more about the Welsh Assembly. Our guide was great, really friendly and you could tell that he had a genuine belief in the values and principles promoted by the Assembly. Thanks very much!”

“The tour guide was helpful, positive and informative. Everyone in the party seemed to find the tour interesting and you certainly learnt more than walking around by yourself. We would have no hesitancy at recommending the tour around the Senedd to others.”

“It does Wales proud. Beautiful building, nice polite staff.”

AGORWYD GAN EI MAWRHYDI... ENHINES
OPENED BY HER MAJESTY THE... 1-3-2006

Engaging with the people of Wales and promoting Wales

The Commission's priority in this area is to demonstrate that the Assembly is here to work for the people of Wales and to show the impact its work has on their lives – to establish the Assembly's purpose in the hearts and minds of the people of Wales. The Assembly's estate and its iconic buildings form a valuable and significant asset used to promote the Assembly and its work.

There has been great progress in specific aspects of our engagement work across Wales. This year has seen an exciting major events programme that makes use of the Senedd as a centre for Welsh public life.

The Senedd played host to a number of key events of national significance, including the Commonwealth Team Wales homecoming and the St David's Day family day out, with over 500 guests celebrating the day with arts and crafts activities and musical entertainment by local school children.

Assembly-led initiatives throughout Wales give thousands of people opportunities to engage with the Assembly. Our presence at 12 national and regional shows across Wales enabled us to speak to nearly 10,000 members of the public as part of a successful summer events programme. Visitors reacted positively to the National Assembly actively visiting their communities and seeking their views and input into its work. The Environment and Sustainability Committee attended the Royal Welsh Show, where conversations took place around the farming and agricultural sector in Wales and where the Committee gained considerable input into its Recycling in Wales inquiry. At the National Eisteddfod, visitors were particularly interested in discussing the Welsh Language in a digital age and in attending the Assembly's First World War commemorative programme launch in the Societies Pavilion.

A number of events were hosted on the Assembly's estate as part of the Assembly's official commemoration to mark the centenary of the outbreak of the First World War. This included the launch of the Wales for Peace programme, an event for the British Transport Police to commemorate those who lost their lives during WW1, a debate for young people in Siambr Hywel and a lecture by the Head of International Politics at Aberystwyth University.

Our commitment to engaging with children and young people

The Commission's ambition for youth engagement was informed by the views of nearly 3,000 young people, gathered in 2013. These views allowed us to develop three core principles as the basis for working with children and young people – reaching out, enabling debate and giving feedback - and to set three priority areas to work on - youth engagement in Assembly business, working with new audiences and the Vote@16? national conversation.

The Children and Young People Engagement Charter, which was signed by the Presiding Officer and the Party Leaders in the Senedd in July 2014, underpins the Assembly's commitment to increasing engagement with the young people of Wales. Launching the Charter, the Presiding Officer said:

“The Assembly Commission has now agreed a new vision for youth engagement. We want the Assembly to be seen as a world leader in youth engagement as young people are enabled to have their opinions on the issues that matter to them heard and valued at the heart of Welsh democracy.

This work is underpinned by a new Charter which forms our contract with the young people of Wales. It sets out what young people can expect from the Assembly, and what we expect from them.”

There is now a strong cross over between the staff involved in building a stronger, more inclusive approach to involving young people in the work of the Assembly. The Education and Youth Engagement team, which includes a new Youth Engagement Officer, has refocused its resource to increase opportunities for contact with the non-formal education sector; to strengthen our networks of youth groups and other organisations; and to offer more engagement outside the school environment to involve young people from harder-to-reach groups.

Dy Gynulliad di
Dy lais di
Dy ffordd di

—
Your Assembly
Your say
Your way

Y Siarter Ymgysylltu â Phlant a Phobl Ifanc

Mae plant a phobl ifanc Cymru wedi dweud:

- Siaradwch gyda ni,
- Gwrandewch arnom ni, a
- Cymerwch ni o ddifrif.

Ar y dydd hwn, 16 Gorffennaf 2014, mae Cynulliad Cenedlaethol Cymru yn ymrwmo i sicrhau bod pob plentyn a pherson ifanc yng Nghymru yn cael y cyfle i gyfrannu at ein gwaith.

Byddwn yn gwneud hyn drwy:

- Estyn allan ac annog cyfranogiad;
- Helpu pobl ifanc i drafod y materion sy'n effeithio arnynt hwy;
- Rhoi adborth a'r wybodaeth ddiweddaraf am gyfraniadau pobl ifanc i'n gwaith.

Byddwn ninnau'n disgwyl i bobl ifanc:

- Gymryd rhan yn ein gwaith a rhoi barn onest inni;
- Deall y gall gymryd llawer o amser i newid pethau ar ôl i rywun fynegi ei farn;
- Parchu safbwyntiau eraill a deall mai democratiaeth yw'r Cynulliad ac mae'n rhaid inni felly ystyried mwy nag un safbwynt.

Children and Young People Engagement Charter

The children and young people of Wales have said:

- Speak to us,
- Listen to us, and
- Take us seriously.

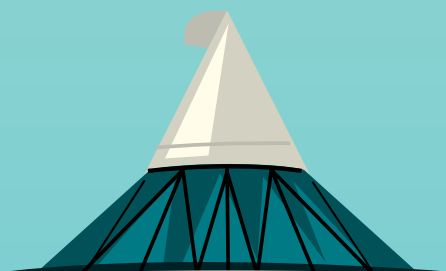
On this day, 16 July 2014, the National Assembly for Wales commits to making sure that every child and young person in Wales has the opportunity to contribute to our work.

We will do this by:

- Reaching out and encouraging participation;
- Helping young people to debate the issues that affect them;
- Providing feedback and updates on young people's contributions to our work.

In return, we will expect young people to:

- Participate in our work and give us their honest opinion;
- Understand that it may take a long time to change things after they have had their say;
- Respect the views of others and understand that the Assembly is a democracy so we must take more than one view into account.



Votes@16?

One of the major strands of youth engagement work has been the Vote@16? national conversation, launched by the Presiding Officer on the 25th anniversary of the United Nations Convention on the Rights of the Child on 20 November 2014. This six month campaign, which has taken place against the backdrop of wider UK constitutional changes, asked 11 to 25-year-olds in Wales for their views about lowering the voting age to 16. We have had a tremendous response, with over 10,000 young people taking part in the consultation through a range of methods, including the dedicated young people's website, www.yourassembly.org; at youth group meetings attended by the Education and Outreach teams and by using specially created information packs to allow young people to hold the debate themselves. Work has also been undertaken with Assembly Members to gather the views of young people via video and photo evidence.

Here are a sample of young people's views on the subject of lowering the voting age:

"If you are old enough to leave home, work or have a child, you should be able to have a say in the way the country is run."

"People need to be educated before they are expected to vote."

"Democracy is upheld by citizens playing their part as equally as politicians and legislation doing their part."

"For every voice to be heard, voices need to be used."

The UK Government's St David's Day Announcement in February 2015 signalled that the Assembly will in future have the power to legislate to lower the voting age. The Assembly will hold a youth day in July 2015 to consider the evidence and consultation results and discuss what should happen next.

EDUCATION AND YOUTH ENGAGEMENT

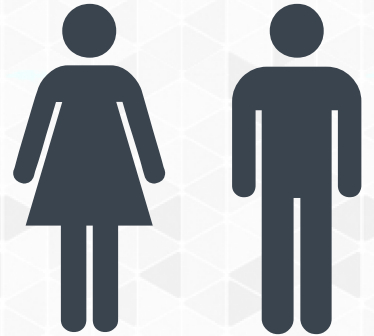
We continued to see large numbers of young people from across Wales this year – sharing knowledge about the Assembly’s work and how young people can get involved.

203

EDUCATIONAL
ACTIVITIES
AT THE ASSEMBLY

6,201

STUDENTS IN
ATTENDANCE



297

EDUCATION
OUTREACH
ACTIVITIES

9,998

STUDENTS IN
ATTENDANCE

20

YOUTH
ENGAGEMENT
ACTIVITIES

559

YOUNG PEOPLE
PARTICIPATED

29

YOUTH
ORGANISATIONS
PARTICIPATED



42

MEETINGS WITH
YOUTH GROUPS

SOCIAL MEDIA

Over the past year, we have been keeping in touch with more people and providing interesting content through all our online platforms.

OUR TWITTER FOLLOWERS
HAVE INCREASED BY

13,555



AVERAGING
600
NEW
FOLLOWERS
A MONTH

36

TWITTER FEEDS
REACH OVER
30,000
PROFILES



WE NOW HAVE OVER

50

CHANNELS ACROSS MULTIPLE
SOCIAL MEDIA PLATFORMS



OUR FACEBOOK
LIKES HAVE
INCREASED BY

35%

WE NOW HAVE

3000

LIKES OVER 5
FACEBOOK PAGES



THE NUMBER OF VIEWS ON OUR
YOUTUBE CHANNEL IS NOW OVER

75,000

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THAT'S THE EQUIVALENT OF

70

DAYS' WORTH OF
VIDEO VIEWING

Developing an online dialogue with our audiences, reaching out and making a difference with social media

We have continued to deliver social media content in line with the Commission's social media policy and strategy, presenting information in an open, accessible and interesting way, with the needs of our audiences tested regularly. Our innovative use of social media is something we are proud of and that is admired by parliamentary colleagues and other public sector organisations.

Social media is not something we do in isolation, but is part of a spectrum of engagement activity. As such, there has been rapid growth in the use of social media as a means of informing people about the work of the Assembly, but also as a way of engaging with as wide and diverse sections of the public as possible.

- The Assembly now has over 50 channels in both official languages across many different social media platforms, widening the reach of Assembly business considerably by connecting with different audiences.
- With 36 Twitter feeds, we have been able to increase our reach to over 30,000 profiles.
- We use social media to alert people to key Assembly business such as debates in Plenary and First Minister's Questions.
- The majority of English and Welsh Twitter feeds are seeing increases in followers every month with the @yourassembly and the Health and Social Care Committee's @seneddhealth accounts climbing to over 1,600 and 1,200 followers each.
- The main @AssemblyWales corporate Twitter account is growing at a fast rate, with over 28,000 followers and averaging 600 new followers a month.
- There are now five established Assembly Facebook pages with over 3,000 'likes' combined and continuing to grow.
- Videos on the Assembly YouTube channel have gathered over 75,000 views – the equivalent of 70 days' worth of video viewing.
- One of the most successful social media campaigns during 2014 was #1000Plenary. To celebrate the 1000th Plenary meeting on 8 October 2014, we contacted parliaments throughout the UK, the Welsh Government and other organisations to advise them of the event and encourage them to use the hashtag #1000Plenary. The results were dramatic and in less than 24 hours, the reach of the hashtag was over 405,000, making it one of the Assembly's most successful online campaigns in a small timescale.
- Another innovative social media exercise saw a Twitter campaign inviting questions for the Presiding Officer which she then answered in short videos posted on YouTube. This allowed audiences to engage with the Presiding Officer in a new way, as they could watch a video of her directly answering their questions.

Other innovations

Blogs have become an increasingly popular and effective way to share information. Using a less formal voice on the National Assembly for Wales' blog allows us to talk about the work of the Assembly in a more accessible way, to an audience who may not be familiar with certain terminology or processes. With nearly 200 posts and 13,000 views to date, it also provides an opportunity to promote the Assembly's work to a range of interested parties who engage with us online.

The Research Service blog *In Brief/Pigion* is also proving to be a popular, effective and resource efficient way of producing short, engaging topical articles. Articles are aimed at Members and their staff and primarily linked to the business of the Assembly, but feedback and viewing figures tell us that they are of interest to a wide range of stakeholders, organisations and individuals, so contributing to wider political debate in Wales. Viewing figures have grown rapidly since the blog's launch in October 2013, with 65,200 views of the English blog and 6,003 of the Welsh blog. Some of the most re-tweeted blog articles have included maps and infographics showing budget and financial information and topical issues in a more engaging, visual graphic format.

The new, more efficient Senedd.tv platform, launched in September 2014, provides further opportunities to promote the work of the Assembly. It allows users to watch, pause and replay live broadcasts on different devices including tablets and smartphones. Users can also choose their own clips of meetings – by start and end time, or by a specific agenda item – which can be easily shared with others via social media and email, or embedded into other websites. The launch of Senedd.tv has attracted new people to the service and the viewing figures are far higher than previously.

The launch of the Assembly's bilingual mobile app in March 2015 at the TEDx reception held in the Senedd adds another online method for people to find out more about what is happening in the Assembly. Launching the app, Peter Black AM, the National Assembly Commissioner with responsibility for ICT, broadcasting and e-democracy, said:

“With more of our users than ever before viewing our content on mobile devices, including nearly 60 per cent of videos watched on our YouTube channel, the creation of this new app is a natural progression in our online engagement activity.”

The Assembly was one of the first organisations to take the top-level .wales/.cymru internet domain names for Wales, marking one of the biggest changes to the internet landscape in Wales since the launch of the worldwide web in 1989. This historic move and the successful migration of 120,000 pages and 100,000 documents on the Assembly's website to the new SharePoint platform provided an opportunity to rethink and refresh the structure and content plan for all Assembly websites. The website is now more mobile-friendly and easier for users to search and find out what goes on in the Assembly, whilst offering significant savings on maintenance and hosting costs.

Informing debate

Since its launch in 2013, the Research Service blog In Brief/Pigion has continued to grow as a source of trusted and topical information for Assembly Members and other stakeholders, informing debate across Wales.



423
BLOG POSTS

71,203
TOTAL VIEWS ACROSS ENGLISH AND WELSH BLOG

THE BUSIEST DAY FOR IN BRIEF WAS
24 APRIL 2015



IT WAS VIEWED
703
TIMES

THE FIVE BLOG POSTS ON *IN BRIEF* WITH THE GREATEST NUMBER OF DIRECT CLICKS ARE:

General Election 2015: The battleground in Wales	969 VIEWS
Obesity Levels in Wales	886 VIEWS
The Welsh language and legislation – the latest position	642 VIEWS
New figures for youth unemployment and young people not in education, employment or training released	460 VIEWS
Drive time to major A&E hospitals	456 VIEWS

THE FIVE BLOG POSTS ON *PIGION* WITH THE GREATEST NUMBER OF DIRECT CLICKS ARE:

Y Gymraeg yn deddfwriaeth - y sefyllfa Diweddaraf	129 VIEWS
Etholiad Cyffredinol 2015: y frwydr yng Nghymru	108 VIEWS
Cyhoeddiad Newydd: Amseroedd aros rhwng Atgyfeirio a Thriniaeth yn y GIG Awst 2014	64 VIEWS
Bwrw Mlaen – I'r cyfeiriad cywir er budd y Gymraeg?	46 VIEWS
Adolygiad Donaldson: Ei feirnidaeth a'i weledigaeth	37 VIEWS

Taking the Assembly on the road with #SeneddWrexham

The Assembly's Events team held a successful engagement week in Wrexham during March 2015. #SeneddWrexham was a trial initiative to take the Assembly on the road and to relocate some of its activities to demonstrate how the Assembly works for the whole of Wales.

The event consisted of a pop-up Assembly in several locations across Wrexham, delivering outreach and engagement workshops to local organisations, youth engagement workshops with youth groups and educational sessions with schools in the local area. In addition, we also delivered a series of events that raised awareness of the Vote@16? national conversation and the Presiding Officer's Women in Public Life and Democratic Deficit initiatives.

Over the course of the week, Assembly staff spoke directly to over 2,000 people and saw considerable coverage in the local press. People who visited the stand and attended the various events throughout the week reacted positively to the Assembly's presence in Wrexham. A number of those who visited the bus and attended events said they felt that such initiatives tackled the perceived 'north/south' divide and showed how the Assembly's work directly affects people in north Wales.

rychioli chi?

you?



awer
dydd.
nnos
dd.
hw'n
suon ar
dydd.

Mae Aelodau'r Cynulliad yn eistedd ar
bwyllgorau hefyd. Grwpiau bach o Aelodau
yw'r pwyllgorau, ac maen nhw'n ystyried yr
hyn y mae Llywodraeth Cymru yn ei wneud
am faterion penodol. Yna, maen nhw'n
awgrymu sut y gall wella pethau.

I gael gwybod beth mae Aelodau'r Cynulliad
yn gweithio arnyn nhw ar hyn o bryd, ewch i:
www.cynulliadcymru/pwyllgorau

Assembly Members also sit on committees.
Committees are small groups of Assembly
Members who look at what the Welsh
Government is doing about certain issues.



Addressing the democratic deficit – engaging with local community journalists

The Presiding Officer has sought to tackle the gap in coverage of Welsh political life in the media through the Democratic Deficit campaign, launched in 2013 in a speech at the Royal Television Society annual Welsh lecture. Several events held throughout this year have created opportunities for us to engage with developing media to enhance reporting of the Assembly's work and attract potential new audiences.

In an event unique to any of the UK parliamentary bodies, the Assembly hosted a hyperlocal news day in October 2014, in partnership with Cardiff University's Centre for Community Journalism. Welsh hyperlocal and community journalists were invited to the Assembly for the day to report on how to make the Assembly's work more relevant to their local community, with a similar event held with community journalists in north Wales as part of the #SeneddWrexham week of events in March 2015.

These events with community journalists are the start of a process aimed at engaging new audiences in the work of the National Assembly for Wales.

There was great support for both events across social media and the stories produced on the day can be viewed here: <http://democraticdeficitwales.tumblr.com/>

Campaigning for Women in Public Life #POWiPL

The Presiding Officer's Women in Public Life campaign, now in its fourth year, has engaged women from all age groups and backgrounds to raise awareness about the need for more women to apply for and take up public roles and appointments.

Increasing women's parliamentary representation is one element of the campaign and this year saw the establishment of the Women in Democracy Caucus. Chaired by the Presiding Officer and made up of a cross-party group of Assembly Members, the Caucus set out to find and share best practice from other parliaments around the world on how to increase women's parliamentary representation. In March 2015, the Caucus published its report with ten recommendations outlining actions to tackle some of the barriers that women face in terms of entering public office.

In another notable achievement for the campaign, three out of the fourteen mentees who received training as part of Women in Public Life Development Scheme have successfully applied for positions in public life and another two are standing for elections, one for the Assembly election in 2016 and one for town council elections.

#POWiPL events have been held on the Assembly estate, including one to mark International Women's Day 2015, when the Senedd was lit up in purple lights as part of the global #PaintitPurple campaign to raise awareness of issues still surrounding gender equality. We also held a #POWiPL event in Wrexham as part of the #SeneddWrexham week of events in March.

INTERNATIONAL VISITS

The Assembly has hosted a range of delegates from around the world, as well as undertaking visiting to our counterparts to promote Wales and the Assembly.



Visits to the Assembly – April 2014-March 2015

Ireland 7 -11 April 2014	India 8 May 2014	Namibia 9 May 2014	Mexico 14 May 2014	Greece 14 May 2014	Canada 20 May 2014
Jamaica 20 June 2014	India 25 June 2014	Germany 26 June 2014	Belarus 2 September 2014	Bangladesh 11 September 2014	New Zealand 2 October 2014
Italy 16 October 2014	Namibia 21 October 2014	Ireland 27 October 2014	Croatia 12 November 2014	Hungary 19 November 2014	USA 25 November 2014
Canada 15 January 2015	Fiji 2 February 2015	Netherlands 10 February 2015	Japan 25 February 2015	Latvia 26 February 2015	India 10 March 2015
France 17 March 2015					

Visits to other countries – April 2014-March 2015

Ireland 1 April	Spain 12 June	Belgium 20 June	Belgium 16 August	Iceland 17 September	Belgium 19 October
Canada 25 October	Gibraltar 6 February	Cyprus 24 May	Pack Page 57		

Promoting Wales around the world

The Commission acts as an ambassador for Wales in the wider world, ensuring that opportunities are maximised to promote Wales and the work of the Assembly in the UK and abroad. At European level, the Assembly has continued to play a positive role in engaging with the EU policy and law-making process on key areas of interest to Wales.

2014 was a year of transition in the EU Institutions, with a new European Parliament, new European Commission and European Council President, while in January 2015 a new Committee of the Regions mandate began. The Deputy Presiding Officer met with all four Welsh MEPs during the autumn to discuss engaging them effectively in the Assembly's work, and a number of Assembly committees have held evidence sessions with Welsh MEPs, including the Enterprise and Business Committee during its inquiry into EU funding opportunities 2014-2020.

Assembly committees have also sought to develop a 'legislature to legislature' dialogue with the European Parliament to influence new EU legislation. In an excellent example of this, the Chair of the Health and Social Care Committee, David Rees AM, was invited to participate in a stakeholder event organised by the European Parliament's UK Office in London to share the Committee's key findings from their inquiry report into New Psychoactive Substances.

David Melding AM, as Deputy Presiding Officer and Chair of the Constitutional and Legislative Affairs Committee, represented the Assembly at the two meetings of the EC-UK Forum during the year. This forum brings together the Chairs of the European Committees (or equivalent) of the UK and devolved legislatures to discuss relevant issues on the EU agenda.

In their roles as the Assembly's representatives on the Brussels based Committee of the Regions (CoR), Mick Antoniw AM and Rhodri Glyn Thomas AM have both been particularly active. Mick Antoniw has been heavily involved in the Committee's response to the Ukrainian crisis, holding a bilateral meeting with the Deputy Vice-Prime Minister of the Ukraine, and speaking on behalf of his political group during the plenary session debate in Brussels in April 2014. He also visited the Ukraine as part of a high-level political CoR delegation, meeting with the Ukrainian Prime Minister.

Rhodri Glyn Thomas chaired a seminar at the Open Days Week of the Regions in October 2014, which focused on the role of European Investment Bank funding in supporting regional and local investments. This seminar was a follow up to his report on this topic adopted at CoR plenary in January 2014.

In March 2015, both were appointed as CoR rapporteurs under the new mandate: Mick Antoniw's report is on Standards of Remuneration in Employment; and Rhodri Glyn Thomas' (the fourth since becoming a member in 2010), is on Developing the Potential of Ocean Energy.

The EU Office and the Research Service have continued to produce publications to support Members' work on EU issues, including the EU Weekly Update, EU Policy Updates and blog posts, and making effective use of the @SeneddEurope Twitter feed. Much of this content is finding a wider readership among stakeholders and the wider public in Wales as it aims to raise awareness of key priorities for

Wales, explaining their relevance and potential impact, as well as tracking dossiers through the EU decision-making process.

The quality of these outputs has been recognised externally. A joint Research Paper on implementation of Common Agricultural Policy in the UK and Ireland, prepared by the respective research services of the four UK parliaments and assemblies and the Irish Houses of the Oireachtas, was shortlisted for a Communicating CAP 2014 Award by the European Commission.

Throughout the year, the Presiding Officer, Assembly Commissioners and Assembly Members have represented the institution and participated extensively in the work of international networks and fora, including the Commonwealth Parliamentary Association (CPA), the British Irish Parliamentary Assembly (BIPA) and the Conference of European Regional Legislative Assemblies (CALRE). Through continuing high profile work to promote Welsh democracy to international audiences, the Assembly is seen increasingly as a distinct, innovative and progressive international legislature.

In May 2014, the National Assembly for Wales' Branch of the CPA hosted the British Isles and Mediterranean Regional (BIMR) Conference at the Senedd. The conference theme was Equality of Access to Democracy, reflecting some of the strategic priorities of the Presiding Officer and Assembly Commission. Participants took part in sessions on enhancing the participation of women in public life and democracy; bilingualism and the role of official languages in Parliament, and engagement of young citizens in the democratic process.

This was the first time the Assembly had hosted this prestigious conference since 2002, attracting over 50 delegates from 15 UK and international legislatures. Feedback was overwhelmingly positive, reflecting the success of the conference as a whole.

British Isles and Mediterranean Regional (BIMR) Conference

The Isle of Man Branch congratulated the Commission on the **"...friendly efficiency with which all arrangements were made...Your welcome has set everyone else a hard standard to emulate.... Cardiff Castle was a special treat, but the setting of the dinner in the Senedd was magnificent and we were honoured to be part of the first group to dine there as well as to use your Chamber"**

Andrew Tuggey, Secretary and Chief Executive to the CPA UK/BIMR described it as **"An excellent conference, ran like clockwork, innovative, novel and... quite the warmest conference I have attended in the CPA BIMR – the CPA Wales Team have set a very high benchmark"**

The Scottish Parliament said: **"Congratulations on a great conference last week... thoroughly enjoyed it and the organisation was excellent. I know that you and your colleagues must have put a great deal of time and effort into the organisation of the conference and it really paid off!"**



Assembly Commissioner Peter Black AM represented the Presiding Officer and gave a presentation of the Assembly's work at the CALRE Working Group on e-democracy in Seville in June 2014 and the Presiding Officer hosted this year's CALRE Working Group on Gender Equality in June this year.

There have also been a number of successful international visits. In October 2014, the Presiding Officer led a delegation, accompanied by Assembly Commissioners, on the first official visit to Canada, attending meetings at the Federal Parliament in Ottawa and visiting the Legislative Assembly of New Brunswick. To mark the 20th anniversary of the Srebrenica genocide in April 2015, Deputy Presiding Officer David Melding AM led a delegation, accompanied by Assembly Commissioners, to Bosnia Herzegovina, as part of the Lessons from Srebrenica education programme. We have also welcomed international delegations and diplomats representing Fiji, India, Mexico, Greece, Germany, Italy and France, as well as a visit in October 2014 by Irish President, Michael D. Higgins.

Recognising the importance of playing an active role in the development of parliamentary democracy overseas, the Commission gave their backing to our Director of Assembly Business in a secondment opportunity to provide expert advice to parliamentary strengthening programmes in Egypt, Jordan and elsewhere in the Middle East and North Africa. Having now returned to the Assembly, he continues this work part-time, helping the development of democratic systems of government overseas and raising the profile and influence of the Assembly in the process.

International commemorations

The Presiding Officer and Party Leaders took part in international commemorations this year, visiting Flanders to attend the Service of Dedication of the new Welsh National Memorial in Pilckem Ridge, Langemark, where the Presiding Officer laid a wreath on behalf of the Assembly.

The Presiding Officer and Assembly Commissioners Sandy Mewies AM and Rhodri Glyn Thomas AM, attended a special commemoration in Flanders at the invitation of the President of the Flemish Parliament Jan Peumans. The Deputy Presiding Officer, David Melding AM, also led a cross party delegation of Assembly Members, as part of the British-Irish Parliamentary Assembly (BIPA) Conference visit to Flanders. During the visit, he laid wreaths at the Welsh Memorial in Langemark and at the Menin Gates in Ypres.





Using resources wisely – a strategic review

An efficient and effective budget strategy

The Commission has taken a strategic approach to budget planning, with a budget strategy for the full duration of the Fourth Assembly and multiple year budgets. In 2011, the Commission set a clear three-year budget strategy for enhancing the capacity and capabilities of Assembly services to deliver the Commission's strategic goals: in support to Members and their new legislative responsibilities; in the estate as a venue for Wales; in communications and technology; and in how the Assembly works as an efficient corporate body. Detailed plans underpin the budget strategy allowing us to take a long-term view of spending requirements. This approach has delivered greater clarity, transparency and consistency.

The Commission has ensured sufficient financial resource is available through its robust annual budget process. This results in a final budget presented to Assembly Members every autumn following scrutiny by the Assembly's Finance Committee. The 2014-15 budget was approved in Plenary on 20 November 2013. It covered three separate funding streams for which the Chief Executive and Clerk of the Assembly is accountable (see figures 1 and 2). In July 2014, the Commission was also invited to give further evidence to the Finance Committee about its work in delivering the ICT service transition and bilingual services. We are very proud of our achievements and the staff commitment that has enabled us to deliver these flexible, tailored services with less financial resource.

Figure 1: 2014-15 Revised Budget

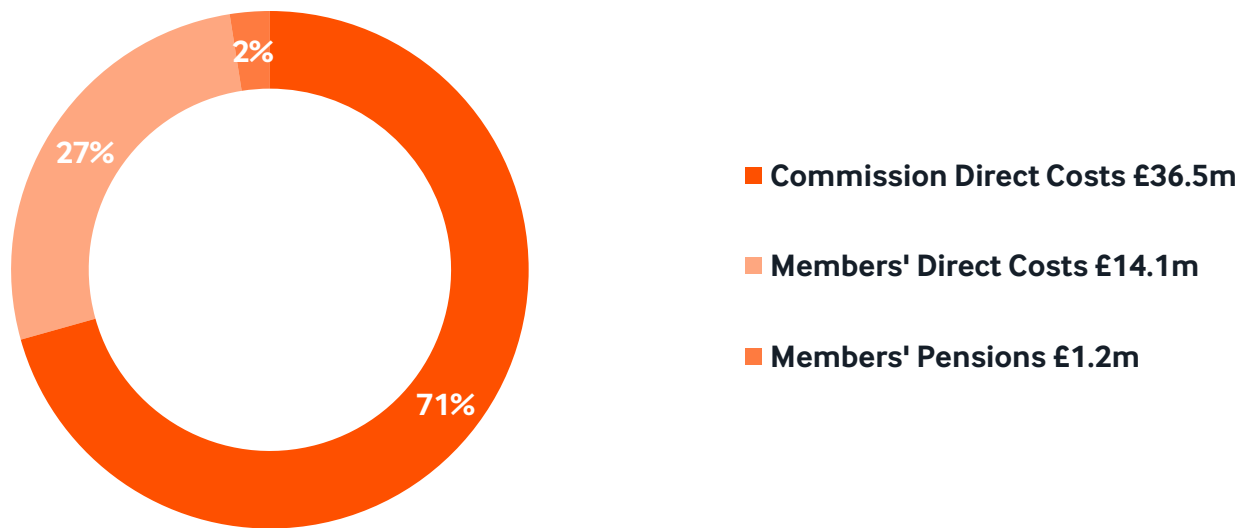
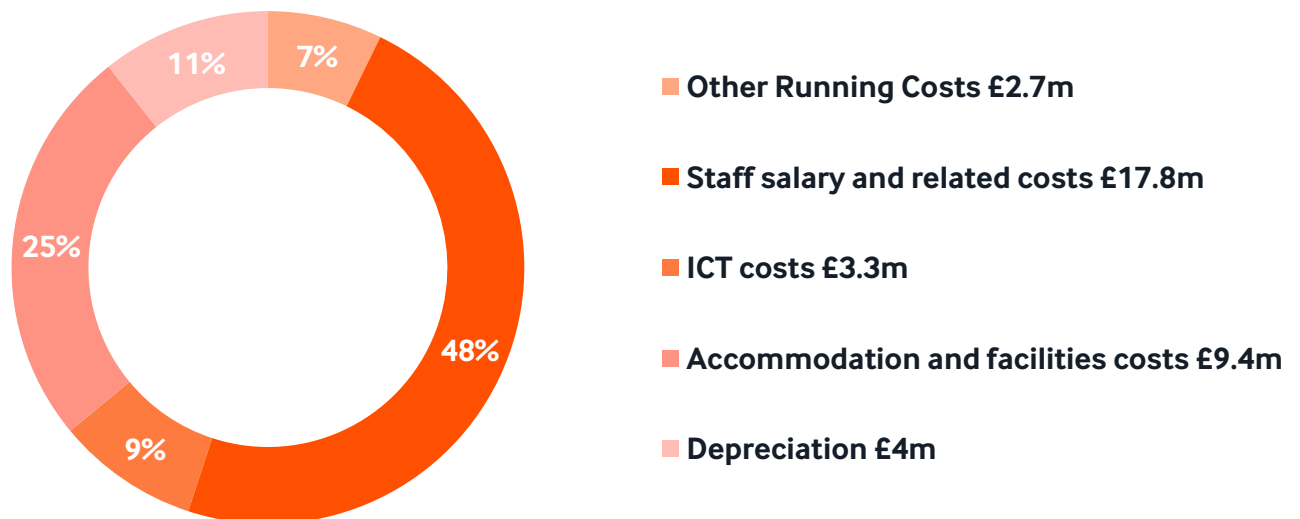


Figure 2: 2014-15 Commission direct costs
















The Commission's focus has been to increase efficiency whilst securing value for money, supported by strong governance and financial management processes. This allows for continuing innovation and improvement to the quality of services to Members and the public, while delivering our commitment to work within public sector funding constraints. The Commission will be facilitating a smooth transition to the next Commission by having financial management strategies in place for resourcing in the Fifth Assembly.



















Transparency, accountability and assurance

We publish regular Corporate Performance Reports. These include Key Performance Indicators on service delivery, budgetary performance, governance and assurance, demonstrating the Commission's commitment to operating in an open and transparent manner. The reports give a breakdown of performance against detailed measures and targets, comparisons to earlier periods and narrative commentaries to set the context and explain any concerns, such as gaps between performance and expectations. The traffic-light overview gives a clear indication of overall performance.

Corporate Performance Measures – summary of achievement against strategic goals

		April 2013 - March 2014	April 2014- March 2015	Comment
Providing outstanding parliamentary support				
1	Member Satisfaction	 amber	 green	Members increased scores for the ability to work in their language of choice have contributed to this improvement.
2	Timeliness and Service Delivery	 green	 green	Consistently high performance on timeliness of issuing committee papers, research briefings, Record of Plenary and committee transcripts.
3	Professional Development	 green	 amber	A slight decrease over the year in the number of AMs and AMSS engaging more than once in CPD accounts for the change; however there was an increase in Jan-Mar 2015. Work is underway on an evaluation and on CPD plans for the Fifth Assembly.
4	Progress on Corporate Plan Priorities	 green	 green	Further progress towards world class committees. Upgraded technology has improved access to information and proceedings. Efficiencies realised from use of improved translation tools.
Engaging with the people of Wales and promoting Wales				
5	Member Satisfaction	-	 amber	Score of 6.7 against a target of 8 This is a new measure with no comparator from previous surveys. The Commission has agreed full plans on engagement for the remainder of this Assembly.
6	Engagement at the Assembly	 green	 green	Visitor numbers have been maintained and visitor satisfaction levels have improved (90% good/satisfactory ratings).
7	External Profile of the Assembly	 green	 green	Significant increases in social media interactions, particularly for Twitter, YouTube and Senedd TV.

		April 2013 - March 2014	April 2014- March 2015	Comment
8	Progress on Corporate Plan Priorities (better engagement)	 green	 green	Good levels of engagement with Assembly business, particularly with young people and for committee work. Significant increases in social media interactions.
Using resources wisely				
9	Member Satisfaction	 green	 green	Improved scores across each category with significant increases to ICT scores.
10	Budgetary Performance	 green	 green	Strong position delivering an under spend of £64k or 0.1% of the budget. Annual savings target achieved during December.
11	Staff	 amber	 amber	Sickness absence rate is at 3.3%, just over its target of 3% or less. Reasons for absences are being analysed and addressed.
12	ICT Customer Service	 amber	 amber	Overall achievement of SLA targets for incident handling was down due to temporary staff shortages now resolved. Customer satisfaction score remains high.
13	Governance	 green	 green	Payments remaining within target times. Improvement in % FOI requests answered to deadline (94% against a target of 100%).
14	Sustainability	 amber	 green	New target of reducing energy emissions by a further 30% by 2021 have been introduced.
15	Progress on Corporate Plan Priorities (making the most of the estate)	 green	 green	Priorities in Forward Investment and Maintenance Plan completed.

Key



RED: There are significant issues impacting the achievement of business objectives. To achieve delivery, changes must be made to timing, costs, and/or scope.



AMBER: There are issues or risks which must be addressed. However, successful delivery is achievable without major impacts to budget, service standards, or target dates.



GREEN: Work is meeting agreed standards or is proceeding to plan. All known risks are being managed.

Challenge and review for all resource decisions is undertaken by the Investment and Resourcing Board. The Board, which has been operating since 2012 as the decision-making body for resourcing in the Assembly, meets fortnightly and is chaired by the Chief Executive and Clerk of the Assembly. Throughout the financial year, the Board balances the availability of funds with the needs of projects and services over multiple years to ensure its investment in the Assembly is properly scrutinised, prioritised and managed.

The work undertaken by the Investment and Resourcing Board during the year included:

- Reviewing the budget, expenditure and commitments;
- Scrutinising business cases seeking investment funding to ensure value for money. Some examples include: the future broadcasting services contract; telephone system replacement; public address system replacement; IT server farm re-cabling; installation of additional automatic door controls in Tŷ Hywel; refurbishment of the Pierhead Seminar room; conference room refurbishment; office blind refurbishment; ICT Infrastructure and software improvements; mobile interpretation facility to support the Assembly in the community; installation of PIR lighting and LED light fittings; Security barrier at Tŷ Hywel car park and fire alarm and CCTV integration.
- Deciding on the relative priorities for investment and agreeing the allocation of investment funds;
- Overseeing the annual capacity planning exercise;
- Reviewing and approving/rejecting business cases for all recruitment activity;
- Providing governance for significant change initiatives and projects;
- Prioritising projects and change initiatives where investment funding is required;
- Agreeing the appointment and remit of senior responsible owners and project managers for significant Assembly projects and change initiatives;
- Overseeing the contracts register and procurement plans.

The Commission has established strong assurance arrangements to ensure that we deliver on our obligations to stakeholders and achieve our strategic objectives, including the appropriate management of the budgets agreed for the Commission by the Assembly. Our Assurance Framework, praised by the Audit and Risk Assurance Committee and by our auditors, outlines the way in which the Commission's management obtains their assurance that internal controls are working effectively.

An example of how Investment and Resourcing Board provides challenge and review for resource decisions

The Building Management System (BMS) for Tŷ Hywel is a computer system which centrally controls the heating system, air conditioning, ventilation systems and alarms for critical systems. The existing BMS was commissioned 22 years ago and had exceeded its operational life. Replacement of the BMS was identified in the 10 year Forward Maintenance Plan, drawn up for the Commission by independent experts, as a capital replacement requirement.

The Board considered the business case to replace the BMS in July 2014 and agreed the final costs in December. They reviewed three options: remaining with the existing BMS, extending the BMS installed in the neighbouring Senedd building; or purchasing and installing a new BMS.

In reaching their decision, the Board weighed up evidence on:

best value for money over the expected lifetime of 10 years or more;

benefits including the potential to reduce operational and energy costs, energy consumption and maintenance costs;

reliability and effectiveness of the environmental controls;

potential to help manage the working environment and contribute to improving our position as a green and sustainable organisation.

The Board also examined the procurement and project management arrangements and received assurance that there would be an open market tender exercise. They approved the business case and called for exact costs to be confirmed following the receipt of competitive tenders. Specialists were engaged to assist with the development of the specification and analysis of tenders. Following receipt of competitive tenders, the highest quality, lowest cost tender was for £348,122 (including VAT and fees).

At their review in December 2014, the Board checked that the proposed system would fully meet the requirements of the tender specification and deliver the benefits identified in the original business case. The Board agreed funding from the 2014-15 budget, and determined that the work should take precedence over other calls on investment funding for the financial year. The system was delivered on time and within budget.



Fraud incident

In February 2014, the Commission was regrettably the victim of a fraud in which criminals used deception to breach our governance processes and controls resulting in erroneous payments to them of £104,000. It was a deception that is the subject of a criminal investigation wider than the Commission's case. When the fraud was detected, the Commission's Fraud Response Plan was implemented and all key stakeholders were informed. In addition, a detailed review was started straight away that provided assurance, confirmed by the Wales Audit Office, that the incident was an isolated one and that there was no internal wrong-doing. Commission's officials continue to work with the police to bring the culprits to justice. Any breach resulting in the loss of public funds is unacceptable. Going forward, we are confident that we have robust controls and governance arrangements in place and that our processes are fit for purpose. Further details are set out in the Statement of Accounts.

Achieving value for money

The Commission believes that securing value for money (VfM) is essential and VfM targets have been a feature of budget management every year. In March 2015, an internal audit report concluded that:

“the Assembly Commission has a well-developed value for money culture in place and this culture is embedded throughout the organisation.”

We aim to ensure that every pound spent in supporting the Assembly represents good value for money and that resources are used in the most appropriate way to deliver effective services to the Assembly and the people of Wales. We have had three priorities:

- improving management information to better understand the activity and costs associated with Assembly services and what drives those costs;
- simplifying processes and how we work in order to maximise the effectiveness and efficiency of Assembly services and make even better use of resources;
- maximising the benefits and cost savings from procurement and robust contract management.

We have saved £4.6million since the beginning of the Fourth Assembly. Savings initiatives since 2011, included: combined in-year savings, cash releasing savings and the windfall from rates rebate which was returned to the Welsh Government through a supplementary budget.

Since 2012, we have set a savings target in each year of £500k. We achieved the target for 2014-15 by November 2014 and delivered £584k of new savings by the end of the year. A key challenge for the Commission is delivering a greater percentage of recurring savings to provide opportunities for sustaining our investment and continuous improvements whilst minimising the impact on the public purse. Until this year, most of the savings had single year impact as they consisted of staff vacancies. We are now achieving a growing percentage of savings that reduce our operating baselines for more than one year. In 2013-14, 43 per cent of the target was delivered through recurring savings and in 2014-15 this is now 60 per cent. An example of this is the procurement work where we delivered more procurement savings in 2014-15 than the previous two years put together.

In addition to these procurement figures, the most significant efficiency savings have come through changes in the Commission’s ICT service, with the move from an externally provided service to in-house provision. This has similarly reduced the baseline costs of the ICT service and made resources available to invest in improvements to infrastructure and business systems in support of Assembly Members and the Commission.

Continuous improvement in efficiency

Our aim is to strive continuously for better value for money without compromising on the quality of services we deliver, or on our ability to be innovative in the support provided to Members. Our focus on efficiency is important so that we achieve the best possible value from the public money that we spend.

Our procurement efforts have focused on ensuring that goods and services are procured in an efficient, sustainable and environmentally and socially responsible manner. The emphasis is also on sourcing goods and services that deliver the quality and value for money that Members and the public have the right to expect. Particular support and encouragement is provided to potential suppliers that are small and are based in Wales. We currently have 49 contracts, each with a value in excess of £25k. These are re-tendered every 3 – 5 years.

The procurement savings achieved over the last three years are shown below. All of last year’s savings were cash releasing and, all came from ICT contracts. The increase in savings for last year is largely due to the new telephony solution being implemented. Once this is rolled out, and having taken into account implementation costs, we will be paying 72 per cent less than previous years.

Procurement savings achieved 2012-15

Measure	2012-13	2013-14	2014-15
Contracts awarded	7	12	12
Savings to date	£83,563	£283,209	£557,126

We will be introducing a supplier development programme for those key suppliers who have staff working alongside Commission staff on our estate – broadcasting, facilities management, cleaning, and catering. The aim is to drive better efficiency and value for money from these contracts, encourage innovation and promote our organisational values. We want these suppliers to support our core values especially in the areas of equality, diversity and sustainability.

In terms of energy efficiency, the Commission has made good progress in reducing its carbon footprint and has made changes, reducing both consumption and emissions. This year, we reached a key milestone in our continued efforts to cut the carbon emissions from our estate’s most significant impacts. We concluded our Carbon Management Plan in December 2014, having achieved a 35 per cent reduction in energy emissions and 4 per cent reduction in business travel emissions compared to the 2008-09 baseline. To put this in a financial context, our annual cost for electricity for the first three years of the Fourth Assembly has increased by 9 per cent while our consumption in Kwh has reduced by a similar factor. Without the action taken, our costs would have been £20k higher over the

period. Managing our energy usage has enabled us to manage our utility budgets more effectively against a trend of annually increasing utility costs.

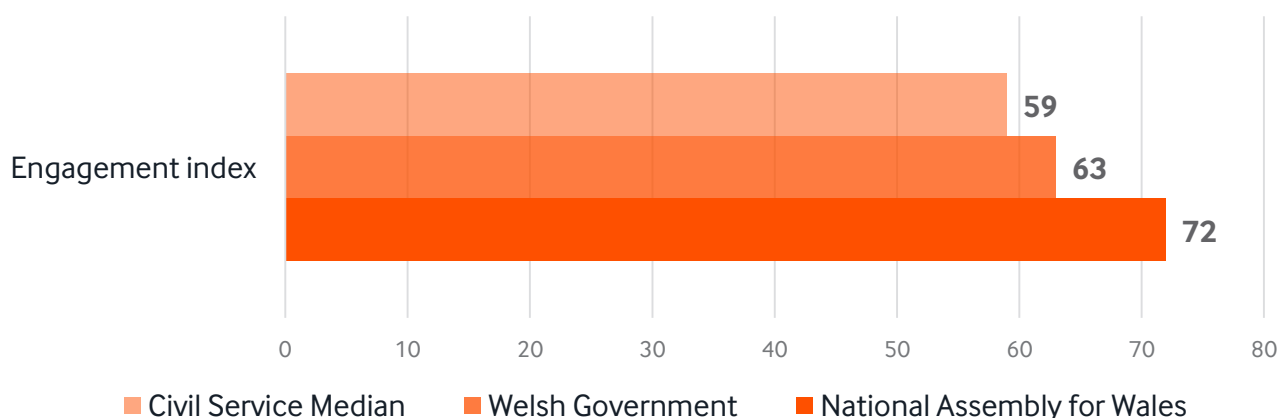
In 2015-16, we will be maintaining the focus on efficiency by undertaking a business efficiency review to provide assurance that what we do is fit-for-purpose and cost effective and to challenge us to increase that efficiency still further. As a first step, we are setting a VfM target based explicitly on service and contract savings. We expect the business efficiency review to result in a more comprehensive approach that will reinforce the commitment to efficiency and excellence in all aspects of the Commission's work, as well as providing a broader range of evidence of efficiency achievements in projects and programmes, business change, service delivery and in procurement and contract management. This will be supported by careful prioritising of investments and robust cost control disciplines. We also envisage introducing additional independent or external validation and benchmarking.

Building a strong, integrated workforce

The Assembly continues to attract a range of prestigious awards. In 2014, we were listed as a Working Families Top 30 Employer and in The Times Top 50 Employers for Women. We improved our position in Stonewall's Top Employers for LGB people, now ranking 4th in the UK (up from 11th place last year). For the second year running, we were named Top Public Sector Employer in Wales and for the first time, we achieved the National Autism Society Access Award. We also retained our commitment to the Positive about Disabled People and Age Champion campaigns, the Action on Hearing Loss Louder than Words charter mark, and our Investors in People Gold Standard.

In December 2014, an Investors in People (iP) specialist carried out an interim review to check whether we are on track to maintain our iP Gold status. The specialist's conclusions were very positive, reinforced by his encouragement to us to aim for iP Champion status when our next assessment is due in 2016. No staff survey was carried out in 2014-15 but early analysis of the one conducted in May 2015 shows exceptionally high levels of staff engagement. 84 per cent of staff completed the survey, compared to 62 per cent for the Civil Service and Welsh Government (in 2014). The results show a higher Engagement Index than the other organisations and scores higher in Leadership and Managing change.

National Assembly for Wales Engagement Index



The Commission's priority continues to be ensuring that consistently strong, integrated support is provided to meet the needs of individual Assembly Members and committees. This means continuously improving upon the high quality parliamentary services provided by Commission staff. We also need to plan and prepare for the future. We know that the volume and complexity of legislative scrutiny the Assembly is undertaking is increasing significantly and we expect it to become the norm in the Fifth Assembly. The natural conclusion of the increased pace of constitutional change and the implications for further devolution contained in the St David's Day Announcement, mean that the Commission will need effective workforce planning to ensure that the Assembly and its Members are properly supported in their work.

During the year, we introduced new annual business cycle activities to specifically address and identify the Commission's short to medium term resourcing needs and to assess options for meeting these, including the implications of changing ways of working and prioritising the use of existing resources. One of the key ways we do this is through the twice yearly capacity planning review where we consider changes to service plans and priorities for new development, identify risks and opportunities and assess the implications for the Commission's budget and resource needs. Effective challenge forms a significant part of this review process, which involves peer challenge, further review by Investment and Resourcing Board and oversight and assurance from the Audit and Risk Assurance Committee. Ultimately, the output of this exercise is integrated into the annual budget planning cycle and is reflected in the review of the Commission Strategy. To assist us in this work, the use of comparator benchmarking, baseline measures and measures of success is also being explored.

Through capacity planning we:

- review key skills and manage re-alignment in the workforce more strategically;
- future proof the skills mix of the workforce by ensuring that skills are aligned to new requirements;
- determine how many employees will be needed;
- manage employment expenditure by anticipating changes;
- provide information to predict and address peaks and troughs in supply and demand for specific skills;
- confirm plans to remove potential barriers to equality and bring about specific demographic improvements in line with the findings of the Commission's Annual Equality Report.

Changes this year within Human Resources (HR) have helped improve the level of support for Commission employees and managers. The HR and payroll system has been improved to automate core processes, and considerable effort invested to deliver a bilingual system that allows staff to work through their language of choice, which we understand to be a first for this system. There have been improvements to the recruitment authorisation process, case management and job evaluation support is more readily available, and changes to build stronger links between performance review and the competency framework are progressing well. We have developed a refreshed approach to welcoming new staff to the organisation with our corporate induction, work to review our corporate policies is underway, and Commission staff have been able to take up a range of secondment

opportunities (over 122 throughout the year), management development training and coaching and mentoring opportunities.

We were shortlisted as a finalist for Apprenticeship Awards Cymru this year, building on the success of our apprenticeship scheme launched two years ago. Our scheme provides opportunities for young people to earn while they learn and gain qualifications, and we work to prepare all apprentices to apply for suitable posts. Our second group finished their apprenticeship scheme in May 2015, and all six successfully achieved their NQF qualification in Business and Administration. Five of the six apprentices have found either substantive or temporary posts within the Commission, and all six are continuing to pursue opportunities following their apprenticeship with us.

Creating opportunities and efficiency in ICT services

The Future ICT Services Transition Programme was completed on time and under budget in July 2014. The vision was:

- to provide the Assembly and Commission with an ICT service specifically designed for its needs;
- to return control over investment and development to the Commission;
- to introduce flexibility and innovation into ICT solutions supporting the business;
- to do all of this within the existing ICT budget and, in addition, to release funds to deliver the ICT Strategy.

We are delighted that our efforts have achieved all elements of this vision and proud that the way in which the transition was planned, managed, governed and delivered has been recognised as an exemplar by external auditors and the Assembly Commission's Audit and Risk Assurance Committee. We gained a great deal of valuable learning from this 18-month journey and we are now regularly asked to share this with other organisations considering both outsourcing and insourcing of their ICT services.

Having full control over time, cost and delivery has provided the Commission with the capability and capacity to address new ways of working. We recognise that for Assembly Members and many of their staff, an office-centric way of working is far from ideal. Constituency offices have distinct needs that a one-size-fits-all service will not satisfy and being very mobile in Wales and being dependent on a very variable internet service can mean limited or no access to office-based information and applications. We will increasingly deliver applications and information via secure cloud services as this improves accessibility and resilience and over time, will reduce costs to the Commission. The network to constituency offices is being upgraded to improve services at lower cost and we have started a significant development to address the end-to-end lifecycle of Assembly information to improve the production, sharing, publication and archive of the Assembly's business.

In returning the ICT service in-house, we recognised the need for a different approach to providing the Assembly with the ICT applications. We therefore established an in-house applications management and development function and where we need additional expertise, we engage with Wales-based SME software specialists. This means, wherever possible, we no longer have to buy off-

the-shelf products which required significant configuration work by the supplier, at great cost and time, but which rarely fully met our needs.

Adopting an agile approach to development has already proven itself in the building of a replacement Plenary Business System, due for deployment in 2016. This approach has actively facilitated involvement by Members, Commission staff, our business analysts and applications experts to build and agree the application in incremental stages, ensuring we get what is needed at a fraction of the cost on the open market. We will continue this approach as the core methodology for future applications development.

As well as gaining greater flexibility, control and choice around ICT services, the financial benefits realised provide quantitative assurance of the Commission's decision to move provision in-house. In the financial year 2013-14 (the last year of the outsourced ICT arrangements), ICT Services cost the Commission £5m, of which £2.3m was directly paid to our outsourcing provider for the managed ICT service. By comparison, for 2014-15 (the first year of in-house operation), the outturn position shows a cost of £4.3m of which £545k was for contracted-out services. This £4.3m is the cost of the new ICT service including 43 staff delivering ICT support, broadcasting and audio-visual services, as well as direct support to Members and constituency office staff. During 2014-15, £0.4million was released from the ICT running costs for reinvestment into the Assembly ICT infrastructure; in previous years, such investment would have been funded from new money. This investment has improved the reliability and resilience of the ICT infrastructure and reduced future operational support and maintenance costs. The freedom to determine how to supply services has also delivered real benefits; for example, we have replaced the previous audio-visual equipment support contract with an in-house solution which has delivered savings of around £400,000 per annum and the replacement of the old telephony contract will save in the order of £180,000 per annum when completed in July 2015.

Looking forward, we will continue to provide flexible, cost-effective solutions, dictated by user needs. Flexibility will be the cornerstone of the ICT Strategy as we face the potential of an expanded Assembly which will require increased services.

Enhancing the estate

One of the Commission's strategic priorities is to make the most of our estate so that it reflects the Assembly's position nationally and internationally and positions the Senedd and the Pierhead at the heart of Welsh public life. To make sure we achieve this, the Investment and Resourcing Board endorsed a long-term investment plan for maintenance and refurbishment. This was developed for us by experts who reviewed the condition of all our buildings, equipment and plant, together with forecast lifespans and timetables for refurbishment and replacement. As a result, we have a schedule of the work required over a ten-year period, which we use to inform our investment decisions for the estate.

In addition to the routine maintenance works scheduled over the year, we have completed several lifecycle replacement projects including a new Building Management System and server farm air conditioning replacement. As well as helping us deliver reductions in energy usage through investments in more sustainable technology, these projects will deliver more efficient and effective plant and system management. Over the course of the year, we have invested in improvements in a number of other areas:

- refurbishing conference and meeting rooms to project a more fitting impression of the Assembly for the wide range of visitors and organisations that use them;
- increasing the availability of event space on the ground floor of Tŷ Hywel during times of peak demand, with a glass screen and doors installed adjacent to the Tŷ Hywel reception;
- refurbishing toilets to improve plumbing, pipework and a number of sustainable improvements including LED lighting and sensor activation;
- redecorating and re-carpeting the stairwells for the first time since the building's construction, and fitting low energy LED lighting to support our sustainability objectives;
- improving the lifts in line with accessibility requirements, the Equality Act 2010 and building regulations;
- installing a cashpoint, with the support of the in-house Post Office, which has proved to be a valuable and well used additional facility;
- replacing the air conditioning in Members' Offices, which were 14 years old, and approaching the end of their lifecycle. The new units are more sustainable because of the refrigerant gas used and energy efficient, contributing to our carbon reduction targets.

Following the increase in the national security status in the wake of terrorist attacks around the world, we identified areas of estate security improvements, strengthening our perimeter security with the installation of a security rated car park barrier. We are also reviewing our security infrastructure and operational systems to identify priorities for future replacements and changes



15:27

Sustainability report

The National Assembly for Wales has a legal duty to pursue sustainable development in all of its work under Section 212 of the Government of Wales Act 2006. We understand the key role we play in promoting sustainable development and minimising the environmental impacts of our operations.

This year, we reached a key milestone in our continued efforts to cut the carbon emissions from our estate's most significant impacts. We concluded our Carbon Management Plan in December 2014, following five and half years of hard work, investment and commitment. This delivered a 35 per cent reduction in energy emissions and 4 per cent reduction in business travel emissions compared to the 2008-09 baseline. The Carbon Trust recognised this as leading performance among the public sector in Wales and we achieved the award for the most sustainable organisation in Government at the UK Public Sector Sustainability Awards, in recognition of our collective efforts.

We also have plans in place for the future. Emissions from electricity and gas still amount to 84 per cent of our total carbon footprint so we have developed a targeted Energy Reduction Routemap to deliver a further 30 per cent reduction in energy emissions by 2021 compared to the 2012-13 financial year baseline.

We will continue to work to reduce our energy intensity, innovate and capitalise on opportunities to reduce the impacts of our business on the environment and set an example for others to follow.

As an open and transparent organisation, the Commission has publically reported sustainability performance data since 2007-08. We measure and report our emissions of greenhouse gases through an Annual Environmental Report.

Summary of performance

In this financial year, we have continued to make advances in reducing our single biggest environmental impact – energy use. Investment in and replacement of critical equipment, combined with targeted project management and energy monitoring, has helped maintain a downward trend in energy consumption. While our carbon footprint has increased by 18 per cent (primarily from refrigerant usage and replacement associated with our air conditioning and cooling systems), the replacement of 80 air conditioning units will deliver operational savings and efficiencies through our building services in the longer term.

We expect annual fluctuations in emissions consistent with unpredictable weather conditions, variable occupancy and improvements to plant, but the long term trend is of more interest to us. In the last few years, we have successfully exceeded our water reduction target following extensive refurbishment to our sanitary facilities across Tŷ Hywel and, although we fell short of our zero waste to landfill target by just 5 per cent, we have increased our recycle rate to 95 per cent. We continue to invest in the building fabric and plant of Tŷ Hywel, our most energy hungry building, and when we do so energy efficiency is a key requirement.

Environmental management certification

The Environmental Management Standard (EMS) drives environmental improvement and the consideration of sustainable development principles across the Assembly. We successfully retained Level 5 (the highest level attainable) of the Green Dragon (EMS) for the seventh year running. We are committed to achieving the annual renewal of this certification. This provides a system of third party assurance and recognises the Commission's continued priority to continuously improve and comply with relevant environmental legislation. The standard also helps us identify, monitor and manage our environmental impacts to enable informed decision-making, policy development and risk management.

Energy

Despite achieving a reduction of 2.4 per cent in electricity consumption compared to last year, an inflated carbon conversion factor (as a result of the high proportion of coal in the grid electricity fuel mix for the previous year), has led to an increase of 8.5 per cent in our estate electricity emissions. Conversely, gas consumption has dropped by 9.5 per cent equating to an emissions reduction of 10 per cent over the same period. This amounts to a cumulative energy emissions reduction of 4 per cent for the year.

Consumption trends largely arise from two key factors; reduced demand for both gas and electricity from a mild seasonal trend throughout the year; and continued upgrades to the equipment and controls in Tŷ Hywel. We have implemented energy saving interventions including:

- 01.** the installation of a new building management system (BMS);
- 02.** LED light replacements in meeting rooms and public spaces in Tŷ Hywel and the Senedd;
- 03.** improved heating controls and radiator valves;
- 04.** motion sensor lighting;
- 05.** improved insulation and energy efficiency in our office entrance; and
- 06.** the application of high performance solar film on windows where appropriate.

Travel

Business travel accounts for 12 per cent of our total carbon footprint. In 2014 -15, our transport related emissions increased by 13 per cent compared to 2013-14. This is almost exclusively attributable to a rise in air travel mileage from 126,922 miles last year to 333,192 miles this year in support of the Commission's goal of promoting Wales and our work to the wider world.

Almost a quarter of all business travel is now undertaken by bus or train and we have continued to increase the use of the low emission pool car by 18 per cent compared to last year and by 30 per cent over the last five years. In response to the increasing number of cyclists commuting to work, the bike storage facilities in Tŷ Hywel have been refurbished and improved, increasing capacity and improving access and layout. Carbon emissions from our private car use fell by 8 per cent compared to last year.

Although it continues to represent the primary contributor to transport emissions, proportionately this figure fell by 14 per cent to 56 per cent of the total over the same period.

Waste

Following a steady rise in occupancy rates, the volume of waste disposed has increased by 6 per cent compared to 2013-14. However, there has been a further 26 per cent reduction in the volume of waste sent to landfill which now consists of just 5 per cent of the total. Despite this reduction, waste emissions remain consistent with last year at 3tCO₂e, representing just 0.1 per cent of our total carbon footprint.

- The recycling rate continues to improve, and now stands at 95 per cent of the total waste arising, while also benefitting from improvements to our contractor’s facilities for post separation and sorting of waste to increase recycle volumes.
- We are working with onsite contractors to improve the quality of the waste data we capture from refurbishment projects to ensure we collect the full spectrum of waste sources attributable to the operation of the site.

Water

Our primary aim is to reduce our direct water consumption as this is the area where we can exert the greatest influence. We have reduced our mains water consumption by 16 per cent compared to last year and 18 per cent since the baseline year of 2010 -11 by installing water saving devices. This achievement exceeds our target of a 10 per cent reduction by 2015 and results in the equivalent of a 12 per cent reduction in emissions associated with the supply and treatment of our water compared to the baseline year.

Initiatives undertaken in 2014-15 include:

- Refurbishing 36 washrooms in Tŷ Hywel and installing waterless urinals, sensor taps and flushes;
- Improved metering, monitoring and management of our grey water tanks to maximise usage during dry periods, resulting in an increase in the consumption rate of 19 per cent compared to last year and 110 per cent compared to 2010-11.

Continual improvement

Each year, we strive to improve the quality and credibility of our sustainability performance data through the development of robust data collection mechanisms to demonstrate our commitment to transparent reporting of all our environmental impacts. This is supported by ongoing reviews, internal and external audits and, where possible, basic verification assessments by the Wales Audit Office.

About our data

The emissions figures contained in this report are calculated on the Department for Environment, Food and Rural Affairs (DEFRA) 2014 Conversion Factors which are specific to the UK. In accordance with Defra guidance, reported Greenhouse Gas Emissions are not weather corrected.

Greenhouse Gas Emissions		2011-12	2012-13	2013-14	2014-15
Non-financial indicators (tCO ₂ e)	Total gross emissions scope 1	292	329	273	561
	Total gross emissions scope 2	1,501	1,470	1,366	1,480
	Total gross emissions scope 3	439	432	427	465
	Total outside of scopes emissions	313	298	167	130
	Total gross emissions	2,548	2,588	2,287	2,636
	Total net emissions	2,235	2,290	2,120	2,506

	Expenditure on accredited offsets (eg Government Offsetting Fund)	£0	£0	£0	£0
Financial Indicators (€)	CRC Gross Expenditure	N/A	N/A	N/A	N/A

Energy Consumption ^{1,2}		2011-12	2012-13	2013-14	2014-15
Non-financial indicators (kwh)	Electricity (non-renewable)	3,320,599	3,194,890	3,067,778	2,995,138
	Gas	1,203,866	1,741,299	1,431,017	1,295,506
	Biomass (renewable)	885,500	840,438	470,750	372,225
Non-financial indicators (tCO ₂ e)	Total energy emissions	1,885	1,956	1,786	1,881
Financial Indicators (€)	Total energy expenditure	445,005	458,168	459,093	448,586

¹ Includes costs for electricity and air conditioning in offsite server farm from 2010 onwards.

² All energy data now contains current and retrospective transmission and distribution emissions and well to tank emissions where applicable.

Official Travel^{3,4}		2011-12	2012-13	2013-14	2014-15
Non-financial indicators (miles)	Business travel	811,842	858,809	884,176	1,061,374
	Owned and leased vehicles	36,434	25,707	31,949	26,440
Financial Indicators (£)indicators (tCO2e)	Expenditure on official business travel	265,217	266,576	349,775	393,509
Waste		2011-12	2012-13	2013-14	2014-15
Non-financial indicators (tonnes)	Total waste arising	156	121	118	125
	Recycled/Reused	116	103	111	119
	Landfill	39	17	6.4	4.7
	Waste composted	14.2	11.3	5.5	5.5
	Hazardous waste	0.05	0.29	0.5	1
	Paper purchased (A4 and A5) (per million sheets)	2.17	2.77	2.7	2.6
Financial indicators (£)	Expenditure on all waste disposal	28,271	21,312	26,561	26,930
Water consumption		2011-12	2012-13	2013-14	2014-15
Non-financial indicators (m3)	Water consumption:				
	Supplied (direct)	7,669	9,449	7,315	6,117
	Collected (indirect)	747	2,407	1,301	1,554
	Abstracted (indirect)	0	0	0	0
Financial indicators (£)	Expenditure on supply and sewerage	22,777	31,773	23,681	22,245

³ Includes AMSS travel from 2011-12 onwards and travel purchased through the corporate credit card.

⁴ All travel data now contains current and retrospective well to tank emissions for fuel use.

Notes

- The information contained above has been developed for our Annual Report and Accounts in accordance with HM Treasury’s Sustainability Reporting Guidance for the 2013-14 financial year.
- Emissions are reported based on a financial control approach for the core administrative estate only.
- A full summary of our environmental performance can be found in the Assembly’s Annual Environmental Report.
- All activity data is converted into tonnes of carbon dioxide equivalent (tCO₂e) for reporting purposes. CO₂e is a universal unit of measurement that allows the global warming potential of different GHGs to be compared.

Remuneration report and Directors' report

Remuneration Board

The Remuneration Board (the Board) established by the National Assembly for Wales Remuneration Measure 2010 has responsibility for setting Members' Pay and Allowances. The Board became operational in September 2010. Four members of the Board (Mary Carter, Stuart Castledine, Professor Monojit Chatterji and Professor Laura McAllister) receive a day rate of £185. The Chair of the Board, Sandy Blair CBE DL, receives a day rate of £243. Appointments to the Board are normally for a five year term. However, Professor McAllister was appointed for one year only who was appointed in July. All the contracts are due to end in 2015.

The Board's report, Fit for Purpose, published in March 2011, concluded that the 2010-11 Assembly Members' salary of £53,852 should be fixed for four years from the start of the Fourth Assembly, This level of salary has been confirmed in subsequent Determinations on Members' Pay and Allowances, the latest in August 2014. The Board has set Members' base salary for 2015-16 financial year at £54,391. The following positions were entitled to additional salaries as follows:

	From 1 April 2014	From 1 April 2011
Presiding Officer	£41,949	£41,949
Deputy Presiding Officer	£26,385	£26,385
Assembly Commissioners	£12,420	£12,420
Chairs of committees ⁵	£12,420	£12,420
Chairs of other committees ⁶	£8,280	£8,280

This table was subject to audit

From April 2011 the Leader of the political group without an executive role receives an additional office holders' allowance calculated using a base level of £12,420 plus an additional £1,000 for every Member of the group to a maximum salary of £41,949. The resulting range of the office holders' allowance is £17,420 - £26,420.

From April 2011, the start of the Fourth Assembly, political groups appointed Business Managers. Business Managers receive an additional office holders' salary calculated using a base level of £6,210 plus an additional £250 for every Member of the group to a maximum salary of £12,420. The resulting range of the office holders' allowance is £7,460 - £12,420.

Of the members entitled to additional salaries in 2014-15, 3 did not draw their full entitlement for the full year (in 2013-14 16 Members also did not draw their full entitlement for the full year).

⁵ Committees were Children and Young People; Environment and Sustainability; Health and Social Care; Communities, Equality and Local Government; Enterprise and Business; Constitutional and Legislative Affairs; Finance Committee; Public Accounts.

⁶ Other committees were; Petitions; Standards of Conduct.

The Commission does not provide any benefits-in-kind.

Assembly Members are members of the National Assembly for Wales Members' Pension Scheme for which separate annual accounts are published via the Assembly website www.assembly.wales.

The Commission pays the salaries and related costs of Welsh Ministers and the Counsel General and they are charged to the Commission's resource accounts for administrative efficiency. The Welsh Government Consolidated Resource Accounts contain the disclosure information.

In its review of the remuneration package available to Assembly Members in the Fifth Assembly, the Board reviewed the base salary and noted that the significant increase in ordinary Members' responsibilities was not reflected in the previous Determination. In its Determination for the Fifth Assembly, which was published May 2015, one year before the Welsh General elections, the Board concluded that base salary should be set at £64,000 from May 2016. It has set salaries to reflect the changing weight of the additional responsibilities they carry and has increased the salaries paid to office holders in the legislature relative to those in the Government. The changes the Board is making to the Members' pension scheme will reduce the range and size of benefits provided by the scheme and the cost to the taxpayer, while requiring Members to pay more. Overall, the total cost of additional salaries for office holders will reduce.

Commission Office Holders

The Commission was established in May 2007 under Section 27 of the Government of Wales Act 2006 (the 2006 Act). The Commission is made up of five Commissioners; the Presiding Officer, who chairs the Commission and four other Assembly Members appointed by the Assembly.

Name	Title
Dame Rosemary Butler Elected 11 May 2011	Rosemary Butler has attended 14 out of 14 Commission meetings
Angela Burns AM Appointed 25 May 2011	Due to unforeseen circumstances during the year, Angela Burns attended 5 Commission meetings as agreed with the Presiding Officer.
Peter Black AM Reappointed 25 May 2011	Peter Black has attended 14 out of 14 Commission meetings.
Sandy Mewies AM Appointed 25 May 2011	Sandy Mewies has attended 14 out of 14 Commission meetings.
Rhodri Glyn Thomas AM Appointed 25 May 2011	Rhodri Glyn Thomas has attended 13 out of 14 Commission meetings.

A Register of Financial and Other Interests of Assembly Members is available at www.assembly.wales and www.cynulliad.cymru.

The Commission has portfolio arrangements with Commissioners taking a lead interest in specific issues. These are explained in the Annual Report. Commissioners have other Assembly responsibilities which prevent them from attending Commission meetings from time to time.

The Assembly Commissioners, other than the Presiding Officer, are entitled to an annual salary of £12,420 in addition to their Assembly Member pay. Their pension details are not included in the details below because only part of their remuneration relates to their roles as Commissioners. Their accrued pension and Cash Equivalent Transfer Values (CETV) as Commissioners cannot be disaggregated from the total amounts accrued.

The salary costs for the Presiding Officer and Deputy Presiding Officer are a direct charge on the Welsh Consolidated Fund.

Name and title	Salary 2014-15	Salary 2013-14	Real increase in pension ¹	Total accrued pension ²	CETV at 31 March 2015	CETV at 31 March 2014	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Dame Rosemary Butler AM – <i>Presiding Officer</i>	95-100	95-100	2.5-5.0	30-35	464	428	36
David Melding AM – Deputy Presiding Officer (service started 12/5/2011)	80-85	80-85	0-2.5	20-25	315	278	18

¹Real increase in pension and related lump sum at pension age

²Total accrued pension at pension age and related lump sum at 31 March 2015

The Clerk of the Assembly (appointed under Section 26 of the 2006 Act) is the Chief Executive of the Commission and its Principal Accounting Officer. In practice the Commission has delegated its operational responsibilities to the Chief Executive and Clerk, with some exceptions. Its staff are appointed under paragraph 3 of Schedule 2 to the 2006 Act. The Commission is independent of Ministers of the Welsh Government (Welsh Ministers).

The Commission has a duty to ensure that the Assembly is provided with the property, staff and services it requires to undertake its statutory obligations. This ensures the Assembly and its committees can convene, encourages public awareness of and engagement with the democratic process and supports the aspiration to make the Assembly an accessible and effective parliamentary body that inspires the confidence of the people of Wales.

Independent Advisers

The Commission has appointed advisers to provide independent, constructive challenge to the Assembly Commission. They do this through attending the Commission meeting, Audit and Risk Assurance Committee and the Remuneration Committee as well as providing input to other areas of the Commission's work. There are five independent advisers. The advisers receive non-pensionable emoluments of £5,000 per annum with £7,000 per annum for the Chair of the Audit and Risk Assurance Committee, and £6,250 per annum for the Chair of the Remuneration Committee.

Mair Barnes

(November 2007 - November 2016)

Mair Barnes has attended 6 out of 14 Commission meetings

Eric Gregory

(November 2012 – October 2015)

Eric Gregory has attended 5 out of 5 Audit and Risk Assurance Committee meetings, 1 out of 14 Commission meetings and 1 out of 1 Remuneration Committee meetings

Helena Feltham

(November 2012- October 2015)

Helena Feltham has attended 2 out of 14 Commission meetings and 1 out of 1 Remuneration Committee meetings

Keith Baldwin

(November 2012 – October 2015)

Keith Baldwin has attended 4 out of 5 Audit and Risk Assurance Committee meetings and 0 Remuneration Committee meetings

Hugh Widdis

(November 2013 –October 2016)

Hugh Widdis has attended 5 out of 5 Audit and Risk Assurance Committee meetings

Remuneration Committee

The Commission has a Remuneration Committee comprising of at least three members who are independent of the Assembly Commission and its staff and do not have personal or business interests in the functions of the Committee. One or two members must be drawn from the Assembly Commission's Audit and Risk Assurance Committee. The Remuneration Committee ensures that the Commission meet the highest standards of probity and accountability for the use of public funds and specifically, for appraisal and remuneration policies and systems.

The Committee's members during the period ended 31 March 2015 were:

- Helena Feltham - Chair of the Remuneration Committee (from April 2014) and Independent Adviser.
- Keith Baldwin, Independent Adviser
- Eric Gregory, Independent Adviser

During the year the Committee met once on 03 April 2014.

Senior Management

Appointments of Commission staff, on terms and conditions set by the Commission, are made on merit on the basis of fair and open competition. These principles are in line with civil service arrangements. Staff are not members of the Civil Service but are entitled to membership of the Principal Civil Service Pension Scheme (PCSPS).

A review of the Commission's structure at senior level resulted in a number of changes. A Director of Commission Services was appointed and was the first director-level post where the ability to work bilingually was an essential requirement for the post. The Director of ICT post, held by Dave Tosh, became Director of Resources to reflect the increased responsibility in adding several support services (estates, security, governance, procurement and human resources) to the existing ICT remit. These director-level posts were agreed in accordance with the Commission's Instrument of Delegation. Directors have declared that they hold no significant third party interests that may conflict with their duties.

The senior managers covered by this report hold appointments which are open-ended. Early termination, other than for misconduct or resignation, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Name	Title
Claire Clancy	Chief Executive and Clerk of the Assembly <i>Claire Clancy has attended 5 out of 5 Audit and Risk Assurance Committee meetings, 14 out of 14 Commission meetings and 1 out of 1 Remuneration Committee meetings</i>
Adrian Crompton	Director of Assembly Business <i>Adrian Crompton has attended 3 out of 14 Commission meetings</i>
Dave Tosh	Director of ICT <i>until 2 December 2014</i> , Appointed Director of Resources <i>from 3 December 2014</i> <i>Dave Tosh has attended 5 out of 5 Audit and Risk Assurance Committee meetings and 9 out of 14 Commission meetings</i>
Elisabeth Jones	Director of Legal Services <i>Elisabeth Jones has attended 1 out of 14 Commission meetings</i>
Steven O'Donoghue	Head of Assembly Resources and Director of Finance <i>until 25 April 2014</i> <i>Steven O'Donoghue has attended 1 out of 1 Audit and Risk Assurance Committee meetings</i>
Craig Stephenson	Director of Commission Services <i>from 6 May 2014</i> <i>Craig Stephenson has attended 14 out of 14 Commission meetings</i>
Nicola Callow	Director of Finance <i>from 26 April 2014</i> <i>Nicola Callow has attended 5 out of 5 Audit and Risk Assurance Committee meetings and 4 out of 14 Commission meetings</i>

Aside from the Chief Executive and Clerk of the Assembly, the directors do not attend all Commission and Committee meetings. The directors attend relevant meetings that correspond to their distinct portfolio of responsibilities. Unless otherwise stated the Directors hold appointments which are open-ended.

Travel and subsistence

Claims made by and on behalf of the Chief Executive and Directors for travel and subsistence and other business expenses over the last two years were as follows:

Name	Travel and Subsistence incurred 2014-15 £	Travel and Subsistence incurred 2013-14 £
Claire Clancy	572	1,112
Adrian Crompton	179	3,550
Dave Tosh	7,434	279
Elisabeth Jones	935	1,514
Steven O'Donoghue	-	1,316
Craig Stephenson	1,499	-
Nicola Callow	211	-

This table was subject to audit. A further breakdown of these figures can be found in the notes to the accounts.

The increase in travel costs is due to the shared cost of air travel relating to advisory IT services provided to parliamentary bodies overseas.

Single total figure of remuneration

Name	Salary (£'000)			Pension benefits ¹ (to the nearest £1000)			Total (£'000)		
	2014-15	2013-14	2012-13	2014-15	2013-14	2012-13	2014-15	2013-14	2012-13
					Restated	Restated		Restated	Restated
Claire Clancy	145-150	140-145	140-145	37,000	-3,000 ³	61,000	180-185	140-145	205-210
Adrian Crompton ²	120-125	115-120	110-115	35,000	40,000	42,000	155-160	155-160	155-160
Dave Tosh	105-110	85-90	80-85	104,000	43,000	33,000	205-210	130-135	115-120
Elisabeth Jones	95-100	90-95	45-50	34,000	85,000	44,000	125-130	175-180	85-90
Steven O'Donoghue	5-10	70-75	65-70	16,000	16,000	21,000	20-25	85-90	90-95
Craig Stephenson	70-75			57,000			125-130		
Nicola Callow	60-65			43,000			105-110		

¹ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

² During 2014/15 seconded work (£98k) was reimbursed.

³ This negative figure is due to a pay freeze in 2013-14.

Salary includes gross salary, overtime, recruitment and retention allowances.

The value of pension benefits for 2012-13 and 2013-14 were reported incorrectly as accrued pension last year. The information is now restated correctly in the table above. The change, annotated with restated, also affects the total column.

The Chief Executive and Clerk of the Assembly and the Directors do not receive any bonus payments or benefits in kind.

Senior Management – Pension Benefits

Name and title	Real increase in pension ¹	Total accrued pension ²	CETV at 31 March 2015	CETV at 31 March 2014	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
<i>Chief Executive and Clerk of the Assembly</i>					
Claire Clancy	0-2.5 plus lump sum of 2.5-5	65-70 plus lump sum of 200-205	1,403	1,305	33
<i>Director of Assembly Business</i>					
Adrian Crompton	0-2.5 plus lump sum of 5-7.5	35-40 plus lump sum of 115-120	657	600	24
<i>Director of Resources</i>					
Dave Tosh	5.0-7.5	30-35	379	295	62
<i>Director of Legal Services</i>					
Elisabeth Jones	2.5-5.0	30-35	538	475	27
<i>Head of Assembly Resources nominated Director of Finance</i>					
Steven O'Donoghue	0-2.5	25-30	338	328	10
<i>Director of Commission Services</i>					
Craig Stephenson	2-5.5 plus lump sum 5-10	30-35 plus lump sum of 95-100	566	498	43
<i>Director of Finance</i>					
Nicola Callow	0-2.5 plus lump sum of 5-10	10-15 plus lump sum of 40-45	213	173	28

¹Real increase in pension and related lump sum at pension age

²Total accrued pension at pension age as at 31 March 2015 and related lump sum.

This table was subject to audit.

Cash Equivalent Transfer Values (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership to the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service Pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV that is funded by the Commission. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Pensions

Pension benefits for Assembly staff are provided through the Principal Civil Service Pension Scheme (PCSPS) arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 1.5% and 6.85% of pensionable earnings for **classic** and 3.5% and 8.85% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the

accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

New Career Average pension arrangements will be introduced from the 1st of April 2015 and the majority of classic, premium, classic plus and nuvos members will join the new scheme. Further details of this new scheme are available at **Civil Service Pensions : The new pension scheme - alpha**.

Pension liabilities

The treatment of pension liabilities and details of the relevant pension schemes are set out in the Statement of Accounting Policies within these accounts. Pension scheme benefits are outlined in the Remuneration Report and in the notes to the financial statements.

Commission staff salary

The relationship between the remuneration of the highest-paid director and the median remuneration of the Commission staff is disclosed in the following table. Salaries are the amount earned in the financial year and include all remuneration payable. They do not include Employer's National Insurance or Superannuation contributions. There were no benefits in kind or performance related bonuses payable in 2014-15 or in 2013-14.

	2014-15 Salary £	2013-14 Salary £
Band of highest paid director	145,000-150,000	140,000-145,000
Median total remuneration	29,475	26,988
Ratio	5.0	5.3

The banded remuneration of the highest-paid director in the National Assembly for Wales Commission in the financial year 2014-15 was £145,000 to £150,000 (2013-14 £140k-£145k). This was 5.0 times (2013-14 5.3) the median remuneration of the workforce, which was £29k (2013-14 £27k). The increase in the median total remuneration is due to additional professional staff moving the median to a higher band.

In 2014-15, and 2013-14 there was no remuneration paid in excess of the highest-paid director. Remuneration ranged from £15,000, which ensured that employees received a Living Wage, to £150,000 (2013-14 restated £15k to £145k).

Total remuneration includes salary. It does not include severance payments, employer pension contributions and cash equivalent transfer value of pensions

Staff numbers

At the end of the financial year, the Commission employed the following numbers of full time equivalent staff:

	31 March 2015	Restated 31 March 2014
Employed staff*	391.24	369.53
Seconded	6.0	1.0
Casual / Agency	25.12	19.35
Female*		
Directors	3	2
Staff	233	211
Total	236	213
Male*		
Directors	3	3
Staff	207	191
Total	210	194

**In the table above staff employed are reported as full time equivalent numbers and the gender breakdown is reported as actual numbers.*

Independent Advisers are not included in the FTE figures above, details of their attendance at meetings are in the Remuneration Report.

Equality and diversity

Our vision is to be a leading organisation in our commitment to promoting equality, valuing diversity and respecting human rights. This is both in our capacity as an employer and as an organisation that provides support to Assembly Members and interacts with the public.

The Assembly Commission produces an Annual Equality Report, which provides an update on progress made on actions set out in the Equality Plan 2012-16. The Report covers work that teams across the Assembly undertake to promote equality over the last year to meet requirements under the Equality Act 2010.

One of the successes in delivering our plan is meeting our obligations under the Equality Act 2010. Our Equality Plan assists this work to promote equality, value, diversity and to identify and remove potential barriers to equality for our staff, Assembly Members, their staff and members of the public.

The headline achievements this year include:

- The Assembly was ranked at No. 4 in Stonewall’s Workplace Equality Index of Top 100 UK employers for 2015 and was named this year’s Top Welsh Public Sector Employer for the second year running. We also received recognition from a number of other organisations such as Action on Hearing and the National Autism Society and accreditation as a Working Families Top 30 Employer and The Times Top 50 Employer for Women in 2014;
- We have also gained external recognition from Action on Hearing, the National Autistic Society and Top Employers for Working Families.
- The appointment of a BME Action Plan Coordinator taking forward our commitment to support the recruitment, retention and advancement of BME staff.
- Improvements to the Assembly estate have enhanced accessibility;
- The launch of online equality training for Members and their staff, and training on Dementia Friends, Disability Confidence, and Supporting LGB staff;
- Introducing a more formalised system of Equality Impact Assessments (EQIAs) to ensure that we have a consistent approach across the organisation;
- A review of our equality functions carried out by the internal auditor which recognised very good practice and highlighted some areas for improvement;

More detailed information is available in Annual the Equality Report 2014-15.

Health and safety

We invest in the health, safety and wellbeing of all Commission staff, Assembly Members and their staff, contractors and all visitors to the Assembly estate and we ensure that the organisation is in statutory compliance with current legislation.

During the year, the wellbeing strategy concentrated in particular on healthy backs and stress. A series of health promotion programmes were run, including healthy back week and work life balance week encouraging staff engagement and guidance on best practise to achieve good wellbeing.

Sickness absence data

The overall sickness absence rate for the year was 7.26 average working days per person, which is 3.0% (5.48 working days, 2.49% 2013-14) against a target for the year of seven working days per person.

Whilst we have performed better than the public sector average of 7.9 days, information gathered through HR Business Partners has given us better insight into the reasons for those absences and work is under way to address those issues.

Personal data related incidents

There were no incidents or personal data losses which needed to be reported to the Information Commissioners Office during the year. There were several minor incidents of personal data breaches or potential breaches internally which were investigated and managed in line with the Commission's policy, with recommendations made where appropriate. Given that the likelihood of damage or distress to the data subjects in these cases was considered to be low, no further escalation was required.

Pension liability

Pension scheme benefits are outlined in the Remuneration Report and in the notes to the financial statements.

Auditor

The Accounts of the National Assembly for Wales are audited by the Wales Audit Office, the Audit Report is presented in the Annual Accounts at page 114.

The agreed external audit cost for the audit of these statements is £66,250(2013-14 £62,540). In addition cost of £3,636(nil 2013-14) for additional non statutory audit were incurred in 2014-15.

Disclosure of audit information to the Wales Audit Office

So far as I am aware:

- There is no relevant audit information of which our auditor is unaware; and
- I have taken all the steps that I ought to have taken in order to make myself aware of any relevant audit information, and to establish that our auditor is aware of that information.

Accounts direction

The accounts set out in pages 120 to 164 have been prepared in accordance with the Treasury Direction issued under Section 137 of the Government of Wales Act 2006. The financial statements comply with the requirements specified in H M Treasury's Financial Reporting Manual and are supported by explanatory notes. These accounts set out the financial impact of decisions made by the Commission both within the financial year and arising from previous financial years.

Information about the Assembly and Commission is also available on the Assembly website at www.assembly.wales and www.cynulliad.cymru.

Claire Clancy
Chief Executive and Clerk of the Assembly
Date: 09 July 2015



Statement of the Commission's and the Principal Accounting Officer's responsibilities

The Chief Executive and Clerk of the Assembly is, by virtue of Section 138 of the Government of Wales Act 2006, the Principal Accounting Officer for the Commission. The Principal Accounting Officer has prepared the statement of accounts in accordance with the Direction issued by the Treasury and with the accounting principles and disclosure requirements set out in the Financial Reporting Manual. The Resource Accounts are prepared on an accruals accounting basis and give a true and fair view of the Commission's state of affairs at the year-end and of its net resource outturn, resources applied to objectives, statement of comprehensive net expenditure, statement of financial position, cash flows and statement of changes in taxpayers' equity for the financial year.

In preparing the accounts the Chief Executive and Clerk has:

- complied with the accounts direction issued by the Treasury;
- complied with the relevant accounting and disclosure requirements, and applied suitable accounting policies on a consistent basis;
- made judgements and estimates which are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepared the accounts on a going concern basis.

The relevant responsibilities of the Principal Accounting Officer, including the responsibility for the propriety and regularity of the finances of the Commission and for the keeping of proper records, are set out in a memorandum issued by the Treasury.

Claire Clancy
Chief Executive and Clerk of the Assembly
Date: 09 July 2015

Governance Statement

2014-15

This Statement sets out the basis on which the National Assembly for Wales Commission has been established; the way in which it is governed and managed; and how it is accountable for what it does.

Role of the Commission

The National Assembly for Wales Commission was established as a corporate body under Section 27 of the Government of Wales Act 2006. Its primary role is to provide to the Assembly, or to ensure that the Assembly is provided with, the property, staff and services required for the Assembly's purposes. In discharging this overall responsibility, the Commission is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and the management of risk.

Purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the organisation is directed and controlled and the activity through which it accounts to and engages with the Assembly and the people of Wales. It enables the Commission to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Governance framework

The Commission comprises the Presiding Officer who is its Chair together with four other Assembly Members appointed by the Assembly. The Commissioners are charged with the governance of the organisation and are accountable to the Assembly. They set the organisation's strategic aims, provide the leadership to put them into effect and oversee and report on their delivery.

The Commission's Principal Accounting Officer is the Chief Executive and Clerk of the Assembly. She is accountable to the Commission for the delivery of their strategic goals. As Principal Accounting Officer, she is personally accountable to the Assembly for the organisation and quality of management in the Assembly Commission, including its use of public money and the stewardship of its assets. Assembly staff are employees of the Commission.

As part of the organisation's governance framework, the Commission has an Audit and Risk Assurance Committee and a Remuneration Committee. An independent Remuneration Board determines the salaries and other financial support available for Assembly Members.

Decision taking and business management

The Commission meets on a regular basis to provide direction and to oversee delivery of the Commission's strategy and objectives. The Commission has delegated many of its day-to-day management functions to the Chief Executive.

Delivery of services within the Commission is managed through an organisational structure of Directorates and Service areas reporting through to the Chief Executive. The Directors and Heads of Service make up the Management Board, which coordinates policy and operational matters. The Management Board regularly meets formally and informally to review and coordinate activity. The Board is required to act corporately in the interest of the Assembly as a whole.

An Investment and Resourcing Board, consisting of the Chief Executive, Director of Assembly Business, Director of Resources, Director of Legal and Director of Finance, provides direction to and governance oversight of major improvement investments across the Commission.

Resource management is controlled through a governance system of delegated authorities covering finance, staffing and other resource responsibilities, such as procurement. Established review and reporting mechanisms are in place, co-ordinated and supported by central support teams.

Formal processes exist for providing information to the Commission; the Management Board; and the Investment and Resourcing Board, to ensure that they are provided in a timely manner and to an agreed standard. Papers are required to set out the context of the matter being discussed and include relevant evidence to inform the decision making process. An internal quality assurance arrangement prior to submission adds a further level of scrutiny as to the relevance and the quality of the information being provided.

Planning and performance measurement

At the beginning of the fourth year of the Fourth Assembly the Assembly Commission met to discuss progress and achievements against the Commission's strategic goals and priorities for change, innovation and investment since 2011 and to establish what needed to happen next. Commissioners acknowledged progress in all areas during the Fourth Assembly and established their priorities for the remainder of the Assembly, including wishing to: reinforce awareness of the Assembly across Wales; develop and tailor our services to Members; and plan effectively for the Fifth Assembly. The Commission's strategic goals and priorities for change, innovation and investment (the strategic priorities), were updated but did not undergo significant change. The outcomes from the Commission's discussion were incorporated into our strategic plan and shared with all staff so that they could be reflected in service plans and individual performance objectives.

The Commission continued to publish **Key Performance Indicators**, to demonstrate corporate performance across all key areas of activity. These continued to show improvement for almost all indicators and a picture of high, sustained performance across many services and rapid improvement where efforts have been targeted. The Commissioners and the Assembly's Finance Committee find the reporting helpful and useful. Whilst some further work is required to improve the process for gathering the base data to generate the reports, the current set of indicators is fit for purpose for the remainder of this Assembly. We plan to review and refresh the suite of KPIs for the Fifth Assembly to reflect the corporate strategy that will be established by the new Commission.

Progress and performance

Progress on the delivery of strategic priorities, as well as areas identified for strengthening in the 2013/14 statement, is outlined below.

A key activity has been progressing work on the Commission's ambition for **World Class Assembly Committees**, with the focus on making integrated teams the basis of delivery of improvements. Work continues to better understand Members' preferences to inform priorities for improvement. Feedback indicates that support for committee work has improved substantially in this Assembly.

Progress against improvements identified in the review of committee support also created greater breadth and depth of engagement with the people of Wales, especially young people.

A continuing focus for the delivery of our strategic priorities over the course of the year has been the **transition of our ICT services** from an external provider to in-house support which was concluded successfully in July 2014. The internal and external governance arrangements for the transition project were commended by KPMG and the new ICT budget was subject to scrutiny by the Assembly's Finance Committee. In its annual report, the Commission's Audit and Risk Assurance Committee stated that: 'The Committee is encouraged by the Commission's increasing professionalism in managing key programmes and projects, and would highlight the ICT Transformation programme as an exemplar here'. The changes are already providing a high level of value for money savings and enabling us to be more agile in our response to the ICT needs of Members and staff.

The Assembly's websites were upgraded or replaced during the year – the main website was moved to a Sharepoint platform, which will offer significant savings on maintenance and hosting costs, and the new Senedd.tv service was launched. The Assembly was also a lead partner in the launch of the new .wales and .cymru Top Level Domains, introducing the new assembly.wales / cynulliad.cymru addresses to our website and to users' email addresses.

A number of changes have been made to improve the resilience of our systems, including installing new uninterruptible power supplies (UPS) in the Senedd, moving to a new back-up system, moving business-critical systems onto new servers and retiring equipment that was beyond its serviceable life. The installation of a digital archive of the Assembly's proceedings also provides a backup of the master broadcast-quality footage for the first time.

The Commission has developed a long term prioritised investment programme for the **Assembly estate**, overseen by the Investment and Resourcing Board. An ambitious programme of work has been delivered to improve security arrangements and enhance the visitor experience, with the investment programme delivered to time and to budget.

Within the Strategic Transformation Service, a dedicated resource has been established to consider issues around **constitutional change** and their implications for the Commission in terms of capacity, sovereignty and reserved powers. The work of this team has been focused around ensuring future changes meet the needs of the Assembly, raising awareness of and our readiness for change. The team also manages support to the **Remuneration Board**, which is considering the full package of remuneration for Members in the Fifth Assembly. We consider that the Remuneration Board provides invaluable independent assurance to the Assembly and ensures probity, accountability, value for money and transparency in the use of public funds.

A Procurement Team manages the Commission's procurement process and supports the delivery of contracts above £25k. This centralised approach enables the Commission to achieve substantial savings on contract procurement. Furthermore, the Commission's Procurement Team also assists service areas to procure and manage contracts up to £24,999. The Procurement Team has issued detailed Value for Money procurement guidance and has issued a standardised template for contract management meetings.

Procurement savings of £557k have been achieved in 2014-15. Procurement and contract management training has been delivered in the year to improve understanding of procurement rules and strategy. A quarterly report, updated contract schedule, contract review template and procurement savings are presented to the Investment and Resourcing Board for forward planning and contract decisions.

The Commission agreed and implemented an action plan following the review of its effectiveness by the Assembly Commission's Head of Internal Audit.

The report concludes that progress has been made across all areas and that the Commission continues to operate as a high performing 'governing board'.

Compliance with governance principles

The Commission has adopted a set of governance principles and supporting provisions, which are consistent with the UK Corporate Governance Code and the Good Governance Code for Public Services and are used to guide the work of the Commission and its staff. The Assembly Commission has complied with these principles.

Risk identification and management

The system of internal control is based on a continuous process designed to identify and prioritise the risks to the achievement of the Assembly's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Key areas of focus for our corporate risks during the year have been around our readiness for transition of ICT services, capacity and resources to deliver our corporate priorities and key reputational risks. During the year, the Assembly Commission identified two new risks for inclusion on the Corporate Risk Register in respect of social media and the telephony project. As with all corporate risks, risk owners were allocated to these risks. The risk owner reports on the adequacy of the current controls, the degree of acceptance of any gaps and any further actions that are required to improve the controls.

An internal audit of our risk management arrangements reported the controls surrounding the Risk Management Framework as 'Strong'. Indeed, the careful management of risks was instrumental in the successful implementation of our Official Languages Scheme

The Audit and Risk Assurance Committee maintained an overview of the effectiveness of risk management arrangements and considered selected corporate risks in more detail throughout the year.

The next two years will present a range of challenges for the Assembly Commission and present risks that will require effective risk management. There will be a period of further significant constitutional change and our focus will be to influence the new Draft Wales Bill and to ensure that the Presiding Officer's priorities for institutional reform are delivered. At the same time, we will need to ensure the Assembly is well-placed for the start of the new financial powers coming into effect with the

implementation of the Wales Act 2014. 2016-17 will be the first year of the 5th Assembly and a programme of work is already underway for dissolution and the transition to the new Assembly. The UK election in May 2015, and the next UK government spending round, could have implications for our future budgets and strategy. The appointment of a new Commission following the Assembly elections in May 2016 is also likely to lead to a new strategic direction for the Commission. Internally there will be important projects such as the changes to the Senedd's Siambwr and other estates and ICT work.

Assurance

The Assembly Commission's **Audit and Risk Assurance Committee** met five times during the year. The Committee acts in an advisory capacity and has no executive powers. Its activity during the year focused on Internal and External Audit reports, the Assembly Commission's Annual Report and Accounts, reports on risk management, and the governance and internal control arrangements. During the year the Committee was kept up to date with progress in response to recommendations made in audit reports. The Committee also held one extended meeting in which it considered the strategic context of constitutional change and invited a senior Cabinet Office official to discuss complex programme and stakeholder management.

Following an assurance mapping exercise, we formally set out our Assurance Framework for the first time to add clarity and further understanding on how we get assurance that our internal controls are robust and effective. This framework was considered by the Audit and Risk Assurance Committee to be excellent and an exemplar. The Audit and Risk Assurance Committee provided valuable feedback to the Assembly Commission. They have encouraged officials to review the framework, on a periodic basis, to validate the existing arrangements and address existing gaps in assurances.

The Audit and Risk Assurance Committee welcome the increasing profile enjoyed by Internal Audit throughout the Assembly Commission. They remain satisfied with the assurances from the Head of Internal Audit and welcome the sharper focus on prior year recommendations and risk based approach that Internal Audit adopts. The Committee also appreciates the formalisation of the joint working protocol between the Wales Audit Office and Internal Audit, which underpins their strong working relationship. This ensures that collectively, they deliver a focussed and co-ordinated audit and assurance service to the Audit and Risk Assurance Committee and Assembly Commission Management.

The Head of Internal Audit's Annual Report concludes that... 'the Assembly Commission has adequate and effective risk management, control and governance processes to manage the achievement of its objectives.'

The Assembly Commission also utilises a variety of external sources of assurance. During the year KPMG, a former Chief Information Officer for Wales, a senior official from the DVLA and some of the Assembly Commission's own Independent Advisers have been used to help provide assurance and support to Assembly Commission projects.

The results of independent external assurance are also important to the Assembly Commission as they reflect the culture and environment in which Assembly Commission staff work. The Assembly

Commission continues to enjoy gold accreditation from Investors in People (IIP); was named in the Times' list of the top 50 employers for Women; and is number four in Stonewall Workplace Equality Index of top employers for 2015.

Fraud incident

The Commission was the victim of a fraud in which criminals used deception to breach our governance processes and controls. The fraud was detected by our Finance Team in May 2014. They immediately involved the Police and Security Services, the bank, the Wales Audit Office (WAO) and the Commission's Audit and Risk Assurance Committee. Key stakeholders, as set out in the Commission's Fraud Response Plan, were also informed and other Welsh public sector organisations were made aware of the risks.

The deception is the subject of a criminal investigation that is wider than the Commission's case; we have been working with police to bring the culprits to justice. There was no internal wrong-doing. Work was started straight away to provide assurance that the incident was an isolated one. We carried out an extensive review and verification of all changes that had been made to suppliers covering 75 supplier changes (amounting to 96% of the monetary value of all 2013-14 payments). The results of this review provided assurance that the fraud was an isolated case. The work was reviewed by the WAO who agreed with this conclusion. Immediately following the fraud, we evaluated and strengthened the controls applied to the recording and verification of supplier data. Our routine checks within the existing process for supplier changes were bolstered in order to ensure the integrity of our payments system and minimise risks from external sources. Any breach resulting in the loss of public funds is unacceptable but the action that has been taken since the fraud has confirmed that we have robust controls and governance arrangements in place and that our processes are fit for purpose. The amounts involved have been fully disclosed in Note 16 of the 2014-15 Annual Report and Statement of Accounts. (2014-15 £29,000; 2013-14 £71,000).

The Head of Internal Audit has refreshed the Fraud Response Plan, and the Audit and Risk Assurance Committee endorsed this new plan in November 2014. Focussed Internal Audit work on key financial controls and processes, which will seek to validate the effectiveness of the new arrangements, forms part of the 2015-16 Internal Audit Plan.

Review of effectiveness of internal control and governance arrangements

The core of the review of effectiveness of the governance arrangements was a self-review process completed by the Management Board in February 2015. This took on board the outcome of the assurance mapping exercise and covered assurances on:

- progress against key achievements;
- awareness of and compliance with governance principles, rules and procedures and the effectiveness of the governance arrangements
- management of risks;
- progress against areas for improvement; and
- how the delivery of service plan objectives has been monitored.

The outcome of the review was used to inform this statement and was considered by the Audit and Risk Assurance Committee after the end of the financial year, prior to signing the financial statements.

In terms of governance arrangements, progress against areas identified for improvement in the 2013-14 statement or during the year is outlined below.

The Commission's continuous improvement ethos has been reflected consistently in financial management and performance. Further improvements in financial reporting and forecasting have provided flexibility to make best use of our available budget. The key financial performance indicator was again set at the challenging target of delivering the outturn within 1% of the budget. The Commission's focus on delivering Value for Money continued and for the fourth consecutive year we exceeded our target savings and increased the contribution from operating expenditure other than staff. Recruitment proposals continue to require a business case to be prepared and approved in advance of any recruitment activity; these are now assessed and approved by the Investment and Resourcing Board.

The role of the **Investment and Resourcing Board** as the strategic decision making body for resourcing in the Assembly has been extended to include governance of significant change initiatives and projects and an executive role in overseeing staffing resources, including the approval of business cases for recruitment. This, along with improvements in the provision of information to the Board, has strengthened the strategic approach to resourcing of programmes and projects.

This year we have changed the process for managing the investment budgets for the two services with the biggest spend - Estates and Facilities Management (EFM) and ICT. The change has seen their investment budgets retained centrally and both service areas have produced strategic investment plans – 10 years for EFM and 3 years for ICT. Release of funding for investment has been subject to Investment and Resourcing Board approval of individual business cases and this has allowed the

Board to prioritise spend more effectively and to be more flexible in responding new requirements such as the capacity planning exercise.

Another new feature is that, for the first time, we have undertaken a formal capacity planning exercise in response in part to the significant and known increase in the legislation programme. The exercise revealed the need for additional resources to support the preparation and passage of Bills and to support the work of Committees in exercising effective scrutiny. Specific focus has been given to better support for Assembly Members by providing increased research and legal resources.

In order to increase the effectiveness of forward planning and enable better identification and sharing of links between service plans, the Management Board has committed to adopting a more structured annual cycle of business planning and in-year reviews. In order to better support resource and capacity planning at a strategic level the annual Service Planning process will now be linked to the formal approach to capacity planning.

We have made further progress towards finalising the Assembly Commission's **Business Continuity Plan**. All service plans have been reviewed through the year; work has been undertaken to develop a major incident response plan; and we completed our first corporate business continuity exercise in April 2015.

We have moved forward well with the delivery of the requirements of the **Official Languages Scheme**. On consideration of the annual report on compliance, the Commissioners agreed that good progress had been made throughout the year and set priorities to further embed good practice across the organisation. There have been a number of significant achievements during the year, such as the launch of the Microsoft Translator, developing different ways of supporting Members in their committee work, awareness training for all Assembly Commission staff and the work carried out by the official languages scheme coordinators in each service area.

We have reviewed and refreshed our Fraud Response Plan, in line with best practice and evolving threats and strengthened controls to help ensure the on-going integrity of our payments system and minimise risks from external sources.

Further progress has also been made this year in strengthening information governance arrangements at the Assembly. Progress includes the development of an information governance framework, which comprises an overarching document setting out the Assembly's commitment to, and responsibilities for, managing and protecting information, and a series of new supporting policies.

An internal audit report in July 2014, recorded a satisfactory rating and noted significant progress having been made on raising awareness, across the Assembly, and re-enforced the importance and responsibility for effective information governance.

There were no incidents or personal data losses requiring reporting to the Information Commissioners Office during 2014-15. A number of minor incidents of personal data breaches or potential breaches internally, were investigated and managed in line with the Assembly Commission's policy.

Areas of Focus and Development for 2015-16

Drawing on the outcomes of audit and assurance work, and building on progress over the last year, areas of focus and development for 2015-16 will include:

- Business continuity – considerable headway has been made and full testing will be carried out.
- Information governance – an Information Governance Framework has been agreed and will be implemented and enforced across service areas by Information Asset Owners.
- Project and programme management capability, and Benefits Realisation – the volume and complexity of projects has continued to increase and we intend to introduce a new framework within which projects can operate and succeed, while allowing freedom to Senior Responsible Officers and Project Managers to deliver their projects in the most effective and proportionate way.
- Capacity planning – new arrangements were implemented this year and will be fully integrated with budget and service planning in the coming year.

A plan setting out the actions needed to address these areas will be prepared and progress will be reported to the Assembly Commission's Audit and Risk Assurance Committee.

Concluding Statement

In summary, I am satisfied that the weaknesses that have been identified through our assurance processes have been addressed, or are in the process of being addressed. I am also satisfied that the systems and processes within our governance framework have been operated and developed effectively over the course of the year.

Claire Clancy
Chief Executive and Clerk of the Assembly
Date: 09 July 2015



Certificate and report of the Auditor General for Wales to the National Assembly for Wales

I certify that I have audited the financial statements the National Assembly for Wales Commission (the Commission) for the year ended 31 March 2015, under the Government of Wales Act 2006. These comprise the Statement of National Assembly for Wales's Supply, Statement of Comprehensive Net Expenditure, Statement of the Financial Position, Statement of Cash Flows, Statement of Changes in Taxpayers' Equity, and related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for preparing the Annual Report, which includes the Remuneration Report and the financial statements, in accordance with the Government of Wales Act 2006 and HM Treasury directions made there under and for ensuring the regularity of financial transactions.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Commission; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on Financial Statements

In my opinion the financial statements:

- give a true and fair view of the state of the Commission’s affairs as at 31 March 2015 and of its net cash requirement, net resource outturn and net operating cost, for the year then ended; and
- have been properly prepared in accordance with HM Treasury directions issued under the Government of Wales Act 2006.

Opinion on Regularity

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government of Wales Act 2006; and
- the information which comprises the Annual Report is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- the Annual Governance Statement does not reflect compliance with HM Treasury guidance;
- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- information specified by HM Treasury regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Huw Vaughan Thomas
Auditor General for Wales
15 July 2015

24 Cathedral Road
Cardiff
CF11 9LJ

Statement of National Assembly for Wales' Supply

a) Summary of Outturn 2014-15

		2014-15			£'000			Outturn 2013-14	£'000
	Note	Budget			Outturn			Net total outturn compared with budget: under spend/ (excess)	
		Expend	Income	Total	Expend	Income	Total		
Resources for use by the National Assembly for Wales Commission	SOS 02	36,900	(400)	36,500	37,434	(223)	37,211	(711)	35,455
Resources in respect of Remuneration Board decisions	SOS 02	14,100		14,100	13,325		13,325	775	13,261
Annually Managed Expenditure	SOS 02	1,200		1,200	932		932	268	1,054
		52,200	(400)	51,800	51,691	(223)	51,468	332	49,770

Explanations of variances between budget and outturn are provided in SOS 02

b) Net cash requirement 2014-15

				2014-15	2013-14
				£'000	£'000
				Net total outturn compared with budget: under spend /(excess)	
Note	Budget	Outturn			Outturn
Net cash requirement	SOS 04	46,450	45,804	646	45,408

Explanations of variances between the approved budget and outturn are given in SOS 02 and in the Management Commentary.

c) Income payable to the Welsh Consolidated Fund

The income payable to the Welsh Consolidated Fund comprises bank interest and excess income received in year. In 2014-15 no excess income or interest has been received (£31,327.67 2013-14, representing the excess income received).

Notes to the Resource Accounts (Statement of National Assembly for Wales' Supply)

SOS 01.Statement of accounting policies

The National Assembly for Wales Commission's budget is authorised by the Assembly via formal budget motions. These motions authorise the Commission's capital and revenue expenditure, as well as retainable income and the amount that may be drawn from the Welsh Consolidated Fund. The Statement and supporting notes have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FRoM) suitably adapted for the constitution of the National Assembly for Wales and the Commission as specified by the Government of Wales Act 2006.

Accounting convention

The Statement of Supply and related notes are presented consistently with Treasury budget control and Supply Estimates.

Comparison with IFRS-based accounts

Many transactions are treated in the same way in National Accounts and IFRS-based accounts, but there are a number of differences.

Receipts in excess of HM Treasury agreement

This applies where HM Treasury has agreed a limit to income retainable by the Commission, with any excess income scoring outside of budgets, and consequently outside of the Statement of National Assembly for Wales' Supply. IFRS-based accounts will record all of the income, regardless of the budgetary limit. This situation may arise in the following areas: (i) profit /loss on disposal of assets; (ii) income generation above department Spending Review settlements; and (iii) income received above netting-off agreements.

Provisions

Provision recognised in IFRS-based accounts are not recognised as expenditure until the actual payment of cash (or accrual liability) is recognised. A reconciliation is provided in SOS 03.

SOS 02. Analysis of net resource outturn 2014-15

	Outturn	Analysis of	Outturn	Analysis of	Outturn	Outturn
		Approved	compared	Revised	compared	2013-14
		Budget	with	Budget	with	
			Approved		Revised	
	£'000	£'000	Budget	£'000	Budget	£'000
			£'000		£'000	
<i>Revenue expenditure</i>						
Staff salaries and related costs	17,664	17,380	(284)	17,380	(284)	15,770
Accommodation and facilities costs	9,356	7,643	(1,713)	7,643	(1,713)	7,380
ICT costs	3,343	3,221	(122)	3,221	(122)	4,971
Other costs	1,568	1,237	(331)	3,073	1,505	1,319
Training and development costs	370	390	20	390	20	384
Promoting awareness and understanding	286	452	166	452	166	217
Staff travel and subsistence costs	159	138	(21)	138	(21)	128
Other HR costs	119	103	(16)	103	(16)	113
Depreciation and amortisation charges	4,009	4,400	391	4,000	(9)	3,734
Gross Revenue Expenditure	36,874	34,964	(1,910)	36,400	(474)	34,016
<i>Revenue Income</i>						
Sales - the Assembly Shop	(13)	(15)	(2)	(15)	(2)	(12)
Accommodation rental income	(80)	(90)	(10)	(90)	(10)	(116)
Miscellaneous income	(130)	(145)	(15)	(295)	(165)	(122)
Gross Revenue Income Applied	(223)	(250)	(27)	(400)	(177)	(250)
NET REVENUE EXPENDITURE	36,651	34,714	(1,937)	36,000	(651)	33,766
CAPITAL EXPENDITURE	560	1,786	1,226	500	(60)	1,689
Creation of fixed assets						
RESOURCE OUTTURN	37,211	36,500	(711)	36,500	(711)	35,455
Members' salaries allowances and related costs	13,325	14,100	775	14,100	775	13,261
RESOURCE OUTTURN	50,536	50,600	64	50,600	64	48,716
Members' Pension Finance Costs	932	750	(182)	1,200	268	1,054
Net Resource Outturn	51,468	51,350	(118)	51,800	332	49,770

Analysis of net resource outturn – notes

The resource out-turn for 2014-15 was £50.536million against a budget of £50.598 giving an underspend of £64k (0.1%). This was well within the target of an underspend of less than 1% (<£501k) and reflects the proactive and efficient approach to budget management.

One of the primary contributing factors to enable such close control of the finances was the utilisation of forward work plans of services with large budget allocations - primarily Estates and Facilities Management and ICT. Both services have large remits and extensive on-going budget commitments. Working with these services to prioritise their plans enabled flexible management of expenditure such that resource could be used in the most appropriate way.

The Capacity Planning exercise which was undertaken during the year to assess the current staff resource against current and future work pressures, identified a need to further invest in this area. A mixture of permanent and temporary new posts were approved during the year to support the Commission going forward. The financial impact of these will be felt more in the next financial year as we move towards the Fifth Assembly and an increase in the roles and responsibilities of the Commission.

The underspend on the Members' Salaries and Allowances budget was £775k (5.8%). This underspend was reallocated to the maintenance and upkeep of the Estate for which there is a comprehensive and extensive rolling programme of works. There has also been investment in readiness for moving to a new Telephony system, an upgrade to the security radio system and the completion of the project to improve the heating system in the Senedd.

The move from an external ICT provider to an in-house team has reduced the baseline operational costs of ICT services during 2014-15. This reduction enabled over £400k to be reinvested back into the service to improve the service delivery. The result is that the Commission has an in-house ICT service which is robust, fit for purpose and able to respond to changing needs in a timely and efficient manner whilst delivering real value for money for the organisation.

Capital expenditure for the year was lower than originally anticipated, primarily due to a reclassification of ICT expenditure from capital to revenue. This was due to the significant business change in the ICT service with the successful transition to a complete in-house service provision.

Income was lower than previous years primarily due to a change in the treatment of secondment income. The Commission continues to give staff opportunities to gain experience outside of the Commission via a secondment or by provision of expertise to external organisations. This income is now shown as a reduction in staff expenditure.

The liability for the Members' Pension cost (£932k) has been met from the Annually Managed Expenditure budget of £1.2million. This is the budget set aside solely for this purpose with the costs arising from the accounting treatment set out in International Accounting Standard 19. The £0.268million underspend arising on this budget cannot be used for any other purpose.

SOS 03.Reconciliation of resource outturn to net operating cost

	Note	2014-15 £000	2013-14 £'000
Net Resource Outturn	SOS 02	51,468	49,770
Capital expenditure	4 & 5	(560)	(1,689)
Direct charges on the Welsh Consolidated Fund		645	624
Income payable to the Welsh Consolidated Fund	SOS 06	-	(31)
Net operating cost		51,553	48,674

The direct charges on the Welsh Consolidated Fund £645,340 (£624,222 for 2013-14) are in respect of the salary costs of the Presiding Officer, Deputy Presiding Officer, Auditor General for Wales, Standards Commissioner, Public Services Ombudsman for Wales and the Wales Audit Office Chair. These salaries are paid by the Commission but, as a direct charge on the Fund, are excluded from the net resource outturn.

SOS 04.Reconciliation of Net Cash Requirement to (decrease)/ increase in cash

	31 March 2015 £'000	31 March 2014 £'000
Net cash requirement	(45,804)	(45,408)
From the Consolidated Fund (Supply) – current year	46,450	45,850
Amounts due from the Consolidated Fund not drawn	(527)	(219)
Amounts paid to the Consolidated Fund	(223)	(630)
Decrease in cash	(104)	(407)

SOS 05.Reconciliation of net resources to cash requirement

	Note	Budget £'000	Outturn £'000	Net total outturn compared with budget: under spend / (excess) £'000	Outturn 2013-14 £'000
Net Resource Outturn	SOS 02	51,800	51,468	332	49,770
<u>Accruals adjustments</u>					
Non-cash items	See below	(5,200)	(5,257)	57	(4,788)
Changes in working capital other than cash		(150)	(407)	257	426
Net cash requirement		46,450	45,804	646	45,408

<i>Non-cash items</i>	Note	Budget £'000	Outturn £'000	Outturn compared with budget 2014-15 £'000	Outturn 2013-14 £'000
Depreciation and amortisation and de-recognition	4 & 5	(4,000)	(4,325)	325	(3,734)
IAS 19 Pension Finance Cost and other provision movements		(1,200)	(932)	(268)	(1,054)
		(5,200)	(5,257)	57	(4,788)

SOS 06. Analysis of income payable to the Welsh Consolidated Fund

	Budget	Outturn	Outturn
	2014-15	2014-15	2013-14
	£'000	£'000	£'000
Retainable operating income	400	223	281
Subtotal	400	223	281
Amount retained	400	223	250
Amount payable to the WCF	-	-	31

There has been no other operating income in 2014-15 (nil 2013-14).

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2015

		2014-15	2013-14
	Note	£'000	£'000
Administration Costs			
Members', Office holders and staff salary costs	2a	23,604	21,715
Members' Other Costs	2b	8,030	7,940
Members' Pension Finance Cost	10	932	1,054
Other administration costs	3	19,210	18,246
Gross Administration Costs		51,776	48,955
Operating income	SOS 06	(223)	(281)
Net Operating Costs for the year ended 31 March 2015		51,553	48,674
Other Comprehensive Expenditure			
Net gain on revaluation of Property Plant and Equipment		-	(4,601)
Total Comprehensive Expenditure for the year ended 31 March 2015		51,553	44,073

All activities are continuing.

Statement of Financial Position

As at 31 March 2015

		31 March 2015	31 March 2014
	Note	£'000	£'000
Non-current assets:			
Property, plant and equipment	4	65,646	68,969
Intangible assets	5	631	1,073
Total non-current assets		66,277	70,042
Current Assets			
Inventories	6	23	19
Trade and other receivables	7	1,608	2,426
Cash and cash equivalents	8	119	223
Total current assets		1,750	2,668
Total assets		68,027	72,710
Current liabilities			
Trade and other payables	9	(4,012)	(4,520)
Provisions	10	(37)	(36)
Total current liabilities		(4,049)	(4,556)
Non-current assets plus net current assets		63,978	68,154
Non-current liabilities			
Provisions	10	(9,216)	(4,876)
Total non-current liabilities		(9,216)	(4,876)
Assets less liabilities		54,762	63,278

Taxpayers' Equity and other reserves

General Fund	51,434	55,575
Pension Fund Reserve	(9,147)	(4,772)
Revaluation Reserve	12,475	12,475
	54,762	63,278

Claire Clancy
Chief Executive and Clerk of the Assembly
Date: 09 July 2015

Statement of Cash Flows

For the year ended 31 March 2015

	Note	2014-15 £'000	2013-14 £'000
Cash flows from Operating Activities			
Net operating cost	SOS 03	(51,553)	(48,674)
Adjustments for non-cash transactions:			
Depreciation, amortisation and impairment	4 & 5	4,009	3,734
Disposal	4	316	-
(Increase) in inventories	6	(4)	(3)
Decrease/(Increase) in trade and other receivables	7	818	(919)
<i>Increase in provision</i>	10	3	-
(Decrease) in trade and other payables	9	(194)	(134)
<i>Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		135	380
Utilising of Provision	10	(37)	(36)
Pension Finance Costs	10	932	1,054
Net cash outflow from Operating Activities		(45,575)	(44,598)
Cash flows from Investing Activities			
Purchase of property plant and equipment	4	(874)	(1,416)
Purchase of intangible assets	5	-	(17)
Net cash outflow from Investing Activities		(874)	(1,433)
Cash flows from Financing Activities			
From the Welsh Consolidated Fund (Supply)		45,923	45,630
From the Welsh Consolidated Fund (direct charges)		645	624
Payments to the Welsh Consolidated Fund		(223)	(630)
Net cash inflow from Financing Activities		46,345	45,624
Net decrease in cash and cash equivalents	SOS 04	(104)	(407)
Cash and cash equivalents at beginning of year	8	223	630
Cash and cash equivalents at end of year	8	119	223

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2015

	Note	General Fund	Revaluation Reserve	Pension Reserve	Total Reserves
		£'000	£'000	£'000	£'000
Balance at 31 March 2013		57,194	7,874	(5,051)	60,017
Pension Fund Reserve Movement		-	-	-	-
Pension Fund cost	10	-	-	1,333	1,333
Total recognised income and expense for 2013-14		(48,674)	-	-	(48,674)
Transfer between reserves	10	1,054	4,601	(1,054)	4,601
Welsh Consolidated fund		-	-	-	-
-Supply		45,850	-	-	45,850
-Direct Charges	SOS 03	624	-	-	624
Amount payable to the Welsh Consolidated Fund		(31)	-	-	(31)
-Supply	SOS 05	(442)	-	-	(442)
Balance at 31 March 2014		55,575	12,475	(4,772)	63,278
Adjustment for prior year WCF Supply		31	-	-	31
Pension Fund Cost	10	-	-	(3,443)	(3,443)
Total recognised income and expense for 2014-15		(51,553)	-	-	(51,553)
Transfer between reserves	10	932	-	(932)	-
Welsh Consolidated fund					
-Supply	SOS 3	46,448	-	-	46,448
-Direct Charges		645	-	-	645
Amount payable to the Welsh Consolidated Fund					
CFERs payable to the Consolidated		-	-	-	-
-Supply	SOS 05	(644)	-	-	(644)
Balance at 31 March 2015		51,434	12,475	(9,147)	54,762



Notes to the Resource Accounts

01. Statement of accounting policies

These financial statements have been prepared on an accruals basis in accordance with the 2014-15 Financial Reporting Manual (FReM) suitably adapted for the constitution of the National Assembly for Wales and the Commission as specified by the Government of Wales Act 2006. The accounting policies contained in the FReM follow International Financial Reporting Standards (IFRS) to the extent that it is meaningful and appropriate to the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected. The Commission's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts. In addition to the primary statements prepared under IFRS the FReM also requires the National Assembly to prepare two additional statements of supply.

A review of all new standards and interpretations issued and effective in 2014-15 by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) during the year has been completed and proven to not have an impact on the National Assembly for Wales Commission Financial Statements.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets in accordance with International Financial Reporting Standards (IFRS).

Property, Plant and Equipment

The minimum level for capitalisation of a tangible asset is £5,000 inclusive of irrecoverable VAT.

The IT threshold (previously £5,000 for the grouped value of assets) is now £5,000 for a single item, inclusive of irrecoverable VAT

This policy change is due to ICT services coming in-house, resulting in a change in working practices. The new service operates by delivering continual business improvements rather than the large scale changes seen previously under the fully outsourced contract. Grouped items purchased in prior years were fully depreciated during the year we exited the contract. These items have been derecognised.

Professional valuations are obtained for Land & Buildings every three years as a minimum. Other tangible assets are not revalued but held at fair value as, in the opinion of the Commission; the amounts involved would not be material.

Asset impairment

Property, plant and equipment are reviewed annually, to ensure that assets are not carried above their recoverable amounts. Where these values are less than the carrying amount of the assets, an impairment loss is charged to the Statement of Net Expenditure.

Assets under construction

Assets under construction are carried at historic cost as this is considered to be a satisfactory proxy for fair value. Once brought into use, the asset is transferred to the appropriate asset category and will be included in subsequent revaluations and impairment reviews.

Intangible Assets

Software licences are capitalised as intangible fixed assets and amortised on a straight line basis over the expected life of the asset (3 or 5 years).

Donated Assets

Donated assets are capitalised at current value on receipt and are normally revalued in the same way as purchased assets. The value of donated assets is credited with the value of the original donation and subsequent revaluations. The value of Donated Assets is included within the General Reserve in accordance with HM Treasury's decision under the Clear Line of Sight Programme

Depreciation

Freehold land, assets under construction, historic documents and records and works of art are not depreciated. Depreciation is provided at a rate calculated to write off the valuation of buildings and other tangible assets by equal instalments over their estimated useful lives. Assets are analysed into relevant component parts to reflect the differing economic lives. Assets are not depreciated in the year of acquisition. Asset lives are normally as follows:

Asset	Asset life
Buildings:	50 years or an alternative period provided by a qualified (RICS) valuer.
Fixed plant:	10 years, or an alternative period provided by the supplier at the time of purchase or valuation.
ICT, Audio Visual & Broadcasting equipment:	4-6 years
ICT Infrastructure:	10 years
Intangible assets (software):	3 or 5 years
Motor Vehicles:	4 years
Donated assets:	Assessed on receipt of asset

Realised Element of Depreciation from Revaluation Reserve

Depreciation is charged on the revalued amount of assets. An element of the depreciation therefore may arise due to an increase in valuation and would be in excess of the depreciation that would be charged on the historical cost of assets. The amount relating to such an excess would be a realised gain on valuation, and is transferred from the Revaluation Reserve to the General Fund, if material.

Asset Components

Property assets are reviewed through the triennial professional valuations to confirm whether any part of the asset has a significantly different useful life. Where this is the case the asset will be split into components and the differing parts will be depreciated over their respective useful lives.

Assets purchased in the interim period are reviewed by the Finance team and Asset Managers. ICT Assets are 'grouped' into ICT, Audio Visual & Broadcasting Equipment, ICT Infrastructure and Intangible Assets, the differing parts will be depreciated over their respective useful lives.

Statement of Comprehensive Expenditure

Operating income and costs relate directly to the operating activities of the Commission. Income includes charges for goods and services provided on a full cost basis to external customers. Income and costs are shown net of Value Added Tax where it is recoverable.

Inventories

Inventories, including goods held for resale, are stated at the lower of cost and net realisable value.

Foreign Exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction. Foreign currency imprests are translated into sterling at the exchange rate ruling at the time of funding.

Pensions

The Principal Civil Service Pension Scheme (PCSPS) - Staff employed directly by the Commission and staff seconded to the Commission are eligible for membership of the Principal Civil Service Pension Scheme (PCSPS). It is an unfunded multi-employer defined benefit scheme and the Commission is unable to identify its share of the underlying assets and liabilities. The valuation of the Principal Civil Service Pension Scheme was completed as at March 2012 on 17 July 2014.

Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservice.gov.uk/pensions>).

The Assembly Members' Pension Scheme (AMPS) - A pension scheme for the Members of the Assembly was originally established under the Government of Wales Act 1998 and continues in force under the Government of Wales Act 2006. The scheme is a defined benefit scheme, and applies to the salary of Members and to any Office Holder salary. The cost of pension cover provided for the Members is by payment of charges calculated on an accruing basis, with liability for payment of future

benefits charged to the accounts of the AMPS. Any liabilities of the fund arising from a deficit on assets will be met through increased funding by the Commission. In reporting on the assets and liabilities of the Scheme, the Commission has followed International Accounting Standard 19. In accordance with IAS 19, the Scheme Trustees are required to undertake a sensitivity analysis for each significant actuarial assumption as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption at that date.

The AMPS prepares its own Annual Accounts, separate to the Commission's Accounts, and these are available on the Assembly website.

The Assembly Members' Support Staff (AMSS) Pension Scheme – The National Assembly for Wales has a group stakeholder scheme with AVIVA and makes a monthly contribution of 10 per cent of gross salary for support staff. In addition, there is an option to the employee to make a regular monthly contribution by salary sacrifice. The Scheme is compliant with automatic enrolment legislation as the scheme's staging date was 1 January 2014.

Operating Lease Charge

Rentals payable under operating leases are charged to the statement of comprehensive expenditure in the period to which they relate.

Value Added Tax

The Commission is treated as a Crown Body for the purposes of the Value Added Tax Act 1994 and accordingly for the purposes of Section 41 of that Act (application to the Crown) it is treated as a government department, and is exempt for VAT on the provision of Assembly goods and services. The Commission is standard rated for VAT on its trading activities, such as the Assembly shop.

Cash and Cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with bank and Citibank, which are readily convertible to known amount of cash and which are subject to insignificant risk to changes in value.

Employee Benefits

Salaries, wages and the cost of all employment related benefits, including the liability associated with untaken annual leave, are recognised in the period in which the service is received from employees.

Segmental Reporting

We have reviewed our management reports and are satisfied that under the requirements of IFRS 8 we have no additional disclosure to make.

Provisions

The preparation of the financial statements requires various estimates and assumptions to be made that affect the application of accounting policies and reported amounts. We recognise a provision in full in the year that the obligating event occurred. All such estimates and judgments are reviewed on an ongoing basis and any revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. The most significant areas of estimation and critical judgments are:

- Assembly Member Pension Scheme. Details of the actuarial assumptions can be found in Note 02.A and the annual report and accounts for the pension scheme.
- Provisions for compensatory payments to staff are based on projections of expected future pension payments. We use the relevant discount rate as set by HM Treasury.
- Dilapidation provision is the assessment of the likely cost of rectifying dilapidation under lease terms of Tŷ Hywel. The Commission consider that the standard of its leased building is kept to such a standard that with the minimal backlog of maintenance and the annual review and agreement to the ten year forward work programme there is no need to make a provision for dilapidation.

02. A - Members and staff numbers and related costs

Staff costs comprise:

	Staff	Members and Office Holders	Total 2014-15	Total 2013-14
	£'000	£'000	£'000	£'000
Salaries				
Staff, Members and Office Holders	13,753	4,430	18,183	16,703
Seconded staff	278	-	278	162
Social security costs				
Staff, Members and Office Holders	1,106	482	1,588	1,485
Other pension costs				
Staff, Members and Office Holders	2,649	1,028	3,677	3,365
Subtotal Members, Office holders and staff salary costs	17,786	5,940	23,726	21,715
Less recoveries in respect of outward secondments	(122)	-	(122)	-
Total Members, Office holders and staff salary costs	17,664	5,940	23,604	21,715

All staff costs are charged to administration costs

The Commission pays the salary and related costs of Welsh Ministers, as explained in the Remuneration Report within these accounts. Amounts paid to the Welsh Ministers are disclosed within the Welsh Government's consolidated resource accounts. As at the 31 March 2015 there were 60 serving Assembly Members. At the year-end there were 25 Office Holders (other than Ministers), 1 First Minister, 7 Welsh Ministers, 4 Deputy Ministers and 1 Counsel General; changes due to a Cabinet Reshuffle during the year are disclosed within the Welsh Government's consolidated resource accounts.

The Commission consists of the Presiding Officer and four elected Members (see Remuneration Report for detail). The role of a Commissioner is remunerable at £12,420 per annum from 1 April 2011.

All senior managers and staff are employees of the Commission. The average number of whole-time equivalent persons employed by the Commission across the year (including senior management) was as follows:

Staff type	2014-15	Restated 2013-14
Permanent Staff	383.17	357.21
Seconded Staff	3.5	.50
Temporary/Casual Staff	21.48	15.63
Fixed Term Appointments	-	-
Total	408.15	373.34

The increase in staff numbers is mainly due to IT services being provided in-house

Principal Civil Service Pension Scheme

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme in which the Assembly Commission is unable to identify its share of the underlying assets and liabilities.

The Government Actuaries Department (GAD) were appointed as Scheme Actuary to carry out an actuarial valuation of the Scheme as at 31 March 2012. The valuation was taken in accordance with the Public Service Pensions Directions 2014. The Directions required the existing PCSPS and new scheme being introduced for the civil service workforce on 1 April 2015 to be taken into account in aggregate. The valuation results specify the employer contribution rate payable for the four year period from 1 April 2015 (the implementation period) and the employer cost cap, both of which are set in regulations. The key results of the valuation are as follows:

20.9% Employer contribution rate payable for the implementation period

18.5% Employer cost cap

Total Scheme liabilities of £132.7 billion and notional assets of £127.3bn, giving a notional past service deficit of £5.5bn

For 2014-15, employer's contributions of £2.641 million (£2.313million 2013-14) were payable to the PCSPS at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

New employees since 30 July 2007 are eligible to join either Nuvos or partnership. Nuvos is a career average defined benefit pension scheme, partnership is a defined contribution pension scheme. A Partnership pension is a stakeholder pension, employees can choose not to make a contribution as the employer will make an age related contribution. Employer's contributions of £7,469 (£7,965 2013-14) were paid to appointed stakeholder pension providers. Employer contributions are age-

related and range from 3% to 12.5% per cent of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £469 (£494 2013-14) or 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the Statement of Financial Position date were £500 (£708 2013-14). There were no contributions prepaid at that date.

There were no early retirements on ill-health grounds during the year and there were no additional accrued pension liabilities in the year.

Assembly Members' Pension Scheme

The pension scheme for Assembly Members provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Assembly Commission and are managed by an appointed Investment Manager. A full actuarial valuation was carried out at 1 April 2014 by the Government Actuaries Department. The scheme is funded and the employer contribution rate is unchanged at 23.8% following the valuation. The Remuneration Board of the National Assembly for Wales is the independent body responsible for setting the pay, allowances and pensions for Assembly Members and their staff. Details of pay and allowances are contained in the Board's Determination published in July 2013 and August 2014.

During 2014-15 the Board has continued its work on the review of Assembly Members' pension with a further two consultations held in April 2014 and July 2014. Whilst details still need to be formally approved, the new scheme will be a career average scheme with an accrual rate of 1/50th and pension age linked to State Pension Age. The indicative contribution rates, although not finalised, are a member contribution rate of 11%, an increase of 1% compared to the current final salary scheme and an employer contribution rate of 16.6%, a decrease of 7.2%.

The amounts recognised in the Statement of Financial Position are as follows:

	Note	31 March 2015	31 March 2014
		£'000	£'000
Present value of scheme liabilities		(38,176)	(30,258)
Fair value of scheme assets		29,029	25,486
Net liability		(9,147)	(4,772)
Amount in the Statement of Financial Position			
Liabilities		(9,147)	(4,772)
Net liability	10	(9,147)	(4,772)

Analysis of amount charged to the Statement of Comprehensive Net Expenditure

	2014-15	2013-14
	£'000	£'000
Current service cost	1,710	1,802
Interest on pension liability	1,343	1,281
Interest on scheme assets	(1,142)	(1,046)
	<u>1,911</u>	<u>2,037</u>
Allocated in the account as;		
Other pension costs	979	983
Pension finance costs	932	1,054
	<u>1,911</u>	<u>2,037</u>

Analysis of the amount recognised in Statement of Change in Taxpayer's Equity (SCITE)

	2014-15	2013-14
	£'000	£'000
Actual return less interest on scheme assets	1,478	(282)
Experience gains and losses arising on pension liabilities	1,306	720
Changes in assumptions	(6,227)	895
Net actuarial (losses) / gains recognised in SCITE	<u>(3,443)</u>	<u>1,333</u>

Movement in liabilities during the year

	31 March 2015	31 March 2014
	£'000	£'000
Liabilities at 1 April	30,258	29,011
Current service cost (net of member contributions)	1,710	1,802
Member contributions (including net transfers- in)	431	424
Past service cost		
Benefits paid during the year	(488)	(645)
Interest on pension liability	1,343	1,281
Actuarial gains/(losses)	4,921	(1,615)
Liabilities at 31 March	38,175	30,258

Movements in assets during the year

	31 March 2015	31 March 2014
	£'000	£'000
Assets at 1 April	25,486	23,960
Interest on scheme assets	1,142	1,046
Actual return less interest on scheme assets	1,478	(282)
Contributions by NAFW	979	983
Contributions by Members (including net transfers-in)	431	424
Benefits paid and expenses	(488)	(645)
Closing fair value of scheme assets 31 March	29,028	25,486

The Commission expects to contribute £955,793 to the Members' Pension Scheme in 2015-16.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014-15	2013-14
Equities	46.33%	45.01%
Alternative Investments	22.44%	21.17%
Fixed Interest and Cash	31.23%	33.82%

The scheme assets do not contain any property directly or indirectly. The scheme assets include, indirectly through investment in unitised funds, gilts issued by the UK government with a fair value of £2,817,702 in 2014-15 (£2,277,471 in 2013-14).

The expected rate of return on equities is 3.5% a year higher than the yield on gilts at the reporting date. The expected rate of return on bonds is the redemption yield on the bonds held (indirectly) by the scheme at the reporting date. The expected rate of return on cash is a long term best estimate cash return, on the assumption that interest rates will be in line with the yield available on gilts.

The actual return on scheme assets in 2014-15 was a gain of £2.619 million (£0.761 million gain in 2013-14).

Principal actuarial assumptions at the Statement of Financial Position date:

	31 March 2015	31 March 2014
Discount rate	3.3%	4.4%
Future salary increases	-0.9%	-0.1%
Future pension increases	1.1%	1.9%
Expectation of life at age 65 (years)		
Men	25.5	25.0
Women	27.5	26.2

The principal financial assumptions are the real rates of return in excess of pension increases and earnings growth. A key demographic assumption is pensioner mortality. The indicative impact on the total liability as at 31 March 2015 with respect to changes in these assumptions is outlined below.

Sensitivity to main assumptions

If the assumed rate of return in excess of earnings changes by ½% a year, the total actuarial liability would change by about 2% and the change in total liabilities by circa £0.8million

If the real rate of return in excess of pension changes by ½% the total actuarial liability would change by about 10% and the change in total liabilities by circa £3.8million

If longevity at retirement were assumed to be 2 years greater, this would increase the total actuarial liability by about 6% and would increase total liability by circa £2.3million

Amounts for the current and previous four periods are as follows:

	31 March 2015 £'000	31 March 2014 £'000	31 March 2013 £'000	31 March 2012 £'000	31 March 2011 £'000
Defined benefit obligation	38,176	30,258	29,011	23,984	21,095
Scheme assets	29,029	25,486	23,960	20,298	18,785
Actual return less interest on scheme assets	(9,147)	(4,772)	(5,051)	(3,686)	(2,310)
Experience gains and losses arising on pension liabilities	1,307	720	1,125	(436)	617
Actual return less interest on scheme assets	1,477	(282)	1,524	(497)	618

Further information on the Assembly Members' Pension Scheme can be found in the annual report and accounts for the scheme for the year ending 31 March 2015.

02. B - Members' Other Costs

Members' Other Costs of £8.030million (£7.940million 2013-14) in the Statement of Comprehensive Net Expenditure consist of:

	2014-15	2013-14
	£'000	£'000
Office Costs	791	766
Additional Costs	218	243
Members' Staff Costs	6,768	6,681
Travel costs	253	250
Total Members' other costs	8,030	7,940

Staff Costs include 3 severance payments totalling £22k

02. C - Commissioner for Standards

Under the terms of the National Assembly for Wales (Commissioner for Standards) Measure 2009, the Commission pays the salary of and any related costs incurred by the Commissioner. The Commission is responsible for ensuring that the salary and allowances agreed in the terms and conditions of the appointment of the Commissioner and any reasonable liabilities incurred in the course of his duties, are charged to the Welsh Consolidated Fund.

On 9 November 2010, Gerard Elias QC was appointed as the Commissioner for Standards. More information about Gerard Elias QC and his work is available from <http://standardscommissionerwales.org/>

During 2014-15, a total of £21,985 (£21,244 2013-14) was incurred in relation to the Commissioner's work.

- 241 hours at a cost of £18,984 (232.75 hours at a cost of £18,424 2013-14) for the Commissioner's cost for 2014-15 was charged to the Welsh Consolidated Fund.
- 91.5 hours at a cost of £3,001 (88 hours at a cost of £2,820 2013-14) for Staff Costs incurred in supporting the Commissioner.

03. Other Administration Costs

Other administration costs of £19.210 million (£18.246 million 2013-14) in the Statement of Comprehensive Expenditure consist of:

	2014-15	2013-14
	£'000	£'000
<i>Accommodation and facilities costs</i>		
Leases – Buildings	2,830	2,839
Maintenance*	3,579	1,934
Rates*	1,236	716
Security	574	573
Utilities	524	507
Catering	328	306
Leases photocopier	132	134
Car parking	102	103
Furniture and fittings	51	268
<i>ICT costs</i>		
ICT Contracted-Out Services*	704	2,404
Broadcasting	637	578
Telephone	382	265
Licence and maintenance costs	730	520
IT Projects	549	795
Website	86	117
ICT consumable purchases	255	292
<i>Other costs</i>		
Other administrative expenses*	625	202
Translation	242	276
Printing, Stationery and Postage	217	242
Insurance and Specialist Advice	132	130
Publications	99	102
Accounting and Financial service	27	77
Audit	89	128

	2014-15	2013-14
	£'000	£'000
Committee Advisors	80	117
Hospitality	57	45
<i>Training and development costs</i>	370	384
<i>Promoting awareness and understanding</i>	286	217
<i>Staff travel and subsistence costs</i>	159	128
<i>Other HR costs</i>	119	113
<i>Depreciation, amortisation and impairment charges</i>	4,009	3,734
	19,210	18,246

The agreed external audit cost for the audit of these statements is £66,250 (2013-14 £62,540). In addition cost of £3,636 (nil 2013-14) for additional non statutory audit were incurred in 2014-15 the balance of the audit expenditure was Internal Audit charges.

*Further explanation of the movement between 2014-15 and 2013-14 is included in SOS 02. Analysis of the net resource outturn is on page 124.

04. Property, plant and equipment

	Land and Buildings	Information Technology	Furniture and Fittings*	Vehicles	Assets under construction	2014-15 £'000 Total
Cost or valuation						
At 1 April 2014	63,140	13,636	1,876	80	798	79,530
Additions	116	106	71	-	267	560
Reclassification	208	370	185	-	(763)	-
De-recognition	-	(427)	(458)	-	(35)	(920)
At 31 March 2015	63,464	13,685	1,674	80	267	79,170
Depreciation						
At 1 April 2014	-	(9,490)	(991)	(80)	-	(10,561)
Charged in year	(1,657)	(1,784)	(126)	-	-	(3,567)
Impairment	-	-	-	-	-	-
De-recognition	-	427	177	-	-	604
At 31 March 2015	(1,657)	(10,847)	(940)	(80)	-	(13,524)
Carrying amount at						
31 March 2015	61,807	2,838	734	-	267	65,646
Carrying amount at						
1 April 2014	63,140	4,146	885	-	798	68,969

* Furniture and Fittings Includes 'donated assets', consisting of the Mace donated by the Parliament of New South Wales for the opening of the Senedd.

The latest revaluation of land and buildings was undertaken by DS Gibbon FRICS of GVA Grimley International Property Advisers, as at 31 March 2014. The Senedd and the Pierhead were re-valued at depreciated replacement cost as a proxy for current value.

The 2014-15 de-recognition charge of £427k arise from ICT services completing its transition from being out-sourced to an in-house service and a classification error in furniture and fittings where correcting the position has required £281k net book value to be charged to Other administrative expenses Note 03.

	Land and Buildings	Information Technology	Furniture and Fittings*	Vehicles	Assets under construction	2013-14 £'000 Total
Cost or valuation						
At 1 April 2013	71,345	12,852	1,483	80	364	86,124
Additions	-	581	293	-	798	1,672
Reclassification	-	203	100	-	(364)	(61)
Disposals	-	-	-	-	-	-
Revaluations	(8,205)	-	-	-	-	(8,205)
At 31 March 2014	63,140	13,636	1,876	80	798	79,530
Depreciation						
At 1 April 2013	(11,172)	(7,908)	(899)	(80)	-	(20,059)
Charged in year	(1,634)	(1,582)	(92)	-	-	(3,308)
Impairment	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluations	12,806	-	-	-	-	12,806
At 31 March 2014	0	(9,490)	(991)	(80)	-	(10,561)
Carrying amount at 31 March 2014	63,140	4,146	885	-	798	68,969
Carrying amount at 1 April 2013	60,173	4,944	584	-	364	66,065

05. Intangible assets

Intangible assets comprise Software and Software Licences for major systems used by the Commission:

	Software	2015 Total £'000
Cost or valuation		
At 1 April 2014	2,367	2,367
Additions	-	-
Reclassification	-	-
At 31 March 2015	2,367	2,367
Amortisation		
At 1 April 2014	(1,294)	(1,294)
Charged in year	(442)	(442)
At 31 March 2015	(1,736)	(1,736)
Carrying amount at 31 March 2015	631	631
Carrying amount at 1 April 2014	1,073	1,073

	Software	2014 Total £'000
Cost or valuation		
At 1 April 2013	2,289	2,289
Additions	17	17
Reclassification	61	61
Disposals	-	-
Revaluation	-	-
At 31 March 2014	2,367	2,367
Amortisation		
At 1 April 2013	(868)	(868)
Charged in year	(426)	(426)
At 31 March 2014	(1,294)	(1,294)
Carrying amount at 31 March 2014	1,073	1,073
Carrying amount at 1 April 2013	1,421	1,421

06. Inventories

	31 March 2015 £'000	31 March 2014 £'000
Inventories for the Commission's Shop	23	19

07. Trade receivables financial and other assets

	31 March 2015 £'000	31 March 2014 £'000
Amounts falling due within one year:		
Trade receivables	40	743
Other receivables	10	7
Prepayments	1,246	1,200
Recoverable VAT	312	476
	1,608	2,426

There were no debtor amounts falling due after more than one year.

08. Cash and cash equivalents

	31 March 2015 £'000	31 March 2014 £'000
Balance at 1 April	223	630
Net change in cash and cash equivalent balances	(104)	(407)
Balance at 31 March	119	223

The following balances at 31 March were held at:

Citibank	95	50
Commercial banks and cash in hand	24	173
Balance at 31 March	119	223

09. Trade payables and other current liabilities

	31 March 2015 £'000	31 March 2014 £'000
Amounts falling due within one year		
VAT	20	12
Other taxation and social security	622	600
Trade payables	590	464
Other payables	-	-
Accruals	2,661	3,190
Amounts due to the Welsh Consolidated Fund	119	254
	4,012	4,520

There were no creditor amounts falling due after more than one year

10. Provisions for liabilities and charges

Under International Accounting Standard 19, a liability of £9.147 million is recognised for the Assembly Members' Pension Scheme. Further information on this is provided under Note 2.

	AM Pension Scheme £'000	Provision for compensatory payment to staff £'000	2014-15 Total £'000	2013-14 Total £'000
Balance at 1 April	4,772	140	4,912	5,224
(Decrease)/Increase	4,375*	3	4,378	(276)
Utilised in-year	-	(37)	(37)	(36)
Balance at 31 March	9,147	106	9,253	4,912

*This includes the pension finance cost £.932 million (£1.054 million 2013-14) and the net actuarial loss £3,443million (£1.333 million – 2013-14) Further information is in Note 2a.

From the total £9.253million (£4.912million in 2013-14) provision, £0.037 million for compensatory payment is expected to crystallise within one year.

11. Capital commitments

There were no contracted capital commitments at 31 March 2015 (nil at 31 March 2014).

12. Commitments under leases

(a) Operating leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which payments are incurred

	31 March 2015	Restated 31 March 2014
	£'000	£'000
Obligations under operating leases comprise:		
Not later than one year	2,794	2,794
Later than 1 year but not more than 5 years	11,127	11,161
Later than 5 years	33,188	35,880
	<u>47,109</u>	<u>49,835</u>
Other – car, printers and copiers:		
Not later than one year	89	92
Later than 1 year but not more than 5 years	158	17
	<u>247</u>	<u>109</u>

The Commission receives income in connection with the Land and building operating leases. This income is disclosed as Accommodation Rental Income within SOS 2.

The Leases as at 31 March 2014 were restated due to a new format requirement from Treasury to analyse the information according to the period costs incurred instead of the period that the lease expires.

(b) Finance leases

There are no obligations under finance leases.

13. Other financial commitments

Historically the Commission has held two contracts deemed to be non-cancellable. These are contracts where a cancellation outside the contract terms would incur a charge. Therefore the Commission is considered to have a financial commitment in relation to this type of contract. During the year formal notice of termination of one of the contracts, for the ICT support was concluded. The remaining contract is now included under Note 12 Commitments under leases.

Obligations under non-cancellable contracts comprise:	2014-15	2013-14
	£'000	£'000
Expiry within 1 year	-	840
Expiry after 1 year but not more than 5 years	-	10
Expiry thereafter	-	-
	-	850

The Commission has other contracts that make reference to early termination but do not quantify charges for such an event. Early termination would be a breach of contract and the contractor would be entitled to damages representing the loss of profit on the work which would have been done under the contract if it had run its full course. As this figure is variable for each contract, such contracts have not been included in this note.

14. Financial Instruments

The Commission does not issue or trade in financial instruments such as loans and has no borrowings. It relies primarily on funding from the Welsh Consolidated Fund for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

15. Contingent liabilities

Assembly Member Support Staff have contractual rights to have the equivalent of 10% of gross annual salary contributed towards a pension, but not all have exercised this right. Liability continues until six years after cessation of employment, and is estimated as follows:

Pension contributions for AM Support Staff who:	Amount outstanding 31 March 2015 £'000	Amount outstanding 31 March 2014 £'000	Amount paid out 2014-15 £'000	Comments
Are currently employed but not contributing to a pension scheme	2	2	-	Remote
Have left employment without ever joining a pension scheme	49	54	-	Remote

The Commission has not entered into any quantifiable or unquantifiable contingent liabilities through giving guarantees, indemnities or letters of comfort.

16. Losses and special payments

The number and value of losses and special payments made during 2014-15 are as follows:

(a) Losses Statement	2014-15		2013-14	
	No. of cases	Value £'000	No. of cases	Value £'000
Total	31	32	16	72
Fruitless Payments and Constructive Loss	30	3	13	1
Losses of pay, allowances and superannuation benefits	-	-	2	-
Losses of Accountable Stores – (Refer to Governance Statement)	1	29	1	71

(b) Special Payments	2014-15		2013-14	
	No. of cases	Value £'000	No. of cases	Value £'000
Total	3	40	6	1
Compensation	3	40	6	1

Compensation payments include 2 severance payments totalling £19k.

17. Travel and Subsistence by Directors

Claims made by and on behalf of the Chief Executive and Directors for travel and subsistence and other business expenses over the last two years were as follows:

	Claire Clancy <i>Chief Executive and Clerk of the Assembly</i>		Adrian Crompton <i>Director of Assembly Business</i>		Dave Tosh <i>Director of Resources</i>		Elisabeth Jones <i>Director of Legal Services</i>		Steven O'Donoghue <i>Head of Assembly Resources with Director of Finance responsibilities (until 25 April 2014)</i>		Craig Stephenson <i>Director of Commission Services (from 6 May 2014)</i>	Nicola Callow <i>Director of Finance (from 26 April 2014)</i>
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2014-15
	£	£	£	£	£	£	£	£	£	£	£	£
Car mileage		21	-	-	-	-	29	59	-	-	-	-
Taxi / Car hire / associated costs	95	24	-	-	45	-	108	54	-	-	167	-
Air travel / associated costs	265	371		3,091	5,943	227	243	541	-	89	418	-
Public transport		171	179	144	409	-	305	403	-	478	201	-
Accommodation	212	468		-	826	52	191	307	-	279	524	-
Subsistence / expenses		57		315	211	-	59	150	-	470	189	211
Total	572	1,112	179	3,550	7,434¹	279	935	1,514	-	1,316	1,499	211

¹ The increase in travel costs is due to the shared cost of air travel relating to advisory IT services provided to parliamentary bodies overseas.

18. Related-party transactions

The Commission has a number of transactions with the Welsh Government and with other government departments and public bodies, including HM Revenue & Customs. Additionally, regular transactions take place with the Assembly Members' Pension Scheme, see note 2. Standing Orders of the National Assembly for Wales require the Assembly, on a motion proposed by the Commission, to elect Trustees to the Members' Pension Scheme.

The Assembly may give special or general directions to the Commission for the purpose of, or in connection with, the exercise of the Assembly Commission's functions.

The Commission has not undertaken any material transactions directly with Commissioners, senior managers or their close family members nor with any organisations where Commissioners, senior managers or members of their close family hold positions of control or influence. The Deputy Presiding Officer, David Melding, and Peter Black, one of the Commissioners, are also trustees of the Assembly Members' Pension Scheme.

For transparency the following minor transactions are reported:

- Payments of £4,368.42 (£274.50 2013-14) were made to the City and County Swansea for services rendered e.g. waste collection and rates. Peter Black is a councillor for City and County of Swansea
- Payments of £6,000.00 (£11,876.40 2013-14) were made to Swansea University for WVN support licences. Peter Black is a member of Court of Governors of Swansea University

An independent Remuneration Board was established by the National Assembly for Wales Remuneration Measure 2010. The Remuneration Board determines the salaries and allowances of all Assembly Members and office holders. The Assembly Members, may employ family members as their support staff, however, this is only permitted where the Assembly Member plays no part in the fair and open selection process, which is conducted by Commission staff on their behalf.

The Commission decides the policies on salary and conditions for Commission staff. There are no restrictions in place relating to the employment by the Commission of family members of Commissioners or senior management.

Directors have declared that they hold no significant third party interests that may conflict with their duties.

A Register of Financial and Other Interests of Assembly Members is available at www.assembly.wales and www.cynulliad.cymru.



Document is Restricted



2014
2015

ANNUAL REPORT
AND ACCOUNTS

sportwales
chwaraeoncymsu



THE SPORTS COUNCIL FOR WALES AND SPORTS COUNCIL FOR WALES TRUST

1 APRIL 2014 – 31 MARCH 2015

ANNUAL REPORT AND ACCOUNTS

The Annual Report incorporates the Strategic Report including Sustainability Report, and the Directors Report including Remuneration Report. The Sports Council for Wales has adopted International Financial Reporting Standards (IFRS).

Sport Wales is a Trustee of the Sports Council for Wales Trust.

HISTORY AND STATUTORY BACKGROUND

The Sports Council for Wales (known by its trade name Sport Wales) was established by Royal Charter dated 4 February 1972, with the objectives of “fostering the knowledge and practice of sport and physical recreation among the public at large in Wales and the provision of facilities thereto”. It is financed by annual funding from the Welsh Government and from income generated from its activities. These Statements of Account are prepared pursuant to Article 15 of the Royal Charter for the Sports Council for Wales (Sport Wales) in a form determined by the Welsh Government with the approval of HM Treasury.

A copy of the Accounts Direction is available for public inspection at Sport Wales offices at Sophia Gardens in Cardiff.

The Sports Council for Wales Trust was constituted on 16 May 1972 and is registered as a charity with the Charity Commissioners in England and Wales, with the charitable objectives of:

1. preserving and safeguarding the physical and mental health of the community through physical recreation (including sport) and the education in relation thereto;
2. the provision of facilities for physical recreation (including sport) which shall be available for members of the public at large.

BOARD

During 2014/15, Sport Wales comprised the following board members;

Prof L McAllister **	(Chair Reappointed 01.02.2013)
Mrs Adele Baumgardt	(Vice Chair Appointed 01.09.2012)
Prof. John Baylis *	(Reappointed 01.04.2015)
Mr Simon Pirotte	(Reappointed 01.04.2015)
Mr Andrew Morgan	(Retired 31.08.2014)
Mr Richard Cuthbertson *	(Retired 30.11.2014)
Mr Martin J Warren */**	(Retired 31.03.2015)
Mr Paul Thorburn	(Retired 31.03.2015)
Mr Alan Watkin *	(Retired 31.03.2015)
Ms Julia Longville	(Appointed 01.09.2012)
Ms Johanna Lloyd*	(Appointed 01.09.2012)
Mr Peter King*	(Appointed 01.09.2012)
Amanda Bennett*	(Appointed 01.09.2014)
Andrew Lycett*	(Appointed 01.09.2014)
Richard Parks	(Appointed 01.09.2014)
Samar Wafa	(Appointed 01.09.2014)
Ms S Powell	(Chief Executive)

* Member of the Audit committee

** Member of the Remuneration committee

REGISTERED OFFICE

Sophia Gardens
Cardiff
Wales
CF11 9SW

DECLARATIONS OF INTEREST

All Members and Senior Staff of Sport Wales have completed a return detailing any interests in Organisations which provide, or may seek to provide, commercial services to Sport Wales for 2014/15. Information provided that requires disclosure in accordance with International Accounting Standard 24 is disclosed in Note 19 of these accounts.

LEADERSHIP CHANGE

2014/15 has been a year of transition both within Sport Wales and in the wider sports sector in Wales. Internally the organisation has appointed a new CEO and there are further on-going changes at executive level. The new leadership team has brought a fresh perspective and a new approach which will enable the organisation to move onto the next level. During the year, the CEO has set out the four pillars of her long-term strategy for the organisation, which is set out under "Plans for Future Periods"

STRATEGIC REPORT

Our purpose as Wales' sports development and advocacy agency is twofold: to inspire more people to become, and remain active for life; and to boost the performance of our elite athletes, teams and coaches. This is incorporated in our aspiration of 'Creating a Nation of Champions' and 'Every child hooked on sport for life'.

Sport Wales works in partnership with others to achieve these aims and has a role in bringing partners and people together; local authorities, governing bodies of sport, communities, coaches, adults, young people, children and the entire nation to support, participate and excel in sport. Sport Wales works towards achieving equality in all of our functions, whilst embracing the spirit of equality legislation and eradicating any form of unfair discrimination.

KEY PERFORMANCE INDICATORS

Performance against our key metrics is set out in the table below:

	Dragon Registrations	5x60 attendance	5x60 frequency 20	All swims per 1000 population	Learn to swim rates at age 11	Number of active Coaches and Officials	Adult membership Senior Men	Adult Membership Senior Women	Junior Club Membership Boys	Junior Club Membership Girls	Number of clubs
2013-14 Target	250,066	1,202,128	25,654	1,690	78%	50,281	295,028	52,665	158,098	51,909	5,840
2013-14 Actual	229,687	1,351,530	22,234	1,456	74%	48,169	258,092	48,548	152,612	57,240	5,431
2014-15 Target	241,201	1,312,960	27,624	1,609	78%	57,701	271,576	56,966	162,399	68,017	5,366
2014-15 Actual	274,969	1,541,304	24,641	1,445	73%	33,871	262,474	54,181	129,898	46,463	3,775
2015-16 Target	284,963	1,365,085	24,529	1,558	80%	54,946	273,281	52,140	159,932	67,489	5,588

Current trends in sport in Wales are largely positive – club membership is rising, school sport programmes are more popular and well attended than ever before. What these positive trends tell us is that our delivery programmes and overall strategic approach is delivering real results which

positively impact on the lives of Welsh citizens. We are aware that we have not met a number of the targets in the above table; however we are not disheartened by this. It is more a reflection of our "unreasonable ambition" in action.

OVERVIEW

Our Vision for Sport in Wales is continuing to impact on the work of our partners, inspiring bigger aspirations for the growth of sport and the engagement of people locally. In the past year the sports sector in Wales has attracted more people to volunteer, delivered new thinking around effective structures to enable people to benefit from more recreational and competitive opportunities and inspired a nation thanks to our record breaking Commonwealth Games team.

It is our duty to ensure everyone can benefit from participation in sport. Over the last 12 months we have started to take in-roads into tackling the participation gaps that we see among women and girls, those from ethnic

minority backgrounds, those living with disability and those living in poverty. Our Active Adults Survey identified that more people are embracing sport than ever before but there are still groups who are less likely to participate than others. We will continue to work with our partners to ensure that everyone has the opportunity to be physically active.

2015 is a year of opportunity, a year of progress. We must set our sights on future successes and build on 2014. Sport Wales will not be sitting back and accepting that 2014 is the high water mark for sport: 2015 is the year when we must build even greater success on these strong foundations.

OUR CORPORATE GOALS

Sport Wales annually reviews progress against our objectives and sets goals for the forthcoming year. Our vision for the future of Sport in Wales and the steps we will take towards delivering and safeguarding this future is set out in our business plan, which can be found on our website.

Our Key Corporate Goals during 2014/15, and the progress we have made against them, are listed below

OBJECTIVE	OUTCOME
<p>Community Sport</p> <p>To generate even more positive action targeted at under-represented groups and communities. Clearly if the aspirations of every child hooked on sport is to be realised then this targeting is required especially as the 'hooked on sport' indicator has risen from 27% to 40%.</p> <p>The second point within community sport work is around creating 'sporting pathways' across Wales for a minimum of 10 sports. Here every aspect of a sport's pathway will be clear and will have ambitious goals for the future so that the hooked on sport goal is more likely to be realised and that athletes with talent are more likely to rise to elite levels. Finally there is a need to set and generate consensus with the sector around a bold exciting goal for community sport such as the 'hooked on sport' indicator rising towards 75%.</p>	<p>We successfully launched the second round of our Calls for Action lottery investment, targeting under-represented groups, resulting in 11 awards totalling £2.4million, with the diverse range of projects including Girl Guides, Breeze Cycling and Time to Change Wales (mental health). The first round of projects has also been coming to the end of their funding, with plans in place to evaluate their impact.</p> <p>We have continued to work on our long term measurement and outcomes, alongside the development of our approach to investment into community sport in Wales.</p> <p>10 sports have developed complete sporting pathway plans.</p>
<p>School Sport</p> <p>The first challenge is within the young person's 'curricular' experience to create 'physically literate' children. Here efforts will be made to further influence education policy and practice in 'class' time so that our young people have a hugely positive experience.</p> <p>This good experience should be so exciting that young people want to carry it on into the 'extra-curricular' after school activities (such as Dragon and 5x60) and yet further with good links to community exit routes (clubs).</p>	<p>The review of the curriculum in Wales provided the opportunity for Sport Wales to put our case for greater focus on physical literacy. This was achieved through meetings with the architect of the review Professor Graham Donaldson. We now await the decision of the Minister on the direction of travel for the future curriculum, but there is a clear focus on all pupils being healthy and active.</p> <p>We reviewed our investment into school sport and have presented a series of recommendations for future investment, which will form part of the new community sport model.</p> <p>A draft physical literacy framework has been developed, taking into account the new direction for the curriculum proposed by the Donaldson Review.</p>

OBJECTIVE	OUTCOME
<p>Health</p> <p>Our vision of every child in Wales hooked on sport for life represents a significant opportunity to help ease the burden of unnecessary illness that faces the NHS. Sport Wales is determined to play its part in helping shape a healthier and more sustainable future for the people of Wales.</p> <p>We will play our part in helping change behaviour because it is an unsustainable proposition to continue to pay for the treatment of ill health that comes about as a result of people making destructive lifestyle choices. The challenge is for sporting organisations and the NHS to find meaningful ways to work together much more closely than in the past. This partnership work must clearly aim to explain to people the responsibility they have for creating the conditions for health in their own lives and that an enjoyable way to do this is through increased participation in sport and exercise.</p>	<p>Positive progress has been achieved in developing the relationship at a high level with Health, by the signing of the Memorandum of Understanding with the NHS Confederation.</p> <p>We have sought to build our contacts and relationships with health, in order to jointly progress projects in 2015/16 and more effectively share opportunities to communicate the positive impact being physically active through sport can have.</p>
<p>High Performing Organisation</p> <p>The business plan is a series of supporting pieces of work to make the above three approaches more effective. Partners will be challenged as to how effective their own systems and structures are (eg strong governance and leadership). Proposals will be made for an alternative model for effective community sport delivery. The quality and quantity of the workforce to make these priorities come alive will continue to be an important and improving area of work.</p> <p>Finally Sport Wales as an organisation will continue to strive towards being 'high performing' itself so that resources allocated for sport are used in the most efficient manner. Amongst other work, Sport Wales will raise staff engagement levels, achieve excellent ratings for the national centres and improve business insight through better evaluation and analysis. The 'customer service' element of Sport Wales' work is multi-faceted and requires a degree of greater coordination.</p>	<p>Good progress has been made on developing an alternative model for effective community sport delivery. The strategic case has been agreed and signed off by the Project Board; and an outline business case developed and will be presented to the Board of Sport Wales in May 2015. Sport Wales will launch its leadership and governance framework in April 2015. Numerous Governing Bodies of Sport have already pledged their support for this event.</p> <p>Good rating maintained for the Sport Wales National Centre with 85% of the recommendations from Service Improvement Plan completed. Overall satisfaction feedback increased from 4.41 to 4.52 over 2013/14 (4 = Good, 5 = Excellent).</p> <p>A good outcome with staff engagement levels across the organisation rising from 67% in 2013/14 to 75% in 2014/15.</p>
<p>Elite Sport</p> <p>Wales will need to further evolve as a world class developer of talent, learning from Glasgow's Commonwealth Games to ensure that elite pathways are fit for purpose for Rio. Secondly the 'Team Wales' image will be further promoted and advocated.</p>	<p>Team Wales delivered a record medal haul of 36, one more than the set upper limit of 35. The final medal total left Wales as the number one Commonwealth multi-sport nation per capita, above countries such as New Zealand, Australia, Canada, India and the other Home Nations. The prioritisation of medal winning sports and athletes (a key tactic in the Elite Sport Strategy) was a crucial factor in achieving the goal.</p> <p>The Elite Sport Strategy has been independently reviewed and recommendations are in the process of either being implemented or designed.</p> <p>Regular meetings of all the partner agencies have been taking place under the title of the High Performance Strategic Advisory Group (HPSAG) and the resultant V-MOST is now in the process of being implemented with co-ordination provided via a dedicated resource at UK Sport.</p>

http://www.sportwales.org.uk/media/1481695/sport_wales_business_plan_2014-15.pdf

http://www.sportwales.org.uk/media/1481698/sport_wales_business_plan_2014-15_cymraeg.pdf

REVIEW OF THE YEAR

There is no doubt that 2014 was a magnificent year for Welsh sport. It was the year when sport was Wales's biggest success story. A year in which records were broken, hauls of medals exceeded and we learnt to expect success as a norm not an exception.

Team Wales returned from Glasgow with 36 medals, their highest ever medal haul, and athletes such as Frankie Jones, Jazz Carlin, Natalie Powell and Geraint Thomas ensured that Wales shone on the world sporting stage. A number of athletes achieved personal bests or experienced a major games for the first time and they all created sporting memories which will last long in the memory. The team being crowned Team of the Year at the Annual Wales Sports Awards topped off an amazing year for Team Wales. Following Glasgow a full review of our elite sport programme was completed and an updated elite sport review will be published shortly ensuring we continue to strive forward on the world stage.

Following on from our fantastic School Sport Survey results in 2013, 2014 saw us reveal that the people of Wales are embracing sport like never before as our Active Adults Survey showed significant growth in participation with numbers of adults taking part in sport or physical activity three or more times a week at their highest ever levels. The figures showed a major jump from 29% in 2008 to 39% in 2012 – that's an amazing 262,000 more people enjoying the many benefits of sport.

There is of course much more we need to do. The survey once again highlighted the groups who are less likely to participate regularly. In 2014 we started to make inroads into tackling the stubborn participation gaps that we see among women and girls, those from ethnic minority backgrounds, those living with disability and those living in poverty.

We are proud to have joined forces with Newport City Council and the Police and Crime Commissioner for Gwent to set up the Positive Futures Newport Initiative, a sports

and activity based social inclusion programme, which aims to create safer and more inclusive communities by building a culture of respect, increasing youth volunteering and providing quality access to services for young people in their communities.

Key figures across Wales' sporting community also celebrated a major step forward in making sport welcoming, safe and free from discrimination as a charter was launched to encourage lesbian, gay, bisexual and transgender (LGBT) equality. The charter has been drafted by the LGBT Sport Cymru Network which was established by Sport Wales in the wake of research conducted in partnership with Stonewall Cymru in a bid to better understand the sporting experiences of Wales' LGBT communities. The charter is a major symbolic commitment to LGBT equality and schools, clubs and national governing bodies from across Wales were urged to sign up.

Our work with the health sector in the last 12 months has seen sport take on an increased importance; it is no longer a nice to have, but an absolute essential in the future of the health of our nation. In sport we have a real 'prescription' to the serious pressures being placed on our health service. That is exactly why we have joined forces with the Welsh NHS Confederation on the Memorandum of Understanding to create a healthier and more equal Wales. Never before have sport and health joined forces in this way and it comes at a time when prudent healthcare is at the top of the agenda, encouraging the people of Wales to take more responsibility for their health and wellbeing.

There are already some fantastic examples of prosperous partnerships such as Disability Sport Wales and Betsi Cadwaladr University Health Board who jointly deliver better options for more people to access sport and physical activity.

We have successfully secured further funding for the Physical Literacy Programme for schools (PLPS). The programme is aligned to the Schools Challenge Cymru

programme, working with schools from some of the most deprived areas in Wales to ensure improved standards are achieved. A draft Physical Literacy Framework has been developed and is currently being trialled within the PLPS programme.

The results of our school sport survey tells us that young people are more likely to be hooked on sport if they enjoy activities and also have the ability and confidence to take part, this is our focus through physical literacy. Current work with partners is ensuring that all community opportunities are the best they can be, delivered by the right workforce and meeting the needs of all young people. A comprehensive suite of communication tools have been developed to support this agenda. Collaborative work with new and existing partners on this agenda will be a priority for Sport Wales over the next few years.

It remains our vision to get every child hooked on sport and we now have the partnerships to support this and a common purpose to achieve it.

FINANCIAL RESULTS FOR THE YEAR

The total comprehensive expenditure for Sport Wales after taxation for the year ending 31 March 2015 totalled £27,419,000 (2013/14 £26,909,000). The net movement on the general fund for the year, after the funding received from the Welsh Government, was an over spend of £992,000 (2013/14 over spend of £57,000). The £992,000 decrease was arrived at after charging £506,000 depreciation (2013/14 £519,000) and was largely in line with expectation.

The results of the Trust are consolidated into these financial statements.

Plans for Future Periods

We have set out our work for the coming year in our business plan, which can be found on our website from April 1st 2015.

The establishment of a new, five-year strategic plan for 2015-20, will be central to setting the overall future direction for Sport Wales and to providing sharper clarity and focus for delivery and outcomes. The strategy will be built on four key pillars to ensure that we continue to operate in a strong, smart, sustainable and successful manner in the challenging environment we now face. The strategic aim is to drive delivery to an even higher level and to generate step-change success that will be recognised both in Wales and internationally. At a time of public sector financial constraint, Sport Wales has a responsibility to maximise opportunities for growth, and to act swiftly and decisively to lay the foundations for a successful sporting sector.

Over the period of our Corporate Plan 2013-2016, the following key outcomes will be measured:

- The percentage of young people in school years 3-11 who participate three or more times a week in an extracurricular and/or club setting;
- The percentage of young people in school years 3-11 who participate in sport in a club;
- The percentage of young adults 16-24 participating on three occasions a week on average in the previous four weeks;
- The percentage of adults aged 15+ that volunteered in the last 12 months;

Population outcome measures can be reported on every two years.

ENVIRONMENTAL, SOCIAL AND COMMUNITY ISSUES

Social and Community Issues

Our work is guided by several key documents: the Programme for Government; Creating an Active Wales, the five year strategic action plan to deliver Climbing Higher; and the Vision for Sport in Wales. The Programme for Government is reflected in the Minister's Remit letter to Sport Wales.

Our vision for community sport is "every child hooked on sport for life". This really does mean every child. Amongst very positive results in the growth of sporting participation amongst both adults and children, we continue to see unacceptable inequalities. Our Active Adult Survey and School Sports Survey results have shown us that; Boys and men take part in more sport than women and girls, and those from less affluent backgrounds, BME communities or with a disability are measurably less likely to participate.

Sustainability

Sport Wales actively pursues policies and initiatives that seek to reduce the impact its operations have on the environment. Last year, the board and senior management team considered the additional actions which Sport Wales could take to further mitigate the impact of its work on the environment. This led to the Corporate Environmental Strategy, which was approved by the board. Over and above the significant steps already undertaken, Sport Wales set itself the goal to exceed Welsh Government targets, the primary one being a 3% annual reduction in carbon emissions using 2013/14 as a baseline, to be measured on a rolling three year basis.

For 2014/15, the Defra carbon emissions conversion factor for electricity has increased, so even though the electric usage has decreased, the carbon emissions have increased year on year. The large drop in energy usage (electricity, gas & gas oil) is driven by the effect of a milder winter, combined with further implementation of motion activated lighting and replacing life expired fluorescent lighting with more efficient LEDs.

The increase in the amount of waste produced is due to construction waste at Sport Wales National Centre for refurbishment projects.

Sport Wales is continuing with a drive to implement technological solutions to help reduce emissions and waste where possible. This includes video conferencing facilities and improved personal ICT solutions such as dual screens to reduce printing. This is beginning to impact on staff behaviour and we expect to see the benefits in future years.

Plas Menai is continuing to use the environmental system implemented last year and over the coming year we will be using the data it provides to make targeted changes to reduce energy usage. Also, the National Centre in Cardiff is undertaking a feasibility study into onsite renewable generation at Sophia Gardens.

Sport Wales National Centre achieved it's lowest Energy Performance Operational Rating during the year well below the typical rating for the type of building. During the year an electric truck was purchased for use on the grounds removing the need to use the tractor for smaller tasks.

ENVIRONMENTAL SUSTAINABILITY

The following tables includes all Sport Wales offices data and associated cost

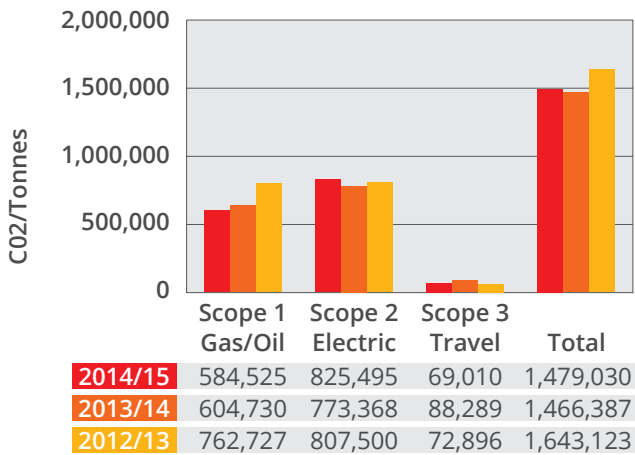
Waste		2014/15	2013/14	2012/13
Non-financial (tonnes)	Total KG	86,726	55,772	55,186

Greenhouse		2014/15	2013/14	2012/13
Co2	Total gross emissions (Co2)	1,410,020	1,378,098	1,570,227
		1,410,020	1,378,098	1,570,227
	Total net emissions (Co2)	584,525	604,730	762,727
	Gross emission, scope 1 (direct)	825,495	773,368	807,500
	Gross emissions, scope 2 (indirect) (indirect)	1,670,163	1,736,033	1,812,652
Energy	Electricity (non-renewable)	0	0	0
kWh	Electricity (renewable)	1,160,585	1,242,870	1,256,517
	Gas	1,359,122	1,383,543	1,707,263
	Gas Oil	292,920	293,911	357,171
Financial Indicators (£)	Expenditure – energy			

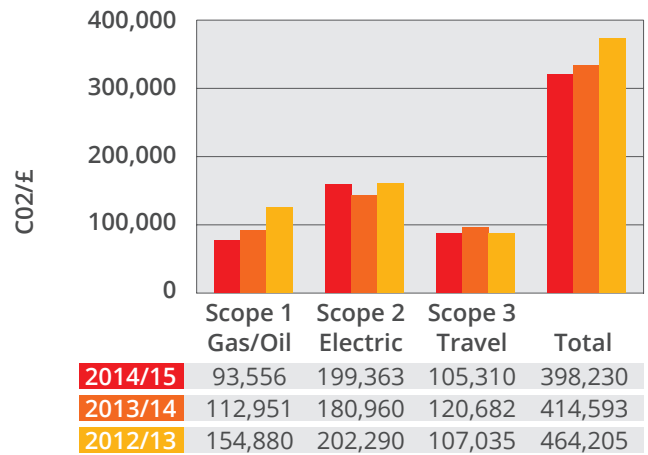
Finite Resource	Water	2014/15	2013/14	2012/13
Non-financial (M3)	Supplied	13,383	13,087	12,720
	Abstracted	2,251	2,251	2,613
Financial indicators (£)	Water supply costs	33,300	32,370	34,737

Travel		2014/15	2013/14	2012/13
Co2	Rail	8,189	7,432	12,494
	Air	18,029	25,480	3,758
	Ferry	0	43	0
	Car (Taxi/Bus Etc)	536	136	1,431
	Own Car Usage	42,256	55,198	55,213
	Total	69,010	88,289	72,896
Cost	Rail	28,461	25,795	20,286
	Air	9,537	9,607	3,282
	Ferry	0	331	0
	Car (Taxi/Bus Etc)	3,155	1,741	2,051
	Own Car Usage	64,158	83,209	81,416
	Total	105,310	120,683	107,035
Miles	Rail	108,025	94,927	134,214
	Air	41,338	51,150	12,916
	Ferry	0	200	0
	Car (Taxi/Bus Etc)	2,483	623	883
	Own Car Usage	142,573	184,909	180,925
	Total	294,419	331,809	328,938

C02 Emissions



Financial Indicators



Conservation and Biodiversity

Sport Wales National Centre, Cardiff is located in a Grade 2 listed garden and all the trees have Tree Protection Orders which are managed in accordance with these orders.

The National Centre at Plas Menai runs marine environmental educational courses on the Menai Strait, has planted a managed woodland and bird boxes have been placed around the site.

Sustainable Procurement and the Future

Sport Wales’s procurement policy requires that all Procurement awards in excess of £10,000 should be awarded on the basis that they offer “the optimum combination of whole life costs and benefits to meet Sport Wales’s requirements”. Whole life costing considers not just the purchase price, but also takes into account the continued cost of ownership, maintenance and disposal of services.

We will continue to work to embed sustainable policies in our operations. In particular, we are conscious of the wider environmental impact which our work has and will investigate ways in which we can positively impact upon this.

ACCOUNTING OFFICER:

S Powell
29 June 2015

DIRECTORS REPORT

HUMAN RESOURCES

Sport Wales has an extensive range of policies which reflect current legislation and aim to secure retention and motivation. These policies are reviewed regularly with staff involvement via a recognition agreement with the PCS Union. All policies are equality checked before implementation. Sport Wales is committed to a policy of equality of opportunity in its employment practices. In particular, Sport Wales aims to ensure that no potential or actual employee receives more or less favourable treatment on the grounds of age, disability, ethnic or national origin, gender, marital or parental status, nationality, political belief, race, religion, or sexual orientation. We also follow the 'Equality Standard for Sport' and 'Positive about Disabled' schemes.

INVESTING IN OUR PEOPLE

Sport Wales has "Investors in People" status and its human resources policies reflect best practice as part of its commitments as a learning organisation.

SICKNESS ABSENCE DATA

The sickness data for employees of the whole organisation for 2014/15 (2013/2014) is as follows:

TOTAL DAYS LOST	TOTAL NUMBER OF EMPLOYEES (FTE)	TOTAL SICK DAYS LOST PER PERSON
935.50 (870.00)	150.32 (148.89)	6.22 (5.84)

PENSION SCHEME

Employees of Sport Wales are members of the Cardiff and Vale of Glamorgan Pension Fund (the Fund). The Fund is a defined benefit scheme providing benefits based on final pensionable pay, and its assets are held separately from those of Sport Wales. Any pension built up before April 2008 is calculated at a rate of 1/80th with a lump sum of three times pension. Pension built up from 1 April 2008 is calculated at the rate of 1/60th and there is an option to take an extra lump sum in exchange for pension. From April 2014, the LGPS has changed from a final pension scheme to a Career Average Re-valued Earnings (CARE) scheme. Pension built up from 1 April 2014 is calculated at the rate of 1/49th with an option to take an extra lump sum in exchange for pension. The contributions of employees are set at 5.5% to 10.5% based on salary range. Further details can be found in note 1.6 and note 17 to the financial statements.

PERSONAL DATA RELATED INCIDENTS

Sport Wales has controls and policies in place to ensure data integrity. Information Technology systems ensure that the physical security of data is tightly controlled. As far as we are aware, no loss of data occurred during the period under review.

RISK IDENTIFICATION AND MANAGEMENT

Detail on Risk Management is contained in the Risk Management section of the Annual Governance Statement on page 19.

SUPPLIER PAYMENT POLICY AND PERFORMANCE ACHIEVED

Under the Late Payment of Commercial Debts (Interest Act 1998) and in line with the Better Payment Practice Code (which can be located on www.payontime.co.uk) Sport Wales

is required to pay suppliers' invoices not in dispute within 30 days of receipt of goods or services or valid invoice, whichever is the later.

Sport Wales aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, in line with these terms. During the year ended 31 March 2015 Sport Wales paid 100% (2013/14 100%) of all invoices within the terms of its payment policy. No interest was incurred during the year as a result of late payments.

FINANCIAL INSTRUMENTS

Details of financial instruments can be found in note 1.11 to the financial statements.

REMUNERATION OF AUDITORS

The Audit Committee oversees the nature and amount of non-audit work undertaken by Wales Audit Office our external auditors. During 2014/15 there was no non audit work undertaken by auditors. The audit fee is disclosed in note 7 to the financial statements.

Statement on Disclosure of Relevant Audit Information.

1. As far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware, and
2. The Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any audit information and to establish that the auditors are aware of that information.

ACCOUNTING OFFICER:

S Powell
29 June 2015

REMUNERATION REPORT

In accordance with Chapter 5 of the Financial Reporting Manual, Sport Wales is required to disclose the following concerning remuneration during the year of Council Members and Senior Staff with responsibility for running policy making departments. Treasury guidance requires the financial statements to disclose the cash equivalent transfer value of pensions for Sport Wales Members and Senior Staff.

REMUNERATION POLICY

The Chair, Vice Chair and members of Sport Wales are paid in accordance with the Welsh Government "Remuneration and expenses of Chairs and Members of ASGBs and NHS Bodies" policy.

The Remuneration Committee which consists of Sport Wales Chair, Vice Chair and Chair of the Audit Committee supported by Sport Wales's Human Resources Manager meets to agree the annual pay award for all staff via the Welsh Government's pay remit process. Also, the CEO post now has a salary range associated with it, which is determined by Welsh Government.

SERVICE CONTRACTS

The Senior Staff of Sport Wales are employed on terms and conditions broadly analogous to the Welsh Government terms and conditions.

Sport Wales Members are appointed by Welsh Ministers for a three year contracted period and may be reappointed normally for a further three year period. The Chair is remunerated at a daily rate of £337 and is contracted to work two days per week. The Vice Chair is remunerated at a daily rate of £311 and is contracted to work one day per week.

NOTICE PERIOD

The Chief Executive is entitled to four month's notice of termination of contract by Sport Wales and the remaining Senior Staff are entitled to three month's notice of termination of contract.

CHIEF EXECUTIVE OFFICER SALARY**REMUNERATION**

"Salary" includes gross salary, allowances and performance bonuses where applicable. During the year the Chief Executive received a gross salary of £89,483, (2013/14 £79,170). No bonus payments were made to the Chief Executive or any other member of staff during the year (2013/14 £Nil).

A proportion of the Senior Management salary costs are allocated to lottery.

BENEFITS IN KIND

There are no benefits in kind

Further details of the remuneration and pension benefits of the Chair, Vice Chair, Chief Executive and other senior directors are provided in note 6(d) to the financial statements. This information is audited.

ACCOUNTING OFFICER:

S Powell
29 June 2015

STATEMENT OF COUNCIL'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under the Royal Charter, dated 4 February 1972, The Sports Council for Wales (Sport Wales) is required to prepare for each financial year statements of accounts in the form and on the basis determined by the Welsh Government, with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of Sport Wales's state of affairs at the year end, including its net expenditure, changes in equity and cash flows for the financial year.

In preparing the accounts, Sport Wales is required to comply with the requirements of the Government Financial Reporting Manual and in particular:

- observe the accounts direction issued by Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departure in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the entity will continue in operation.

The Principal Accounting Officer for the Welsh Ministers has appointed the Chief Executive as the Accounting Officer for Sport Wales. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for the keeping of proper records, and for safeguarding Sport Wales's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury.

ACCOUNTING OFFICER:

S Powell
29 June 2015

ANNUAL GOVERNANCE STATEMENT 2014/2015

INTRODUCTION

The Governance Statement brings together in one place all disclosures about matters relating to an organisation's governance, risk and control. As Accounting Officer I am personally responsible for the Governance Statement which outlines how I have discharged my responsibility to manage and control the resources of Sport Wales during the course of the year.

As Accounting Officer I have reviewed the 2012 Corporate Governance Code and believe that Sport Wales has fully complied with the relevant elements of the code in respect of both its Exchequer and Lottery functions.

CORPORATE GOVERNANCE

The Board

Corporate Governance is the system by which organisations are directed and controlled. The Board of Sport Wales is responsible for the governance of Sport Wales and the Sports Council for Wales Trust. The Board's role is to satisfy itself that an appropriate governance structure is in place and to scrutinise the performance of the executive and the organisation's delivery of the Sport Wales Vision.

The Sport Wales Board is made up of a Chair, a Vice Chair and up to twelve other members all of whom are appointed by the Welsh Government. The Board's composition includes representation from a wide cross section of different professions and members with expertise and experience relevant to both community and elite sport.

Attendances for both the Board and the Audit Committee are shown in the table below.

Board Member	Board Meeting (Number of meetings attended)	Audit Committee (Number of meetings attended)
Prof. L McAllister (Chair)	5	Not Applicable
Adele Baumgardt (Vice Chair)	5	Not Applicable
Amanda Bennett**	3	2
Martin J Warren	5	4
John Baylis	5	3
Richard Cuthbertson*	4	1
Andrew Morgan*	0	Not Applicable
Simon Pirotte	4	Not Applicable
Paul Thorburn	4	Not Applicable
Alan Watkin	4	3
Julia Longville	5	Not Applicable
Andrew Lycett**	3	3
Johanna Lloyd	5	1
Peter King*	5	1
Richard Parks**	2	Not Applicable
Samar Wafa**	3	Not Applicable
(External members – Audit Committee only)		
Sandy Blair	Not Applicable	3
Louise Casella	Not Applicable	3
Overall Percentage Attendance rate	91%	71%

*retired during the year **Started Sept 2014

To discharge its responsibilities and to obtain the assurance required that demonstrate good governance practices are in place, the Board has agreed the following governance structure:

- Two permanent committees; The Audit Committee and the Remuneration Committee
- Three Sub Groups and two advisory group approved by the Board (listed below).
- The Executive Management Team and staff structure

Audit Committee

The Board has established an Audit Committee to support it in discharging its responsibilities specifically in the areas of risk, internal control and governance through:

- Reviewing the comprehensiveness and operation of current processes, controls and other measures to meet the assurance needs of the Board and the Accounting Officer;
- Reviewing the reliability and integrity of the assurances provided by the executive and the internal and external auditors;
- Providing an opinion as to how well the Council and Accounting Officer are supported in decision making and in discharging their accountability obligations (particularly in respect of Financial Reporting).

The Audit Committee consisted of six Board members and up to two independent external members. The committee met four times during the year and there was an overall members' attendance rate of 71%.

Over the year the committee's areas of focus included (but were not limited to):

- the operation and effectiveness of the risk management review framework;
- internal audit reports covering specific business areas and the annual internal audit report;
- the Annual Report and Accounts and their format;
- observations made by external audit, particularly the annual management letter;
- compliance with the Framework Document issued by the Welsh Government as well as compliance with the Lottery Statement of Financial Requirement;
- the Governance Framework document;
- the risks and controls around grant awards;
- operational risk management of the two National Centres;
- the specific risks associated with supporting elite sport and high performance athletes;
- the Gifts and Hospitality Register.

The Board received the minutes of the Audit Committee at each meeting and are advised by the Audit Chair of any significant matters. The Audit Chair also presents a formal annual report on the committee's work to the Board.

IT systems ensure that the physical security of data is tightly controlled. In 2014/15 no information risk issues or significant control weaknesses were identified and the Audit Committee was satisfied that the level of risk was acceptable and managed in an appropriate manner.

Remuneration Committee

During the year, the Remuneration Committee reviewed and approved the annual pay award of the CEO. The award was approved by Welsh Government.

Sub and Task and finish groups

Task and finish groups are set up by the Board as and when required. The groups are made up of Board members appointed by the Chair sometimes with independent members. They are supported by officers of Sport Wales. Their purpose is to provide additional help and advice to the Board within specific themes and they meet on an ad-hoc basis.

During 2014/15 the following task and finish groups were operational:

- Plas Menai review;
- Equalities;
- Focus 2014 (for the 2014 Commonwealth Games);
- Performance Management;
- Transition (to oversee the recruitment of new Directors);
- High Performing Organisation;
- Community;
- Elite.

A member of the Board who is also a member of each task and finish group is identified to report back verbally at each Board meeting.

The Executive Senior Management Team

The Executive, under the leadership of the Chief Executive, is responsible to the Board for the development and implementation of strategy and policies and the reporting thereof.

The Executive meets at regular intervals and typically fortnightly to discuss and agree corporate matters. Progress against the Business Plan is reported and monitored on a quarterly basis.

There have been considerable changes in the membership of the executive during the year. A number of the Corporate Director posts have become vacant or changed incumbent.

Board and Committee Effectiveness

In line with best practice and following the recommendations of Managing Public Money, a review of effectiveness has again been completed during 2014/15; and the recommendations of the review acted upon. As a consequence a number of new Board appointments were made and some appointments have not been renewed.

The Board is content with the quality and amount of information received in order for it to make considered decisions.

RISK MANAGEMENT

The purpose of the system of internal control

The system of internal control is designed to manage and limit risk but can never eliminate it. It therefore only provides reasonable and not absolute assurance. The system of internal control is based upon an on-going process designed to identify and prioritise the risks of achieving Sport Wales' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should this happen, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at Sport Wales throughout the year ended 31 March 2015 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. Finally, the system of internal control provides reasonable assurance that Sport Wales has complied with the Lottery financial directions and that adequate processes are in place for the detection of conflicts of interest and to minimise losses of Lottery grants.

Capacity to handle risk

As Accounting Officer I am personally responsible for ensuring that the Sports Council for Wales has an effective risk management process. This is overseen by the Board, through the Audit committee. As an organisation, the key risks are monitored through appropriate use of the Risk Register. There is a documented Risk Management Policy that contains definitions relating to risk management and the policy also sets out how risks should be identified, recorded, analysed and managed.

Corporate risks, and the control measures implemented to mitigate them, are assigned to and managed by the appropriate manager, corporate director or in some cases by the Accounting Officer. Operating risks, especially those of the two national centres, are the responsibility of the relevant managers while day to day risk management may be delegated to their subordinates.

New risks are identified by officers of Sport Wales, Audit Committee scrutiny or the Board itself. When a new risk has been identified, it is inserted into the Risk Register, assessed and scored and assigned to a corporate director and/or manager.

The risk and control framework

Risk management is embedded within the management structure of Sport Wales. The majority of business, financial and service delivery risks is derived from the organisational objectives and the business planning process of Sport Wales.

The Risk Register is an electronic solution that is accessible to relevant managers via an online portal. The workings of the Register has been subject to an internal audit and presented to the audit committee. The Risk Register records significant corporate risks including risks to information, an overall assessment of likely impact and probability, control measures and where required, a list of future action measures. The Risk Register is reviewed at regular intervals by managers and the Audit Committee. In addition managers present by rotation to the Audit Committee on their specific areas of risk and how they control or mitigate those risks.

Grants Monitoring

The majority of Sport Wales funding is expended in the award of grants. Grant awards are made on clear investment criteria into key sporting outputs and outcomes. Sport Wales takes appropriate steps to monitor the application of such awards by requiring formal reporting from recipients, as well as maintaining an on-going dialogue with key partners to gather informal intelligence. In addition, there are specific reconciliation criteria and where expenditure may vary from the level of grant award, Sport Wales exercises its right to claw back such amounts.

Key Risks

Risks to key strategic and operational activities are identified, evaluated and considered by the Senior Management Team, and action taken to mitigate them. Risks and the actions to manage risks are reviewed at regular intervals. The internal audit programme is significantly influenced by risks recorded in the risk register and, where appropriate, the auditors make recommendations to address any risk or identify new ones. The Audit Committee will review these recommendations and action appropriately.

Looking ahead, there are a number of key risks which have been identified at Sport Wales in the near future:

These are the implementation and roll out of a new on line Grant Management system and the impact of a planned change to the management structure. However, the most significant strategic risk will be the impact of on-going cuts to public expenditure, combined with the increased financial cost of meeting pension deficit payments, which present the greatest threat to the delivery of Sport Wales objectives.

Sport Wales has an overall informed and measured appetite for taking risk to achieve its priorities. Where significant risk arises Sport Wales will take effective control action to reduce and manage these risks to a safe level. The Executive and Board are aware of the need to innovate further and faster in the future and to this end are actively exploring different delivery mechanisms and partners. This will create new and different risks and potentially increase the level of risk taken by Sport Wales. The Sport Wales Risk appetite may therefore rise but only within an informed and managed risk environment.

The Internal Auditors have given Sport Wales moderate assurance and no audit findings were classified as being of "high" or "very high" risk. During the year, a number of internal audit reports identified opportunities to enhance the control systems. The internal auditors were "satisfied that appropriate action has been identified by management to deal with the issues arising".

Internal Control

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Sport Wales's policies, aims, and objectives. I also have personal responsibility for safeguarding the proceeds from the National Lottery distributed to Sport Wales and Sport Wales's assets, in accordance with the responsibilities assigned to me in Managing Public Money.

I am responsible for reviewing the effectiveness of the system of internal control. This is overseen by the Board, through the Audit Committee. It is informed by the work of both the internal and external auditors and the staff presentations to the audit committee of Sport Wales who have responsibility for the development and maintenance of the internal control framework. I plan to address identified weaknesses and ensure continuous improvement of the systems.

The internal audit service for Sport Wales during 2014/15 was provided by KTS Owens Thomas Ltd, who operated to standards defined in the Public Sector Internal Audit Standards. Internal audit submit regular reports which provide an independent annual opinion on the adequacy and effectiveness of Sport Wales's systems of internal control and risk management, together with recommendations for improvement. Since KTS Owens had been Sport Wales' internal auditors for more than 10 years, a compliant tendering exercise was undertaken during the year. As a result of the tendering process, Sport Wales' internal audit services from 2015/16 will be provided by Deloitte.

Every year the Audit Committee produces an Annual Report of their work to the Board of Sport Wales.

On-going Developments

Whilst the current system of internal control is strong, there are always areas which require or will benefit from improvement. During 2013/14 we reported that an independent review was undertaken of the Welsh Amateur Boxing Association, following issues raised both internally and externally. The review found a number of control weaknesses and poor working practices. Sport Wales took immediate and appropriate action to protect public funding and the organisation responded positively to the concerns raised. During 2014/15, and as a condition of any further grant funding, we have continued to work closely with the Governing Body to monitor progress against recommendations made. The process prompted Sport Wales to review the control system in operation over the National Governing Bodies generally and during 2014/15 additional steps have been implemented to further strengthen the controls in place to manage the risk inherent in investing public funding into third party organisations. We will keep this under constant review in 2015/16.

An updated risk strategy was received by the Audit Committee in March 2015. It described the respective responsibilities of the Board (ownership of Strategy and Risk Appetite) and Executive (management arrangements). Henceforth, the Board will receive the corporate risk register at regular intervals, and review risk appetite on an annual basis.

During 2015/16, we will go live with a new on-line grants management system to improve efficiency and effectiveness. This will allow us to record much richer information regarding our investments and make more informed decisions in the future.

Sport Wales has undertaken a review of its management and governance arrangements for special projects. The outcome of the review has been to strengthen accountability, resource control and reporting.

Planning and budgeting will, from the start of the 2016/17 cycle, be undertaken on a longer-term basis to complement the strategic plan and so derive a financial strategy that can better sit alongside Sport Wales' vision and mission.

As part of this longer-term planning approach, managers will be expected to provide a strategic overview of their funding, its effectiveness and how it fits into the strategic aims and objectives of the organisation.

ACCOUNTING OFFICER:

S Powell
29 June 2015

The Certificate and Report of the Auditor General for Wales to the National Assembly for Wales

I certify that I have audited the financial statements of Sports Council for Wales for the year ended 31 March 2015 as provided for under paragraph 18(3) of Schedule 8 to the Government of Wales Act 2006. These comprise the Statement of Comprehensive Net Expenditure, Statements of Financial Position and Consolidated Statement of Changes in Taxpayers Equity, Consolidated Statement of Cashflows and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Council and Chief Executive's Responsibilities, the Accounting Officer is responsible for preparing the Annual Report, which includes the Remuneration Report and the financial statements, in accordance with the Royal Charter, the Government of Wales Act 2006 and Welsh Ministers' directions made there under and for ensuring the regularity of financial transactions.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Sports Council for Wales' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Sports Council for Wales; and the overall presentation of the financial statements. In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition I read all the financial and non-financial information in the Strategic and Director's reports to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on Financial Statements

In my opinion the financial statements:

- give a true and fair view of the state of Sports Council for Wales' affairs as at 31 March 2015 and of its net expenditure, recognised gains and losses and cash flows for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Government of Wales Act 2006

Opinion on Regularity

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Government of Wales Act 2006; and
- the information in the Annual Report is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- the Annual Governance Statement does not reflect compliance with HM Treasury guidance;
- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- information specified by HM Treasury regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements

Huw Vaughan Thomas
Auditor General for Wales
July 2015

Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

The maintenance and integrity of the Sports Council for Wales' website is the responsibility of the Accounting Officer and Board; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE SPORTS COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST FOR THE YEAR ENDED 31 MARCH 2015

	Note	2014/2015	2013/2014
		£000	£000
EXPENDITURE			
Grant Expenditure	5	19,456	19,359
Staff Costs	6	5,189	5,167
Other Expenditure	7	4,322	3,804
Depreciation: owned assets	9	506	519
		<u>29,473</u>	<u>28,849</u>
INCOME			
Income from Activities	3	(2,344)	(2,533)
Other Income	3	(11)	(63)
		<u>(2,355)</u>	<u>(2,596)</u>
Net Expenditure		27,118	26,253
Pension Finance Cost		316	662
(Surplus) on Disposal of Property, Plant & Equipment	8	(13)	(4)
Interest Receivable		(2)	(2)
		<u>301</u>	<u>656</u>
Net Expenditure after interest and before taxation		27,419	26,909
Taxation Payable		-	-
Net Expenditure after Taxation		<u>27,419</u>	<u>26,909</u>
Other Comprehensive Expenditure			
Net loss/(gain) on revaluation of Property, Plant and Equipment		36	(1,110)
Actuarial loss/(gain) pension		1,471	(6,884)
Total Comprehensive Net Expenditure for the year ended		<u>28,926</u>	<u>18,915</u>

CONTINUING OPERATIONS

No activities were acquired or discontinued during the current year or previous year.

The Net Expenditure after Taxation for the financial year attributable to the activities of Sport Wales was £27,419,000 (2013/2014 £26,909,000).

The notes on pages 30 to 56 form part of these accounts

STATEMENT OF FINANCIAL POSITION OF THE SPORTS COUNCIL FOR WALES

AS AT 31 MARCH 2015

	Note	At 31 March 2015 £000	At 31 March 2014 £000
Non-current assets			
Property, Plant and Equipment	9(a)	356	259
Total non-current assets		<u>356</u>	<u>259</u>
Current assets			
Trade and other receivables	10	2,036	3,313
Cash and cash equivalents		<u>1,209</u>	<u>1,097</u>
Total current assets		3,245	4,410
Total assets		<u>3,601</u>	<u>4,669</u>
Current liabilities			
Trade and other payables	11	(639)	(463)
Grant accruals	12	(26)	(21)
Provision – employee redundancies	18	(67)	-
Total current liabilities		<u>(732)</u>	<u>(484)</u>
Non-current assets plus net current assets		<u>2,869</u>	<u>4,185</u>
Non-current liabilities			
Trade and other payables due in more than one year	11	(62)	-
Pension Liabilities	17	<u>(9,371)</u>	<u>(7,908)</u>
Total non-current liabilities		(9,433)	(7,908)
Assets less liabilities		<u>(6,564)</u>	<u>(3,723)</u>
Taxpayers' equity			
General fund		2,807	4,185
Pension reserve		(9,371)	(7,908)
Revaluation reserve		-	-
		<u>(6,564)</u>	<u>(3,723)</u>

The notes on pages 30 to 56 form part of these accounts

The financial statements were approved by the Audit Committee on 26/06/2015 and were signed on its behalf by;

ACCOUNTING OFFICER: **S Powell**
(Chief Executive)
29 June 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE SPORTS COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST AS AT 31 MARCH 2015

	Note	At 31 March 2015 £000	At 31 March 2014 £000
Non-current assets			
Property, Plant and Equipment	9(b)	19,206	19,192
Total non-current assets		19,206	19,192
Current assets			
Trade and other receivables	10	2,036	3,313
Cash and cash equivalents	14	1,214	1,101
Total current assets		3,250	4,414
Total assets		22,456	23,606
Current liabilities			
Trade and other payables	11	(639)	(463)
Grant accruals	12	(26)	(21)
Provision – employee redundancies	18	(67)	-
Total current liabilities		(732)	(484)
Non-current assets plus net current assets		21,724	23,122
Non-current liabilities			
Trade and other payables due in more than one year	11	(62)	-
Pension Liabilities	17	(9,371)	(7,908)
Total non-current liabilities		(9,433)	(7,908)
Assets less liabilities		12,291	15,214
Taxpayers' equity			
General fund		13,538	14,530
Pension reserve		(9,371)	(7,908)
Revaluation reserve		8,124	8,592
		12,291	15,214

The notes on pages 30 to 56 form part of these accounts

The financial statements were approved by the Audit Committee on 26/06/2015 and were signed on its behalf by;

ACCOUNTING OFFICER: **S Powell**
(Chief Executive)

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE SPORTS COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST FOR YEAR ENDED 31 MARCH 2015

Cash flow from operating activities	Note	2014/2015 £000	2013/2014 £000
Net Deficit after interest		(27,419)	(26,909)
(Surplus) on disposal of property, plant & equipment	8	(13)	(4)
Depreciation of property, plant & equipment	9(b)	506	519
Decrease in trade and other receivables	10	1,277	788
Increase in trade payables	11	238	82
Increase/(Decrease) in grant accruals	12	5	(6)
Interest received	13	(2)	(2)
Pension costs	17	(8)	16
Increase/(Decrease) in provision for redundancies	18	67	(109)
Net cash outflow from operating activities		<u>(25,349)</u>	<u>(25,625)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(543)	(348)
Interest received	13	2	2
Net cash outflow from investing activities		<u>(541)</u>	<u>(346)</u>
Cash flows from financing activities			
Net cash used in financing activities		(25,890)	(25,971)
Funding received from the Welsh Government	13	26,003	26,413
Net Increase in cash and cash equivalents		<u>113</u>	<u>442</u>
Net increase in cash & cash equivalents in the period			
Cash and cash equivalents at the beginning of the period		1,101	659
Cash and cash equivalents at the end of the period	14	<u>1,214</u>	<u>1,101</u>
		<u>113</u>	<u>442</u>

The notes on pages 30 to 56 form part of these accounts

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS EQUITY FOR THE SPORTS COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST FOR THE YEAR ENDED 31 MARCH 2015

	Revaluation Reserve £000	General Fund £000	Pension Reserve £000	Total £000
Balance at 1 April 2014	8,592	14,530	(7,908)	15,214
Net Expenditure after interest and before tax	-	(27,419)	-	(27,419)
Funding received	-	26,003	-	26,003
Revaluation of tangible fixed assets	(36)	-	-	(36)
Pension costs	-	(8)	8	-
Transfer to general fund	(432)	432	-	-
Actuarial Loss	-	-	(1,471)	(1,471)
Funds at 31 March 2015	<u>8,124</u>	<u>13,538</u>	<u>(9,371)</u>	<u>12,291</u>

The funds in Sport Wales own non-consolidated accounts at 31 March 2015 were (£6,564,000), (31 March 2014 (£3,723,000)) with £18,855,000 (2013/14 £18,937,000) attributable to the Sports Council for Wales Trust.

The notes on pages 30 to 56 form part of these accounts

**CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE SPORTS COUNCIL FOR WALES AND THE SPORTS COUNCIL
FOR WALES TRUST FOR THE YEAR ENDED 31 MARCH 2014**

	Revaluation Reserve £000	General Fund £000	Pension Reserve £000	Total £000
Balance at 1 April 2013	7,905	14,587	(14,776)	7,716
Net Expenditure after interest and before tax	-	(26,909)	-	(26,909)
Funding received	-	26,413	-	26,413
Revaluation of tangible fixed assets	1,110	-	-	1,110
Pension costs	-	16	(16)	-
Transfer to general fund	(423)	423	-	-
Actuarial gain	-	-	6,884	6,884
Funds at 31 March 2014	<u>8,592</u>	<u>14,530</u>	<u>(7,908)</u>	<u>15,214</u>

The notes on pages 30 to 56 form part of these accounts

THE SPORTS COUNCIL FOR WALES AND SPORTS COUNCIL FOR WALES TRUST NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2014/15 Government Financial Reporting Manual (IFRS based FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Sport Wales for the purpose of giving a true and fair view has been selected. The particular policies adopted by Sport Wales are described below. These have been applied consistently in dealing with items that are considered material to the accounts. The Sports Council for Wales Trust accounts were prepared on a different basis to adhere to the Statement of Recommended Practice (SORP) issued by the Charity Commissioners for England and Wales in 2005. Sport Wales's view on the use of different basis is that any differences are not likely to be material.

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment.

1.2 Funding

Sport Wales receives funding from the Welsh Government to finance the excess of its capital and revenue expenditure over its income. The funding is credited direct to the General Fund. Sport Wales also receives funding from the Welsh Government to implement the Physical Education and School Sport Task Force Action Plan, which is also credited directly to the General Fund. Other operating income comprises income from fees, sponsorship and certain incidental trading activities.

The Sports Council for Wales Trust, a charitable body wholly owned by Sport Wales, receives grants from Sport Wales for capital expenditure on property, plant and equipment

relating to land and buildings. The Trust also holds equipment and vehicles purchased prior to April 2006. Since April 2006 capital expenditure on equipment and vehicles is only included in Sport Wales's accounts. The proceeds from the disposal of property, plant and equipment by the Trust are surrendered to Sport Wales.

1.3 Property Plant & Equipment

Freehold land is included in the statement of financial position at open market value and the buildings at depreciated replacement cost to reflect the specialist nature of the buildings. Professional valuations are obtained every year. Leasehold land under the operating lease is not included in Sport Wales's statement of financial position.

Equipment and vehicles are included in the statement of financial position at historic cost less a provision for depreciation. In the opinion of Sport Wales, there is no material difference between the historic and current cost net book values of these assets. The threshold for capitalisation of assets is £5,000 for Sport Wales and £5,000 for the Trust.

1.4 Depreciation

Depreciation is provided on a straight line basis on all property, plant & equipment having regard to their estimated useful lives and anticipated residual values. The average asset lives used for this purpose are as follows:

Freehold property	35 years
Leasehold property	35 -50 years
Equipment - computers	3 years
Other	3 - 10 years
Vehicles	5 years

The policy of Sport Wales is to depreciate assets from the month following acquisition.

1.5 Inventories

Sport Wales holds inventory for allocation as part of its grant activities and the related costs have been reflected in the Statement of Comprehensive Net Expenditure. It holds inventory for resale, which are not considered material. Inventory for resale has not been recognised as an asset in the Statement of Financial Position: the costs of these assets have been recognised as Other Expenditure in the Statement of Comprehensive Net Expenditure.

1.6 Pensions

Contributions to Sport Wales's pension schemes are charged to the Net Expenditure Account so as to spread the cost of pensions over employees' working lives with Sport Wales. In accordance with IAS 19, the charge to the Net Expenditure Account is calculated based upon service and pension finance costs calculated by the actuary. Sport Wales's share of the assets and liabilities of the pension fund are reflected as a net pension liability on the Statement of Financial Position.

Any pension liabilities or assets are apportioned between Sport Wales and Lottery on the historic rate of apportionment of staff costs according to the time staff spend in carrying out Lottery activities.

1.7 Taxation

Non-recoverable Value Added Tax is charged to Sport Wales's accounts in respect of taxable expenditure on non-trading activities. UK Corporation Tax is calculated at 20% (20% 2014) of the interest accruing on Sport Wales's investment income, but not that of the Trust.

1.8 Grants payable

Financial assistance by way of grants may be given to further the objectives of Sport Wales. Grants are offered on the basis of entering into a financial commitment based on the period of the project, which in many cases does not coincide with Sport Wales's accounting period. All grant expenditure is accounted for on the basis of project start date and end date and it is assumed that expenditure is defrayed evenly over the life of the project. Further information is set out at note 1.10, Use of estimates and judgements.

1.9 Consolidation

The accounts of Sports Council for Wales Trust, a charitable body wholly owned by Sport Wales, have been consolidated within these accounts. The Lottery Distribution activities of Sport Wales are reported under the National Lottery Act 1993, as amended, in a separate account which is not required to be consolidated with these accounts.

1.10 Use of estimates and judgements

The preparation of the financial statements requires Sport Wales to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation and critical judgement in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:-

Note 6 – Staff costs are recharged to Lottery according to the time they spend in carrying out Lottery activities. Where staff are identified as being employed 100% for Lottery purposes their costs are recharged in full.

Note 9(b) – Land is valued at market value and buildings are carried at depreciated replacement cost. These valuations are carried out by external valuers in accordance with the Royal Institute Chartered Surveyors appraisal and valuation manual. A number of key assumptions are made during this process.

Note 12 – Grant accruals and prepayments are calculated on the basis of the project start and end dates as set-out in note 1.8.

Note 17 – Measurement of defined benefit contributions depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth, rate of increase in deferred pensions and expected return on scheme assets.

1.11 Financial Instruments

As the cash requirements of Sport Wales are primarily met through Grant-in-Aid provided by Welsh Assembly Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Sport Wales's expected purchase and usage requirements and Sport Wales is therefore exposed to little credit, liquidity or market risk.

1.12 Impairment

The carrying value of Sport Wales assets, are reviewed at each reporting period date to determine whether there is any indication of impairment. If such an indication exists, the assets recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and its value in use.

1.13 Provisions – Employee redundancies

A provision is made to provide for liabilities which are likely to be incurred due to an event or decision being taken within a financial year, but there is uncertainty to the amount and/or date on which they will arise. A change to the provision is charged to the Statement of Comprehensive Net Expenditure. When the actual liability occurs, this is offset against the provision previously made.

The Sports Council for Wales has approved a further restructuring exercise and, as a result, a number of posts will be made redundant. The balance on the provision at 31 March 2015 recognised an estimate of the cost of the post to be made redundant in 2014/15 (and paid out in 2015/16). A detailed plan was in place at the date of the financial statements and, consistent with International Accounting Standard (IAS) 19, Employee Benefits, a provision has been established for the related costs at 31 March 2015. These have been calculated as per the Sport Wales policy which is detailed in the staff handbook. Further information is set out at Note 18.

There were no additional provisions made during 2014/15.

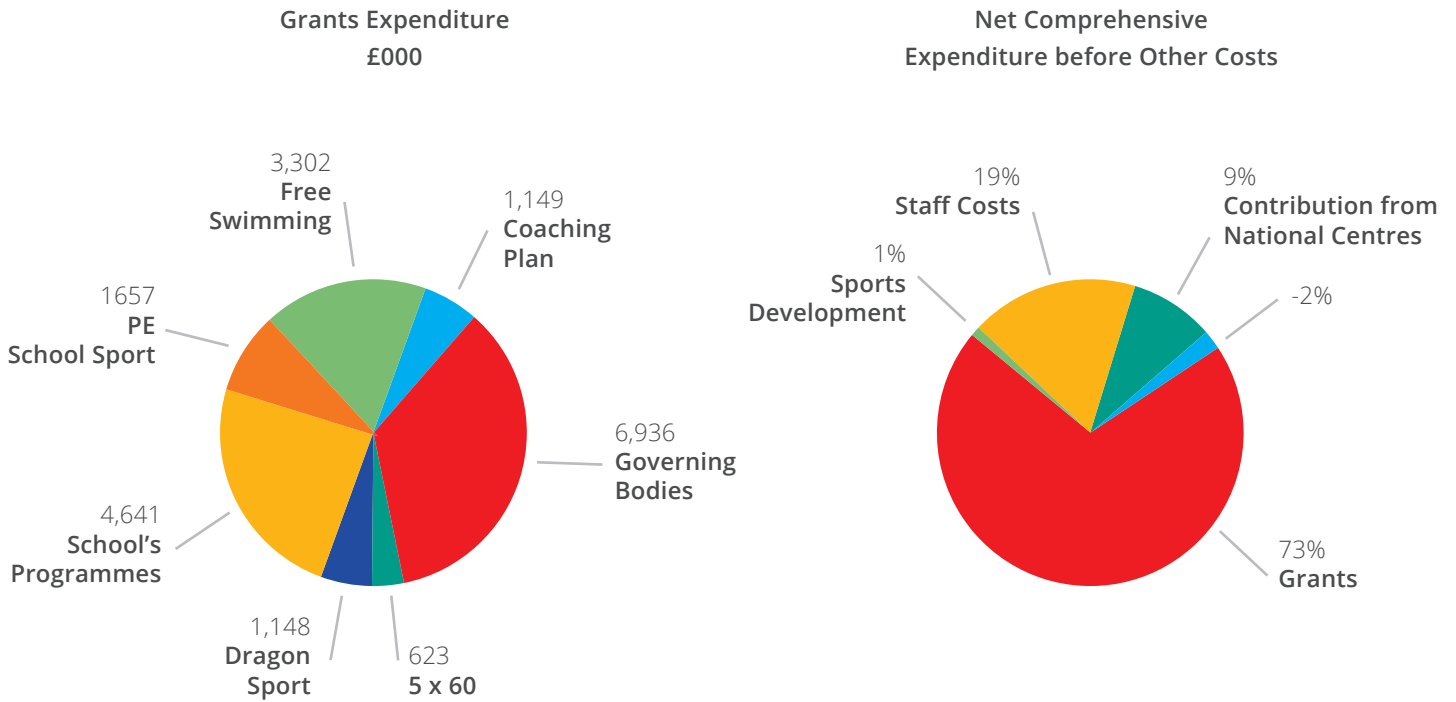
2. ANALYSIS OF NET COMPREHENSIVE EXPENDITURE

IFRS 8 requires operating segments to be identified on the basis on internal reports about components of Sport Wales that are regularly reviewed by the Board in order to allocate resources to the segment and to assess its performance.

The Sport Wales previous format has been replaced with a more detailed breakdown showing in greater detail the allocation of expenditure.

		Total 2014/2015 £000	Total 2013/2014 £000
National Centres			
Revenue	Note 3	(2,317)	(2,505)
Expenditure Other	Note 7	<u>1,718</u>	<u>1,475</u>
Net Operating Contribution		<u>(599)</u>	<u>(1,030)</u>
Grants			
Sports Development Grants Income	Note 3	(27)	(28)
Grant Expenditure	Note 5	<u>19,456</u>	<u>19,359</u>
Net Operating Cost		<u>19,429</u>	<u>19,331</u>
Sports Development and Corporate			
Other Income	Note 3	(11)	(63)
Expenditure Other	Note 7	<u>2,604</u>	<u>2,329</u>
Net Operating Cost		<u>2,593</u>	<u>2,266</u>
Staff Costs	Note 6	<u>5,189</u>	<u>5,167</u>
Net Comprehensive Expenditure before Other Costs		<u>26,612</u>	<u>25,734</u>
Other Costs			
Property, Plant and Equipment and Pensions		<u>2,314</u>	<u>(6,819)</u>
Net Operating Cost		<u>2,314</u>	<u>(6,819)</u>
Total Comprehensive Net Expenditure		<u>28,926</u>	<u>18,915</u>

2. ANALYSIS OF NET COMPREHENSIVE EXPENDITURE - CONTINUED



3. INCOME

	2014/2015 £000	2013/2014 £000
Income from activities:		
Sports Development Grants:		
Other	27	28
	<u>27</u>	<u>28</u>
National Sports Centres	2,317	2,505
	<u>2,344</u>	<u>2,533</u>
Other operating income:		
Recovery of grants	-	35
EMS Grant	-	20
Other income	11	8
	<u>11</u>	<u>63</u>
Total Income	<u>2,355</u>	<u>2,596</u>

4. GRANTS RECEIVABLE FROM GOVERNMENT

	2014/2015 £000	2013/2014 £000
Transferred to general fund	<u>26,003</u>	<u>26,413</u>

5. GRANT EXPENDITURE

	2014/2015 £000	2013/2014 £000
Performance and Excellence	8,096	7,088
PESS / PLPS	1,658	2,383
Regions	<u>9,702</u>	<u>9,888</u>
	<u>19,456</u>	<u>19,359</u>
Public Sector	12,182	12,224
Private Sector	<u>7,274</u>	<u>7,135</u>
	<u>19,456</u>	<u>19,359</u>

6. STAFF COSTS

(a)	2014/2015 £000	2013/2014 £000
Permanent:		
Salaries and wages	5,240	5,178
Provision for redundancies	67	-
Social Security costs	383	397
Other Pension costs	1,439	1,946
Agency & Instructional Staff	181	250
	<u>7,310</u>	<u>7,771</u>
IAS19 Adjustments	<u>(420)</u>	<u>(840)</u>
	6,890	6,931
Less: Allocated to SPORTLOT	<u>(1,701)</u>	<u>(1,764)</u>
	<u>5,189</u>	<u>5,167</u>

Other Pension costs include a lump sum contribution of £500,000 towards the net pension liability (2014/15 £1,075,000). As a result of the change of accounting policy noted above, the lump sum contribution is allocated 77% Sport Wales and 23% Lottery. The allocation is part of the 'Allocated to SPORTLOT' line.

IAS19 Employee Benefits requires an actuarially calculated figure (current service cost) to be charged to the Statement

of Comprehensive Net Expenditure (SoCNE). For 2014/15, this charge was £980,000 (incl past service cost) and replaces the employer's pension costs in the SoCNE. The employer's contribution was £1,400,000, so the net effect was £(420,000) to staff costs. As current service cost is a notional entry, this is reversed in the Statement of Changes in Taxpayers Equity so that the General Fund is only charged with the cost of employer's pension contributions.

(b) The average number of permanent employees (excluding paid Council members) during the year on a whole time equivalent basis was made up as follows:

	2014/2015 No	2013/2014 No
Total	150.3	148.9

Due to the nature of their role we are unable to provide the Agency and instructional staff numbers on a full time equivalent basis.

Tax Policy for Off-Payroll Appointees

As at 31 March 2015, there were 2 arrangements that had existed for one year. Sport Wales are content that assurance has been sought to confirm that individuals have made appropriate arrangements to pay tax. Neither individual is a Board member or is a senior official with significant financial responsibility.

(c) Compensation schemes – exit packages

Exit package cost band	Number of redundancies	
	2014-15	2013-14
< £10,000	0	0
£10,000 - £25,000	0	0
£25,000 - £50,000	1	1
£50,000 - £100,000	1	1
£100,000 - £150,000	0	0
Total number of exit packages	2	2
Total resource cost (£)	98,000	109,000

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in

full in the year of departure. Where Sport Wales has agreed early retirements, the additional costs are met by Sport Wales and not by the Civil Service pension scheme.

(d) Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interest of the Senior Managers of Sport Wales. Details on start/leave dates can be found in the Pension Benefits table on page 40.

Remuneration (subject to audit)

Name	Title	% Apportioned to Lottery	Salary £000	Pension Benefit	Total 000
		2014/15 (2013/14)	2014/15 (2013/14)	2014/15 (2013/14)	2014/15 (2013/14)
Prof. Laura McAllister	Chair	50% (50%)	35 – 40 (35 – 40)	- -	35 – 40 (35 – 40)
Mrs Adele Baumgardt	Vice Chair	50% (50%)	10 – 15 (10 – 15)	- -	10 – 15 (10 – 15)
Ms Sarah Powell *	Chief Executive	25% (25%)	85 – 90 (75 – 80)	67,588 (119,126)	155 - 160 (195 – 200)
Dr Huw Jones	Chief Executive	0% (25%)	- (35 – 40)	- (0)	- (0 – 5)
Mr Roy Payne	Corporate Director	0% (50%)	- (25 – 30)	- (7,840)	- (35 -40)
Mr Jonathan Davies	Corporate Director	50% (50%)	55 – 60 (5 -10)	17,904 (2,497)	70 - 75 (10 – 15)
Mr Mark Frost***	Corporate Director	25% (25%)	15 – 20 (55 – 60)	2,343 (14,120)	20 - 25 (70 – 75)
Ms Sian Thomas	Corporate Director	0% (20%)	- (0 – 5)	- (0)	- (0 – 5)
Mr Graham Williams****	Corporate Director	25% (25%)	50 – 55 (45 – 50)	36,265 -	85 – 90 -
Mr Peter Curran	Corporate Director	25% (0%)	5 – 10 -	0 -	5 - 10 -
Mr Randal Hemingway	Corporate Director	25% (25%)	25 – 30 (50 – 55)	8,933 (14,479)	35 - 40 (65 – 70)
Mr Alan Williams**	Manager Plas Menai Watersports Centre	0% (0%)	55 – 60 (55 – 60)	0 (13,264)	55 - 60 (65 - 70)
Mr Malcolm Zaple	Manager Sport Wales National Centre	0% (0%)	55 – 60 (55 – 60)	10,147 (13,378)	65 - 70 (70 – 75)
Mr David Roberts	Council Member	0% (50%)	- (5 – 10)	- -	- (5 – 10)

Name	Title	% Apportioned to Lottery	Salary £000	Pension Benefit	Total 000
Mr Martin J Warren	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Prof. John Baylis	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Mr Richard Cuthbertson	Council Member	50% (50%)	0 – 5 (5 – 10)	- -	0 - 5 (5 – 10)
Mr Andrew Morgan	Council Member	50% (50%)	0 – 5 (5 – 10)	- -	0 - 5 (5 – 10)
Mr Simon Pirotte	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Mr Paul Thorburn	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Mr Alan Watkin	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Ms Johanna Lloyd	Council Member	50% (50%)	5 – 10 (5 - 10)	- -	5 – 10 (5 – 10)
Ms Janet Kingston	Council Member	0% (50%)	- (0 – 5)	- -	- (0 – 5)
Ms Julia Longville	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Mr Peter King	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Ms Amanda Bennett	Council Member	50% (0%)	0 – 5 -	- -	0 - 5 -
Ms Samar Wafa	Council Member	50% (0%)	0 – 5 -	- -	0 - 5 -
Mr Andrew Lycett	Council Member	50% (0%)	0 – 5 -	- -	0 - 5 -
Mr Richard Parks	Council Member	50% (0%)	0 – 5 -	- -	0 - 5 -

Any negative Pension Benefit Figures arising in 2013/2014 have been restated in accordance with guidance issued by the Welsh Government.

* During 2013/14, Sarah Powell held the following roles:

Dates:	Job Title:	FTE Salary
1st April to 4th July	Corporate Director	£56,576
5th July to 30th Sept	Interim CEO	£83,200
1st October to 31st March	CEO	£88,400

The Remuneration Report now requires that a Single Total Figure of Remuneration is shown. The above table is similar to that used previously, and still shows the salary paid in bandings. The pension benefit figure which contributes to the single total figure is calculated in a new way as follows:

$(\text{real increase in pension}^* \times 20) + (\text{real increase in lump sum}^*) - (\text{contributions made by employee})$

*excluding increases due to inflation or any increase/decrease due to a transfer of pension rights

The pension benefit figure is not an amount that has been paid to the employee by Sport Wales during the year. It is a future benefit for the employee which is influenced by many factors including but not limited to, salary changes and any additional contributions made by the employee.

** During 2014/2015 a payment of £37,119 was made toward the strain on the pension fund as a result of the early retirement of Alan Williams, Manager Plas Menai Watersports Centre.

*** During 2014/15 a payment was made to Mark Frost who took voluntary redundancy. He received a compensation payment of £50-55,000.

**** During 2013/2014 Graham Williams was employed as Sport Wales Regional Manager and was appointed as Acting Corporate Director on 1st September 2014.

Median Remuneration Ratio

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

	2014 /15	2013 /14
Band of Highest Paid Director's Total Remuneration (£ '000)	90 – 95	85 – 90
Median Total Remuneration	25,750	25,750
Ratio	3.6	3.4

The ratio was calculated using the following assumptions:

1. Only salaries for staff paid through the payroll has been used (excludes agency staff as not material),
2. Figures have not been adjusted to reflect any apportionment to the Lottery accounts i.e. costs reflect all staff employed by The Sports Council for Wales processed through the payroll.

Total remuneration includes salary and allowances but excludes severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

There was an increase in the median ratio of 0.2. The CEO total remuneration has increased by £2,600, whilst the median total remuneration has remained comparable.

Pension Benefits (subject to audit)

Name	Real increase in Pension (and lump sum) at age 65 for 2014/15	Total accrued Pension (and lump sum) at age 65 at 31 March 2015	CETV at 31 March 2015	CETV at 31 March 2015	Real Increase/ (Decrease) CETV in Year
	£000	£000	£000	£000	£000
Ms Sarah Powell Chief Executive	2.5 – 5.0 (2.5 – 5.0)	20 – 25 (35 – 40)	263	215	39
Mr Randal Hemingway Corporate Director (to 08.10.2014)	0.0 – 2.5 (0.0 – 2.5)	0 – 5 (0 – 5)	13	9	2
Mr Peter Curran Corporate Director (from 05.01.2015)	0.0 – 2.5 (0.0 – 2.5)	- -	- -	- -	- -
Mr Alan Williams Manager Plas Menai Watersports Centre	0.0 – 2.5 (-0.0 – 2.5)	20 – 25 (45 – 50)	479	447	27
Mr Malcolm Zaple Manager Sport Wales National Centre	0.0 – 2.5 (-0.0 – 2.5)	20 – 25 (45 – 50)	393	369	19
Mr Mark Frost Corporate Director (to 20.08.2014)	0.0 – 2.5 (-0.0 – 2.5)	10 – 15 (20 – 25)	201	191	8
Mr Jonathan Davies Corporate Director (from 27.01.2014)	0.0 – 2.5 (0.0 – 2.5)	0 – 5 (0 – 5)	12	2	5
Mr Graham Williams Corporate Director	0.0 – 2.5 (0.0 – 2.5)	15 – 20 (30 – 35)	237	204	28

Leavers during 2013/2014 have not been included in the table above:

Sian Thomas leaving date 10th May 2013

Huw Jones leaving date 30th September 2013

Roy Payne leaving date 10th January 2014

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to Sport Wales's pension scheme. They also

include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

7. OTHER EXPENDITURE

	2014/2015 £000	2013/2014 £000
Auditor's Fees – Audit services	2326	
Auditor's Fees – Trust Accounts	3	3
Travelling, subsistence and hospitality expenses of:		
Members	24	27
Headquarters staff	30	33
National Sports Centres	2	5
Sports Development	110	120
Central support services	698	714
Marketing and communications	787	658
Research	824	622
Interest payable to Welsh Government	2	2
Other Expenditure:		
National Sports Centres	1,716	1,470
Sports Development	102	127
Movement in provision for doubtful debts	1	(3)
	4,322	3,804

8. DISPOSAL OF PROPERTY, PLANT & EQUIPMENT

	2014/2015 £000	2013/2014 £000
Gross book value	149	724
Accumulated depreciation	(143)	(722)
Net book value	6	2
Proceed from sale	19	6
Surplus on sale of asset	13	4

9. PROPERTY, PLANT & EQUIPMENT

(a) Council:	Equipment £000	Vehicles £000	ICT £000	Total £000
Cost or Valuation as 1 April 2014	416	128	211	755
Additions	145	31	-	176
Disposals	(46)	(8)	-	(54)
At 31 March 2015	515	151	211	877
Depreciation at 1 April 2014	(232)	(79)	(185)	(496)
Charge for the year	(46)	(17)	(10)	(73)
Disposals	40	8	-	48
At 31 March 2015	(238)	(88)	(195)	(521)
Net Book Value at 31 March 2015	277	63	16	356
Net Book Value at 1 April 2014	184	49	26	259
	Equipment £000	Vehicles £000	ICT £000	Total £000
Cost or Valuation as 1 April 2013	409	122	255	786
Additions	49	14	12	75
Disposals	(42)	(8)	(56)	(106)
At 31 March 2014	416	128	211	755
Depreciation at 1 April 2013	(217)	(72)	(215)	(504)
Charge for the year	(55)	(15)	(26)	(96)
Disposals	40	8	56	104
At 31 March 2014	(232)	(79)	(185)	(496)
Net Book Value at 31 March 2014	184	49	26	259
Net Book Value at 1 April 2013	192	50	40	282

(b) Consolidated:	Plas Menai Freehold land and buildings £000	Sport Wales National Centre buildings £000	Equipment £000	Vehicles £000	ICT £000	Total £000
Cost or Valuation at 1 April 2013	5,185	12,775	1,795	150	334	20,239
Additions	49	228	49	16	12	354
Disposals	-	-	(593)	(8)	(123)	(724)
Revaluation	26	662	-	-	-	688
At 31 March 2014	<u>5,260</u>	<u>13,665</u>	<u>1,251</u>	<u>158</u>	<u>223</u>	<u>20,557</u>
Depreciation at 1 April 2013	-	-	(1,596)	(100)	(294)	(1,990)
Charge for the year	(145)	(277)	(55)	(15)	(27)	(519)
Disposals	-	-	591	8	123	722
Revaluation	145	277	-	-	-	422
At 31 March 2014	<u>-</u>	<u>-</u>	<u>(1,060)</u>	<u>(107)</u>	<u>(198)</u>	<u>(1,365)</u>
Net Book Value at 31 March 2014	<u>5,260</u>	<u>13,665</u>	<u>191</u>	<u>51</u>	<u>25</u>	<u>19,192</u>
Net Book Value at 1 April 2013	5,185	12,775	199	50	40	18,249
Cost or Valuation at 1 April 2014	5,260	13,665	1,251	158	223	20,557
Additions	41	345	145	31	-	562
Disposals	-	-	(121)	(27)	-	(148)
Revaluation	973	(1,441)	-	-	-	(468)
At 31 March 2015	<u>6,274</u>	<u>12,569</u>	<u>1,275</u>	<u>162</u>	<u>223</u>	<u>20,503</u>
Depreciation at 1 April 2014	-	-	(1,060)	(107)	(198)	(1,365)
Charge for the year	(174)	(258)	(46)	(18)	(10)	(506)
Disposals	-	-	115	27	-	142
Revaluation	174	258	-	-	-	432
At 31 March 2015	<u>-</u>	<u>-</u>	<u>(991)</u>	<u>(98)</u>	<u>(208)</u>	<u>(1,297)</u>
Net Book Value at 31 March 2015	<u>6,274</u>	<u>12,569</u>	<u>284</u>	<u>64</u>	<u>15</u>	<u>19,206</u>
Net Book Value at 1 April 2014	5,260	13,665	191	51	25	19,192

Included in Plas Menai Freehold land and buildings is land valued at £175,000 (2013/14 £175,000) The land and buildings held by the SCW Trust were independently valued as at 31 March 2015 at £18,843,000 by Messrs Cooke & Arkwright, Chartered Surveyors in accordance with the Royal Institute Chartered Surveyors appraisal and valuation manual. This valuation excludes the land at Sport Wales National Centre, which is leasehold. Lease payments of

£3,071 per annum are paid for the Sport Wales National Centre. There are fifty-three years remaining on the existing ninety-nine year lease, equating to an overall outstanding commitment of £162,763. The valuation for the Sports Wales National Centre buildings has decreased due to a change in the estimation technique used by the Surveyors in determining the rebuild cost of the building.

**10. TRADE AND OTHER RECEIVABLES
(DUE WITHIN 1 YEAR)**

	At 31 March 2015 £000	At 31 March 2014 £000
Trade receivables	117	156
SPORTLOT	595	763
VAT	86	35
Prepayments and accrued income	234	215
Grant prepayment	941	2,080
Grant repayable	66	67
Provision for bad and doubtful debts	(3)	(3)
	<u>2,036</u>	<u>3,313</u>

	At 31 March 2015 £000	At 31 March 2014 £000
Intra-government balances		
Balances with other central government bodies	681	798
Balance with local authorities	538	380
	<u>1,219</u>	<u>1,178</u>
Balance with bodies external to government	817	2,135
	<u>2,036</u>	<u>3,313</u>

**11. TRADE PAYABLES
AND OTHER LIABILITIES**

Council and Consolidated:	At 31 March 2015 £000	At 31 March 2014 £000
Trade payables	64	10
Accruals	398	201
Deferred income	239	158
	<u>701</u>	<u>463</u>

	2014/2015 £000	2013/2014 £000
Amounts due during 2015/16 Financial Year	639	463
Amounts due during 2016/17 Financial Year	62	
Balance at 31 March 2015	<u>701</u>	<u>463</u>

	At 31 March 2015 £000	At 31 March 2014 £000
Intra-government balances		
Balances with other central government bodies	114	-
Balance with local authorities	<u>-</u>	<u>-</u>
	114	-
Balance with bodies external to government	<u>587</u>	<u>463</u>
	<u>701</u>	<u>463</u>

12. GRANT ACCRUALS

Council and Consolidated:	At 31 March 2015 £000	At 31 March 2014 £000
Accrued Grants	<u>26</u>	<u>21</u>

13. GROSS CASH FLOWS

	2014/2015 £000	2013/2014 £000
Cash Flows From Investing Activities		
Interest received	<u>2</u>	<u>2</u>
Capital Expenditure and Financial Investment		
Payments to acquire property, plant and equipment	(562)	(354)
Receipts from the sale of property, plant and equipment	<u>19</u>	<u>6</u>
	(543)	(348)
Cash Flows From Financing Activities		
Funding received from the Welsh Government (note 4)	<u>26,003</u>	<u>26,413</u>

14. CASH AND CASH EQUIVALENTS

	2014/2015 £000	2013/2014 £000
Balance at 1 April	1,101	659
Net change in cash and cash equivalent balances	<u>113</u>	<u>442</u>
Balance at 31 March	<u>1,214</u>	<u>1,101</u>
The following balances at 31 March were held at:		
Commercial banks and cash in hand	1,214	1,101
Balance at 31 March	<u>1,214</u>	<u>1,101</u>

15. CAPITAL COMMITMENTS AT NATIONAL SPORTS CENTRES

	At 31 March 2015 £000	At 31 March 2014 £000
Contracted but not paid	<u>59</u>	<u>-</u>

16. CONTINGENT LIABILITIES

There were no contingent liabilities outstanding at the year end.

17. EMPLOYEE BENEFITS

The following pension disclosures have been prepared in accordance with IAS19 'Employee benefits'.

Sport Wales's employees belong to the Cardiff and Vale of Glamorgan Pension Fund which is part of the Local Government Pension Scheme. The fund provides defined benefits, based on the members' final pensionable salary.

Pension data contained within this disclosure have been provided by the Sport Wales's independent actuary, AON Hewitt. The IAS19 valuation provided by the actuary is for Sport Wales as a whole; no separate valuations have been obtained for the Sport Council for Wales Consolidated financial statements and the Lottery financial statements, and hence the data below is disclosed as gross.

The pension fund deficit along with the associated entries which impact the Statement of Comprehensive Net Expenditure, Statement of Financial Position and Statement of Changes in Taxpayers Equity have been apportioned between the Sports Council of Wales Consolidated financial statements and the Lottery financial statements in a ratio based on the historic apportionment of staff costs to the Lottery account. For 2014/15 this is Sports Council for Wales 77% and Lottery Accounts 23%.

Sport Wales made a total pension contribution in 2014/15 of £1,400,000 (2013/14 £1,930,000) which is analysed as follows:

- Employers Pension contributions £826,000 representing 20.2% of pensionable pay (2013/14 £778,000 21.5%); and advanced contributions in respect of early retirement cost £74,000 (2013/14 £77,000)
- Lump Sum Contribution of £500,000 (23% of which was met by Lottery), (2013/14 £1,075,000 of which 23% was met by Lottery)

The rate of employer's pension contributions from 2014/15 will be 20.2%. This has been set as a result of the last triennial valuation of the scheme which was carried out as at 31 March 2013. The actuary's report has been prepared in accordance with Guidance Note GN9 issued by the Institute and Faculty of Actuaries, current at the valuation date, to the extent that it applies to the Local Government Pension Scheme. Sport Wales expects to contribute £1,090,000 to the fund in 2014/15. In addition to this "strain on fund" contributions may be required as well as an additional contribution towards the pension deficit of £460,000.

The net pension liability for the Sport Council of Wales consolidated accounts as at 31 March 2015 is £9,371,000 (2013/14 £7,908,000).

Main Financial Assumptions

	31 March 2015	31 March 2014	31 March 2013
Discount Rate	3.2	4.3	4.6
Inflation – CPI	1.8	2.4	2.8
Rate of increase to pensions in payment	1.8	2.4	2.8
Rate of increase to deferred pensions	1.8	2.4	2.8
Rate of general increase in salaries	1.8	3.4	4.7
Mortality assumptions:			
Future lifetime from age 65 (aged 65 at accounting date)			
- Male	23.8	23.7	24.0
- Female	26.7	26.6	26.8
Future lifetime from age 65 (aged 45 at accounting date)			
- Male	25.8	25.7	25.7
- Female	29.0	28.9	28.8

Sport Wales employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely

accepted capital market principles. The overall expected rate of return on assets is derived by aggregating the expected rate of return for each asset class over the actual allocation for the Fund at 31 March 2015.

Analysis of movements in surplus (deficit) during the year

	31 March 2015 £M	31 March 2014 £M
Fair value of fund assets	30.40	26.37
Present value of liabilities	(42.57)	(36.64)
(Deficit) in scheme at end of year	(12.17)	(10.27)

Analysis of amount charged to Operating Costs

	31 March 2015 £M	31 March 2014 £M
Current service cost	30.40	26.37
Present value of liabilities	(42.57)	(36.64)
(Deficit) in scheme at end of year	(12.17)	(10.27)

Remeasurement of amounts in Other Comprehensive Expenditure

	31 March 2015 £M	31 March 2014 £M
Return on plan assets in excess of that recognised in net interest	(2.29)	(1.50)
Actuarial losses/(gains)/due to change in financial assumptions	4.43	(3.38)
Actuarial losses/(gains) due to change in demographic assumptions	0.00	(1.78)
Actuarial (gains) due to liability experience	(0.23)	(2.28)
Total amount recognised in Other Comprehensive Expenditure	1.91	(8.94)
Total amount recognised	3.30	(6.99)

Changes to the present value of defined benefit obligation during the accounting period

	31 March 2015 £M	31 March 2014 £M
Opening defined benefit obligation	36.64	41.67
Current service cost	0.90	1.09
Interest expense on defined pension obligation	1.56	1.90
Contributions by participants	0.29	0.27
Actuarial losses/(gains) on liabilities - financial assumptions	4.43	(3.38)
Actuarial losses/(gains) on liabilities - demographic assumptions	0.00	(1.78)
Actuarial (gains) on liabilities - experience	(0.23)	(2.28)
Net benefits paid out	(1.10)	(0.85)
Past service cost (including curtailments)	0.08	0.00
Closing defined benefit obligation	42.57	36.64

Changes to the fair value of assets during the year

	31 March 2015 £M	31 March 2014 £M
Opening fair value of assets	26.37	22.48
Interest income on assets	1.15	1.04
Remeasurement gains on assets	2.29	1.50
Contributions by the employer	1.40	1.93
Contributions by participants	0.29	0.27
Net benefits paid out	(1.10)	(0.85)
Closing fair value of assets	30.40	26.37

Actual return on assets

	31 March 2015 £M	31 March 2014 £M
Expected return on assets	1.15	1.04
Actuarial gain on assets	2.29	1.50
Actual return on assets	3.44	2.54

History of asset values, present value of defined benefit obligation and deficit

	31 March 2015 £M	31 March 2014 £M	31 March 2013 £M	31 March 2012 £M	31 March 2011 £M
Fair value of assets	30.40	26.37	22.48	19.22	18.32
Present value of defined benefit obligation	(42.57)	(36.64)	(41.67)	(36.41)	(31.32)
(Deficit)	(12.17)	(10.27)	(19.19)	(17.19)	(13.00)

18. PROVISION - EMPLOYEE REDUNDANCIES AND PENSION STRAIN

	Employee redundancies £000	Total £000
Balance at 1 April 2014	0	0
Movement in provision	67	67
Provisions utilised in the year	-	-
Balance at 31 March 2015	<u>67</u>	<u>67</u>

Analysis of expected timing of cash flows

	Employee redundancies and pension strain £000	Total £000
Not later than one year	67	67
Later than one year and not later than five years	0	0
Later than five years	0	0
Balance at 31 March 2015	<u>67</u>	<u>67</u>

Employee Redundancies and Pension Strain

At March 2014/15 the provision set aside is to meet an employee redundancy. There were no additional provisions made during 2014/15.

19. RELATED PARTY TRANSACTIONS

Sport Wales is a Public Body, sponsored by the Welsh Government. Welsh Government is regarded as a related party. During the year, Sport Wales received funding from the Welsh Government, the National Lottery, the Lottery distributing function of Sport Wales, is also considered to be a related party. During the year, Sport Wales entered into transactions of a material nature with organisations in which

the following board members and senior management employees have declared an interest.

The payments column includes all payments made during the year for current commitments, prepaid commitments and non-grant expenditure. The final column is committed grant payments not yet made (does not include any non-grant amounts).

Member's Panel	Body	Payments in Year £000	Nature of link	Committed Grant Payment
A Williams Manager Plas Menai Watersports Centre	Welsh Yachting Association	126	Member & daughters coach/one a physiotherapist	-
	Royal Yachting Association	14	Member & daughters coach/one a physiotherapist	-
	Caernarfon Harbour Trust	4	Member of Advisory Group	-
	Sports Coach UK	25	Member	-
	Welsh Canoe Association	134	Member	-
	Funky Starfish	1	Wife & Daughter run business	-
M Frost Corporate Director	Glamorgan County Cricket Club	10	Member	-
	Cardiff County Council	819	Wife Employee	-
S Powell CEO	Welsh Hockey Union	443	Member	-

Member's Panel	Body	Payments in Year £000	Nature of link	Committed Grant Payment
J Lloyd Council Member	Welsh Netball Association	270	Mother Employee	-
	Rhondda Cynon Taff CBC	1,460	Sister Employee	-
	Welsh Badminton Union	112	Sister provides coaching	-
	Cardiff Metropolitan University	37	Father Employee	-
	Welsh Rugby Union Ltd	925	Father WRU Match Official	-
	University of South Wales	2	Advisory Board Member	-
J Longville Council Member	Pembrokeshire County Council	573	PESS Consultant for West Consortia	-
	Powys County Council	489	As Above	-
	Neath/Port Talbot County B.Council	448	As Above	-
	City & County of Swansea	629	As Above	-
	Ceredigion County Council	273	As Above	-
	Cardiff Metropolitan University	37	Senior Lecturer	-
	Welsh Netball Association	270	Member	-
	Welsh Gymnastics	455	Mentor	-
Welsh Athletics	518	Son athlete of Welsh Athletics	-	

Member's Panel	Body	Payments in Year £000	Nature of link	Committed Grant Payment
P King Council Member	Sports & Recreation Alliance	420	Director	-
Prof L McAllister Chair	FAW Football in the Community	75	Board Member	-
	Institute of Welsh Affairs	1	Board Member	-
	UK Sports Council	2	Board Member	-
	Stonewall Equality Ltd	3	Board Member	-
M J Warren Council Member	Cardiff Metropolitan University	37	Director of Finance (until 2013)	-
Prof J Baylis Council Member	University Of Wales Swansea	66	Emeritus Professor	-
	Cardiff University	1	Daughter Employee	-
S Pirotte Council Member	Colegau Cymru	4	Board Member	-
A Watkin Council Member	Welsh Hockey Union	443	Chair	-
R Parks Council Member	University of South Wales	2	Honourary Lecturer	-
S Wafa Council Member	Cardiff County Council	819	Former Instructor & Family Employee	-
A Bennett Council Member	Sport & Recreation Alliance	420	Governance Advisor	-

Remuneration of Senior Managers and Council Members

Senior Managers and Council Members are considered to be the Directors and their remuneration is disclosed within Note 6 (d) on pages 37 to 38.

The maintenance and integrity of the Sports Council for Wales website is the responsibility of the Accounting Officer and Board; the work carried out by auditors does not involve consideration of these matters and accordingly

20. EVENTS AFTER THE REPORTING PERIOD

The accounts were authorised for issue by the Accounting Officer on the date they were certified by the Auditor General for Wales. There were no events after the reporting period.

auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

SPORTS COUNCIL FOR WALES LOTTERY DISTRIBUTION ACCOUNT

1 APRIL 2014 – 31 MARCH 2015

ANNUAL REPORT

FOREWORD

History & Statutory Background

The National Lottery etc Act 1993 (as amended) nominated the Sports Council for Wales as the body responsible for distributing funds generated by the lottery to sport in Wales. The duties of Sport Wales in performing its Lottery functions are carried out pursuant to the account directions issued by the Secretary of State for Culture, Media and Sport, in accordance with Section 26(1) of the National Lottery etc Act 1993 and the Statement of Financial Requirements issued under Section 26(3) of the Act.

MANAGEMENT

The management and administration of the Lottery function is carried out through the Sports Council for Wales (known by its trade name, Sport Wales) and the panels established by Sport Wales to assist in distributing Lottery funds to good causes in Wales.

During 2014/15, Sport Wales comprised the following board members;

Prof L McAllister **	(Chair Reappointed 01.02.2013)
Mrs Adele Baumgardt	(Vice Chair Appointed 01.09.2012)
Prof. John Baylis *	(Reappointed 01.04.2015)
Mr Simon Pirotte	(Reappointed 01.04.2015)
Mr Andrew Morgan	(Retired 31.08.2014)
Mr Richard Cuthbertson *	(Retired 30.11.2014)
Mr Martin J Warren */**	(Retired 31.03.2015)
Mr Paul Thorburn	(Retired 31.03.2015)
Mr Alan Watkin *	(Retired 31.03.2015)
Ms Julia Longville	(Appointed 01.09.2012)
Ms Johanna Lloyd*	(Appointed 01.09.2012)
Mr Peter King*	(Appointed 01.09.2012)
Amanda Bennett*	(Appointed 01.09.2014)
Andrew Lycett*	(Appointed 01.09.2014)
Richard Parks	(Appointed 01.09.2014)
Samar Wafa	(Appointed 01.09.2014)
Ms S Powell	(Chief Executive)

* Member of the Audit committee

** Member of the Remuneration committee

REGISTERED OFFICE

Sophia Gardens
Cardiff
Wales
CF11 9SW

STRATEGIC REPORT 2014/15

Our purpose as Wales' sports development and advocacy agency is twofold: to inspire more people to become, and remain active for life and to boost the performance of our elite athletes, teams and coaches. This is incorporated in our aspiration of 'Creating a Nation of Champions' and 'Every child hooked on sport for life'.

Sport Wales works in partnership with others to achieve these aims and has a role in bringing partners and people together; local authorities, governing bodies of sport, communities, coaches, adults, young people, children and the entire nation to support, participate and excel in sport. Sport Wales works towards achieving equality in all of our functions, whilst embracing the spirit of equality legislation and eradicating any form of unfair discrimination.

LOTTERY FUNDING AND ADDITIONALITY

All Lottery distributors are required to report on their policy and practice.

Lottery funding is distinct from Government funding and should not replace Exchequer spending. Where appropriate, it can complement Government and other programmes, policies and funding.

When we assess applications for funding, we ensure additionality is considered. We work closely with leading organisations to ensure that our funding programmes add value to Government and other funding but do not replace it.

Review of National Lottery Distribution Activities

During 2014/15 Sport Wales distributed awards under a number of Lottery Funded grant programmes.

Capital Grants

The fund's principal activities are aimed at increasing participation and improving performance in sport and physical recreation. Sport Wales introduced its plans for the distribution of lottery funds to capital projects in September 1994. A two stage process is used for all capital applications. The first stage of the application enables the initial focus to be more on the added benefits to sport and the aims, objectives and proposed management of the project. Applicants seek provisional approval of a scheme prior to undertaking the investment necessary to present the full application which is the second stage of the process.

Capital grants met totalling £3,756,000 (2013/14 £4,811,000) were made during the year. The amount provided in the accounts for signed contracts relating to capital grants fell by £914,000 in 2014/15 (2013/14 restated increase of £525,000).

Revenue Grants

Revenue grants met totalling £8,658,000 (2013/14 £8,719,000) were made during the year. The amount provided in the accounts signed contracts relating to revenue grants decreased by £701,000 in 2014/15 (2013/14 restated decrease of £3,171,000).

MOVEMENT ON LOTTERY BALANCE TO 31 MARCH 2015

The following table shows the movements of the balances held with the National Lottery Distribution Fund in the year:

Balance at 1 April 2014	Unrealised Loss	Income Received (Net)	Money Drawn Down From National Lottery Distribution Fund	Balance at 31 March 2015
(£000)	(£000)	(£000)	(£000)	(£000)
16,098	-	17,637	(14,350)	19,385

The table shows an increase in the balance held of £3.287 million, compared to an increase of £0.511 million in the previous financial year.

The statement of financial position for 2014/15 shows a total net asset figure of £15,670,000 (2013/14 restated £11,255,000).

FINANCIAL RESULTS

Sport Wales's Lottery Distribution results are set out in the Statement of Comprehensive Net Income. Total comprehensive income for the financial year amounted to £4,415,000 (2013/14 restated total comprehensive income of £4,073,000). This has been transferred to reserves.

The table below shows data from some of our key output data

Performance Indicators 2014-2015

	Output 2014/15	Output 2013/14
Number of athletes moving through the Sport Wales pathway onto UK athlete pathway	20	26
Proportion of Welsh Athletes on UK athlete pathway	6.5	6.00
Number of affiliated club members within Sport Wales supported National Governing Bodies (NGB)	591,523	555,745
Number of hours of NGB use at the National Centre	27,651	28,186

REVIEW OF THE YEAR

There is no doubt that 2014 was a magnificent year for Welsh sport. It was the year when sport was Wales's biggest success story. A year in which records were broken, hauls of medals exceeded and we learnt to expect success as a norm not an exception.

Team Wales returned from Glasgow with 36 medals, their highest ever medal haul, and athletes such as Frankie Jones, Jazz Carlin, Natalie Powell and Geraint Thomas ensured that Wales shone on the world sporting stage. A number of athletes achieved personal bests or experienced a major game for the first time and they all created sporting memories which will last long in the memory. The team being crowned Team of the Year at the Annual Wales Sports Awards topped off an amazing year for Team Wales.

Following Glasgow a full review of our elite sport programme was completed and an updated elite sport review will be published shortly ensuring we continue to strive forward on the world stage.

Our Active Adults Survey highlighted the groups who are less likely to participate regularly. In 2014 we started to make inroads into tackling the stubborn participation gaps that we see among women and girls, those from ethnic minority backgrounds, those living with disability and those living in poverty. We announced our Calls4Action initiative, a £3m investment into reducing the participation gaps we see in sport. We received 145 application and successful projects were announced in March 2015.

It remains our vision to get every child hooked on sport for life and we now have the partnerships to support this and a common purpose to achieve it.

Plans for Future Periods

We have set out our work for the coming year in our business plan, which can be found on our website*. For the first time, we have set out how an in year goal contributes to a wider or multi-year deliverable.

The establishment of a new, five-year strategic plan for 2015-20, will be central to setting the overall future direction for Sport Wales and to providing sharper clarity and focus for delivery and outcomes. The strategy will be built on four key pillars to ensure that we continue to operate in a strong, smart, sustainable and successful manner in the challenging environment we now face. The strategic aim is to drive delivery to an even higher level and to generate step-change success that will be recognised both in Wales and internationally. At a time of public sector financial constraint, Sport Wales has a responsibility to maximise opportunities for growth, and to act swiftly and decisively to lay the foundations for a successful sporting sector.

Over the period of our Corporate Plan 2013-2016, the following key outcomes will be measured:

- The percentage of young people in school years 3-11 who participate three or more times a week in an extracurricular and/or club setting;
- The percentage of young people in school years 3-11 who participate in sport in a club;
- The percentage of young adults 16-24 participating on three occasions a week on average in the previous four weeks;
- The percentage of adults aged 15+ that volunteered in the last 12 months;

Population outcome measures can be reported on every two years.

*www.sportwales.org.uk/media/1481695/sport_wales_business_plan_2014-15.pdf

SUSTAINABILITY

Sport Wales actively pursues policies and initiatives that seek to reduce the impact its operations have on the environment. Last year, the board and senior management team considered the additional actions which Sport Wales could take to further mitigate the impact of its work on the environment. This led to the Corporate Environmental Strategy, which was approved by the board. Over and above the significant steps already undertaken, Sport Wales set itself the goal to exceed Welsh Government targets, the primary one being a 3% annual reduction in carbon emissions using 2013/14 as a baseline, to be measured on a rolling three year basis.

For 2014/15, the Defra carbon emissions conversion factor for electricity has increased, so even though the electric usage has decreased, the carbon emissions have increased year on year. The large drop in energy usage (electricity, gas & gas oil) is driven by the effect of a milder winter, combined with further implementation of motion activated lighting and replacing life expired fluorescent lighting with more efficient LEDs.

The increase in the amount of waste produced is due to construction waste at Sport Wales National Centre for refurbishment projects.

Sport Wales is continuing with a drive to implement technological solutions to help reduce emissions and waste where possible. This includes video conferencing facilities and improved personal ICT solutions such as dual screens to reduce printing. This is beginning to impact on staff behaviour and we expect to see the benefits in future years.

Plas Menai is continuing to use the environmental system implemented last year and over the coming year we will be using the data it provides to make targeted changes to reduce energy usage. Also, the National Centre in Cardiff is undertaking a feasibility study into onsite renewable generation at Sophia Gardens.

Sport Wales National Centre achieved it's lowest Energy Performance Operational Rating during the year well below the typical rating for the type of building. During the year an electric truck was purchased for use on the grounds removing the need to use the tractor for smaller tasks.

Full details including tables detailing Sport Wales offices data and associated cost can be found in the consolidated financial statements for the Sports Council for Wales and Sports Council for Wales Trust.

www.sportwales.org.uk/about-us/about-sport-wales/key-publications.aspx

SOCIAL AND COMMUNITY ISSUES

Our work is guided by several key documents: the Programme for Government; Creating an Active Wales, the five year strategic action plan to deliver Climbing Higher; and the Vision for Sport in Wales. The Programme for Government is reflected in the Minister's Remit letter to Sport Wales.

Our vision for community sport is "every child hooked on sport for life". This really does mean every child. Amongst very positive results in the growth of sporting participation

amongst both adults and children, we continue to see unacceptable inequalities. Our Active Adult Survey and School Sports Survey results have shown us that; Boys and men take part in more sport than women and girls, and those from less affluent backgrounds, BME communities or with a disability are measurably less likely to participate.

ACCOUNTING OFFICER:**S Powell**
29 June 2015

DIRECTORS REPORT

DECLARATIONS OF INTEREST

All Members and Senior Staff of Sports Wales have completed a return detailing any interests in Organisations which provide, or may seek to provide, commercial services to Sport Wales for 2014/15. Information provided that requires disclosure in accordance with International Accounting Standard 24 is disclosed in Note 15 of these accounts.

PERSONAL DATA RELATED INCIDENTS

Sport Wales has controls and policies in place to ensure data integrity. Information Technology systems ensure that the physical security of data is tightly controlled. As far as we are aware, no loss of data occurred during the period under review.

RISK IDENTIFICATION AND MANAGEMENT

Detail on Risk Management is contained in the Risk Management section of the Annual Governance Statement page 76.

SUPPLIER PAYMENT POLICY AND PERFORMANCE ACHIEVED

Under the Late Payment of Commercial Debts (Interest Act 1998) and in line with the Better Payment Practice Code (which can be located on www.payontime.co.uk) Sport Wales is required to pay suppliers' invoices not in dispute within 30 days of receipt of goods or services or valid invoice, whichever is the later.

Sport Wales aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, in line with these terms. During the year ended 31 March 2015 Sport Wales paid 100% (2013/14 100%) of all invoices within the terms of its payment policy. No interest was incurred during the year as a result of late payments.

FINANCIAL INSTRUMENTS

Details of financial instruments can be found in note 1.10 and note 14 to the financial statements.

HUMAN RESOURCES

Sport Wales has an extensive range of policies which reflect current legislation, and aim to secure retention and motivation. These policies are reviewed regularly with staff involvement via a recognition agreement with the PCS Union. All policies are equality checked before implementation. Sport Wales is committed to a policy of equality of opportunity in its employment practices. In particular, Sport Wales aims to ensure that no potential or actual employee receives more or less favourable treatment on the grounds of age, disability, ethnic or national origin, gender, marital or parental status, nationality, political belief, race, religion, or sexual orientation. We also follow the 'Equality Standard for Sport' and 'Positive about Disabled' schemes.

Investing in Our People

Sport Wales has "Investors in People" status and its human resources policies reflect best practice as part of its commitments as a learning organisation

SICKNESS ABSENCE DATA

The sickness data for employees of the whole organisation for 2014/15 (2013/14) is as follows:

Total Days Lost	Total Number of Employees (FTE)	Total Sick Days Lost Per Person
935.50 (870.00)	150.32 (148.89)	6.22 (5.84)

REMUNERATION OF AUDITORS

During 2014/15, no non audit work was undertaken by our external auditor, the Comptroller and Auditor General. The audit fee is disclosed in note 8 to the financial statements.

PENSION SCHEME

Employees of Sport Wales are members of the Cardiff and Vale of Glamorgan Pension Fund (the Fund). The Fund is a defined benefit scheme providing benefits based on final pensionable pay, and its assets are held separately from those of Sport Wales. Any pension built up before April 2008 is calculated at a rate of 1/80th with a lump sum of three times pension. Pension built up from 1 April 2008 is calculated at the rate of 1/60th and there is an option to take an extra lump sum in exchange for pension. From April 2014, the LGPS has changed from a final pension scheme to a Career Average Re-valued Earnings (CARE) scheme. Pension built up from 1 April 2014 is calculated at the rate of 1/49th with an option to take an extra lump sum in

exchange for pension. The contributions of employees and manual staff are set at 5.5% to 10.5% based on salary range. Further details can be found in note 1.5 and note 16 to the financial statements.

Statement on Disclosure of Relevant Audit Information.

1. As far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware, and
2. The Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any audit information and to establish that the auditors are aware of that information.

ACCOUNTING OFFICER:

S Powell
29 June 2015

REMUNERATION REPORT

In accordance with Chapter 5 of the Financial Reporting Manual, Sport Wales is required to disclose the following concerning remuneration during the year of Council Members and Senior Staff with responsibility for running policy making departments. Treasury guidance requires the financial statements to disclose the cash equivalent transfer value of pensions for Sport Wales Members and Senior Staff.

Remuneration Policy

The Chair, Vice Chair and members of Sport Wales are paid in accordance with the Welsh Government "Remuneration and expenses of Chairs and Members of ASGBs and NHS Bodies" policy.

The Remuneration Committee which consists of Sport Wales Chair, Vice Chair and Chair of the Audit Committee supported by Sport Wales's Human Resources Manager meets to agree the annual pay award for all staff via the Welsh Government's pay remit process. Also, the CEO post now has a salary range associated with it, which is determined by Welsh Government.

Service Contracts

The Senior Staff of Sport Wales are employed on terms and conditions broadly analogous to the Welsh Government terms and conditions

Sport Wales Members are appointed by Welsh Ministers for a three year contracted period and may be reappointed for normally a further three year period. The Chair is

remunerated at a daily rate of £337 and is contracted to work two days per week. The Vice Chair is remunerated at a daily rate of £311 and is contracted to work one day per week.

Other Council Members receive a daily rate of £282 and are contracted to work two days per month.

Notice Period

The Chief Executive is entitled to four months notice of termination of contract by Sport Wales and the remaining Senior Staff are entitled to three months notice of termination of contract.

Remuneration

"Salary" includes gross salary, allowances and performance bonuses where applicable. During the year the Chief Executive received a gross salary of £89,483, (2013/14 £79,170). No bonus payments were made to the Chief Executive or any other member of staff during the year (2013/14 £Nil).

A proportion of the Senior Management salary costs are allocated to lottery. Further detail can be found in note 1.6 of the financial statements.

Benefits in Kind

There are no benefits in kind.

The following sections provide details of the remuneration and pension interest of the Senior Managers of Sport Wales.

Details on start/leave dates can be found in the Pension Benefits table in the latter part of the remuneration report.

Single Total Figure of Remuneration (subject to audit)

Name	Title	% Apportioned to Lottery	Salary £000	Pension Benefit	Total 000
		2014/15 (2013/14)	2014/15 (2013/14)	2014/15 (2013/14)	2014/15 (2013/14)
Prof. Laura McAllister	Chair	50% (50%)	35 – 40 (35 – 40)	- -	35 – 40 (35 – 40)
Mrs Adele Baumgardt	Vice Chair	50% (50%)	10 – 15 (10 – 15)	- -	10 – 15 (10 – 15)
Ms Sarah Powell *	Chief Executive	25% (25%)	85 – 90 (75 – 80)	67,588 (119,126)	155 - 160 (195 – 200)
Dr Huw Jones	Chief Executive	0% (25%)	- (35 – 40)	- (0)	- (0 – 5)
Mr Roy Payne	Corporate Director	0% (50%)	- (25 – 30)	- (7,840)	- (35 -40)
Mr Jonathan Davies	Corporate Director	50% (50%)	55 – 60 (5 -10)	17,904 (2,497)	70 - 75 (10 – 15)
Mr Mark Frost***	Corporate Director	25% (25%)	15 – 20 (55 – 60)	2,343 (14,120)	20 - 25 (70 – 75)
Ms Sian Thomas	Corporate Director	0% (20%)	- (0 – 5)	- (0)	- (0 – 5)
Mr Graham Williams****	Corporate Director	25% (25%)	50 – 55 (45 – 50)	36,265 -	85 – 90 -
Mr Peter Curran	Corporate Director	25% (0%)	5 – 10 -	0 -	5 - 10 -
Mr Randal Hemingway	Corporate Director	25% (25%)	25 – 30 (50 – 55)	8,933 (14,479)	35 - 40 (65 – 70)
Mr Alan Williams**	Manager Plas Menai Watersports Centre	0% (0%)	55 – 60 (55 – 60)	0 (13,264)	55 - 60 (65 - 70)
Mr Malcolm Zapple	Manager Sport Wales National Centre	0% (0%)	55 – 60 (55 – 60)	10,147 (13,378)	65 - 70 (70 – 75)
Mr David Roberts	Council Member	0% (50%)	- (5 – 10)	- -	- (5 – 10)

Name	Title	% Apportioned to Lottery	Salary £000	Pension Benefit	Total 000
Mr Martin J Warren	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Prof. John Baylis	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Mr Richard Cuthbertson	Council Member	50% (50%)	0 – 5 (5 – 10)	- -	0 - 5 (5 – 10)
Mr Andrew Morgan	Council Member	50% (50%)	0 – 5 (5 – 10)	- -	0 - 5 (5 – 10)
Mr Simon Pirotte	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Mr Paul Thorburn	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Mr Alan Watkin	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Ms Johanna Lloyd	Council Member	50% (50%)	5 – 10 (5 - 10)	- -	5 – 10 (5 – 10)
Ms Janet Kingston	Council Member	0% (50%)	- (0 – 5)	- -	- (0 – 5)
Ms Julia Longville	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Mr Peter King	Council Member	50% (50%)	5 – 10 (5 – 10)	- -	5 – 10 (5 – 10)
Ms Amanda Bennett	Council Member	50% (0%)	0 – 5 -	- -	0 - 5 -
Ms Samar Wafa	Council Member	50% (0%)	0 – 5 -	- -	0 - 5 -
Mr Andrew Lycett	Council Member	50% (0%)	0 – 5 -	- -	0 - 5 -
Mr Richard Parks	Council Member	50% (0%)	0 – 5 -	- -	0 - 5 -

The following sections provide details of the remuneration and pension interest of the Senior Managers of Sport Wales.

Details on start/leave dates can be found in the Pension Benefits table in the latter part of the remuneration report.

*During 2013/2014, Sarah Powell held the following roles:

Dates:	Job Title:	FTE Salary
1st April to 4th July	Corporate Director	£56,576
5th July to 30th Sept	Interim CEO	£83,200
1st October to 31st March	CEO	£88,400

The Remuneration Report now requires that a Single Total Figure of Remuneration is shown. The above table is similar to that used previously, and still shows the salary paid in bandings. The pension benefit figure which contributes to the single total figure is calculated in a new way as follows:

$(\text{real increase in pension}^* \times 20) + (\text{real increase in lump sum}^*) - (\text{contributions made by employee})$

*excluding increases due to inflation or any increase/decrease due to a transfer of pension rights

The pension benefit figure is not an amount that has been paid to the employee by Sport Wales during the year. It is a future benefit for the employee which is influenced by many factors including but not limited to, salary changes and any additional contributions made by the employee.

** During 2014/2015 a payment of £37,119 was made toward the strain on the pension fund as a result of the early retirement of Alan Williams, Manager Plas Menai Watersports Centre.

*** During 2014/15 a payment was made to Mark Frost who took voluntary redundancy. He received a compensation payment of £50-55,000.

**** During 2013/2014 Graham Williams was employed as Sport Wales Regional Manager and was appointed as Acting Corporate Director on 1st September 2014.

Median Remuneration Ratio

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

	2014 / 15	2013 / 14
Band of Highest Paid Director's Total Remuneration (£ '000)	90 - 95	85 - 90
Median Total Remuneration	25,750	25,750
Ratio	3.6	3.4

The ratio was calculated using the following assumptions:

1. Only salaries for staff paid through the payroll has been used (excludes agency staff as not material),
2. Figures have not been adjusted to reflect any apportionment to the Lottery accounts i.e. costs reflect all staff employed by The Sports Council for Wales processed through the payroll.

Total remuneration includes salary and allowances but excludes severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

There was an increase in the median ratio of 0.2. The CEO total remuneration has increased by £2,600, whilst the median total remuneration has remained comparable.

Pension Benefits (subject to audit)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

Name	Real increase in Pension (and lump sum) at age 65 for 2014/15	Total accrued Pension (and lump sum) at age 65 at 31 March 2015	CETV at 31 March 2015	CETV at 31 March 2015	Real Increase/ (Decrease) CETV in Year
	£000	£000	£000	£000	£000
Ms Sarah Powell Chief Executive	2.5 – 5.0 (2.5 – 5.0)	20 – 25 (35 – 40)	263	215	39
Mr Randal Hemingway Corporate Director (to 08.10.2014)	0.0 – 2.5 (0.0 – 2.5)	0 – 5 (0 – 5)	13	9	2
Mr Peter Curran Corporate Director (from 05.01.2015)	0.0 – 2.5 (0.0 – 2.5)	- -	- -	- -	- -
Mr Alan Williams Manager Plas Menai Watersports Centre	0.0 – 2.5 (-0.0 – 2.5)	20 – 25 (45 – 50)	479	447	27
Mr Malcolm Zaple Manager Sport Wales National Centre	0.0 – 2.5 (-0.0 – 2.5)	20 – 25 (45 – 50)	393	369	19
Mr Mark Frost Corporate Director (to 20.08.2014)	0.0 – 2.5 (-0.0 – 2.5)	10 – 15 (20 – 25)	201	191	8
Mr Jonathan Davies Corporate Director (from 27.01.2014)	0.0 – 2.5 (0.0 – 2.5)	0 – 5 (0 – 5)	12	2	5
Mr Graham Williams Corporate Director	0.0 – 2.5 (0.0 – 2.5)	15 – 20 (30 – 35)	237	204	28

Leavers during 2013/2014 have not been included in the table above:

Sian Thomas leaving date 10th May 2013

Huw Jones leaving date 30th September 2013

Roy Payne leaving date 10th January 2014

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to Sport Wales's pension scheme.

They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real Increase/(Decrease) in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Further information is set out at note 16.

ACCOUNTING OFFICER:

S Powell
29 June 2015

STATEMENT OF SPORTS COUNCIL FOR WALES AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under Section 35 (2) - (3) of the National Lottery etc Act 1993, the Sports Council for Wales (Sport Wales) is required to prepare a statement of accounts for the financial period in the form and on the basis determined by the Secretary of State for Culture, Media and Sport with the consent of the Treasury. The accounts are prepared on an accruals basis and must show a true and fair view of Sport Wales Lottery Distribution activities at the year end and of its income and expenditure, changes in equity and cash flows for the financial year.

In preparing the accounts the Accounting Officer and Council are required to comply with the requirements of HM Treasury's Financial Reporting Manual and in particular to:

- Observe the accounts direction issued by the Secretary of State for Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether appropriate accounting standards, as set out in HM Treasury's Financial Reporting Manual, have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the fund will continue in operation.

The Principal Accounting Officer for the Welsh Government has designated the Chief Executive as Accounting Officer for Sport Wales. Her relevant responsibilities as Accounting Officer for Lottery distribution activities, including her responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Sport Wales's assets, are set out in the Welsh Government's Accounting Officers Memorandum issued by HM Treasury.

ACCOUNTING OFFICER:

S Powell
29 June 2015

ANNUAL GOVERNANCE STATEMENT 2014/2015

Introduction

The Governance Statement brings together in one place all disclosures about matters relating to an organisation's governance, risk and control. As Accounting Officer I am personally responsible for the Governance Statement which outlines how I have discharged my responsibility to manage and control the resources of Sport Wales during the course of the year.

As Accounting Officer I have reviewed the 2012 Corporate Governance Code and believe that Sport Wales has fully complied with the relevant elements of the code in respect of both its Exchequer and Lottery functions.

CORPORATE GOVERNANCE

The Board

Corporate Governance is the system by which organisations are directed and controlled. The Board of Sport Wales is responsible for the governance of Sport Wales and the Sports Council for Wales Trust. The Board's role is to satisfy itself that an appropriate governance structure is in place and to scrutinise the performance of the executive and the organisation's delivery of the Sport Wales Vision.

The Sport Wales Board is made up of a Chair, a Vice Chair and up to twelve other members all of whom are appointed by the Welsh Government. The Board's composition includes representation from a wide cross section of different professions and members with expertise and experience relevant to both community and elite sport.

Attendances for both the Board and the Audit Committee are shown in the table below.

Board Member	Board Meeting (Number of meetings attended)	Audit Committee (Number of meetings attended)
Prof. L McAllister (Chair)	5	Not Applicable
Adele Baumgardt (Vice Chair)	5	Not Applicable
Amanda Bennett**	3	2
Martin J Warren	5	4
John Baylis	5	3
Richard Cuthbertson*	4	1
Andrew Morgan*	0	Not Applicable
Simon Pirotte	4	Not Applicable
Paul Thorburn	4	Not Applicable
Alan Watkin	4	3
Julia Longville	5	Not Applicable
Andrew Lycett**	3	3
Johanna Lloyd	5	1
Peter King*	5	1
Richard Parks**	2	Not Applicable
Samar Wafa**	3	Not Applicable
(External members – Audit Committee only)		
Sandy Blair	Not Applicable	3
Louise Casella	Not Applicable	3
Overall Percentage Attendance rate	91%	71%

To discharge its responsibilities and to obtain the assurance required that demonstrate good governance practices are in place, the Board has agreed the following governance structure:

- Two permanent committees; The Audit Committee and the Remuneration Committee
- Three Sub Groups and two advisory group approved by the Board (listed below).
- The Executive Management Team and staff structure

Audit Committee

The Board has established an Audit Committee to support it in discharging its responsibilities specifically in the areas of risk, internal control and governance through:

- Reviewing the comprehensiveness and operation of current processes, controls and other measures to meet the assurance needs of the Board and the Accounting Officer;
- Reviewing the reliability and integrity of the assurances provided by the executive and the internal and external auditors;
- Providing an opinion as to how well the Council and Accounting Officer are supported in decision making and in discharging their accountability obligations (particularly in respect of Financial Reporting).

The Audit Committee consisted of six Board members and up to two independent external members. The committee met four times during the year and there was an overall members' attendance rate of 71%.

Over the year the committee's areas of focus included (but were not limited to):

- the operation and effectiveness of the risk management review framework;
- internal audit reports covering specific business areas and the annual internal audit report;
- the Annual Report and Accounts and their format;
- observations made by external audit, particularly the annual management letter;
- compliance with the Framework Document issued by the Welsh Government as well as compliance with the Lottery Statement of Financial Requirement;
- the Governance Framework document;
- the risks and controls around grant awards;
- operational risk management of the two National Centres;
- the specific risks associated with supporting elite sport and high performance athletes;
- the Gifts and Hospitality Register.

The Board received the minutes of the Audit Committee at each meeting and are advised by the Audit Chair of any significant matters. The Audit Chair also presents a formal annual report on the committee's work to the Board.

IT systems ensure that the physical security of data is tightly controlled. In 2014/15 no information risk issues or significant control weaknesses were identified and the Audit Committee was satisfied that the level of risk was acceptable and managed in an appropriate manner.

Remuneration Committee

During the year, the Remuneration Committee reviewed and approved the annual pay award of the CEO. The award was approved by Welsh Government.

Sub and Task and finish groups

Task and finish groups are set up by the Board as and when required. The groups are made up of Board members appointed by the Chair sometimes with independent members. They are supported by officers of Sport Wales. Their purpose is to provide additional help and advice to the Board within specific themes and they meet on an ad-hoc basis.

During 2014/15 the following task and finish groups were operational:

- Plas Menai review;
- Equalities;
- Focus 2014(for the 2014 Commonwealth Games);
- Performance Management;
- Transition (to oversee the recruitment of new Directors);
- High Performing Organisation;
- Community;
- Elite.

A member of the Board who is also a member of each task and finish group is identified to report back verbally at each Board meeting.

The Executive Senior Management Team

The Executive, under the leadership of the Chief Executive, is responsible to the Board for the development and implementation of strategy and policies and the reporting thereof.

The Executive meets at regular intervals and typically fortnightly to discuss and agree corporate matters. Progress against the Business Plan is reported and monitored on a quarterly basis.

There have been considerable changes in the membership of the executive during the year. A number of the Corporate Director posts have become vacant or changed incumbent.

Board and Committee Effectiveness

In line with best practice and following the recommendations of Managing Public Money, a review of effectiveness has again been completed during 2014/15; and the recommendations of the review acted upon. As a consequence a number of new Board appointments were made and some appointments have not been renewed.

The Board is content with the quality and amount of information received in order for it to make considered decisions.

RISK MANAGEMENT

The purpose of the system of internal control

The system of internal control is designed to manage and limit risk but can never eliminate it. It therefore only provides reasonable and not absolute assurance. The system of internal control is based upon an on-going process designed to identify and prioritise the risks of achieving Sport Wales' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should this happen, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at Sport Wales throughout the year ended 31 March 2015 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. Finally, the system of internal control provides reasonable assurance that Sport Wales has complied with the Lottery financial directions and that adequate processes are in place for the detection of conflicts of interest and to minimise losses of Lottery grants.

Capacity to handle risk

As Accounting Officer I am personally responsible for ensuring that the Sports Council for Wales has an effective risk management process. This is overseen by the Board, through the Audit committee. As an organisation, the key risks are monitored through appropriate use of the Risk Register. There is a documented Risk Management Policy that contains definitions relating to risk management and the policy also sets out how risks should be identified, recorded, analysed and managed.

Corporate risks, and the control measures implemented to mitigate them, are assigned to and managed by the appropriate manager, corporate director or in some cases by the Accounting Officer. Operating risks, especially those of the two national centres, are the responsibility of the relevant managers while day to day risk management may be delegated to their subordinates.

New risks are identified by officers of Sport Wales, Audit Committee scrutiny or the Board itself. When a new risk has been identified, it is inserted into the Risk Register, assessed and scored and assigned to a corporate director and/or manager.

The risk and control framework

Risk management is embedded within the management structure of Sport Wales. The majority of business, financial and service delivery risks is derived from the organisational objectives and the business planning process of Sport Wales.

The Risk Register is an electronic solution that is accessible to relevant managers via an online portal. The workings of the Register has been subject to an internal audit and presented to the audit committee. The Risk Register records significant corporate risks including risks to information, an overall assessment of likely impact and probability, control measures and where required, a list of future action measures. The Risk Register is reviewed at regular intervals by managers and the Audit Committee. In addition managers present by rotation to the Audit Committee on their specific areas of risk and how they control or mitigate those risks.

Grants Monitoring

The majority of Sport Wales funding is expended in the award of grants. Grant awards are made on clear investment criteria into key sporting outputs and outcomes. Sport Wales takes appropriate steps to monitor the application of such awards by requiring formal reporting from recipients, as well as maintaining an on-going dialogue with key partners to gather informal intelligence. In addition, there are specific reconciliation criteria and where expenditure may vary from the level of grant award, Sport Wales exercises its right to claw back such amounts.

Key Risks

Risks to key strategic and operational activities are identified, evaluated and considered by the Senior Management Team, and action taken to mitigate them. Risks and the actions to manage risks are reviewed at regular intervals. The internal audit programme is significantly influenced by risks recorded in the risk register and, where appropriate, the auditors make recommendations to address any risk or identify new ones. The Audit Committee will review these recommendations and action appropriately.

Looking ahead, there are a number of key risks which have been identified at Sport Wales in the near future:

These are the implementation and roll out of a new on line Grant Management system and the impact of a planned change to the management structure. However, the most significant strategic risk will be the impact of on-going cuts to public expenditure, combined with the increased financial cost of meeting pension deficit payments, which present the greatest threat to the delivery of Sport Wales objectives.

Sport Wales has an overall informed and measured appetite for taking risk to achieve its priorities. Where significant

risk arises Sport Wales will take effective control action to reduce and manage these risks to a safe level. The Executive and Board are aware of the need to innovate further and faster in the future and to this end are actively exploring different delivery mechanisms and partners. This will create new and different risks and potentially increase the level of risk taken by Sport Wales. The Sport Wales Risk appetite may therefore rise but only within an informed and managed risk environment.

The Internal Auditors have given Sport Wales moderate assurance and no audit findings were classified as being of "high" or "very high" risk. During the year, a number of internal audit reports identified opportunities to enhance the control systems. The internal auditors were "satisfied that appropriate action has been identified by management to deal with the issues arising".

Internal Control

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Sport Wales's policies, aims, and objectives. I also have personal responsibility for safeguarding the proceeds from the National Lottery distributed to Sport Wales and Sport Wales's assets, in accordance with the responsibilities assigned to me in Managing Public Money.

I am responsible for reviewing the effectiveness of the system of internal control. This is overseen by the Board, through the Audit Committee. It is informed by the work of both the internal and external auditors and the staff presentations to the audit committee of Sport Wales who have responsibility for the development and maintenance of the internal control framework. I plan to address identified weaknesses and ensure continuous improvement of the systems.

The internal audit service for Sport Wales during 2014/15 was provided by KTS Owens Thomas Ltd, who operated to standards defined in the Public Sector Internal Audit Standards. Internal audit submit regular reports which provide an independent annual opinion on the adequacy and effectiveness of Sport Wales's systems of internal control and risk management, together with recommendations for improvement. Since KTS Owens had been Sport Wales' internal auditors for more than 10 years, a compliant tendering exercise was undertaken during the year. As a result of the tendering process, Sport Wales' internal audit services from 2015/16 will be provided by Deloitte.

Every year the Audit Committee produces an Annual Report of their work to the Board of Sport Wales.

On-going Developments

Whilst the current system of internal control is strong, there are always areas which require or will benefit from improvement. During 2013/14 we reported that an independent review was undertaken of the Welsh Amateur Boxing Association, following issues raised both internally and externally. The review found a number of control weaknesses and poor working practices. Sport Wales took immediate and appropriate action to protect public funding and the organisation responded positively to the concerns raised. During 2014/15, and as a condition of any further grant funding, we have continued to work closely with the Governing Body to monitor progress against recommendations made. The process prompted Sport Wales to review the control system in operation over the National Governing Bodies generally and during 2014/15 additional steps have been implemented to further strengthen the controls in place to manage the risk inherent

in investing public funding into third party organisations. We will keep this under constant review in 2015/16.

An updated risk strategy was received by the Audit Committee in March 2015. It described the respective responsibilities of the Board (ownership of Strategy and Risk Appetite) and Executive (management arrangements). Henceforth, the Board will receive the corporate risk register at regular intervals, and review risk appetite on an annual basis.

During 2015/16, we will go live with a new on-line grants management system to improve efficiency and effectiveness. This will allow us to record much richer information regarding our investments and make more informed decisions in the future.

Sport Wales has undertaken a review of its management and governance arrangements for special projects. The outcome of the review has been to strengthen accountability, resource control and reporting.

Planning and budgeting will, from the start of the 2016/17 cycle, be undertaken on a longer-term basis to complement the strategic plan and so derive a financial strategy that can better sit alongside Sport Wales' vision and mission.

As part of this longer-term planning approach, managers will be expected to provide a strategic overview of their funding, its effectiveness and how it fits into the strategic aims and objectives of the organisation.

ACCOUNTING OFFICER:

S Powell
29 June 2015

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE MEMBERS OF THE NATIONAL ASSEMBLY FOR WALES

I certify that I have audited the financial statements of the Sports Council for Wales Lottery Distribution Account for the year ended 31 March 2015 under the National Lottery etc. Act 1993. The financial statements comprise: the Statements of Comprehensive Net Income, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of Sports Council for Wales and Chief Executive's Responsibilities, the Board and the Accounting Officer (Chief Executive) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the National Lottery etc. Act 1993. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements

are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Sports Council for Wales Lottery Distribution Account's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Sports Council for Wales and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Sports Council for Wales Lottery Distribution Account's affairs as at 31 March 2015 and of the net income for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993; and
- the information given in the Strategic and Director's Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Date

July 2015

**SPORTS COUNCIL FOR WALES - LOTTERY DISTRIBUTION
ACCOUNT STATEMENT OF COMPREHENSIVE NET INCOME
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2014/2015 £000	2013/2014 £000 Restated
Expenditure			
Grant commitments made in year	3	10,892	10,938
Less Lapsed and revoked commitments	3	(93)	(54)
Staff costs	7	1,701	1,764
Depreciation: owned assets	9	33	29
Other Operating Costs	8	415	382
Total Expenditure		<u>12,948</u>	<u>13,059</u>
Gross Income			
Proceeds from National Lottery Distribution Fund (NLDF)		(17,592)	(15,229)
Investment returns from the NLDF		(71)	(70)
Recoveries of grant		(58)	(61)
Other Income	8	(174)	(174)
Total Income		<u>(17,895)</u>	<u>(15,534)</u>
Net Income from activities		<u>(4,947)</u>	<u>(2,475)</u>
Other Comprehensive Income/Expenditure			
Loss/ (Gain) on the revaluation of NLDF investments		-	261
Pension Finance Cost		94	198
Actuarial Loss/(Gain) on Pension	16	439	(2,056)
		<u>533</u>	<u>(1,597)</u>
Net Income before interest and taxation		<u>(4,414)</u>	<u>(4,072)</u>
Interest receivable		(1)	(2)
Net income before taxation		<u>(4,415)</u>	<u>(4,074)</u>
Taxation Payable	6	-	1
Net income after taxation		<u>(4,415)</u>	<u>(4,073)</u>
Total Comprehensive income for the year ended 31 March 2015		<u>(4,415)</u>	<u>(4,073)</u>
Balance at 1 April		<u>(11,255)</u>	<u>(7,182)</u>
Balance at 31 March		<u>(15,670)</u>	<u>(11,255)</u>

Prior year figures have been re-stated due to a change in accounting policy as shown in Note 1.12

The notes on pages 85 to 105 form part of these accounts.

All recognised gains and losses have been calculated on the historical cost basis and have been reflected in the above statement. All activities are continuing with no acquisitions or disposals.

SPORTS COUNCIL FOR WALES – LOTTERY DISTRIBUTION ACCOUNT STATEMENT OF FINANCIAL POSITION

	Notes	31 March 2015 £000 Restated	31 March 2014 £000	1 April 2013 £000 Restated
Non Current Assets				
Property, plant and equipment	9	153	135	116
Current Assets				
Trade receivables and other current assets	10	158	197	68
Investments-balance held in NLDF		19,385	16,098	15,587
Cash and cash equivalents	12	376	588	1,482
Total Current Assets		<u>19,919</u>	<u>16,883</u>	<u>17,137</u>
Total Assets		<u>20,072</u>	<u>17,018</u>	<u>17,253</u>
Current Liabilities				
Grant accrual	3	(751)	(2,334)	(5,129)
Other current liabilities	11	(614)	(797)	(407)
Total Current Liabilities		<u>(1,365)</u>	<u>(3,131)</u>	<u>(5,536)</u>
Non Current assets plus Net Current Assets		18,707	13,887	11,717
Non Current Liabilities				
Grant accrual	3	(238)	(270)	(121)
Pension Liability		(2,799)	(2,362)	(4,414)
		<u>(3,037)</u>	<u>(2,632)</u>	<u>(4,535)</u>
Assets less Liabilities		<u>15,670</u>	<u>11,255</u>	<u>7,182</u>
Reserves:				
Income and Expenditure Reserve		18,469	13,617	11,596
Pension Reserve		(2,799)	(2,362)	(4,414)
		<u>15,670</u>	<u>11,255</u>	<u>7,182</u>

The 2013 and 2014 figures have been re-stated due to a change in accounting policy as shown in Note 1.12

The notes on pages 85 to 105 form part of these accounts.

The financial statements were approved by the Audit Committee and signed on its behalf by:

ACCOUNTING OFFICER:

S Powell
29 June 2015

SPORTS COUNCIL FOR WALES LOTTERY DISTRIBUTION
ACCOUNT STATEMENT OF CASHFLOWS
 FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2014/2015 £000	2013/2014 £000 Restated
Cash flow from operating activities			
Increase in funds for the year		4,41	4,072
Decrease in debtors		13	8
(Decrease) in creditors		(1,798)	(2,256)
(Increase) in balance held at NLDF		(3,287)	(511)
Depreciation of plant & equipment	9	33	29
Pension Cost	16	437	(2,052)
Net cash (outflow)/inflow from operating activities		<u>(188)</u>	<u>(710)</u>
Cash flow from investing activities			
Interest received		1	2
Cash flow from financing activities			
Purchase of property, plant & equipment	9	(51)	(48)
Loan	10	-	(143)
Loan repayments		26	6
Taxation			
Corporation tax paid		-	(1)
Net cash (outflow) for the year	12	<u>(212)</u>	<u>(894)</u>

The notes on pages 85 to 105 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE SPORTS COUNCIL FOR WALES LOTTERY DISTRIBUTION ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Balances held In NLDF £000	Balances held at SCW £000	Pension Reserve £000	Total £000
Balance at 1 April 2013	15,587	(3,175)	(4,414)	7,998
Restatement of Opening Balance held at SCW	-	(816)	-	(816)
Restated Balance as at 1 April 2013	15,587	(3,991)	(4,414)	7,182
Changes in Taxpayers' Equity 2013/14				
Income from the National Lottery	15,229	-	-	15,229
Drawn down in year by Sport Wales	(14,500)	14,500	-	-
Investment Returns	70	2	-	72
Other Operating Income	-	174	-	174
Recoveries of grants	-	61	-	61
Expenditure in year	(27)	(13,227)	-	(13,254)
Loss on revaluation	(261)	-	-	(261)
Pension Cost	-	-	2,052	2,052
Restated Balance at 31 March 2014	16,098	(2,481)	(2,362)	11,255
Changes in Taxpayers' Equity 2014/15				
Income from the National Lottery	17,592	-	-	17,592
Drawn down in year by Sport Wales	(14,350)	14,350	-	-
Investment returns	71	1	-	72
Other Operating Income	-	174	-	174
Recoveries of grants	-	58	-	58
Expenditure in year	(26)	(13,018)	-	(13,044)
Pension Cost	-	-	(437)	(437)
Balance at 31 March 2015	19,385	(916)	(2,799)	15,670

The 2013 and 2014 figures have been re-stated due to a change in accounting policy as shown in Note 1.12

The notes on pages 85 to 105 form part of these accounts.

SPORTS COUNCIL FOR WALES – LOTTERY DISTRIBUTION ACCOUNT NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

1 ACCOUNTING POLICIES

1.1 Basis of Accounting

The accounts have been prepared under the historical cost convention, modified by the valuation of Property, Plant and Equipment by reference to current costs, in accordance with the directions given by the Secretary of State for Culture, Media and Sport with the consent of Treasury in accordance with Section 35 of the National Lottery etc Act 1993 (as amended). A copy of the accounts direction can be obtained by request in writing to Sports Council of Wales (Sport Wales), Sophia Gardens, Cardiff, CF11 9SW. Without limiting the information given, the accounts meet the requirements of the Companies Act 2006 and are prepared in accordance with IFRS issued by the International Accounting Standards Board so far as these requirements are appropriate.

Separate accounts have been prepared for the activities funded from grant-in-aid, in accordance with the directions issued by the Welsh Ministers. There is no requirement for this account to be consolidated with Sport Wales's accounts.

The accounts have been prepared on a going concern basis. Sport Wales is required to account for long term grant commitments which fall due for payment in subsequent accounting periods, which are funded by future lottery proceeds.

1.2 Income from the National Lottery Distribution Fund

The distributing activities of Sport Wales's Lottery function are funded by allotted proceeds from the National Lottery. These are held in a fund administered by the Department for Culture, Media and Sport, and are available to be drawn-down into Sport Wales's Lottery bank accounts when needed.

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of such balances attributable to Sport Wales is shown in the accounts at market value and, at the Statement of Financial Position date, has been certified by the Secretary of State for Culture, Media and Sport as being available for distribution by Sport Wales in respect of current and future commitments.

The balance held at 31 March 2015 at the NLDF, is unaudited as the audit of the Fund is incomplete. Any adjustment arising from that audit will be reflected in the 2015/16 accounts and is not expected to be material. The opening balance of the fund for 2013/14 was adjusted for an unrealised loss totalling £261,000, 2014/15 £Nil.

1.3 Property, Plant and Equipment

Sport Wales capitalise any property, plant and equipment over £500 used exclusively in the administration of the Lottery function and the equipment is included in the statement of financial position at historic cost less a provision for depreciation. In the opinion of Sport Wales, there is no material difference between the historic and current cost net book value of these assets.

1.4 Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment having regard to their estimated useful lives and anticipated residual values. The average asset lives used for this purpose are as follows:

Equipment - Computers	3 years
Equipment - Other	3 - 10 years

The policy of Sport Wales is to depreciate assets from the month following acquisition.

1.5 Pension Costs

Contributions to the pension schemes are charged to the Statement of Comprehensive Net Income so as to spread the cost of pensions over employees' working lives with Sport Wales.

The apportionment of any pension liabilities or assets between Lottery and Sport Wales is based on the historic rate of apportionment of staff costs see 1.6.1. The pension fund deficit payments are allocated on the same proportion as the pension deficit allocation to the Lottery account.

1.6 Allocation of Costs

The apportionment of staffing and indirect costs transferred from Sport Wales to the Lottery account is calculated on the following basis:

1.6.1

Staff costs are recharged to Lottery according to the time they spend in carrying out Lottery activities. Where staff are identified as being employed 100% for Lottery purposes their costs are recharged in full. Where staff work, or provide a service to both lottery and exchequer schemes, their costs are recharged in proportion to the amount of time spent on Lottery work.

1.6.2

Non staff costs are recharged either on the basis of the floor area occupied by Lottery staff, or where no floor area data is available or considered appropriate, costs are apportioned based upon total Lottery staff time expressed as a percentage of total staff time.

1.6.3

Council Members remuneration and travelling expenses are apportioned on a 50/50 basis.

1.7 Policy for Grant Accruals

Grant awards are accounted for as expenditure in the Statement of Comprehensive Net Income and, until paid, as a grant accrual in the Statement of Financial Position if they meet the definition of a liability.

Grant awards which have been formally decided upon which do not meet the definition of a liability are not included in expenditure in the Statement of Comprehensive Net Income or as an accrual in the Statement of Financial Position; but are disclosed as a contingent grant liability in the Notes to the Accounts.

1.8 Other income

Relates to income generated from UK Sport for the use of Sport Wales's assets and facilities.

1.9 Use of Estimates and Judgements

The preparation of the financial statements requires Sport Wales to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation and critical judgement in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:-

Note 1.6.1 Staff costs are recharged to Lottery according to the time they spend in carrying out Lottery activities, see note 1.6.1 for further details.

1.10 Financial Instruments

1.10.1 Financial Assets

Trade receivables and other current assets do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable

amounts. Cash and cash equivalents comprise cash in hand, short-term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1.10.2 Financial Liabilities

Trade Payables and other current liabilities are not interest bearing and are stated at their nominal value.

1.10.3 Borrowings

Non-interest-bearing borrowings receivable are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, non interest-bearing borrowings are stated at amortised cost with any differences between cost and redemption value being recognised in the income statement over the period of the borrowings at an effective interest rate of 3.5%.

1.11 Segmental reporting

Sport Wales's management reporting for Lottery provides information relating to the distribution of Lottery grants. Sport Wales is of the opinion that the disclosure requirements of IFRS 8 Operating Segments, is not applicable to these Lottery Distribution Accounts.

1.12 Prior Period Adjustments

Following the issue of the revised Lottery Accounts Direction by the Secretary of State for Culture, Media and Sport in December 2014, the Sports Council for Wales has amended its accounting policy in relation to how grant commitments are recognised in the financial statements of the Sports Council for Wales Lottery Distribution Account.

The revised direction has been applied to the financial statements in 2014/15 and grants made are now accounted for on an accruals basis, where previously these were accounted for when a firm offer of an award had been accepted by the grant recipient. Grant awards are accounted for as expenditure in the Statement of Comprehensive Net Income and, until paid, as a grant accrual in the Statement of Financial Position if they meet the definition of a liability

As a result of this change of accounting policy, and in accordance with IAS 8, a prior period adjustment is required. The opening reserves of the Lottery Distribution Account as at 1 April 2013 and 1 April 2014 have been restated as well as the 2013/14 expenditure. Disclosure of the effect of this change is shown in note 17 to the financial statements.

Grant awards which have been formally decided upon which do not meet the definition of requiring an accrual to be made are not included in expenditure in the Statement of Comprehensive Net Income or as a provision in the Statement of Financial Position; but are disclosed as a contingent grant liability in the Notes to the Accounts.

	2014/2015 £000	2013/2014 £000
Programme		
Elite Cymru	2,626	2,652
Coach Cymru	1,585	1,701
National Performance	850	736
National Coaching	868	970
Disability Sport	590	498
Community Chest	1,907	1,947
Talent Development	232	215
	<u>8,658</u>	<u>8,719</u>

Community Chest includes an amount of £64,251 (2013/14 £64,286) paid in respect of administration costs of local authorities who administer the grant scheme at local level.

3. GRANT ACCRUAL

	Capital £000	Revenue £000	2014/2015 Total £000	2013/2014 £000 Restated
Balance 1 April	1,764	840	2,604	5,250
Grant offers met in the year	(3,756)	(8,658)	(12,414)	(13,530)
Grant offer not taken up	(82)	(11)	(93)	(54)
Grant offers made in the year	2,924	7,968	10,892	10,938
Movement in year	(914)	(701)	(1,615)	(2,646)
Accruals balance as at 31 March	850	139	989	2,604
Analysed as:				
Amounts falling due within one year	612	139	751	2,334
Amounts falling due after one year	238	-	238	270

Analysis of expected timing of cash flows

	2014/2015 £000	2013/2014 £000 Restated
Amounts due during 2014/15 Financial Year	-	2,334
Amounts due during 2015/16 Financial Year	751	78
Amounts due during 2016/17 Financial Year	238	192
Balance at 31 March 2015	989	2,604

	2014/2015 £000	2013/2014 £000 Restated
Intra-government balances		
Balances with other central government bodies	-	-
Balance with local authorities	75	235
	75	235
Balance with bodies external to government	914	2,369
	989	2,604

Prior year figures have been re-stated due to a change in accounting policy as shown in Note 1.12 and Note 17.

Grant Accrual continued

Sport Wales will treat Grant awards as expenditure, and if unpaid as an accrual, if a constructive obligation to make payment exists. Grant awards that are free from any special conditions of grant become a constructive obligation when the formal offer of grant has been sent to the grant recipient.

Grant offers with special conditions attached become a constructive obligation when the applicant has complied with the special conditions incorporated into the contract. Awards that have been decided upon but have conditions of grant outstanding that have yet to be fulfilled will not give rise to a constructive obligation and will not give rise to a grant accrual; instead such awards will be disclosed by way of note as a contingent grant liability.

Grant awards will be treated as a formal offer upon formal written notification to the intended recipient by means of an "offer letter". Oral or informal communication by staff which is stated to be non-binding by Sport Wales will not be treated as a formal offer of grant.

Sport Wales will not treat any of the following conditions as being under their control:

- The requirement to obtain planning permission or any other regulatory approval;
- The requirement to obtain match funding from other sources;
- A general condition relating to the availability of lottery funds.

4. CONTINGENT GRANT LIABILITIES

	2014/2015 £000	2013/2014 £000
Grant Liability	3,218	201
	<u>3,218</u>	<u>201</u>

5. CAPITAL COMMITMENTS

At 31 March 2015, the Lottery account had no contractual commitments for capital and Property, Plant and Equipment (2013/2014 Nil).

6. TAXATION PAYABLE

	2014/2015 £000	2013/2014 £000
Tax payable on interest received at 20% (2013/2014 20%)	-	1

7. STAFF NUMBERS AND RELATED COSTS

The staff costs figure shown in the Net Expenditure Account is an apportionment of costs incurred by Sport Wales and is arrived at as follows:

	Average No. Of full time equivalent staff Involved		2014/2015 £000	2013/2014 £000
	2014/15	2013/14		
Gross salary costs				
Chair L McAllister (see note below *)			18	18
Chief Executive H Jones	0.25	0.25	-	-
Chief Executive S Powell	0.25	0.25	22	20
Other Staff	38.91	36.84	1,661	1,716
Salaries and wages			1,355	1,373
Social Security costs			100	107
Other Pension costs				
IAS19 adjustments			(97)	(193)
			<u>1,701</u>	<u>1,764</u>

Other Pension costs include a lump sum contribution of £115,000 towards the net pension liability (2013/14 £247,250).

IAS19 Employee Benefits requires an actuarially calculated figure (current and past service cost) to be charged to the Statement of Comprehensive Net Income (SoCNI). For 2014/15, this charge was £225,000 and replaces the employer's pension costs in the SoCNI. Therefore the net effect was (£97,000) to staff costs after deducting employer's contribution. As current service cost is a notional entry, this

is reversed in the Statement of Changes in Taxpayers Equity so that Lottery balances are only charged with the cost of employer's pension contributions.

Redundancy costs for the year have been met in full by and reflected in the accounts for the Sports Council for Wales. There are no redundancy costs included in these financial statements.

Staff costs are further analysed as follows:

	2014/2015 £000	2013/2014 £000
Administration	869	928
Sports Science Support to Athletes	832	836
	<u>1,701</u>	<u>1,764</u>

* The average number of staff employed are all permanent contract staff.

The Chair is appointed to work 2 days per week and spends 50 per cent of that time on lottery activities

8. OTHER OPERATING COSTS AND OTHER INCOME

COSTS	2014/2015 £000	2013/2014 £000
Direct Costs	158	151
Accommodation	33	34
Audit Fee	19	19
Recharges for Sports Wales Services	205	178
	<u>415</u>	<u>382</u>

INCOME	2014/2015 £000	2013/2014 £000
UK Sport Grant	174	174
	<u>174</u>	<u>174</u>

9. PROPERTY, PLANT AND EQUIPMENT

	Equipment £000	Total £000
Cost or Valuation at 1 April 2013	212	212
Additions	48	48
Disposals	-	-
At 31 March 2014	<u>260</u>	<u>260</u>
Depreciation at 1 April 2013	(96)	(96)
Charge for the year	(29)	(29)
Disposals	-	-
At 31 March 2014	<u>(125)</u>	<u>(125)</u>
Net Book Value at 31 March 2014	<u>135</u>	<u>135</u>
Net Book Value at 31 March 2013	<u>116</u>	<u>116</u>

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Equipment £000	Total £000
Cost or Valuation at 1 April 2014	260	260
Additions	51	51
Disposals	-	-
At 31 March 2015	<u>311</u>	<u>311</u>
Depreciation at 1 April 2014	(125)	(125)
Charge for the year	(33)	(33)
Disposals	-	-
At 31 March 2015	<u>(158)</u>	<u>(158)</u>
Net Book Value at 31 March 2014	<u>135</u>	<u>135</u>
Net Book Value at 31 March 2015	<u>153</u>	<u>153</u>

10. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	31 March 2015 £000	31 March 2014 £000
Due within 1 Year		
Other receivables	<u>47</u>	<u>60</u>
Due within more than 1 Year		
Other receivables and prepayments	<u>111</u>	<u>137</u>
Total	<u>158</u>	<u>197</u>

Included in other receivables is £143,000 (2013/2014 £169,000) in respect of interest free loans made over a period of up to 10 years.

	31 March 2015 £000	31 March 2014 £000
Intra-government balances		
Balances with other central government bodies	-	-
Balance with local authorities	15	26
	<u>15</u>	<u>26</u>
Balance with bodies external to government	143	171
	<u>158</u>	<u>197</u>

Grants repayable had arisen due to a number of reasons, including under spends against amounts awarded

and failures by recipients to comply in full with the conditions of the grant.

11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31 March 2015 £000	31 March 2014 £000
Sport Wales	595	763
Accruals	19	34
	<u>614</u>	<u>797</u>

	31 March 2015 £000	31 March 2014 £000
Intra-government balances		
Balances with other central government bodies	595	763
Balance with local authorities	-	-
	<u>595</u>	<u>763</u>
Balance with bodies external to government	19	34
	<u>614</u>	<u>797</u>

12. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1 April 2014 £000	Cash Flow £000	31 March 2015 £000
Cash and cash equivalents	588	(212)	376

13. CONTINGENT LIABILITIES

With the exception of contingent grant liabilities, disclosed in Note 4, there were no other contingent liabilities at 31 March 2014 and 31 March 2015 requiring disclosure

14. FINANCIAL INSTRUMENTS

International Financial Reporting Standard 7 : Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks Sport Wales's Lottery function faces in undertaking its role.

Liquidity Risks

In 2014/15, £17,592,000 or 98.3% of income derived from the National Lottery (2013/14 £15,229,000 or 98.0%). Of the remaining income, £71,000 or 0.4%, derived from investment returns from the balance held with the National Lottery Distribution Fund, (2013/14 £70,000 or 0.5%), and £232,000 or 1.3% from bank interest and sundry income (2013/14 £237,000 or 1.5%). Sport Wales does not consider that it's Lottery fund is exposed to any significant liquidity risk, and are satisfied that the balance within the NLDF and projected future Lottery proceeds are sufficient to meet its hard commitments.

Interest Rate Risks

The financial assets of the Lottery are invested in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as government bonds and cash. Sport Wales has no control over the investment of Funds in the National Lottery Distribution Fund. Cash balances which are drawn down from the Fund to pay grant commitments and operating costs are held in an instant access variable rate bank account which on average carried an interest rate of 0.50% (2013/14 0.50%) in the year. The cash balance at the year-end was £376,000 (2013/14 £588,000). Sport Wales considers that it's Lottery function is not exposed to significant interest rate risks. Included in receivables (note 10) is £143,000 (2013/14 £169,000) which relates to interest free loans. If interest had been charged at a treasury rate of 3.5% then £5,005 (2013/14 3.5% £5,915) would have been charged as interest in these accounts.

Foreign Currency Risk

The Lottery function of Sport Wales is not exposed to any foreign exchange risks.

15. RELATED PARTY TRANSACTIONS

The Lottery operations of Sport Wales are funded from the National Lottery Fund through the Department for Culture, Media and Sport. The Department is regarded as

a related party. In addition, the Lottery paid grants during the year to a number of organisations in which members and senior staff declared an interest and which are considered material.

Member's Panel	Body	Payments in Year £000	Nature of link	Committed Grant Payment
A Williams Manager Plas Menai Watersports Centre	Welsh Yachting Association	216	Coach and member Royal Yachting Assoc Daughters coach/ one employed for RYA	-
A Williams Manager Plas Menai Watersports Centre	Port Dinorwic Sailing Club	2	Member of Port Dinorwic Sailing Club Daughters and wife are also members	-
A Williams Manager Plas Menai Watersports Centre	The Outdoor Partnership	30	Member of Executive for North Wales Outdoor Partnership	105
A Williams Manager Plas Menai Watersports Centre	Welsh Canoeing Assoc	227	Member Canoe Wales	4
M Frost Corporate Director	Cardiff City Council	166	Wife employee Cardiff City Council	55
S Powell CEO	Welsh Hockey Union	302	Subscribing member of Welsh Hockey Union	-
J Lloyd Council Member	Welsh Netball Assoc	183	Mother Employee Welsh Netball Assoc	-
J Lloyd Council Member	Rhondda Cynon Taff CBC	349	Sister employee Rhondda Cynon Taff CBC	-
J Lloyd Council Member	Badminton Wales	102	Sister coach Badminton Wales	-
J Lloyd Council Member	Welsh Rugby Union	91	Father match official Welsh Rugby Union	-
J Lloyd Council Member	Cardiff Metropolitan University	-	Father Performance Director of Womens Rugby	129

Member's Panel	Body	Payments in Year £000	Nature of link	Committed Grant Payment
J Longville Council Member	Pembrokeshire CC	29	Consultant West Consortia PE School Sport	-
J Longville Council Member	Powys CC	8	Consultant West Consortia PE School Sport	-
J Longville Council Member	Neath & Port Talbot CC	33	Consultant West Consortia PE School Sport	-
J Longville Council Member	City & County of Swansea	18	Consultant West Consortia PE School Sport	77
J Longville Council Member	Ceredigion CC	16	Consultant West Consortia PE School Sport	-
J Longville Council Member	Cardiff Metropolitan University	-	Principle Lecturer at University	129
J Longville Council Member	Welsh Netball Assoc	183	Member of Welsh Netball	-
J Longville Council Member	Welsh Gymnastics Ltd	522	Mentor to High Performance Coach	-
J Longville Council Member	Athletics Assoc Wales	571	Son Member	-
Prof L McAllister Chair	FAW Football in the Community Ltd	85	Board Director and Trustee Welsh Football Trust	-
Prof L McAllister Chair	UK Sport	(174)	Board Member	-
M J Warren Council Member	Cardiff Metropolitan University	-	Former Director of Finance at University	129
Prof J Baylis Council Member	University Wales Swansea	-	Emeritus Professor	30
S Pirotte Council Member	Colegau Cymru	104	Board Member of Colegau Cymru	-
S Pirotte Council Member	Coleg Powys	4	Former CEO	-

Member's Panel	Body	Payments in Year £000	Nature of link	Committed Grant Payment
A Watkin Council Member	Welsh Hockey Union	302	Chair Hockey Wales (North Wales)	-
A Watkin Council Member	Tennis Wales	89	Board Member Tennis Wales	-
A Watkin Council Member	Coleg Llandrillo	15	Wife Assistant Principal at Landrillo/Menai group of Colleges	10
A Lycett	RCT Homes Ltd	30	CEO of RCT Homes Group	-
S Wafa	Cardiff City Council	166	Former Instructor	55

Remuneration of Senior Managers and Council Members
Senior Managers and Council Members are considered to be the Directors and their remuneration is disclosed within the Remuneration Reports on pages 65 to 68.

16. PENSIONS

The following pension disclosures have been prepared in accordance with IAS19 'Employee benefits'.

Pension data contained within this disclosure have been provided by the Sport Wales's independent actuary, AON Hewitt. The IAS19 valuation provided by the actuary is for Sport Wales as a whole; no separate valuations have been obtained for the Sport Council for Wales Consolidated financial statements and the Lottery financial statements, and hence the data below is disclosed as gross.

The pension fund deficit along with the associated entries which impact the Statement of Comprehensive Net Income, Statement of Financial Position and Statement of Changes in Taxpayers Equity have been apportioned between the Sports Council of Wales Consolidated financial statements and the Lottery financial statements in a ratio based on the historic apportionment of staff costs to the Lottery account per note 1.5. For 2014/15 this is Lottery Accounts 23% and Sports Council for Wales Consolidated Accounts 77%.

Sport Wales made a total pension contribution in 2014/15 of £1,400,000 (2013/14 £1,930,000) which is analysed as follows:

- Employers Pension contributions £826,000 representing 20.2% of pensionable pay (2013/14 £778,000 21.5%); and advanced contributions in respect of early retirement cost £74,000 (2013/14 £77,000)
- Lump Sum Contribution of £500,000 (23% of which was met by Lottery), (2013/14 £1,075,000 of which 23% met by Lottery)

The rate of employer's pension contributions from 2014/15 will be 20.2%. This has been set as a result of the last triennial valuation of the scheme which was carried out as at 31 March 2013. Sport Wales expects to contribute £1,090,000 to the fund in 2015/16. In addition to this "strain on fund" contributions may be required as well as an additional contribution towards the pension deficit of £460,000.

The net pension liability for the Lottery account as at 31 March 2015 is £2,799,000 (2013/14 £2,362,000).

Main Financial Assumptions

	31 March 2015	31 March 2014	31 March 2013
Discount Rate	3.2	4.3	4.6
Inflation – CPI	1.8	2.4	2.8
Rate of increase to pensions in payment	1.8	2.4	2.8
Rate of increase to deferred pensions	1.8	2.4	2.8
Rate of general increase in salaries	1.8	3.4	4.7
Mortality assumptions:			
Future lifetime from age 65 (aged 65 at accounting date)			
- Male	23.8	23.7	24.0
- Female	26.7	26.6	26.8
Future lifetime from age 65 (aged 45 at accounting date)			
- Male	25.8	25.7	25.7
- Female	29.0	28.9	28.8

Sport Wales employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely

accepted capital market principles. The overall expected rate of return on assets is derived by aggregating the expected rate of return for each asset class over the actual allocation for the Fund at 31 March 2015.

Analysis of movements in surplus (deficit) during the year

	31 March 2015 £M	31 March 2014 £M
Fair value of fund assets	30.40	26.37
Present value of liabilities	(42.57)	(36.64)
(Deficit) in scheme at end of year	(12.17)	(10.27)

Analysis of amount charged to Operating Costs

	31 March 2015 £M	31 March 2014 £M
Current service cost	0.90	1.09
Past service cost	0.08	0.00
Interest cost	0.41	0.86
Expense recognised	1.39	1.95

Remeasurement of amounts recognised in Other Comprehensive Expenditure

	31 March 2015 £M	31 March 2014 £M
Return on plan assets in excess of that recognised in net interest	(2.29)	(1.50)
Actuarial losses/(gains)/due to change in financial assumptions	4.43	(3.38)
Actuarial losses/(gains) due to change in demographic assumptions	0.00	(1.78)
Actuarial (gains) due to liability experience	(0.23)	(2.28)
Total amount recognised in Other Comprehensive Expenditure	1.91	(8.94)
Total amount recognised	3.30	(6.99)

Changes to the present value of defined benefit obligation during the accounting period

	31 March 2015 £M	31 March 2014 £M
Opening defined benefit obligation	36.64	41.67
Current service cost	0.90	1.09
Interest expense on defined pension obligation	1.56	1.90
Contributions by participants	0.29	0.27
Actuarial losses/(gains) on liabilities - financial assumptions	4.43	(3.38)
Actuarial losses/(gains) on liabilities - demographic assumptions	0.00	(1.78)
Actuarial (gains) on liabilities – experience	(0.23)	(2.28)
Net benefits paid out	(1.10)	(0.85)
Past service cost (including curtailments)	0.08	0.00
Closing defined benefit obligation	42.57	36.64

Changes to the fair value of assets during the year

	31 March 2015 £M	31 March 2014 £M
Opening fair value of assets	26.37	22.48
Interest income on assets	1.15	1.04
Remeasurement gains on assets	2.29	1.50
Contributions by the employer	1.40	1.93
Contributions by participants	0.29	0.27
Net benefits paid out	(1.10)	(0.85)
Closing fair value of assets	30.40	26.37

Actual return on assets

	31 March 2015 £M	31 March 2014 £M
Expected return on assets	1.15	1.04
Actuarial gain on assets	2.29	1.50
Actual return on assets	3.44	2.54

History of asset values, present value of defined benefit obligation and deficit

Name	31 March 2015 £M	31 March 2014 £M	31 March 2013 £M	31 March 2012 £M	31 March 2011 £M
Fair value of assets	30.40	26.37	22.48	19.22	18.32
Present value of defined benefit obligation	(42.57)	(36.64)	(41.67)	(36.41)	(31.32)
(Deficit)	(12.17)	(10.27)	(19.19)	(17.19)	(13.00)

17. PRIOR PERIOD ADJUSTMENTS

Historically, grant provisions were recognised when a firm offer of a grant from the National Lottery proceeds had been made by Sport Wales and accepted in writing by the grant recipient. Following a change of accounts direction issued by the Department of Culture Media and Sport in December 2014, grant awards are accounted for as expenditure in the Statement of Comprehensive Net Income and, until paid, as a grant accrual in the Statement of Financial Position if they meet the definition of requiring an accrual in accordance with international accounting standard IAS 37.

As this is a change in accounting policy, IAS 8 requires that the change is applied to the 2013/14 comparative figures and this note discloses the impact on the previously reported 2013/14 transactions and balances. The change impacts on the (i) reserves balance at 1 April 2013, (ii) reserves balance at 1 April 2014 and (iii) Total Comprehensive Net Expenditure reported for the 2013/14 financial year.

(i) Reconciliation of restated opening reserves at 1 April 2013 to the reported opening reserves at 1 April 2013 (per audited 2014/15 Lottery financial statements)

	Balances held In NLDF £000	Balances held at SCW £000	Pension Reserve £000	Total £000
Reported Opening Reserves in 2012/13 audited accounts (as at 1 April 2013)	15,587	(3,175)	(4,414)	7,998
Impact of recognition of grant accrual	-	(816)	-	(816)
Restated Opening Reserves as at 1 April 2013	15,587	(3,991)	(4,414)	7,182

(ii) Reconciliation of restated opening reserves at 1 April 2014 to the reported opening reserves at 1 April 2014 (per audited 2013/14 Lottery financial statements)

This disclosure shows the effect of the prior period adjustment on the reported opening reserves in the 2014/15 financial statements. It takes into account the in-year IAS37 movements which now relate to Lottery financial accounts in light of change in recognition of when a grant award should be provided for.

	Balances held In NLDF £000	Balances held at SCW £000	Pension Reserve £000	Total £000
Reported Opening Reserves in 2013/14 audited accounts (as at 1 April 2014)	16,098	(2,007)	(2,362)	11,729
Impact of IAS37 in year movements:				
Impact of recognition of grant accrual	-	(475)	-	(475)
Restated Opening Reserves as at 1 April 2014	16,098	(2,482)	(2,362)	11,254

(iii) Reconciliation of restated Total Comprehensive Net Income at 31 March 2014 to the reported Total Comprehensive Net Income (per the audited 2013/14 Lottery financial statements)

This disclosure shows the impact of the prior period adjustment on the Total Comprehensive Net Income reported in the 2013/14 audited accounts. Total Comprehensive Net Income is restated to reflect that from 2014/15 grant awards are accounted for as expenditure in the Statement of Comprehensive Net Income and, until paid,

as a grant accrual in the Statement of Financial Position if the formal offer of grant has been sent to the grant recipient, provided that the offer is free from any special conditions of grant.

Historically, grant commitments were recognised when a firm offer of a grant from the National Lottery proceeds had been made by Sport Wales and accepted in writing by the grant recipient.

The 2013/14 charges apportioned to Lottery have reduced the previously reported total net income figure.

	Total £000
Previously reported Total Comprehensive Net Income (as at 31 March 2014)	3,731
Increase Grant accruals (treated as contingent liabilities previously)	(474)
Decrease in 2013-14 expenditure now recognised in 2012-13	816
Restated Total Comprehensive Net Income as at 31 March 2014	4,073

18. EVENTS AFTER THE REPORTING PERIOD

The accounts were authorised for issue by the Accounting Officer on the date they were certified by the Comptroller and Auditor General. There were no events after the Reporting Period.

The maintenance and integrity of the Sports Council for Wales website is the responsibility of the Accounting Officer and Board; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

THE SPORTS COUNCIL FOR WALES TRUST

Reference and Administrative Information

Charity number: 524477
Principal Office: Sport Wales National Centre,
 Sophia Gardens, Cardiff. CF11 9SW
Auditors: Auditor General for Wales,
 24 Cathedral Road, Cardiff.

Trustees and Accounting Officer

The organisation has one Corporate Trustee, which is the Sports Council for Wales. They did not receive any remuneration for their service in the year (2013/14, £nil).

The charity considers the Trustee, The Sports Council for Wales, to be ultimate controlling party and parent company. The address for obtaining copies of the ultimate parent's consolidated financial statements is given above.

Report of the trustees for the year ended 31st March 2015

The trustees present their annual report and financial statements of the charity for the year ended 31st March 2015. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by the Charities published in 2005.

Structures, Governance and Management

Governing Document

The Sports Council for Wales Trust was constituted, under Trust Deed, on 16 May 1972 by the Sports Council for Wales.

Appointment of Trustees

The Trust Deed states that "the Trustees shall mean the Sports Council for Wales".

Trustee Induction and Training

Induction and training is delivered through the induction and training processes of the Sports Council for Wales.

Organisation

The Sports Council for Wales has delegated power to a sub-committee whose function it is to discharge the functions of the Trust. The sub-committee consists of two members of the Welsh Sports Association and at least two thirds of the members of the Sports Council for Wales.

The Chief Executive of the Sports Council for Wales also acts as the Accounting Officer for the Trust, for which she receives no remuneration from the Trust. All the administrative functions of the Trust, such as attending meetings, preparing papers and final accounts, are undertaken by employees of the Sports Council for Wales at no cost to the Trust.

Details of the composition of the Sports Council for Wales Board and of its Executive Senior Management Team are set out in the Annual Report and Accounts of the Sports Council for Wales for 2014/15. Copies can be obtained from the Sports Council for Wales website www.sportwales.org.uk or at its registered office:

Sophia Gardens
Cardiff
Wales
CF11 9SW

Related Parties

The Sports Council for Wales is the Trustee of the Sports Council for Wales Trust. The only related party transactions recorded in these accounts are in respect of the Trust's relationship with the Sports Council for Wales. These transactions are detailed in the Statement of Financial Activities, Cash Flow Statement and Note 7.

Risk Management

The risk management process of the Sports Council for Wales covers the Sports Council for Wales Trust as well and the full Governance Statement can be found in the consolidated accounts.

During the 2014/15 financial year the main factors comprising the risk management process are:

- Four meetings per year of the Audit Committee;
- An internal audit programme, agreed by the Audit Committee and delivered and reported upon by appointed internal auditors;
- The maintenance of a Risk Register which is subject to audit and reported at every Audit Committee;
- Annual processes to ensure risks are identified and controls regularly reviewed.

Objectives and Activities for the Public Benefit

The charitable objectives of the Trust are:

- preserving and safeguarding the physical and mental health of the community through physical recreation (including sport) and the education in relation thereto; and
- the provision of facilities for physical recreation (including sport) which shall be available to members of the public at large.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's Guidance on Public Benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Trust holds two national sporting facilities "upon trust" which are operated and managed by the Sports Council for Wales via a Facilities Management Agreement. The Trust therefore delivers its charitable objectives through this agreement with the Sports Council for Wales.

Financial Review

The net outgoing resources for the Trust during the year were (£46,000), 2013/14 outgoing resource (£145,000). Overall there was a net decrease in funds of (£82,000), 2013/14 increase £965,000 caused in the main by the revaluation of the two national centres as a result of the professional valuation carried out as at 31 March 2015.

Reserve Policy

The unrestricted public funds of the Trust are expendable at the discretion of the Trustees in furtherance of the charitable objectives as contained within the Trust Deed.

Plans for Future Periods

The Trustees have no major plans that will significantly change the current level of activity of the Trust. However, the continued level of activity of the Trust will depend upon the continued receipt of public funds from the Welsh Government via Sports Council for Wales.

Statement On Disclosure Of Relevant Audit Information

1. As far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware, and
2. The Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any audit information and to establish that the auditors are aware of that information.

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Under its Trust Deed, dated 16 May 1972, the Sports Council for Wales Trust is required to prepare a statement of accounts on an accruals basis. The accounts must give a true and fair view of the Trust's state of affairs at the year end and of its incoming resources and resources expended, and cash flows for the financial year.

In preparing the accounts the Trust is required to:

- observe the Statement of Recommended Practice issued by the Charity Commissioners for England and Wales, including the relevant accounting and disclosures requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the entity will continue in operation.

The Principal Accounting Officer for the Welsh Government has appointed the Chief Executive as the Accounting Officer for the Sports Council for Wales Trust. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances, for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Trust's assets, are set out in the Welsh Government's Accounting Officer's Memorandum issued by the Treasury.

ACCOUNTING OFFICER: **S Powell**
(ON BEHALF OF THE TRUSTEES)
29 June 2015

Report of the Auditor General for Wales to the trustees of the Sports Council for Wales Trust

I have audited the financial statements of Sports Council for Wales Trust for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and independent auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees are responsible for the preparation of financial statements which give a true and fair view.

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, I read all the financial and non-financial information in the Report of the Trustees, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2015 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Charities Act 2011.

Opinion on other matters

In my opinion the information in the Report of the Trustees is consistent with the financial statements.

Matters on which I am required to report by exception I have nothing to report in respect of the following matters where the Charities Act 2011 requires me to report to you if, in my opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Huw Vaughan Thomas
Auditor General for Wales
July 2015

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

THE SPORTS COUNCIL FOR WALES TRUST
STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2014/2015 £000	2013/2014 £000 Restated
		Unrestricted Public Funds	Unrestricted Public Funds
INCOMING RESOURCES			
Incoming resources from generated funds –			
Voluntary Income:			
Grant received from the Sports Council for Wales	2	389	280
Total Incoming Resources		<u>389</u>	<u>280</u>
RESOURCES EXPENDED			
Depreciation	3	432	422
Governance costs:			
Audit fee		3	3
Total Resources Expended		<u>435</u>	<u>425</u>
NET (OUTGOING) RESOURCES			
(Loss)/Gain on revaluation of tangible fixed assets	3	(46)	(145)
Gain/(Loss) on disposal of fixed assets	6	(36)	1,110
Gain/(Loss) on disposal of fixed assets	6	5	4
Sale of assets proceeds surrendered to the Sports Council for Wales	6	(5)	(4)
NET (DECREASE)/INCREASE IN FUNDS FOR THE YEAR		<u>(82)</u>	<u>965</u>
Total funds brought forward at 1 April	4	<u>18,937</u>	<u>17,972</u>
Total funds carried forward at 31 March	4	<u>18,855</u>	<u>18,937</u>

All activities are continuing

All gains and losses have been recognised

The notes on pages 114 to 118 form part of these accounts

**THE SPORTS COUNCIL FOR
WALES TRUST BALANCE SHEET**
AS AT 31 MARCH 2015

	Notes	31 March 2015 £000	31 March 2014 £000
		Unrestricted Public Funds	Unrestricted Public Funds
FIXED ASSETS			
Tangible fixed assets	3	18,851	18,933
CURRENT ASSETS			
Cash at bank and in hand		<u>4</u>	<u>4</u>
NET CURRENT ASSETS		<u>4</u>	<u>4</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,855</u>	<u>18,937</u>
FINANCED BY:			
Unrestricted Revaluation reserve	4	8,125	8,593
Unrestricted General fund	4	<u>10,730</u>	<u>10,344</u>
Total unrestricted funds		<u>18,855</u>	<u>18,937</u>

ACCOUNTING OFFICER: **S Powell**
(ON BEHALF OF THE TRUSTEES)
29 June 2015

The notes on pages 114 to 118 form part of these accounts

THE SPORTS COUNCIL FOR WALES TRUST

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

A cash-flow statement for the year ending 31 March 2015 has not been produced because the Trust did not generate any cash transactions during the year.

All of the entries shown in the Statement of Financial Activities were either notional, non-realised or transacted through the bank account of the Sports Council for Wales.

	2014/2015 £000	2013/2014 £000
Increase in cash in the period	-	-
Net funds as 1 April	4	4
Net funds as 31 March	<u>4</u>	<u>4</u>

The notes on pages 114 to 118 form part of these accounts

THE SPORTS COUNCIL FOR WALES TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of accounting

The accounts have been prepared on a going concern basis, under the historical cost convention modified to include the revaluation of certain fixed assets. Without limiting the information given, the accounts meet the requirements of Accounting Standards issued and adopted by the Accounting Standards Board in so far as these requirements are appropriate to the Trust, and also the Statement of Recommended Practice (SORP) issued by the Charity Commissioners for England and Wales in 2005.

The national centres are managed on the Trust's behalf by the Sports Council for Wales. All financial transactions relating to the income and expenditure of the national centres are brought to account by the Sports Council for Wales, including relevant amounts for debtors and creditors. The Sports Council for Wales prepares a separate consolidated account which brings together the balances relating to the Trust and to its own financial affairs.

1.2 Funding

The Trust receives a notional grant from the Sports Council for Wales for capital expenditure on tangible fixed assets and to meet the costs of the external audit service. This grant is credited to the Statement of Financial Activities. The proceeds from the disposal of all tangible fixed assets are surrendered to the Sports Council for Wales.

1.3 Incoming Resources and Resources Expended

The Trust, as a non-operating entity, receives no income apart from the non-cash grant from the Sports Council for Wales, gains on the disposal of fixed assets and any investment income it receives. Likewise, the Trust incurs no expenditure other than to account for depreciation on its assets and the external audit fee.

1.4 Tangible fixed assets

Plas Menai is owned by the Trust and the freehold land is included in the balance sheet at open market value. The Sport Wales National Centre is leased and the land is considered to be held under the operating lease and is therefore not included in the Trust's balance sheet.

Both buildings are included in the balance sheet at depreciated replacement cost to reflect the specialist nature of the buildings. Professional valuations are obtained every year.

Equipment and vehicles are included in the balance sheet at historic cost less a provision for depreciation. In the opinion of the Trustees, there is no material difference between the historic and current cost net book values of these assets.

The carrying value of assets (excluding land and buildings), are reviewed at each reporting period date to determine whether there is any indication of impairment. If such an indication exists, the assets recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and its value in use.

The Trust has a capitalisation threshold of £5,000.

1.5 Depreciation

Depreciation is provided on a straight line basis on all tangible fixed assets having regard to their estimated useful lives and anticipated residual values. The asset lives used for this purpose are as follows:

Freehold property	35 years
Long leasehold property	35 – 50 years
Equipment – computers	3 years
other	3 - 10 years
Vehicles	5 years

The policy of the Trust is to depreciate assets from the month following acquisition.

1.6 Taxation

As a registered charity, the Sports Council for Wales Trust is entitled to the exemptions from taxation in respect of income and capital gains received within Sections 478 – 489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only. No tax charges have arisen in the charity.

1.7 Administration Costs

All administration expenses of the Trust are met directly by the Sports Council for Wales.

2. GRANT RECEIVED FROM THE SPORTS COUNCIL FOR WALES

A grant of £389,000 (2014 £280,000) was received from the Sports Council for Wales and was applied for the following purposes:

	2014/2015 £000	2013/2014 £000
Purchase of capital assets	386	277
Audit fee	3	3
	<hr/> 389	<hr/> 280

No cash funds are paid to or received by the Trust relating to the above grant. Instead the purchase of assets and the payment of the audit fee is transacted through the

bank account of the Sports Council for Wales, and a notional figure equal to this expenditure is entered into the accounts of the Trust.

3. TANGIBLE FIXED ASSETS

	Plas Menai Freehold land and buildings £000	Sport Wales National Centre buildings £000	Equipment £000	Vehicles £000	ICT £000	Total £000
Cost or Valuation at 1 April 2013	5,260	13,665	835	28	13	19,801
Additions	41	345	-	-	-	386
Disposals	-	-	(75)	(19)	-	(94)
Revaluation	973	(1,441)	-	-	-	(468)
At 31 March 2015	6,274	12,569	760	9	13	19,625
Depreciation at 1 April 2014	-	-	(827)	(28)	(13)	(868)
Charge for the year	(174)	(258)	-	-	-	(432)
Disposals	-	-	75	19	-	94
Revaluation	174	258	-	-	-	432
At 31 March 2015	-	-	(752)	(9)	(13)	(774)
Net Book Value at 31 March 2015	6,274	12,569	8	-	-	18,851
Net Book Value at 1 April 2014	5,260	13,665	8	-	-	18,933

The Trust's land and buildings were valued as at 31 March 2015 at £18,843,000 by Messrs Cooke & Arkwright, Chartered Surveyors. The valuation was produced in accordance with the RICS Appraisal and Valuation Standards, 6th Edition. The buildings were valued using the depreciated replacement cost method because of their specialised nature. Lease payments of £3,071 per annum are paid for the Sport Wales National Centre. There are fifty-three years remaining on the existing ninety-nine year

lease, equating to an overall outstanding commitment of £162,763. Outstanding commitments will be funded by the Sports Council for Wales.

The valuation for the Sports Wales National Centre buildings has decreased due to a change in the estimation technique used by the Surveyors in determining the rebuild cost of the building.

4. RECONCILIATION OF MOVEMENT IN FUNDS

	Unrestricted Revaluation reserve	Unrestricted General fund	Total	Total
	£000	£000	2014/2015 £000	2013/2014 £000
Funds at 1 April	8,593	10,344	18,937	17,972
Total incoming resources	-	389	389	280
Total resources expended	-	(435)	(435)	(425)
Revaluation of tangible fixed assets	(36)	-	(36)	1,110
Transfer to general fund	(432)	432	-	-
Funds as at 31 March	<u>8,125</u>	<u>10,730</u>	<u>18,855</u>	<u>18,937</u>

The unrestricted revaluation reserve has arisen from the revaluation of Freehold land and buildings at Plas Menai and the Sport Wales National Centre.

The unrestricted general fund represents the funds available to all other activities that the Sports Council for Wales Trust undertakes as shown in the Statement of Financial Activities.

5. CAPITAL COMMITMENTS

	31 March 2015 £000	31 March 2014 £000
Contracted but not paid	<u>59</u>	<u>Nil</u>

The Sports Council for Wales Trust has no capital commitments because it does not enter into any contracts, capital commitments shown will be met by the Sports Council for Wales.

6. DISPOSAL OF TANGIBLE FIXED ASSETS

Unrestricted Public Funds	2014/2015 £000	2013/2014 £000
Gross book value	94	551
Accumulated depreciation	(94)	(551)
Net book value	<u>-</u>	<u>-</u>
Proceeds	<u>5</u>	<u>4</u>
Gain /(loss) on disposal	<u>5</u>	<u>4</u>

7. RELATED PARTY TRANSACTIONS

Whilst there is a related party relationship between the Trust and the Sports Council for Wales, there are no additional related party transactions that require disclosure in the financial statements of the Trust. These transactions are detailed in the Grant received from the Sports Council for Wales, as shown in Note 2.

8. POST BALANCE SHEET EVENTS

There are no post balance sheet events to impact on these financial statements. The financial statements were authorised for issue by the Accounting Officer on the same date as the Auditor General for Wales certified them.

sportwales
chwaraeon cymru



STRATEGIC REPORT

Our purpose as Wales' sports development and advocacy agency is twofold: to inspire more people to become, and remain active for life; and to boost the performance of our elite athletes, teams and coaches. This is incorporated in our aspiration of 'Creating a Nation of Champions' and 'Every child hooked on sport for life'.

Sport Wales works in partnership with others to achieve these aims and has a role in bringing partners and people together; local authorities, governing bodies of sport, communities, coaches, adults, young people, children and the entire nation to support, participate and excel in sport. Sport Wales works towards achieving equality in all of our functions, whilst embracing the spirit of equality legislation and eradicating any form of unfair discrimination.

KEY PERFORMANCE INDICATORS

As a producer of Official Statistics we provide vital outcome data that is robust and precise to inform sports policy and practice, and shape decisions at both a national and local level. We currently collect this data through two large scale biennial population surveysⁱ.

Our latest data shows that there are positive trends in terms of people's participation in sport. This indicates that our strategic approach is delivering results and which are positively impacting on the lives of Welsh citizens.

Performance against our key metrics is set out in the tables below:

	Young People (7-16 yrs)	
	Hooked on Sport ⁱⁱ	Sports Club Membership
2011	27%	46%
2013	40%	53%

	Adults (15+ yrs)		
	Hooked on Sport	Sports Club Membership	Volunteering in Sport
2008	29%	16%	5%
2012	39%	27%	10%

ⁱWe are unable to provide outcome data for 2010. The data collectors breached the contract meaning that the data was unusable

ⁱⁱHooked on Sport is defined as participating in sport on 3 or more occasions a week

New population level outcome data will be available for both children and young people and adults in 2015/16.

The positive trend that we are seeing at a national level is being reflected in the output data that we collate from our partner organisations, which shows overall club membership rising and school sport programmes being more popular and well attended than ever before.

	Dragon Registrations	5x60 attendance	5x60 frequency 20	All swims per 1000 population	Learn to swim rates at age 11	Number of active Coaches and Officials	Adult Membership Senior Men	Adult Membership Senior Women	Junior Club Membership Boys	Junior Club Membership Girls	Number of Clubs
2013-14 Target	250,066	1,202,128	25,654	1,690	78%	50,281	295,028	52,665	158,098	51,909	5,840
2013-14 Actual	229,687	1,351,530	22,234	1,456	74%	48,169	258,092	48,548	152,612	57,240	5,431
2014-15 Target	241,201	1,312,960	27,624	1,609	78%	57,701	271,576	56,966	162,399	68,017	5,366
2014-15 Actual	274,969	1,541,304	24,641	1,445	73%	51,765	282,413	72,182	127,601	45,697	5,448

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National Procurement Service

Annual Report 2014/15

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1. Introduction – Sue Moffatt, Director, National Procurement Service (NPS)

As a newly formed organisation set up by the Welsh Government the focus of the NPS is to deliver all-Wales contracts and frameworks in areas of common and repetitive spend. The over riding objective is to Buy Once for Wales while, embedding the Wales Procurement Policy Statement into all its work.

During the first year of operation our priority was on recruiting a team of category procurement professionals, developing and implementing processes, transition of existing contracts and establishing and determining the future work programme.

I am delighted to report that this has been achieved. We now have a full staff in place, located across Wales, have transferred across a large number of contracts and are equipped to deliver an initial pipeline of collaborative procurements up to the value of £1.1bn.

Driving collaborative procurement is central to the work of the NPS. With the reduction in public sector budgets, the savings that collaborative procurement can offer is critical to provide the cashable savings for re-investment to front line operational services across Wales

At the end of our first full financial year, our first milestone, I can report cashable savings of over £7million from both NPS and other public sector contracts we have taken on, and in some cases have renegotiated to improve the value. This has exceeded what was set out in the original business case.

We have established a commitment to reduce bureaucracy for suppliers, to run all procurements in a timely manner, in line with EU procurement law and based on a lean methodology. We also operate in a transparent manner, reporting any exceptions and NPS ensures fair and open competition at all times.

In March, the NPS, in conjunction with Value Wales and Business Wales, welcomed over 500 delegates to the inaugural Procurex Wales Live. This was the largest ever gathering in Wales of procurement professionals connecting both buyers from the Welsh public sector with current and future suppliers. It was a great success and has helped raise the profile of public sector procurement in Wales.

This first year was always going to be a transition period, building the team and starting to build the evidence that a NPS can deliver both value for money and drive an increase in Welsh suppliers winning public sector business. It is a truly exciting time for the NPS in Wales as we continue to work more efficiently and collaboratively on behalf of the public sector. We have a team

of committed and expert individuals in place who are eager to rise the challenges ahead.

2. Governance

Following the recommendations of the John McClelland Review of procurement governance across Wales, commissioned by the Minister for Finance and Government Business, creation of a national service also meant the need for an agreed governance structure for NPS which was agreed by the Minister for Finance and Government Business.

NPS Board

NPS is accountable to the NPS Board which comprises of CEO Representatives from across the Welsh public sector and oversees the strategic direction of NPS. The NPS Board originally met on a bi-monthly basis but now meets quarterly. Sector representation includes Welsh Government, NHS, Education, Police, Local Government, Fire and Rescue and Welsh Government sponsored bodies.

The Chair of the NPS Board is Steven Morgan, Ministry of Defence(MOD), who was appointed for a three year period, under the NOLAN principles and chaired his first meeting in June 2014. Two meetings were held prior to this chaired by Neil Frow - Director, NHS shared services, in his role as interim chair.

Delivery Group

The NPS Delivery Group consists of senior procurement leaders from across all sectors in the Welsh public sector. Sector representation includes Welsh Government, NHS, Education, Police, Local Government, Fire and Rescue and Welsh Government Sponsored Bodies. The group which meets on a monthly basis, provides operational direction and approval of the NPS' work programme, including approval to proceed with procurement strategies and ensures that savings plans developed by the NPS are robust and deliverable. The Delivery Group is chaired by Sue Moffatt, Director, NPS. The first meeting was held in April 2014.

Category Forums

Category Forum Groups have been set up to shape procurement strategies in advance of them going to the Delivery Group for approval. The forums which consist of specialist, technical and customer representatives ensure that adequate consultation with the sector has taken place and that barriers to the adoption of the strategies are reduced. Category Forum Members are agreed by the NPS Delivery Group.

Governance Documentation

A suite of governance documentation is now in place for NPS, including standard terms of reference which have been developed and are in place for all of the above governance forums.

Opt Out Guidance

At the point of commitment to the NPS, each organisation was given the opportunity to opt out of categories within scope of NPS. If an organisation did not opt out at this stage then the organisation has committed to using the contracts and frameworks put in place by NPS.

A formal 'opt out' process has now been put in place, with a business case process and approval or rejection of the business case decision sitting under the governance and jurisdiction of the NPS Board. If a member organisation wants to opt out of a procurement exercise then they must provide detailed financial and business justification. Detailed guidance, templates and flowcharts have been developed and circulated to all member organisations.

Customer Charter

In September 2014 NPS completed a review of the customer charter. The customer charter was originally developed in January 2014 and sets the roles of the NPS, expectations of customer organisations and the work that NPS will carry out with suppliers.

3. Categories

NPS has implemented a category management approach and was established with 7 overarching categories of common and repetitive spend.

Common and repetitive spend is determined through an agreed taxonomy using Proclass level 3 and E-Class classification of accounts payable spend taken from stakeholder finance systems.

One of the core deliverables for the 2014/15 year of operation of the NPS was a review of the Outline business Case and re-stating of the targets in a four year business plan. One of these deliverables was to agree the classification of spend.

Food was originally only partially included and further work was carried out to scope the category with the NPS Board agreeing that Food would also be undertaken by NPS for which a strategy is currently under development. Details of each of the categories are listed below.

To view full detailed versions of the category pipelines, please visit the NPS website: <http://nps.gov.wales/pipeline/future-pipeline>

Construction and Facilities Management

The construction and facilities management category covers a broad range of goods and services required by the Welsh public sector to maintain and deliver 21st century infrastructure and buildings to our citizens.

Work has also been undertaken in preparation for NPS to incorporate Utilities as an area within its procurement portfolio of activity.

K e y		Preparation (Analysis, Decision Point, Document Preparation)
		Tender (Tender is live and open for bid submission)
		Evaluation/Recommendation
		Award and Go Live

Construction FM and Utilities Procurement Activity Pipeline		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Planned Project	Estimated Annual Value	Apr - Jun 2015	Jul - Sep 2015	Oct - Dec 2015	Jan - Mar 2015	Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Jan - Mar 2016
Civil Engineering Maintenance: Rock Salt	£4,250,000								
Civil Engineering Maintenance: Road Markings	£200,000								
Civil Engineering Maintenance: Maintenance & Traffic Control Systems	£200,000								
Civil Engineering Maintenance: Provision of Highways Lighting Products	£2,500,000								
Construction Materials: Electrical, Heating & Plumbing	£10,000,000								
Construction Equipment: Tools, Plant & Equipment Purchase	£10,634,727								
Construction Equipment: Tools, Plant & Equipment Hire	£10,634,727								
Construction Materials: Glass Polycarbonate & Double Glazed Units	£500,000								
Facilities Management - Phase 1 - Managed Service - Hard and Soft FM	£30,000,000								
Facilities Management - Other phases - TBC	£266,672,735								
Cleaning & Janitorial Materials	£6,000,000								
Furniture, Fixtures, Fittings and Flooring: Heavy Canteen Equipment	£900,000								
Furniture, Fixtures, Fittings and Flooring: Flooring	£3,752,126								
Furniture, Fixtures, Fittings and Flooring: Fixtures & Fittings	£3,752,126								
Utilities - Wood Pellets	£450,000								
Utilities - Solar PV									
Utilities - Gas	TBC								
Utilities - Electricity Non Half Hourly	TBC								
Utilities - Electricity Half Hourly	TBC								
Utilities - Water	TBC								
Total	£350,446,441								

Corporate and Business Support Services

The corporate and business support services category covers a broad range of utilities, goods and services required across the Welsh public sector.

K e y	Preparation (Analysis, Decision Point, Document Preparation)
	Tender (Tender is live and open for bid submission)
	Evaluation/Recommendation
	Award and Go Live

Corporate and Business Support Services Procurement Activity Pipeline		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Planned Project	Estimated Annual Value	Apr - Jun 2015	Jul - Sep 2015	Oct - Dec 2015	Jan - Mar 2015	Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Jan - Mar 2016
Supply of High Visibility, Personal Protective Equipment (PPE), Uniforms, Workwear and Leisurewear	£6,227,214								
Printing Services	£2,400,000								
Post, Courier & Post Room Equipment	£16,400,000								
Stationery & Copier Paper	£3,200,000								
Total	£28,227,214								

Fleet and Transport

The fleet and transport category covers all types of vehicles and most of the sub-categories within this section relate to cars and vans. The sub-category titles are road vehicles, rail vehicles, vehicle fuels and lubricants and other vehicles.

K e y	Preparation (Analysis, Decision Point, Document Preparation)
	Tender (Tender is live and open for bid submission)
	Evaluation/Recommendation
	Award and Go Live

Fleet & Transport Procurement Activity Pipeline		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Planned Project	Estimated Annual Value	Apr - Jun 2015	Jul - Sep 2015	Oct - Dec 2015	Jan - Mar 2015	Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Jan - Mar 2016
Tyres and Associated Services	£3,000,000								
Contract Hire / Leased Vehicles	£12,347,000								
Purchased Vehicles	£6,521,000								
Passenger Transport	£169,924,232								
Total	£191,792,232								

Information and Communications Technology (ICT)

The ICT category covers a range of ICT commodities and services including hardware, software and telecom services.

K e y	Preparation (Analysis, Decision Point, Document Preparation)
	Tender (Tender is live and open for bid submission)
	Evaluation/Recommendation
	Award and Go Live

ICT Procurement Activity Pipeline		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Planned Project	Estimated Annual Value	Apr - Jun 2015	Jul - Sep 2015	Oct - Dec 2015	Jan - Mar 2015	Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Jan - Mar 2016
Library Management System	£1,000,000								
Fixed Telecoms	£22,427,197								
IT Products & Services	£83,291,249								
Information Assurance Services	£1,348,587								
IT Maintenance & Cabling Services	to be scoped								
Digitisation, Storage & Disposal	to be scoped								
Cwmwl Cymru	£77,641,764								
MFD	to be scoped								
United Communications	to be scoped								
Total	£185,708,797								

People Services

The people services category covers a wide range of commodities and services including areas such as travel & accommodation, marketing and media, arts, sports and leisure.

K e y	Preparation (Analysis, Decision Point, Document Preparation)
	Tender (Tender is live and open for bid submission)
	Evaluation/Recommendation
	Award and Go Live

People Services		Procurement Activity Pipeline							
Planned Project	Estimated Annual Value	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Apr - Jun 2015	Jul - Sep 2015	Oct - Dec 2015	Jan - Mar 2015	Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Jan - Mar 2016
Environmental Services - Waste Bags	£9,000,000								
Environmental Services - Waste Collection	TBC								
Human Resources - Staff Benefits	£7,000,000								
Human Resources - Training	£10,000,000								
Social and Healthcare - Telecare	£3,500,000								
Transport - Travel and Accommodation	£4,586,039								
Total	£34,086,039								

Professional Services

The professional services category covers a broad range of advisory and specialist services required by the Welsh Public sector to help design and deliver the most effective and efficient services.

K e y	Preparation (Analysis, Decision Point, Document Preparation)
	Tender (Tender is live and open for bid submission)
	Evaluation/Recommendation
	Award and Go Live

Professional Services Procurement Activity Pipeline		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Planned Project	Estimated Annual Value	Apr - Jun 2015	Jul - Sep 2015	Oct - Dec 2015	Jan - Mar 2016	Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Jan - Mar 2016
Insurance	£35,400,000	█	█	█	█				
ICT Consultancy	£18,800,000	█	█	█	█				
Business Consultancy	£25,500,000	█	█	█	█	█	█		
Legal Services - Solicitors	£20,050,000	█	█	█					
Legal Services by Barristers' Framework		█	█	█	█				
Financial Services - Banking Services		█	█	█	█	█	█		
Financial Services - Cash Collection	£900,000	█	█	█	█				
Consultants - Construction Consultancy Phase 2	£5,000,000	█	█	█	█				
Consultants - Construction Consultancy Phase 3	£5,000,000	█	█	█	█				
Total	£110,650,000								

All consultancy frameworks include detailed user guidance for awarding business under the frameworks, however organisations are advised to seek expertise first from other public sector bodies who may have and be able to share their expertise before entering into a commercial contract.

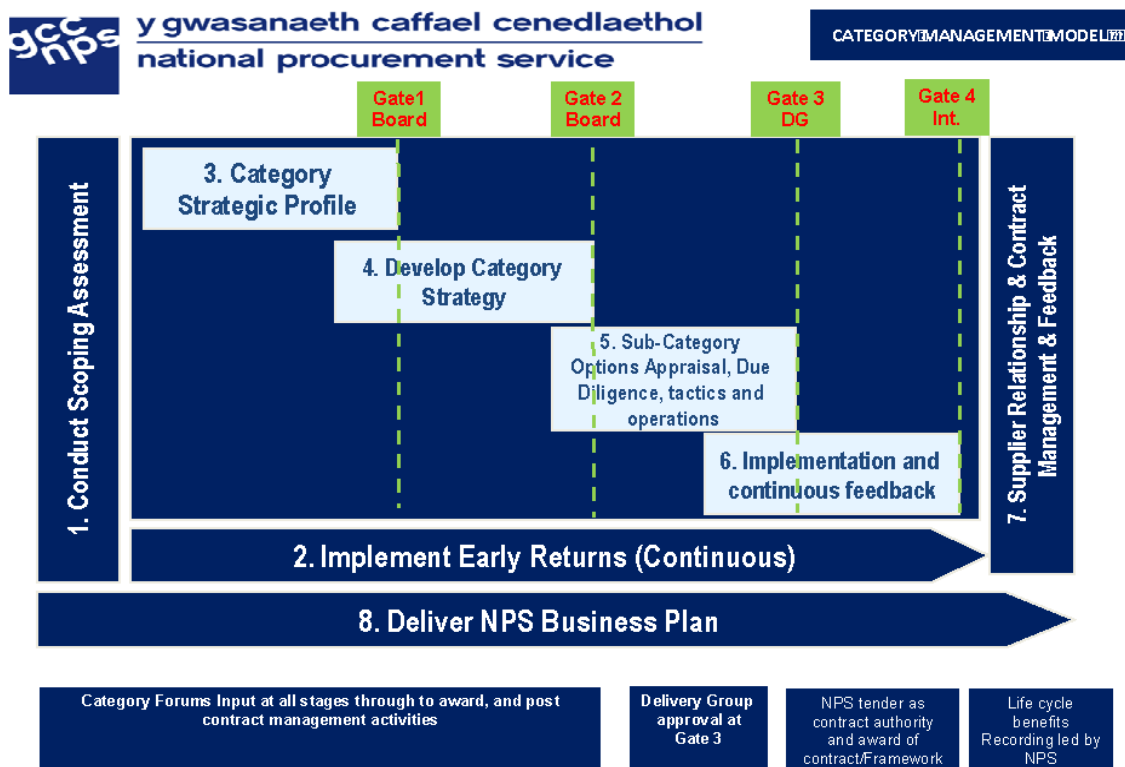
Food and Drink

At present, food is procured on a sector basis within the Welsh public sector. Food and drink purchasing represents a significant area of spend within the Welsh public sector. NPS, in close consultation with key stakeholders in the Welsh public sector, are beginning work on a strategy for the procurement of food by the end of 2015. Critical to the adoption of this category is engagement with the nutritional and food safety experts already working within the Welsh public sector to ensure the NPS builds in the good work already done across the local authorities and health sectors.

Food & Drink Procurement Activity Pipeline		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Planned Project	Estimated Annual Value	Apr - Jun 2015	Jul - Sep 2015	Oct - Dec 2015	Jan - Mar 2015	Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Jan - Mar 2016
Frozen Foods	£13,275,800								
Ambient	£13,275,800								
Fresh Meat (Including Poultry & Eggs)	£9,020,000								
Milk	£6,018,800								
Drinks (Including Water), Crisps and Confec.	£7,314,400								
Bread & Bakery	£3,099,600								
Fruit & Vegetables	£6,059,800								
Dairy (Excluding Milk)	£2,115,600								
Provisions	£828,200								
Total	£61,008,000								

4. Contract and Framework Agreements

NPS embeds the principles of the WPPS into all the Contracts and Framework Agreements that it lets and manages, and where applicable Community Benefits are applied.. The principles are incorporated into a standard operating model which is now in place for the service and embedded into the work of category teams (Diagram below).



NPS gives early notice to suppliers to ensure there is wide scale awareness of new opportunities including where possible;

- Prior Information Notices (PINs) issued in accordance with OJEU processes between 3 and 6 months in advance of the commencement of procurements on Sell2Wales.
- Working closely with Business Wales to encourage and help Welsh businesses to tender for public sector opportunities by running supplier events and publicising the services Business Wales can offer.

All contracts and frameworks are tailor made for e-trading Wales.

NPS has put in place a total of six All Wales frameworks during the 2014/15 financial year. The table below lists these frameworks, the month of award, the annual value of each and the % of Welsh suppliers and Welsh Small and Medium Enterprises (SMEs) that have been awarded a place on each.

Contract Title	Month of Award	Annual Value (£)	% of Welsh Suppliers	% of Welsh SMEs
Welsh Translation Framework	June 14	£1.7m	100%	97%
Resource Efficiency Wales	July 14	£4.7m	46.5%	38.9%
NPS Managed Service for Printing Services	Sep 14	£12m	71%	71%
Construction Consultancy	Jan 15	£13.5m	43%	40.5%
Supply of Stationery and Paper (Lot 2)	Jan 15	£2.4m	0%	0%
General Building Materials	Feb 15	£11.8m	60%	53%

Pipeline of Work

A procurement activity pipeline has been established which details the NPS planned procurement work. The pipeline already has a value of £1.1bn which is expected to grow to cover all categories with an annual value of £2.2bn during 2015/16 financial year.

The pipeline operates under the LEAN methodology and provides a visible and detailed timeline of the key milestone for each stage of procurement activity.

The NPS supports the Wales Procurement Policy Statement in all its work, the Resource Efficiency Framework provides an excellent example of this;

Resource Efficiency Wales Frameworks Evidenced against the Wales Procurement Policy Statement	
Economic, Social and Environmental Impact	A key support component of the ground breaking Resource Efficient Wales service that launched in September 2014.
	Replaced a 10 year delivery model of dispensing grants to a small number of major providers. Directly contracting with the supply base will deliver a Framework with value of £40million with estimated savings of £4 million over four years.
	A Sustainable risk assessment was undertaken to ensure that ethical and sustainable issues were taken into account in key procurement decisions. This led to the development of a procurement model that gave SMEs a real opportunity to win a place on the framework.
Community Benefits	<p>Since July considerable savings and benefits have been realised:</p> <ul style="list-style-type: none"> • 18 mini-competitions have been conducted • Of the 18 the mini-competitions undertaken £3,035,358 has been awarded to Welsh based SMEs. • The Welsh economy has benefited by a total of £6,116,716.
Open Accessible Competition	Early notice was provided to suppliers to ensure there is wide scale awareness of new opportunity. A Prior Information Notices (PINs) was issued in accordance with OJEU processes between 3 and 6 months in advance of the commencement of procurement. In addition market engagement events were held both pre and during the tender in October 2013 and January 2014.
	The Framework was let across two lots. Further breakdown down into specialist disciplines allowed micro businesses to bid as strongly for a specific discipline as larger companies.
	The Framework was to open opportunities from a spectrum of suppliers from niche micro businesses to global providers 72 suppliers were successful; 46.5% were Welsh suppliers with 38.9% of these being Welsh SME's. A further 12 SME's are part of a consortia.

Simplified Standard Process	The Supplier Qualification Information Database (SQuID) was adopted to ensure a simplified approach to supplier selection
Collaboration	The model also allowed for collaboration and mini-competitions which meant that smaller bidders could join together to bid for larger opportunities.
Supplier engagement and Innovation	A number of consortia bids have been received supporting the Joint Bidding Guide developed by the Welsh Government.
	In addition, the framework launch event in July 14 a framework model was developed in partnership with the framework bidders that allowed consortia to form for specific framework needs.
	This has seen a number of consortia form from framework providers to bid for work that spans a number of disciplines.

Contract Notices

In addition to the contracts awarded NPS also issued a series of contract notices on Sell2Wales for a range of commodity areas. All of these contracts, with the exception, have now be successfully awarded and are available for NPS stakeholders.

Contract/Framework	Date Contract Notice Issued
Occupational Health	December 2014
Agency	December 2014
Vehicle Hire	January 2015
Liquid Fuel	January 2015
Furniture	January 2015
Library Management System (LMS)	January 2015
Cleaning Services	February 2015

Savings

The NPS savings methodology incorporated stakeholder feedback in its completion and which was approved by the NPS Board.

During the 2014/15 financial year NPS reported cashable savings of £7.8m across the Welsh Public Sector, against an overall target of £4.2m of which £1.5m was cashable. These targets taken from the outline business case, and progress was discussed and detailed each month through NPS Delivery Group with all Heads of Procurement having input into the development of the savings methodology and the reporting mechanisms.

NPS have taken on-board 16 framework agreements, originally awarded by other public sector bodies and have been managing those contracts, benchmarking and in some cases renegotiating them.

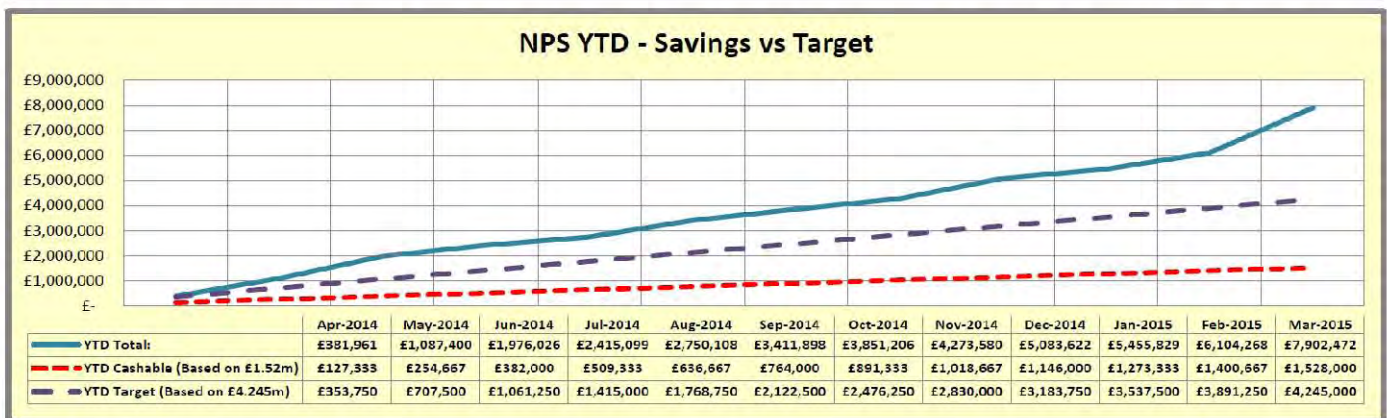
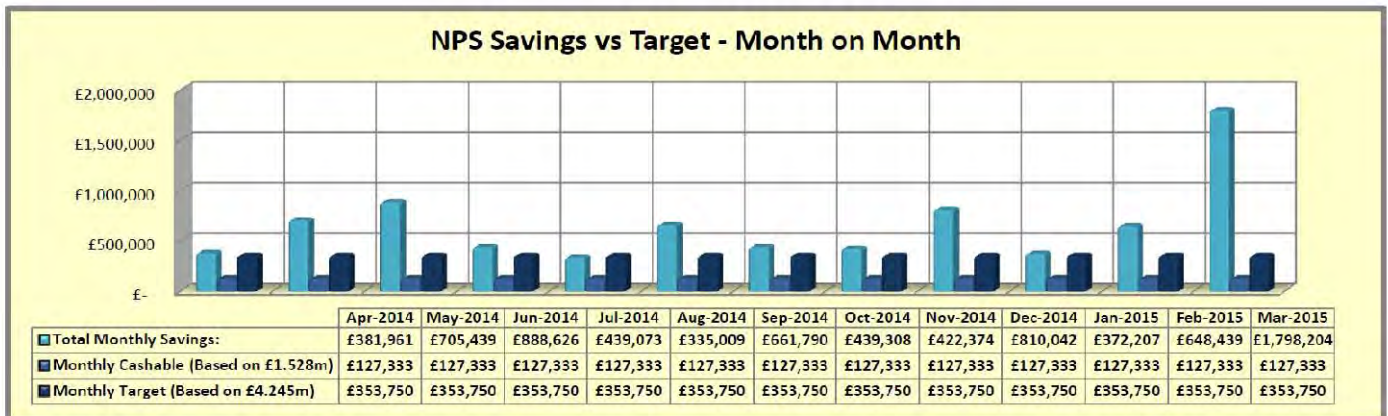
The table below shows a breakdown of savings by NPS Category for the 2014/15 financial year and includes some savings against the contracts transitioned to NPS during the 14/15 financial year. Savings for 2014/15 were reported in line with the agreed savings methodology endorsed by Public Services Leadership Group in 2012.

Category	Savings
Corporate & Business Support Services	£399,224
Professional Services	£467,560
Food and Drink (strategy under development)	£0
Construction & FM	£15,841
People Services & Utilities	£5,452,176
ICT	£1,567,671
Fleet & Transport	£0
	£7,902,472

The NPS savings methodology is based on best practice and has been agreed 'as fit for purpose' by Wales Audit Office. Savings on NPS frameworks are only reported in the first year of a contract of framework unless the pricing is renegotiated in years 2,3 and 4, unlike other public sector reporting models where the savings are reported cumulatively throughout the CSR cycle.

As part of the review of the outline business case, the savings target for NPS was re-stated in the Business Plan as 3% cashable for all spend under management with non cashable benefits, such as community benefits also being reported. Ensuring a standard, concise and auditable approach is another key deliverable for the NPS.

NPS – Spend and Savings Breakdown – 2014/15 FY



5. Business Intelligence (BI)

BI has established new and essential tools for NPS and member organisations ensuring;

- Reporting against key targets for NPS performance
- Delivering Management Information regarding supplier spend capture and stakeholder reporting
- Production of detailed procurement activity pipelines, including monitoring and exception reporting for Delivery Group
- Access to market intelligence insight – incorporating industry analysis and risk rating

BI have been working on the development of a new data warehouse to collect Management Information to assist category analysis, Mandatory Supplier Rebate collection and improved reporting capability for implementation 2015/6.

Reporting

The NPS Business Intelligence team have developed a suite of detailed reports that enable spend, savings and income from the Mandatory Supplier Rebate to be reported in the following ways:

- At a summary level for all stakeholders of the NPS
- At a sector level
- At a category level
- Sector level by category
- Sector level by contract
- Agreement and contract level
- Monthly, quarterly and annually

Reports for each sector and issued to the NPS Delivery Group sector representation for circulation to their sectors on a monthly basis. Further development is in progress to create summary sector and organisational reports for Chief Executives, Managing Directors and Finance Directors and to develop Organisational Management Information capture and reporting.

Cataloguing

The BI-team also undertakes catalogue super-user activities. NPS has transitioned 103 catalogues from ePS, made up of Value Wales and Welsh Purchasing Consortium contracts.

6. Communications

The NPS Communications Team has been fully established since December 2014. Both members of the Team are fluent Welsh speakers ensuring that all NPS work is compliant with Welsh Language Standards.

Engagement with stakeholders is vital to NPS success so a comprehensive Communications Strategy has been developed. The Communications Strategy dovetails with the Welsh Government's Communication Strategy and news items are provided for the Welsh Government website. As part of this a number of communications channels have been adopted to ensure that member organisations and suppliers are suitably engaged and informed.

The NPS website has been fully reviewed and updated. Communiques from the NPS Board and Delivery Group meetings, containing key discussions and decisions, are regularly issued to stakeholders via e-mail and also uploaded to the NPS website.

Stakeholders are informed of the awarding of NPS Contracts and Frameworks through the newly developed 'Notices of Award for Customers'. These are issued through e-mail to Heads of Procurement to member organisations and Delivery Group members.

A review of NPS marketing material was undertaken in January 2015 following which new leaflets, information sheets and z-cards were produced.

NPS are fully embracing social media, through existing Twitter channels @NPSWales and @gccymru, and the newly established LinkedIn Showcase Page. A social media plan has been developed, incorporating both Twitter and LinkedIn channels.

NPS work closely with Sell2Wales and Business Wales to plan and share social media posts to extend the reach of NPS through this co-ordinated approach. Social media posts are used to drive traffic to both the NPS and Sell2Wales Websites, and this is monitored through both Hootsuite Analytics and Google Analytics.

During the period leading up to Procurex Wales Live on March 18, specific hashtags were developed to generate pre and post-event interest and encourage stakeholder engagement through live-tweeting at the event. Use of these hashtags through the Twitter channels of NPS, the Minister for Finance and Government Business, Sell2Wales, Business Wales and Procurex, resulted in a hive of wider social media activity surrounding the event. Between February 1 and March 31, NPS' Twitter accounts experienced a growth of 39 followers, received 92 retweets, and the event hashtags were used a total of 194 times.

7. Key Events

Construction and Facilities Management Launch (June 2014)

In June 2014 the Minister for Finance and Government Business launched the NPS Construction and Facilities Management Category event which was the first deliverable for NPS.

The event was attended by over 80 individuals, which included 35 of the top suppliers for Construction and Facilities Management and a number of stakeholders who currently hold the contracts with top suppliers.

At the event suppliers were asked to look at price reductions, standardisation of pricing and to work with NPS in achieving savings through a procurement pipeline and continued contract management with their public sector customers in order to deliver the savings target. Suppliers were also given an overview of the role of the NPS and an update on the Category Strategy for Construction and Facilities Management within the NPS.

The event resulted in suppliers proposing circa £4.6m savings opportunities which, where appropriate were taken forward by the stakeholder organisations.

Procurex Live (March 2015)

Procurex Live took place in Wales for the first time as part of procurement week on 18 March. The event co-hosted by National Procurement Service, Value Wales and Business Wales.

The event brought together the procurement community to focus on the challenges faced within the Welsh public sector, and provide both buyers and suppliers a unique opportunity to collaborate, enhance their procurement knowledge and share good practice. Over 800 delegates registered to attend the event, with over 500 turning out on the day. The event was the largest collection of public sector procurement professionals we have seen in Wales and since the event took place a number of third sector suppliers who were offered free places have won new contracts within the public sector to deliver their services.

The Minister for Finance and Government Business provided the key note speech highlighting the importance of the Wales Procurement Policy Statement and public sector procurement and other high profile speakers then covered subjects designed to enhance delegates understanding and knowledge of the latest developments, initiatives and legislative changes taking place in procurement.

Throughout the day there were a series of breakout sessions hosted by public sector leaders and suppliers on topics pertinent to procurement in Wales including Supply Chain Risk, Community Benefits, Public Procurement Policy

in Wales and the NPS. There were also 30 companies occupying stands exhibiting their products and services on NPS, Business Wales and Value Wales.

Part of the role of the NPS is to raise awareness across both the procurement community and supplier community, bringing people together to deliver better outcomes through contracts for goods and services and making suppliers aware of services such as Business Wales who can support their tender submissions.

8. NPS Staffing

NPS was set up under an outline business case which determined the number of staff. This is currently set as 42 full time equivalent posts.

At the beginning of April 2014 the NPS had 32 permanent employees, 9 agency staff and one secondee from another Welsh Government Department.

By the end of March 2015 NPS had a full complement of staff which was represented by 42 full time posts undertaken by 43 staff members with two staff members working part time.

Only one agency staff remains in post and is covering the Head of Food Category. This post is in the process of being recruited for permanently.

NPS staff members are allocated across teams including super categories, business intelligence, finance, business, communications and other support functions.

The Outline Business Case originally recommended one member of staff per £10m spend under management. The development of the Business Plan has led to this assumption being restated more in line with best practice and higher operational efficiency at one member of staff per £20m spend under management.

NPS Staff by Team

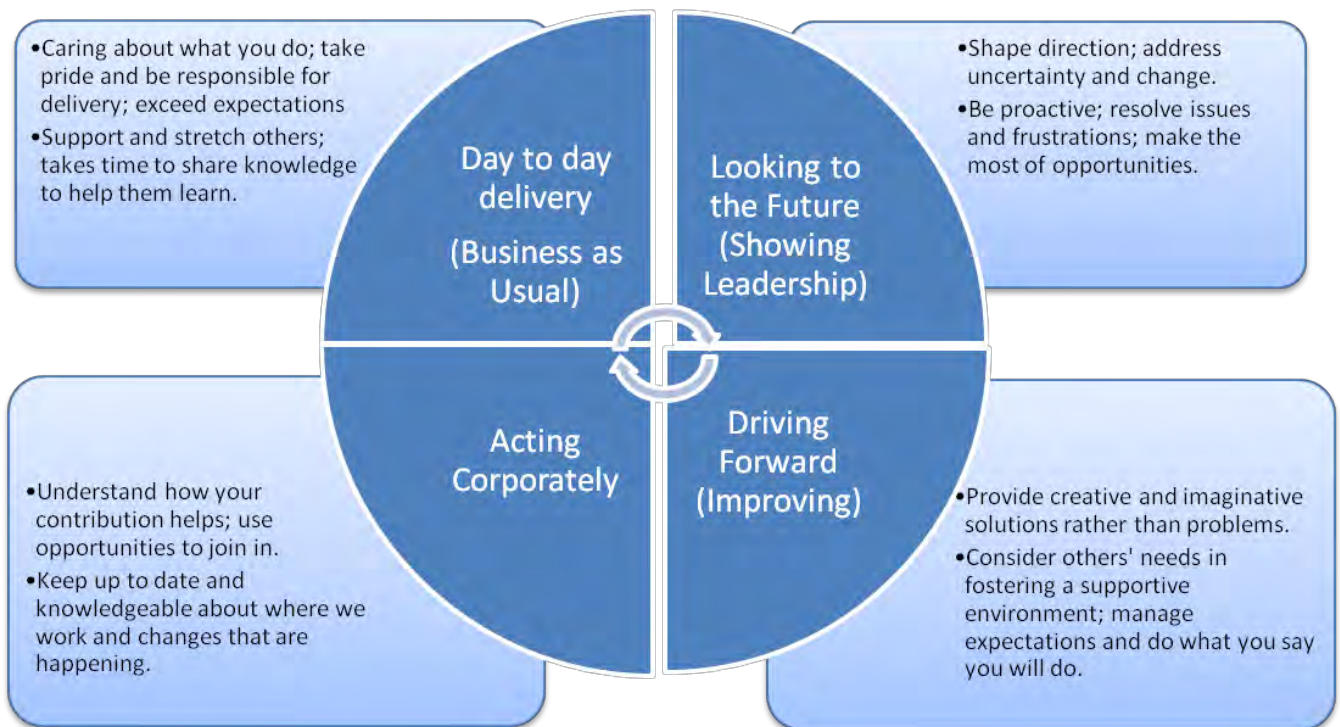
NPS Staff (March 2015)	FTE	Headcount
Director Team	2.00	2
Head of Category Management	2.00	2
Senior Stakeholder Manager, Finance and Business	3.00	3
Communications Team	2.00	2
Business Intelligence Team	6.00	6
ICT Category Team	5.00	5
Professional Services Category Team	4.00	4
Facilities Management and Construction Team	5.00	5
Corporate Services Category Team	4.00	4
People Services Category Team	5.40	6
Fleet Category Team	3.00	3
Food Category - agency staff	1.00	1
Total	42.40	43.00

NPS Staff Members by Location

Number by location	Bedwas	Swansea	Llandudno	Total
Full time equivalent posts	26.8	7	8.6	42.4
Headcount	27	7	9	43

NPS Standards

The diagram below shows the standards that provide the basis for identifying and achieving strong performance and high potential ratings, and are linked to other key standards and commitments: They incorporate the skills and behaviours that everyone in FCS (at all grades) is expected to display to a consistently high standard at all times.



Professional Qualifications and Continuous Professional Development

All NPS staff directly involved in professional related activity are encouraged and supported with obtaining related professional qualifications and Continuous Professional Development (CPD).

NPS Staff with professional qualifications	Number
Fellow - Chartered Institute of Procurement and Supply	1
Member - Chartered Institute of Procurement and Supply	27
Student - Chartered Institute of Procurement and Supply	3
Member - Chartered Institute of Management Accountants	1
Total Number	32

CIPS Ethics training is mandatory for all staff involved with procurement related activities. NPS are working towards adoption of the Chartered Institute of Procurement and Supply global competency framework.

Finance – CPD

CPD is undertaken in line with the Chartered Institute of Management Accountants (CIMA). This is an essential element of membership of the Institute and individual CPD records can be called for audit by them any at time. CPD is not hours based and is not specified by CIMA. The identification of CPD requirements are a matter for the individual to ensure that both technical and work based activity skills are kept up to date in line with work undertaken and for career aspirations. CPD learning can be undertaken in various formats, however, the identification of the requirement, how it was undertaken, the learning outcomes and future additional CPD must be clearly demonstrated.

Funding of the NPS – Invest to Save (I2S)

The NPS has been set up with Invest to Save (I2S) funding during 3 financial years beginning in November 2013.

The I2S funding is in the form of a loan which will be repaid once the NPS is fully operational and delivering such surpluses as can repay this loan.

NPS was allocated £5.920m I2S funding over a 3 year period from the launch of the NPS in November 2013 until the end of March 2016.

The allocation across the 3 year period of investment period is as shown in the table below:-

NPS Invest to Save Loan – Draw Down Table

Invest to Save Loan		£
Financial year 2013-14		1,184,000.00
Financial year 2014-15		2,618,000.00
Financial year 2015-16		2,118,000.00
Total Invest to Save Loan		5,920,000.00

9. NPS Future Funding – Income Generation

Once fully operational from 1st April 2016 the NPS will need to cover the cost of operation through the collection of a mandatory supplier rebate which will result in income.

The NPS is hosted by the Welsh Government and the costs of operation are those associated with staff salary, staff related costs such as training, mobile equipment and travel and subsistence. Any additional operational costs such as translation, legal, website, publicity materials will also need to be covered. Other overhead costs are borne by the Welsh Government as the employers of the staff deployed in NPS.

Any surplus income will be used to repay the I2S loan in the first instance.

The mandatory supplier rebate (rebate) will be a percentage (currently set at 0.45%) of the sale of goods/services which are attributed to a supplier against a contract/framework awarded to them through the NPS. Any charges to the rebate will be agreed through the NPS Board.

A detailed financial model has been developed to forecast and track income generation and potential spend through NPS frameworks and the model is reviewed monthly using actual data to update the forecasts.

10. Finance Report for 2014-15

Expenditure

This report covers the financial year from 1st April to 30th March (2014-15) which is the first full year of operation of the NPS.

The outturn for NPS during this financial year was £2.612m against an I2S allocation draw down of £2.618m.

NPS expenditure for 2014-15 was £2.655m.

The I2S funding drawn down was £2.618m and NPS invoiced for rebate of £0.043m giving a total available budget of £2.661m.

There was an under spend of £0.006m which is 0.2% of the total budget.

The major expenditure for NPS was staff costs with 91% of the costs attributed to staff salary costs including those of agency staffing covering posts whilst permanent staff members were recruited.

A further 6% of the costs were for staff related expenditure such as travel and subsistence, professional fees, recruitment, car hire and mobile telephony services.

The remaining 3% covered all additional costs incurred by the NPS in the delivery of the operation. This included supplier days, stakeholder engagement, publicity materials, legal, translation and related costs.

Income

Income was not expected to be raised on NPS contracts until financial year 2015-16. However, a small amount of income was earned during the 2014-2015 on two on-boarded contracts.

NPS operating model did not factor in funding for the resources to cover the work involved in taking on on-boarded contracts so the small income stream relieved some budgetary pressures incurred through taking on this additional unfunded work.

Income was invoiced for a total of £0.043m in March 2015.

11. Forward Look

The NPS will continue to grow and deliver the pipeline of activity in line with the agreed categorisation of spend, factoring in the requirements of the revised Wales Procurement Policy Statement and will seek to increase customer usage of delivered frameworks and contracts. In addition the following activity will build on these foundations:

Business Plan

NPS launched its first four year business plan for the NPS covering April 2015 until March 2019. The Business Plan sets out the NPS strategies and deliverables for the next 4 years with a detailed overview of activity from April 2015 to end of March 2016.

The Business Plan will be updated and re-issued annually to report progress against key performance indicators and delivery targets.

Audits

The NPS will be subject to regular audits from Welsh Government Internal Audit and also the Welsh Audit Office, with a review of the success of the organisation planned post March 2016. In addition the NPS will be subject to the procurement fitness checks carried out across the public sector by Value Wales. This first check is planned for November 2015.

eTrading Wales

The Minister for Finance and Government Business recently launched eTrading Wales e-procurement programme. NPS uses eTrading Wales as the primary mechanism for providing public bodies with access to its collaborative contracts and catalogues. An accelerated adoption programme is being driven forward through the ePS Programme to ensure all 73 stakeholder organisations have access to the system.

Legal Services by Solicitors Framework

Your guide to engaging advice and guidance from
Solicitors

Customer guidance notes
Ref: NPS-PS-0001-14



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6. Business Case Template (as separate document)	

Other Frameworks which may be of interest:-

NPS-PS-0003-14 Resource Efficiency
Energy efficiency advice, guidance and research

NPS-PS-0002-14 Welsh Translation
Full range of written translation and interpretation services Welsh-English and English Welsh

NPS-PS-0004-14 Construction Consultancy (Property)
A range of services related to the building and maintenance of property

NPS-PS-0025-15 Cash Collection Services
The provision of a robust and secure cash collection service.

Please contact the National Procurement Service Professional Services Team for more information:-

NPSProfessionalServices@wales.gsi.gov.uk

1. OVERVIEW OF LEGAL SERVICES BY SOLICITORS FRAMEWORK AGREEMENT

This Framework offers customers a quick, simple and competitive route to solicitors' services. The Framework offers access to pre-approved firms that have been rigorously assessed on the quality of the services they provide.

The Framework comprises eleven disciplines across 21 lots, as follows:

- Lot 1a - Adult Social Services Law (South Wales)
- Lot 1b - Adult Social Services Law (North Wales)
- Lot 2a - Child Social Services Law (South Wales)
- Lot 2b - Child Social Services Law (North Wales)
- Lot 3a - Civil Litigation (South Wales)
- Lot 3b - Civil Litigation (North Wales)
- Lot 4a - Corporate Governance & Ethical Standards (South Wales)
- Lot 4b - Corporate Governance & Ethical Standards (North Wales)
- Lot 5a - Criminal Litigation (South Wales)
- Lot 5b - Criminal Litigation (North Wales)
- Lot 6a - Education Law (South Wales)
- Lot 6b - Education Law (North Wales)
- Lot 7a - Employment Law (South Wales)
- Lot 7b - Employment Law (North Wales)
- Lot 8a - Major IT & Commercial Contracts (South Wales)
- Lot 8b - Major IT & Commercial Contracts (North Wales)
- Lot 9a - Planning & Environmental Law (South Wales)
- Lot 9b - Planning & Environmental Law (North Wales)
- Lot 10a - Property Law (South Wales)
- Lot 10b - Property Law (North Wales)
- Lot 11 - Specialist Welsh & UK Higher Education Advice for the Higher Education Funding Council for Wales (HEFCW)

A full breakdown of geographical regions (based on county boundaries) that are covered under the South and North Wales lots is provided under section 2.

The schedule of legal services used within the procurement is attached as annex one.

WHO CAN USE THIS FRAMEWORK?

The Framework is available for use across Wales by any public sector body (hereafter, referred to as “organisation”) including, but not limited to:

- Local Authorities
- Welsh Government
- Higher and Further Education Bodies
- Police and Emergency Services
- NHS
- Welsh Government Sponsored Bodies (i.e. Natural Resources Wales, Arts Council for Wales etc.)

BENEFITS OF USING THE FRAMEWORK

- It's quick and easy to use. The Framework is EU/UK Compliant so there is no need for you to run a full EU tender for your requirement.
- Pre-agreed terms and conditions. All firms on the Framework have agreed to the Framework Terms, which will underpin all contracts placed under the agreement. Therefore, you will save time by not having to enter into lengthy negotiations with the firms.
- Firms' capabilities assessed. All firms listed on the Framework have already been assessed on their experience and professional ability by public sector legal representatives.
- Template documentation. NPS has created template specifications and further competition documentation, which is freely available on request. This will assist organisations in procuring from the Framework, helping to ensure the quality of bids/quotes received.
- Full use of these tools provides full compliance with the Public Accounts Committee review of collaborative procurement (2013).
- Services will be tailored to your individual requirements. Organisations will be able to specify their exact legal service requirements to ensure value for money and suitability.
- It's free. There is no charge for organisations to use this Framework.

PUBLIC ACCOUNTS COMMITTEE (PAC) RECOMMENDATIONS ON BUYING CONSULTANCY SERVICES 2013

- This framework fully supports the PAC Recommendations on Buying Consultancy Services 2013.
- Before engaging external services you should always assess the availability of internal or other public sector resource that may be available through a shared service arrangement.
- Many public sector organisations have in house Legal Services teams. Please ensure that you discuss any requirement for legal support with them first.
- A number of organisations have come together to deliver a shared service approach to legal advice and guidance. Again your Legal Services team will be able to advise you if this is the case.
- For larger commissions we also recommend you produce a business case.
- To support this approach we have provided a Business Case template at Annex 6.
- Producing a business case will help you fully define your requirements in advance of any procurement and will assist your Legal Services team or other resourcing teams in identifying the availability of internal resource.
- The full list of PAC recommendations and background to the investigation can be found at <http://www.senedd.assembly.wales/mgIssueHistoryHome.aspx?IId=5874>

Useful Information

Framework Reference: NPS-PS-0001-14

Start Date: 1st September 2015

End Date: 31st August 2019

The 4 year framework period includes Break Clauses allowing the NP to terminate at the end of years 2 and 3.

Key Contact Details

Contact NPS via NPSProfessionalServices@wales.gsi.gov.uk

Carla Lavender – Professional Services Category Manager

Tel: 01443 663871

2. LOTTING ARRANGEMENTS

Regional

Each discipline is sub-divided into two geographic areas:

North Wales Region

Conwy, Denbighshire, Flintshire, Gwynedd, Isle of Anglesey, Powys* and Wrexham

South Wales Region

Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Carmarthenshire, Ceredigion, Merthyr Tydfil, Monmouthshire, Neath Port Talbot, Newport, Pembrokeshire, Powys*, Rhondda Cynon Taf, Vale of Glamorgan, Swansea, Torfaen

* *Due to the geographic nature of Powys, organisations within this County's boundaries have access to services under both North and South Wales regions.*

Organisations can utilise the lot appropriate to their location.

3. NUMBER OF SOLICITORS' FIRMS

There are 19 firms on the Framework with a maximum of 7 in any one lot, across the disciplines as a whole this breaks down as follows:-

Discipline	Region	Number of Firms
Adult Social Services Law	South Wales	5
	North Wales	7
Child Social Services Law	South Wales	1
	North Wales	3
Civil Litigation	South Wales	7
	North Wales	7
Corporate Governance & Ethical Standards	South Wales	7
	North Wales	7
Criminal Litigation	South Wales	4
	North Wales	3
Education Law	South Wales	5
	North Wales	5
Employment Law	South Wales	7
	North Wales	7
Major IT & Commercial Contracts	South Wales	7
	North Wales	7

Planning & Environmental Law	South Wales	7
	North Wales	7
Property Law	South Wales	7
	North Wales	5
Specialist Welsh & UK Higher Education Advice for the Higher Education Funding Council for Wales	N/A	1

4. INSURANCE REQUIREMENTS

The following insurance requirements were a condition of participation for successful firms:-

Public Liability Insurance to an amount that is reasonable to cover the firm's potential liability.
Professional negligence to cover claims up to £5,000,000 for each and every claim or series of claims.

Firms are aware that Organisations are entitled to request different levels of insurance, provided that these are notified to the Firms at the time they are invited to submit their proposals.

Please ensure that any amendments to the insurance levels are proportionate to the activities being procured.

5. HOW TO USE THIS FRAMEWORK

STEP ONE – Only those organisations **who have not signed up to the National Procurement Service (NPS)** are required to complete and return the Non Disclosure and Access Agreement (annex two) for participation in the NPS Legal Services by Solicitors Framework Agreement.

The Agreement attached at annex two should be returned by e-mail to the NPS Professional Services mailbox: NPSProfessionalServices@Wales.GSI.Gov.UK , prior to commencing use of the agreement.

STEP TWO - Please check Sell2Wales to ensure you have the latest version of the User Guide:

<http://www.sell2wales.gov.uk/>

Select - Contracts and Resources, Professional Services, NPS-PS-0001-14 Legal Services by Solicitors

STEP THREE – THE FUNNELLING TOOL

In addition to this user guidance you can access the NPS Legal Services by Solicitors' Funnelling Tool at annex three.

This spreadsheet allows you to identify all the firms on the appropriate lot by a simple exercise of filtering by discipline, region and then hourly rates where applicable.

All the firms contact details can be found within this tool along with their pricing information.

Please note - the pricing information is supplied in strict confidence and must not be disclosed the same or any part thereof to any other person, organisation or company and must only be used for accessing the framework, unless you are required to by law to disclose. This information is restricted only to those persons reasonably required to know it and in any event, your employees, agents, consultants and sub-contractors (if any) must be bound to hold such information in confidence and to use such information only for the purposes of accessing the framework.

CATALOGUES

This framework has been set up within eTrading Wales allowing user organisations access to e-Ordering through the catalogues set up and also mini competitions via the Request for Quotation (RFQ) functionality within contracts directory.

Full guidance on using eTrading Wales will be made available in annex four.

STEP FOUR – ORDERING PROCEDURE

If an Organisation wishes to source services through the Framework it shall first determine from:

- information supplied by the Firm (whether incorporated in their responses to the Tender or otherwise);
- information publicly available (including through the Firms' own web-sites, legal directories or elsewhere); and
- information shared between the NPS and Organisations relating to Key Performance Indicators;

which Firms are capable of performing the required Services.

The Organisation may then choose a capable Firm with whom to place an Order in one of the following ways:

- by choosing the Firm who demonstrably offers best value for money for its requirement when judged against the criteria of:
 - **speed of available response**, (including, without limitation, capacity to meet required deadlines and, where relevant, geographical location);
 - **quality** (including as appropriate: capability, expertise, past performance, availability of resources and proposed methods of undertaking the work); and
 - **price**; or
- by **operating a rota system** between capable Firms; or
- by consulting in writing all the capable Firms and inviting them within a specified time limit, to submit a tender in writing (**mini competition**) for each specific contract to be awarded and by choosing the one which offers best value for money when judged by the criteria set out above.

MINI-COMPETITION PROCEDURE

Firms will be eligible to bid for individual projects or areas of work under a mini-competition process which will be operated by Organisations as required during the period of the Agreement.

"Mini-Competition Award Criteria"	means the award criteria for the evaluation of Firms' responses to Mini-Competitions which will be weighted 40% Technical (Non-Commercial) and 60% Price (Commercial), as set out below:	
	Non-Commercial Criteria	Weighting
	Speed of available response	10%
	Quality	30%
	Commercial Criteria	
Price	60%	

Any Organisation ordering the services under this Framework Agreement through a mini competition may:

- adopt criteria set out above when developing its statement of requirements for the Services and identify the Firms capable of supplying the services;
- refine the Call-off Terms to reflect its service requirements;
- invite only those Firms who are eligible to provide services across all of the relevant disciplines where a multi-disciplinary mini-competition is being undertaken

Subject to any particular requirements that may be specified in relation to any competition, the process for carrying out mini-competitions will be as follows:

Step 1: Wherever possible, advance notice of future mini-competition opportunities will be given. The Organisation must invite all Firms within the discipline(s) they wish to consider to participate in the Mini-Competition. As part of this process the Organisation may require the Firms to respond to a collaborative (multi-organisation) or non-collaborative (single organisation) competition.

The Firms' contact details are provided within the Funnelling Tool at Annex three.

Step 2: When mini-competition documentation is available it will be sent to all Firms. The documentation will include a brief statement of the specific requirement for legal services arising in relation to the particular tranche of work or project that is the subject of the competition and a statement of the issues that the Firm is required to address in its bid. These issues will relate to experience and expertise in the field of work in question and an invitation for cost proposals.

Firms may be asked to offer fixed or capped fees or reductions from the general rates bid under this process. Organisations must attempt to give as long a time period as possible for the return of bids, though Firms are aware that this will depend on the circumstances of the case.

Step 3: Organisations are entitled to adjust the Mini-Competition Award Criteria weightings by a maximum of plus or minus 30% and/or to introduce sub-criteria which derive from the criteria set out above; and, Organisations are entitled to request different levels of insurance; provided that these are notified to the Firms at the time the Firms are invited to submit their proposals.

Step 4: The Organisation shall evaluate any Firms' proposals in accordance with the Mini-Competition Award Criteria and the Organisation's requirements as specifically stated in the statement of requirements.

Step 5: The Organisation can, at its sole option, decide whether or not to select a Firm to provide the Services as set out in the specification. If the Organisation decides not to select a Firm the Organisation should notify all potential Firms of the same and the Mini-Competition Procedure will be discontinued. The Organisation may at its option repeat the Mini-Competition Procedure.

Step 6: If the Organisation decides to select a Firm, the Organisation shall notify all other potential Firms in writing of their failure to be selected.

Firms are aware that an on-line Electronic Reverse Auction may be used in conjunction with mini competitions if an Organisation wishes to do so.

MINI-COMPETITION TEMPLATE DOCUMENTATION

To assist you in developing your specification and mini competition, template documentation that has been developed by NPS is available for you to use and supports this User Guide.

You will find the following templates available with the guidance document within sell2wales.

- Mini Competition Requirements Template
- Mini Competition Technical Response Template
- Mini Competition Commercial Response Template.
- Business Case Template

If you need assistance with the template documentation, please contact the NPS Category Manager on page 5 of this guide.

The default Conditions of Appointment under this framework agreement are attached at annex five.

The Conditions of Appointment shall apply to all Organisations' Contracts together with any appropriate Special Terms (notified by the Organisation to the Firm in its Order). Special Terms may not be used to substantially alter the Conditions of Appointment.

In the event of any inconsistency or conflict between the Conditions of Appointment and the Special Terms, the Special Terms shall prevail

6. ABOUT NPS AND OUR FRAMEWORKS

NPS is a new approach to collaborative public procurement in Wales.

The NPS became operational in November 2013 and is managed through Category Teams that will respond to the requirements of the customer organisations and negotiate Frameworks and contracts on their behalf, getting the best possible deal for Welsh public sector.

Further information on NPS can be found at: <http://npswales.gov.uk/about-us>

7. SERVICES AVAILABLE VIA THIS FRAMEWORK

A Framework Agreement is, essentially, an agreement with suppliers to establish terms governing contracts that may be awarded during the life of the agreement. In other words, it is a general term for agreements that set out terms and conditions for making specific purchases (call-offs).

Organisations may use the Framework to set up supply arrangements quickly and simply.

The specification used to establish the framework can be found at annex one.

8. SUPPLIER INFORMATION

For ease of reference, the names and contact details for Firms on the Framework are available within the Funnelling Tool. Firms are listed in alphabetical order and are not ranked in any way.

9. PRICING INFORMATION

The hourly rates contained within the funnelling tool show the maximum hourly rate that firms are able to charge for their services under the Framework for the following levels of seniority:

Grade:	Description:
Partner <i>(including Senior Partner and Consultant)</i>	Partner/Senior Partner; and Legal Consultant – technically qualified in some other area; for example Planning or environmental matters
Associate <i>(including Senior Associate)</i>	5 years or more post qualified experience
Solicitor <i>(including Junior/Senior Assistant)</i>	Up to 4 years post qualified experience
Paralegal / Legal Executive	Part qualified lawyer / qualified legal executive

During mini competitions Firms can submit hourly rates that either match or are lower than the maximum rates but **cannot exceed them**.

10. MANAGING THE FRAMEWORK

As this is a Framework from which organisations can conduct further competition, NPS will not be involved in the day to day management of the Firms and the services they provide to you. However, NPS will be closely monitoring the progress and performance of the arrangement throughout the life of the Framework to ensure organisations' needs are being appropriately met.

If you have any queries or require support regarding the use of the framework, or experience any issues please contact NPS via:-

NPSProfessionalServices@wales.gsi.gov.uk

Carla Lavender – Professional Services Category Manager

Tel: 01443 663871

11. BACKGROUND TO THE PROCUREMENT

This section is simply background information for those who may be interested in using the Framework and want to understand a little more about the process the National Procurement Service (NPS) followed when setting it up.

Where did the Legal Services by Solicitors Framework come from?

The NPS has worked collaboratively with the Central and South West Wales shared Legal Services Programme Board, Local Authority - Special Interest Groups and other public sector representatives to establish an all Wales Framework Agreement for the provision of legal services by solicitors.

The 'Central and South West Wales shared Legal Services Programme Board' consists of Heads of Legal Services from Bridgend CBC, Carmarthenshire CC, Ceredigion CC, Neath Port Talbot CBC, Pembrokeshire CC, Powys CC and C&C of Swansea local authorities. This Board was set up 2009 for the purpose of initiating and leading collaboration in legal services.

The purpose of establishing this framework agreement for solicitors was two fold:-

- To supplement limited resources within participating organisations; and
- To identify firms who could offer expertise where the organisation does not have the internal capability of expertise.

How NPS established the Framework

- A Prior Information Notice (PIN) was published in the Official Journal of the European Union (OJEU) and feedback sought from firms on the proposed procurement strategy.
- Formal notice inviting expressions of interest from potential firms was published in the Official Journal of the European Union (OJEU)
- A Category Forum Group comprising legal representatives from South, West and North Wales based local authorities, Welsh Government and independent legal advisers assisted the NPS in the development of the ITT documentation.
- The procurement process adopted by NPS was based upon the Open procedures as detailed in the Public Contract Regulations.
- A detailed and thorough evaluation of the tenders that were submitted was completed by legal representatives from a number of Local Authorities, other public bodies and independent evaluators.
- It was determined from the outset that the objective of a new Framework agreement was not to promote a single firm as a preferred route to market (with the exception of Lot 11), but was to offer a range of service solutions from a number of firms.

12. PERIOD OF THE FRAMEWORK

This EU compliant Framework commenced 1st September 2015 and will be in place to 31st August 2019. However, this period does include Break Clauses allowing the NPS to terminate the Framework Agreement at the end of years two and three.

Please note that the duration of the individual contracts awarded by each organisation are to be determined by those organisations and may extend beyond the life of the Framework Agreement. Official guidance suggests that individual contracts should not normally exceed 4 years' duration.

The length of individual contracts, as with all contracts, should be appropriate to the purchase in question and should reflect value for money.

Annex One:

Specification

Scope of Services included within the NPS Framework for Legal Services by Solicitors

This Framework Agreement is for the provision of Solicitors' services as organisations may specify within the disciplines below:

Adult Social Services Law (Lot 1)

Within this discipline legal advice and services in relation to, but not restricted to:

- Legal Advice to Social Work Teams
- Advice relating to Health and Social Care including Mental Health, Community Care, Residential Care, Older People, People with Disability, Elderly Mentally Inform and all other aspects of Social Care
- Proceedings relating to Health and Social Care matters
- Public Interest Immunity issues including attendance at Court
- Advice and Conduct of Proceedings relating to Judicial Review
- Court of Protection

Child Social Services Law (Lot 2)

Within this discipline legal advice and services may be required in relation to, but not restricted to:

- Public Interest Immunity issues including attendance at Court
- Advice and Conduct of Proceedings relating to Judicial Review
- Legal Advice to Social Work Teams
- Children Act Proceedings in all Courts
- Adoption and Children Act proceedings in all Courts
- Fostering and Adoption Advice

Civil Litigation (Lot 3)

Within this discipline legal advice and services may be required in relation to, but not restricted to:

- County Court Proceedings (Claimant and Defendant)
- High Court Proceedings (Claimant and Defendant)
- Judicial Review Proceedings
- Magistrate Court Civil Actions
- Licensing Proceedings / Appeals
- Possession Proceedings
- Anti Social Behaviour Orders
- Enforcement Proceedings
- Bankruptcy and Insolvency Proceedings
- Housing Disrepair Claims
- Injunctions
- Planning Public Enquiries / Appeals
- Personal Injury
- Housing Law
- Licensing Law
- Travellers
- Alternative Dispute Resolution

Corporate Governance and Ethical Standards (lot 4)

Within this discipline legal advice and services may be required in relation to, but not restricted to:

- Monitoring Officers Support
- Advice to Standards Committee
- Investigations
- Advice on Council Constitutions and Governance Issues
- Ombudsman Complaints
- Freedom of Information and Data Protection

- Local Authority Powers and Vires
- General Local Authority Law

Criminal Litigation (Lot 5)

Within this discipline legal advice and services may be required in relation to, but not restricted to:

- Magistrates Proceedings (Claimant and Defendant)
- Crown Court Proceedings (Claimant and Defendant)
- Judicial Review Proceedings
- Magistrate Court Civil Actions
- Magistrates Prosecutions
- Enforcement Proceedings
- Injunctions
- Health and Safety Prosecutions
- Food Prosecutions
- Trading Standard Prosecutions
- Planning Prosecutions
- Planning Public Enquiries / Appeals
- Fraud Prosecutions

Education Law (Lot 6)

Within this discipline legal advice and services may be required in relation to, but not restricted to:

- Advice to LEA's and Schools
- Special Needs Tribunals
- School Appeals Panels
- Legal Advice on School Governance
- School Attendance Prosecutions
- School re-organisations
- Public Interest Immunity issues including attendance at Court
- Advice and Conduct of proceedings relating to Judicial Review
- Advice on Legislation to Universities and Further Education Colleges
- Advice on University and Further Education College Governance
- Advice on Further Education student complaints
- Policy Advice

Employment Law (Lot 7)

Within this discipline legal advice and services may be required in relation to, but not restricted to:

- General Advice
- Contract Formation
- Secondment Agreements
- Discrimination Law
- Equal Pay
- Pensions
- Advice on Legislative Changes TUPE
- Grievance Handling
- Dismissal Procedures
- Dispute Resolution
- Compromise Agreements
- Tribunal Work
- School Employment Law
- Other Payroll / HR Matters
- Police Authority Work
- Senior Officer Complaints Police Staff Appeals

Major IT and Commercial Contracts (Lot 8)

Within this discipline legal advice and services may be required in relation to, but not restricted to:

- EU Procurement Advice
- IT Contracts and Advice on Procurement

- Building Contracts
- Engineering Contracts Services
- Contracts
- Performance Bonds
- Guarantees
- Service Level Agreements
- Commercial Agreements
- Entertainment Agreements
- Contract and IP Disputes
- Waste Management
- State Aid
- Charities
- Company Law including Formation of Companies
- Partnership / Multi Agency Agreements
- PFI Agreements
- Funding Agreements
- Trust Agreements
- Charities
- School Construction Agreements
- Joint Venture Agreements

Planning and Environmental Law (Lot 9)

Within this discipline legal advice and services may be required in relation to, but not restricted to:

- Planning and Environmental Law Advice
- Advice on Determination of Planning Applications
- Consents and Conditions
- Section 106 Agreements
- Planning Public Enquiries / Appeals
- Planning Prosecutions
- Planning Enforcement
- Contaminated Land
- Building Regulations
- Judicial Review Proceedings
- Rights of Way
- Drainage
- Commons & Village Greens
- Highway Advice
- Flooding Advice
- Parliamentary Agents Services (including legislative drafting and advice on vires)

Property Law (Lot 10)

Within this discipline legal advice and services may be required in relation to, but not restricted to:

- Sales of Commercial Land and Property
- Purchase of Commercial Land and Property
- Lease of Commercial Land and Property
- Compulsory Purchase Orders and Inquiries
- Development Agreements
- Section 106 Agreements
- Commercial Leases
- Redevelopment Project Agreements
- Licences and Concession Agreements
- Agriculture Agreements
- Highway Agreements
- Rent Review and Associated Proceedings
- Road Adoption Agreements
- Conveyancing Ancillary Documents / Agreements
- Sale of Land and Property

- Purchase of Land and Property
- Lease of Land and Property
- Legal Charges
- Shared Ownership
- Land Tribunal
- Compulsory Purchase Orders and Public Inquiries
- Allotment Agreements
- Right to Buy Disposals
- Commons and Village Greens
- Land Charges
- Housing Law

Specialist Welsh & UK Higher Education Advice for the Higher Education Funding Council for Wales (Lot 11)

Within this discipline legal advice and services may be required in relation to, but not restricted to:

- Interpretation of Higher Education legislation as it affects HEFCW, HE Providers and the Higher Education Sector in Wales
- Welsh Government Higher Education (Wales) Act 2015 – to include advice relating to Financial Memorandum requirements, Fee Plans and Quality Assurance
- 1992 Further Education/Higher Education Act, Education Act 2005, and other related HE legislation
- Institutional Risk Assessment
- Charity Commission role for higher education in Wales
- Governance at higher education institutions

Some of the work in the disciplines above may be undertaken by public sector organisations own in-house teams and work allocated to Firms under these disciplines will supplement the services provided by in-house teams on a range of matters. The complexity, profile and value of matters will vary and organisations must provide the relevant details to the Firms at the time of call-off.

Firms are aware that this is only a general indication of the nature of advice likely to be required within each discipline and as circumstances change, the services required may change.

Secondments and Training

Organisations can request that a Firm provides secondments of legally qualified Staff to their Organisation from time to time. If the Firm is able to provide secondees the fee for such secondments shall be as agreed between the Firm and the Organisations.

The Firms are required to allow lawyers to participate in their in-house training programmes and provide some in-house training to the Organisations, subject to constraints of space. The Firms are required to give Organisations reasonable advance notice of their in-house training programmes and allow two members of staff (or more by agreement) to attend any in-house training events run by them.

The Firms are also required to participate in the Organisations’ in-house training programmes by providing individuals to give lectures and/or seminars on topics to be agreed. These lectures/ seminars will be given the opportunity to propose topics and/or discuss suitable topics for training sessions with Organisations on a periodic basis. The Fee for such training shall be as agreed between the Firm and the Organisation save that in the absence of agreement to the contrary, training shall be deemed to be given free of charge.

Organisations should make available to Firms from time to time details of any of its own in-house training events which it considers may be of benefit to firms and should allow two staff members of each Firm to attend any such events (subject to constraints of space, etc.). No charge should be made for this training.

Research and Library Sharing

There is an expectation under the Framework Agreement that Firms will make available to Organisations their research and library facilities.

Security

When a Firm is using e-mail to communicate with Organisations the Firm must implement appropriate technical and organisational measures to protect the Organisation's Personal Data against unauthorised or unlawful processing and against accidental loss, destruction, damage, alteration or disclosure. These measures will be appropriate to the harm which might result from any unauthorised or unlawful Processing, accidental loss, destruction or damage to the Organisation's Personal Data and having regard to the nature of the Organisation's Personal Data which is to be protected.

In providing their services under the Framework Agreement Firms must also comply with all security requirements of the Organisations as notified to them from time to time.

Community Benefits

The Firms are expected to work with the NPS and Organisations to maximise the community benefits delivered through the Framework Agreement and subsequent Contracts. The community benefits element may at this point, where appropriate and applicable, form a special condition of contract and expectations in terms of fulfilment of such benefits will be outlined per individual contract.

Examples of the types of community benefits that may be sought include:-

- 1. Provision of work experience placements**
- 2. Support for careers days**
- 3. Other benefits as appropriate to the contract under consideration**

Allowable Charges

All specified services must be provided within the hourly rates contained within the funnelling tool. Additional specific requirements may be included at the mini-competition stage and will be priced as separate disbursements.

In general, the charges that may be made in respect of services carried out under the Framework Agreement can be split into three cost categories – fees, disbursements and expenses.

- **Fees** are the hourly rates chargeable for the provision of professional advice and services
- **Disbursements** are costs incurred by the Firm on behalf of the Organisation, which are necessary for the provision of the services. This covers land registration fees, court and tribunal fees, fees payable to other professionals such as Counsel and other fees for registration or lodging of documents.
- **Expenses** are any further costs incurred by the Firm in providing services to the Organisation.

Disbursements and Expenses

Subject to the following, disbursements and expenses will generally be met on the basis of actual cost.

- Routine administration costs may not be charged as expenses. Typical routine administration costs include routine photocopying and reprographics, routine postage, internet access fees, telephone call charges, fax charges and other similar telecommunication costs. However, expenses may be charged in relation to bulk

photocopying and reprographics, bulk postage and reasonable courier charges (couriers must not be used routinely but only when the need is clearly warranted).

Expenses in relation to bulk photocopying and reprographics, bulk postage, etc. for each Instruction shall not be incurred without the prior written approval of the Organisation having been obtained.

- Travel time may only be charged on an hourly rate for time actually spent carrying out productive work for the Organisation. For the avoidance of doubt, time spent travelling without carrying out productive work for the Organisation will not be paid. Please refer to the funnelling tool at annex three for the hourly travel rates.
- External disbursements except for any provided for above shall be payable by the Organisation and shall be invoiced at cost. External disbursements for each Instruction shall not be incurred without the prior written approval of the Organisation having been obtained.

Non-chargeable Services

Firms shall not charge for initial contact which may range from short ad hoc queries from Organisations which would not exceed half an hour in duration or which, in the case of larger more complex matters, shall include but not be limited to attendance at familiarisation meetings which would not exceed two hours.

No charge shall be made by a Firm for activities carried out in respect of the overall management and administration of the Framework Agreement or of any Client Contracts awarded under the Framework Agreement.

Costing

The Firm shall (whenever requested to do so) provide an itemised cost breakdown (plus copies of any quotes obtained from third parties) relating to a specific service request.

The Firms are required to provide estimates for all work requested by the Organisation which is not covered by the hourly fees under the Framework Agreement.

Characteristics of Grades/Seniority

The Framework is priced against four levels of seniority as detailed within the table below.

Grade:	Description:
Partner <i>(including Senior Partner and Consultant)</i>	Partner/Senior Partner; and Legal Consultant – technically qualified in some other area; for example Planning or environmental matters
Associate <i>(including Senior Associate)</i>	5 years or more post qualified experience
Solicitor <i>(including Junior/Senior Assistant)</i>	Up to 4 years post qualified experience
Paralegal / Legal Executive	Part qualified lawyer / qualified legal executive

Invoicing

Organisations will decide whether they wish to use online/electronic invoicing systems but each Firm's invoices must meet the individual Organisation's authorisation and audit requirements.

As a minimum, invoices must provide:

- NPS Agreement number: NPS-PS0001-14
- The name, reference and purchase order number (where applicable) of the Organisation who issued the Instruction
- The type of work to which the invoice relates
- The date when the invoice was first raised
- The original and any updated estimate of fees
- In the case of an interim invoice, an estimate of fees required to complete the matter
- Itemisation of the number of hours worked by named fee-earners, indication of the level of seniority and corresponding hourly rate of each named fee-earner, a brief description of the type of work done during each of the stated hours and a detailed breakdown of third party disbursement costs
- Where applicable, the fixed or commission rate applied
- Where applicable, the agreed terms for calculating fees in the event of a matter being adjourned or cancelled or of instructions being withdrawn.

Firms must adopt alternative approaches to requesting payment and/ or invoicing for services if better value for money can be demonstrated by new methods that are compatible with the Organisation's systems, i.e. consolidated invoices.

Organisations can request extra detail to appear on each invoice to ensure that each invoice makes clear what has been charged and why, and that its layout facilitates checking, approval and audit.



**NPS LEGAL SERVICES BY SOLICITORS FRAMEWORK AGREEMENT
NPS CONTRACT REFERENCE NPS-PS-0001-14**

NON DISCLOSURE AND CUSTOMER ACCESS AGREEMENT

Non-Disclosure Agreement: On behalf of the organisation detailed below, I acknowledge that firms' pricing under the NPS Legal Services by Solicitors Framework is at this point considered to be commercially sensitive and could well prejudice the commercial interests of the firms involved if the information were to be made publicly available.

I therefore hereby agree on behalf of the said organisation that we will keep strictly confidential the pricing information supplied to us and will not disclose the same or any part thereof to any other person, organisation or company and shall not make any use of such information or any part thereof for any purposes other than for accessing the framework, unless required to by law to disclose.

I further agree that access to all such information will be restricted only to those persons reasonably required to know it and that, in any event, our employees, agents, consultants and sub-contractors (if any) are bound to us to hold such information in confidence and to use such information only for the purposes of accessing the framework.

Access Agreement: I/we confirm that the organisation detailed below intends to participate in the above mentioned NPS framework agreement, and that in doing so will act in accordance with the Public Contracts Regulations 2015. I/we confirm that any guidance and/or template documentation provided to me will only be used in relation to this Framework, and will only be used for other purposes where prior consent from NPS has been given.

Signature:

Date:

Name of person signing this form:

Position:

Name of authority:

Address:

Telephone:

E-mail:

Annual Spend on Legal Services by Solicitors:

Intended contract start Date:

Please tick which disciplines you anticipate you will be accessing:

Discipline	Yes/No
Adult Social Services	
Child Social Services	
Civil Litigation	
Corporate Governance & Ethical Standards	
Criminal Litigation	
Education Law	
Employment Law	
Major IT & Commercial Contracts	
Planning & Environmental Law	
Property Law	
Specialist Welsh & UK Higher Education Advice for HEFCW	

ONLY COMPLETE THIS FORM IF YOU ARE NOT ONE OF THE 73 NPS MEMBER ORGANISATIONS LISTED AT <http://nps.gov.wales/about-us/customer-member-organisations?lang=en>

To return this form, please email it to: **NPSProfessionalServices@wales.gsi.gov.uk**

Annex Three:

NPS-PS-0001-14 Solicitors Funnelling Tool

Please see the tool provided within the NPS-PS-0001-14 - Legal Services by Solicitors Framework folder within the Professional Services section of Contracts and Resources.

Annex Four:

NPS-PS-0001-14 eTrading Wales - Guide to ordering

Please see document NPS-PS-0001-14 eTrading Wales - Guide to ordering within the NPS-PS-0001-14 - Legal Services by Solicitors Framework folder within the Professional Services section of Contracts and Resources

When available, this will provide an overview of the mini competition and ordering process available through eTrading Wales

Annex Five:

NPS-PS-0001-14 Conditions of Appointment

Please see document NPS-PS-0001-14 Conditions of Appointment within the NPS-PS-0001-14 - Legal Services by Solicitors Framework folder within the Professional Services section of Contracts and Resources

Annex Six:

NPS-PS-0001-14 Business Case Template

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Resource Efficiency Framework Agreement

Advice, Support and Delivery Service for Energy Efficiency Advice and Environmental Consultancy

Customer guidance notes



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Version 0.1

Contents

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1 The Purpose of this document

- 1.1** This Framework Guidance is intended to provide information and assistance on the Resource Efficiency Wales Framework.
- 1.2** The guidance document also intends to serve the following purposes:
 - 1.2.1** Set out actions that customers are required to take in order to enter into call off contracts/direct awards under the Framework Agreement and;
 - 1.2.2** Inform Framework suppliers of the various processes that customers will follow in order to obtain services under the Resource Efficiency Wales Framework Agreement.
- 1.3** The guidance notes will be updated on a regular basis and should, therefore, be reviewed frequently to ensure efficacy and accuracy.
- 1.4** The control document will be hosted within the NPS contracts section on www.sell2wales.gov.uk
- 1.5** This document is for guidance only and is not a contractual document.

2 Public Accounts Committee (PAC) Recommendations on Buying Consultancy Services 2013

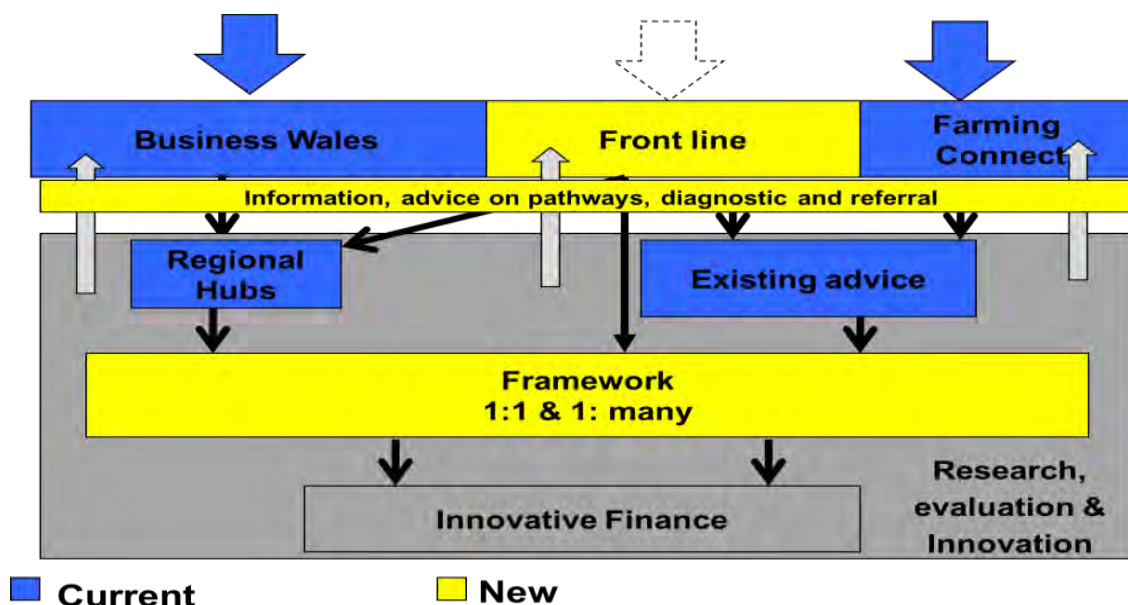
- 2.1** This framework fully supports the PAC Recommendations on Buying Consultancy Services 2013.
- 2.2** Before engaging external services you should always assess the availability of internal resource or secondment opportunities.
- 2.3** To support this approach we have provided a Business Case template at Annex 4.
- 2.4** Producing a business case will help you fully define your requirements in advance of any procurement and will assist your HR or other resourcing teams in identifying the availability of internal resource.

2.5 The full list of PAC recommendations and background to the investigation can be found at
<http://www.senedd.assembly.wales/mglIssueHistoryHome.aspx?lId=5874>

3 Background to the Framework

- 3.1** For the past 10 years the Welsh Government has operated a grant funded model for the provision of resource efficiency advice across the domestic, business and public sectors in Wales. However, it was appreciated that due to significant changes in the market, the grant funded arrangement no longer optimised the delivery of Value for Money (VfM) from energy efficiency advice expenditure. This was further highlighted by the comprehensive scoping study (2013), which was commissioned by the Welsh Government and recommended that an alternative solution be found.
- 3.2** To support the strategic development of this specialist market, NPS and the Welsh Government's People and Environment Division (PED) have worked collaboratively to establish a Framework for a brand new solution for resource efficiency. The Framework has further been developed in line with the Business Wales model providing resource efficiency support embedded in its offer. This Framework is aimed at the Welsh Government, Local Authorities and the wider Welsh Public Sector.
- 3.3** The key drivers of this collaborative approach are to:-
- 3.3.1** aggregate requirements and spend to exert maximum leverage on the market, with the aim of delivering cost savings and efficiencies to customers;
 - 3.3.2** reduce procurement process costs for customers by providing a quick and efficient route to market that is in line with EU regulations and;
 - 3.3.3** provide a robust service offering to all customers.
- 3.4** This Framework provides customers with a route to market for their resource efficiency requirements which means customers do not need to compete their requirements via OJEU or pre-qualify suppliers in order to procure their services.
- 3.5** To further support users of this Framework the Welsh Government has put in place a service delivery model (Figure 1), which acts as a front line service desk providing information and guidance on resource efficiency e.g. information on pathways and options to becoming more resource efficient, diagnostics and referrals.

Figure 1 - Service delivery Model



3.6 A greater detailed overview of the scope of this Framework agreement can be found in section 9 of this guidance document.

3.7 If required, the front line service can be accessed on 0300

4 Benefits of using the Framework

4.1 The benefits of using the Framework to procure your resource efficiency requirements include:

- **Reduced timescales** – Customers do not need to run an OJEU procurement if procuring via this Framework agreement, as this has already been undertaken by NPS and the Welsh Government. Customers simply need to identify their requirements, approach the relevant supplier and award contract, or compete the requirement through a mini competition.
- **Ease of use** – The Framework is simple to use, with expert procurement advice available from NPS.

- **Legality** – The Framework is fully legal and in line with EU regulations, as EU procurement rules introduced in 2006 specifically recognise Framework agreements as a legitimate route to market. This reduces procurement bureaucracy in the procurement process.
- **Assured supplier standards** – Providers appointed on to this Framework are “pre – qualified” as to their general suitability. Therefore customers procuring through this Framework can be assured that they can meet the appropriate standards in the provision of resource efficiency.
- **Aggregation of spend** – Customers will receive the benefits of aggregated volume of spend and the associated increased leverage on the market. Customers can also work together to group their requirements and submit these together as one further competition and compete via mini competition thus further driving VFM from expenditure. NPS will support this where appropriate.
- **Pre- defined terms and conditions** – Terms and conditions for this agreement have been established, and all Framework suppliers have signed and accepted this agreement and terms and conditions of call off.
- **Frontline Service Desk** – A frontline service provided by the Welsh Government, which guides users through the current complex provision landscape, thus avoiding costly errors arising from misinformation that is rapidly growing in the resource efficiency market and:-
 - The ability to access specialist advice through the Framework when required
 - Integration with other Welsh Government advisory services
 - Removal of duplication of effort across advisory services
 - A holistic approach to resource efficiency owned and managed by the Welsh Government.
- **Management Information-** to track buying patterns to identify opportunities for further savings and inform continuous service improvements
- **Cashable savings** - This Framework has secured competitive standard maximum rates for the first two years of the Framework agreement which may be reduced via further competition. Standard maximum rates are fixed for the first two years of the Framework offering security and potential for year on year savings; Utilising supplier capability, knowledge and innovation to drive savings. Details of Framework max rate card can only be accessed through the secure commercial website www.sell2wales.gsi.gov.uk **** The rate card is commercially sensitive and once accessed the contents must remain commercial in confidence and must not be shared with suppliers on or off the Framework.****

- **Flexibility-** One-stop-shop approach to meet the needs of the Welsh Government and wider public sector for multi-disciplinary requirements and one off specialist requirements.
- **Sustainability** – In recognition of the ever increasing role and importance of sustainability, the Framework has a focus on suppliers' development of community benefits arising from energy developments in Wales.

5. Other NPS Frameworks

- 5.1 We have a number of other professional services frameworks.
- 5.2 Solicitors Framework
- 5.3 Welsh translation framework
- 5.4 Construction Consultancy (Property)
- 5.5 Cash Collection Services
- 5.6 Information on the frameworks above can be viewed within the NPS section on www.sell2wales.gov.uk

6 Framework duration

- 6.1 The Framework agreement will cover the period 4th July 2014 to 3rd July 2018. The Framework agreement will be let for four years with the potential to break at the end of year 3 (termination is at the absolute discretion of the NPS).
- 6.2 The call off contract period will be agreed between the customer and the supplier. Call off contracts will expire two years after the Framework end to a maximum of 3rd July 2020.

7 Framework Value

- 7.1 The framework can encompass spend up to £40 million over its duration.
- 7.2 The NPS will monitor spend

8 Eligible customers

- 8.1 This Framework agreement is available to all organisations within the Welsh public sector

9 Framework scope

Lotting Structures;

9.1 Lot 1

Lot 1 covers Specialist Resource Efficiency Advice and Support. This consists of two types of support delivered to the target sectors:-

- One to one specialist or detailed advice surveys and support for implementation;
- One to many transformative support programmes, including support to groups or networks based on sector, theme or specific interest and opportunities.

Lot 1 covers all aspects of energy advice for example:-

- Surveys identifying resource efficiency opportunities savings
- Specific advice on technology types
- Wider support to help organisations and individuals get to installation stage: land management and planning issues, engagement support
- Support to the resource efficiency supply chain
- Developing and supporting networks
- Engaging sectors, supply chains or regions with resource efficiency issues
- Developing people's capacity to understand resource efficiency, and deliver resource efficiency projects

Lot 1 incorporates the following categories and related specialisms:-

9.1.1 Energy Efficiency Advice:

- General surveys and recommendation reports
- Implementation support
- Insulation
- Heating
- Lighting
- Appliances
- Savings from behavioural measures
- Metering
- Advice on compliance with EU Legislation

9.1.2 Microgeneration:

- Feed in tariff technologies

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- Solar PV
- Hydro
- Wind
- Micro CHP
- Anaerobic Digestion

9.1.3 Renewable Heat Technologies

- Biomass boilers (including Combined Heat & Power [CHP] biomass boilers)
- Solar Thermal
- Ground Source Heat Pumps
- Air Source Heat Pumps
- On-site Biogas Combustion
- Deep Geothermal
- Energy from Municipal Solid Waste
- Injection of biogas into the grid

9.1.4 Conventional Heat/Cooling Technologies

- District Heating
- CHP
- Heating, Ventilation & Air Conditioning (HVAC)
- Refrigeration
- Radiant and warm air heating

9.1.5 Waste

- Prevention, reuse, high quality recycling / separate collection
- Reduction in use of hazardous materials and in hazardous waste at end of life
- Product Eco design to reduce material use and wastage
- Business Resource efficiency competency assessment and improvement

9.1.6 Water

- Advice on the benefits of future water efficiency across a range of stakeholder groups

9.1.7 Other Advice Areas

- Planning and Land Management
- Advice and support to communities to develop capacity in order to define and deliver opportunities to improve the use of resources within the area.
- Advice and support to communities in understanding the benefits arising from energy developments in Wales, and developing appropriate ways of assessing these benefits, for example by developing projects, or working with developers through shared ownership or other models.

9.1.8 One to Many

Provision of one to many resource efficiency support for each of the stakeholder audiences including activity relating to supply chain development, good practice network development, training and communicating key messages

Stakeholder Audiences					
Domestic	Communities & Community Groups	Third Sector Organisations & Social Enterprises	SME & Micro Businesses	Mid & Large Scale Businesses	Welsh Public Sector

9.2 Lot 2

Lot 2 covers Research and evaluation services relating to resource efficiency. This covers the following six broad categories, three categories of research and three categories evaluation:-

9.2.1 Research

- Undertaking research on environmental, social and economic benefits of new policy and new delivery options for resource efficiency.
- Developing and testing approaches for resource efficiency interventions
- Conducting research in order to understand public or sectorial values, attitudes and beliefs and develop key messages for specific audiences

9.2.2 Evaluation

- Undertaking evaluation of specific resource efficiency or renewable generation initiatives, programmes and projects, both procured through this Framework and by other means
- Evaluating the delivered environmental, social and economic impact of current resource efficiency programmes
- Identifying the likely longer term impact of resource efficiency interventions

Please refer to the statement of requirements / ITT for each lot for further information

10 Framework Pricing

10.1 You'll find full rate cards at annex 1 and annex 2

11 How to use the Framework –

Award Options

Customers can procure services for Lots 1 & 2 from the Framework either by a direct award process or as a result of a mini-competition.

11.1 Direct Award (Call off Contract) Process

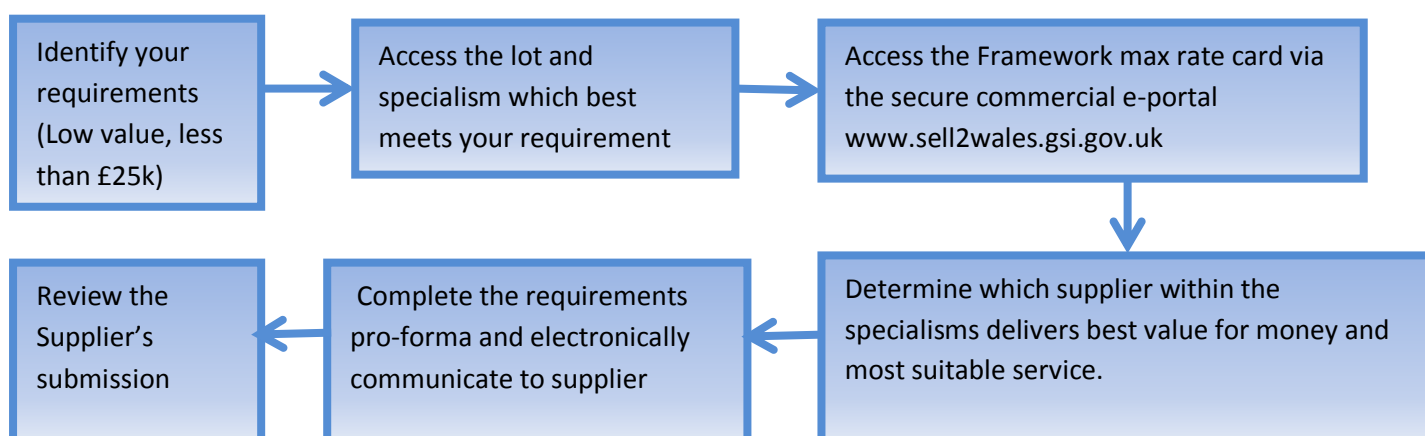
11.1.1 The direct award process is only permissible where the total value of the service being procured is less than £25,000.

11.1.2 Advantages of Direct award:-

- a) Contracts may be entered into more quickly than when further competitions are conducted.
- b) No need to re engage with the market or evaluate suppliers again.

11.1.3 The flow chart below (Figure 2) depicts a brief overview of the steps required to direct award:

Figure 2 – Direct Award Procedure



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If content with Supplier's proposal electronically issue Purchase Order to Supplier

Process

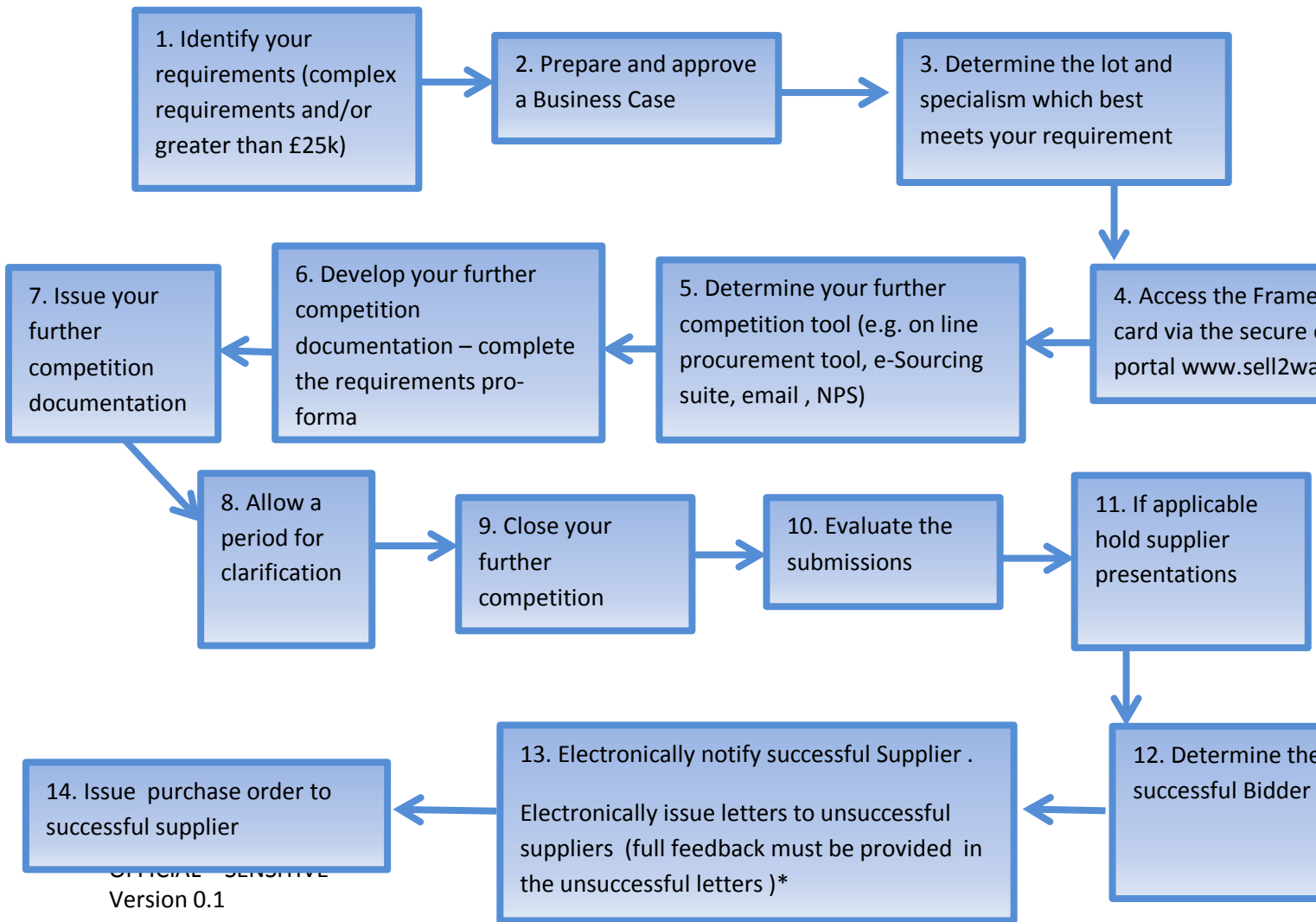
may be used for complex requirement and/or if the value exceeds £25,000

11.2.1 Advantages of mini-competition:-

- a) The customer can add to the core specification if they have varying requirements.
- b) Requirements with a value equal to or greater than £25k must be subjected to mini / further competition, as this provides the opportunity to further drive Value for Money (VfM).

11.2.2 The flow chart below (Figure 3) depicts a brief overview of the steps required for mini-competition:

Figure 3 – Mini-Competition Procedure



* It is not a mandatory requirement for organisations to undertake a standstill period at mini-competition stage. However, individual organisations may wish to include this on a voluntary basis depending on the risk profile of the competition.

11.3 Checklist

11.3.1 Understanding the Service Requirements

Before beginning any further competition you need to have a clear understanding of the services that you wish to procure, including how to maximise saving efficiencies through the use of the most appropriate lot and specialism.

You should first draft a business case for the activity following your organisations internal procedures. A sample business case is provided at Annex 3.

11.3.2 Defining the Service Requirements

- The first step is to define the service requirement. The requirements pro-forma document is available at Appendix 1.
- Consider the type of service requirement in the first instance;
- **Lot 1 Specialist Resource Efficiency Advice and Support.** One to one specialist or detailed advice surveys and support for implementation; and / or one to many transformative support programmes, including support to groups or networks based on sector, theme or specific interest and opportunities, or
- **Lot 2 Research and evaluation services relating to resource efficiency**

11.3.3 Choose the relevant subject matter: E.g. Lot 1 Energy Efficiency Metering, or Micro generation Solar PV. Lot 2 Research – developing and testing approaches for resource efficiency interventions of Evaluation – Identifying the likely impact of resource efficiency interventions.

11.3.4 If you have more than one service requirement or your service requirement crosses over multiple specialisms , you may wish to combine the service requirements, and invite all suppliers across those specialisms to bid.

11.3.5 When inviting bids across specialisms, it is permissible for organisations within the lot to collaborate to deliver across specialisms in the form of a consortia.

11.3.6 Once you have selected the most appropriate lot / lots you may approach those suppliers within that lot to conduct a further competition. An example of a requirements pro-forma can be found at Appendix 1.

12 Consultancy Grades

12.1 All prices are supported by a maximum rate for each of the following five grades of consultant:

Level 1	CEO, Managing Director, Framework Director, Principal, Head of organisation
Level 2	Principal Researcher, Principal Consultant, Principal Advisor, Principal Trainer, Project Director, Principal Technical Expert, Framework Manager
Level 3	Senior Researcher, Senior Consultant, Senior Advisor, Senior Trainer, Senior Project – Programme Manager, Senior Technical Expert
Level 4	Researcher, Consultant, Advisor, Trainer, Technical Expert, Project Officer
Level 5	Support staff, Admin staff, Junior Consultant, Junior Project Manager, Finance Support

12.2 These rates are fixed for the first two years of the Framework and will not be increased. Rates can be reduced by suppliers during mini-competitions but cannot be exceeded.

12.3 The rates are expressed as maximum rate £ per day and include Travel and Subsistence costs, but exclude VAT. Daily rates are based on a 7.5 hour day. To calculate Hourly rates pro-rate the daily rate by 7.5 hours.

12.4 You may elect to invite further competitions to be conducted using pricing structures/charging methodologies other than daily rates for the number of consultancy days employed. Charges may be levied, for example, on a fixed price, output basis; milestone payments; time and materials; blended/bundled/team rates – capped or uncapped; bonus payment; reducing price; gain/pain share; other performance - related payment mechanism; other payment mechanism based on risk-sharing, etc.

12.5 In all these instances the supplier must be able to relate pricing back to the standard Framework rates to enable the customer to measure savings.

12.6 Customers are reminded that the rate card is commercially sensitive

13 Evaluating Mini Competitions

- 13.1** When developing evaluation criteria, be sure that sufficient detail exists to map against specific content, which suppliers are expected to include within their response. Each criterion should clearly be capable of being linked back to the high level evaluation criteria which was used to award the Framework agreement (see 14.2)
- 13.2 Evaluate Proposals**
Following receipt of supplier responses to the mini-competition, you will need to select the response that offers either the lowest price or the “most economically advantageous tender” in terms of price and quality. Standard evaluation procedures should always be followed. In preparation for the evaluation you should always document the process intended to be followed (i.e. who will undertake the evaluation and the qualifications and experience that makes them appropriate, when this will be carried out, what reporting and escalation lines are in place and how the ultimate decision to award a call off contract will be made). This will ensure there is a robust audit trail, helping to secure fairness and transparency in the process.
- 13.3 Award**
Following conclusion of the evaluation you will be in a position to make award of a call-off contract to the successful bidder(s). Following approval an award letter should be issued to the successful supplier/s. Letters to the unsuccessful suppliers must also be issued. Feedback must be provided in the unsuccessful letters.
- 13.4** To assist organisations the following draft documents have been produced:
13.4.1 Mini Competition Template (Annex 4)
13.4.2 Commercial Proposal Form (Annex 5)
13.4.3 Evaluation Spreadsheet (Annex 6)
- 13.6** Following the award of any call-off contract please notify the National Procurement Service (Professional Services Team) with the estimated contract value and details of the start and end date by emailing NPSPProfessionalServices@Wales.gsi.gov.uk
- 13.7 Post Award**
Any disputes between you and the supplier should in the first instance be resolved between the two parties, however if no agreement can be reached then National Procurement Service can act as an escalation point to assist in the resolution of any dispute.

14 Mini-competition Award Criteria

- 14.1** When running a mini-competition, customers should award either on the basis of lowest price or the most economically advantageous tender (MEAT) and must provide suppliers with the methodology behind the evaluation, including the evaluation criteria and the weightings that are applied to each criterion.
- 14.2** At return of tenders from either process, the following assessment criteria will be used:
- a) Understanding of the specification
 - b) Delivery method
 - c) Team and staff expertise
 - d) Community benefits
 - e) Commitment to sustainable development
 - f) Costs

Clients shall be entitled to adjust the Mini-Competition Award Criteria weightings and/or to introduce sub-criteria which derive from the Mini-Competition Award Criteria provided that these are notified to the providers at the time the providers are invited to submit their proposals.

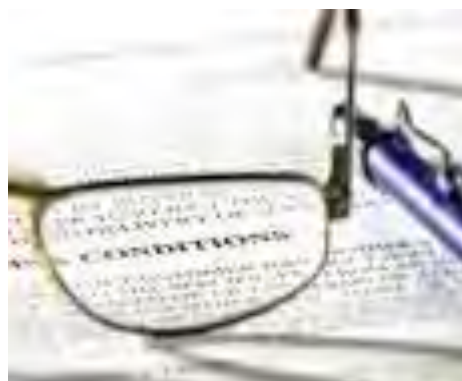
- 14.3** When appropriate, Sustainability and Community Benefits criteria should be considered and demonstrated for each call-off contract.

15 Finalising the call off

- 15.1** If you are direct awarding to a supplier, simply electronically issue the award letter and raise and issue a Purchase Order (less than £25k) via your organisation's electronic purchasing system.
- 15.2** If you are following the mini-competition route the electronic issuance of award letters for successful suppliers and letters to unsuccessful suppliers is required. These letters should provide details of the scores awarded for each weighted criteria compared to the successful potential provider and a rationale for each score. The rationale should be objective, and care needs to be taken to ensure that the scores and rationale is in line with the original tender documentation.
- 15.3** A Purchase Order should then be raised and electronically communicated to the successful supplier via your organisations electronic purchasing system.

16 Terms and conditions

- 16.1** All suppliers have signed a Framework agreement with NPS which includes the customer call off contract. Therefore the contract / Purchase Order will be issued under the already agreed terms and conditions of this Framework.



17 Key Performance indicators (KPI's)

- 17.1** There are a number of KPI's that have been set for the providers on this Framework agreement. These cover:-

- a) Spend
- b) Savings
- c) Customer satisfaction
- d) Operational performance
- e) Timely provision of Management Information
- f) Timely payment of invoices

- 17.2** Customers are able to set any KPI's they feel are necessary at call off. These must be made clear and agreed with the suppliers on each lot.

18 Management Information

- 18.1** Suppliers on this Framework provide monthly Management Information (MI) to NPS, which calculate the levels of spend running through the Framework agreement, and calculate the customer savings.



19 Contract Management

- 19.1** To successfully deliver the Framework agreement there will be proactive contract management activities. This will be informed by quality management information shared between the suppliers and the National Procurement Service. A strategic supplier relationship will be developed immediately following award and maintained throughout the Framework agreement.
- 19.2** Regular performance reviews between the supplier and the National Procurement Service will take place throughout the Framework agreement in the form of 6 monthly review meetings.
- 19.3** Management and operational reviews will also take place in addition to the NPS strategic reviews
- 19.4** The reviews will cover the following:-
- a) Strategic Reviews (Held 6 monthly with top 10 Framework suppliers by spend), and focus on:-
 - Overall Framework agreement performance;
 - Efficiency opportunities

- Savings
 - Market conditions
 - Policy update
 - Security & risk management
 - Community Benefits
- b) Management and Operational Review meetings (Held every quarter, suppliers, NPS, Welsh Government, and customer representatives), and will focus on:-
- Framework agreement performance and customers;
 - Compliance against KPI's
 - Incident and problem management
 - Forward planning and future efficiencies
 - Savings
 - Sustainability
 - Customer feedback – Appendix 2

20 Feedback and contact details

20.1 If you have any queries, or wish to discuss your requirement or the Framework in further detail, please use the details below:-

E: NPSProfessionalServices@wales.gsi.gov.uk

T: 0300 790 0170

20.2 If you would like to provide feedback relating to this Framework, please get in touch by emailing the above. Your feedback will be logged and discussed at the supplier performance meetings and we will inform you of any changes that have been made in relation to your feedback.

21 Supporting Documentation

The following Annexes are available from sell2wales.gov.uk

Annex 1 – Rate Card (Lot 1)

Annex 2 – Rate Card (Lot 2)

Annex 3 – Business Case Template

Annex 4 – Requirement Pro-forma

Annex 5 – Mini-Competition Bidder Response Template

Annex 6 – Commercial Response Form

Annex 7 – Evaluation Spreadsheet

Annex 8 – Lot 1 Funnelling Tool and Guidance

Annex 9 – Lot 2 Funnelling Tool and Guidance

Annex 10 – Supplier Contact Details

Construction Consultancy Framework Agreement

Advice and Support for your Construction Consultancy Needs

Customer guidance notes

Ref: NPS-PS-0004-14/NWPP_039(v0.7 – UPDATED 1ST SEPTEMBER 2015)



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Other Frameworks which may be of interest:-

NPS-PS-0003-14 Resource Efficiency
Energy efficiency advice, guidance and research

NPS-PS-0002-14 Welsh Translation
Full range of written translation and interpretation services Welsh-
English and English Welsh

Please contact the National Procurement Service Professional Services
Team for more information:-

NPSProfessionalServices@wales.gsi.gov.uk

1. OVERVIEW OF WALES CONSTRUCTION CONSULTANCY FRAMEWORK

This Framework offers customers a quick, simple and competitive route to Construction Consultancy services. The Framework offers access to pre-approved suppliers that have been rigorously assessed on the quality of the services they provide.

The Framework comprises nine disciplines plus a multi-disciplinary option, as follows:

- Architecture
- Mechanical and Electrical Engineering
- Quantity Surveying
- CDM Co-ordination
- Structural Engineering
- Project Management
- Ecology
- Landscape Architecture
- BREEAM Assessment
- All-In Multi-Disciplinary Consultancy Services

The full technical specification/schedule of services used within the procurement is attached as appendix two.

WHO CAN USE THIS FRAMEWORK?

The Framework is available for use across Wales by any public sector body including, but not limited to:

- Welsh Government
- Local Authorities
- Higher and Further Education Bodies
- Police and Emergency Services
- NHS
- Welsh Government Sponsored Bodies (i.e. Natural Resources Wales, Arts Council for Wales etc)

BENEFITS OF USING THE FRAMEWORK

- It's quick and easy to use. The Framework is EU/UK Compliant so there is no need for you to run a full EU tender for your requirement.
- Pre-agreed terms and conditions. All suppliers on the Framework have agreed to the Framework Terms and the default use of the NEC Professional Services Contract April 2013*, which will underpin all contracts placed under the agreement. Therefore, you will save time by not having to enter into lengthy negotiations with the suppliers.
- Supplier's capability guaranteed. All suppliers listed on the Framework have already been assessed for their past performance, experience and technical and professional ability.
- Template documentation. NPS has created template specifications and further competition documentation, which is freely available on request - This will assist customers in procuring from the Framework, helping to ensure the quality of bids/quotes received.
- Full use of these tools provides full compliance with the Public Accounts Committee review of collaborative procurement (2013).
- Services will be tailored to your individual requirements. Customers will be able to specify their exact Construction Consultancy requirements to ensure value for money and suitability.
- It's free. There is no charge for customers to use this Framework.

* A number of alternative model contracts may be introduced at mini-competition.

PUBLIC ACCOUNTS COMMITTEE (PAC) RECOMMENDATIONS ON BUYING CONSULTANCY SERVICES 2013

- This framework fully supports the PAC Recommendations on Buying Consultancy Services 2013.

- Before engaging external services you should always assess the availability of internal or other public sector resource that may be available through a shared service or secondment arrangements.
- For larger commissions we also recommend you produce a business case.
- To support this approach we have provided a Business Case template readily accessible with the Professional Services suite of documentation.
- Producing a business case will help you fully define your requirements in advance of any procurement and will assist your HR or other resourcing teams in identifying the availability of internal resource.
- The full list of PAC recommendations and background to the investigation can be found at <http://www.senedd.assembly.wales/mgIssueHistoryHome.aspx?IId=5874>

Useful Information

Framework Reference: NPS-PS-0004-14

Start Date: 17th December 2014

End Date: 16th December 2016

Optional Extension 1 to: 16th December 2017

Optional Extension 2 to: 16th December 2018

Key Contact Details

Contact NPS via

NPSProfessionalServices@wales.gsi.gov.uk

Kathryn Jones – Category Officer

0300 062 5427

2. LOTTING ARRANGEMENTS

Regional

Each discipline is sub-divided into three geographic areas

- North Wales (Conwy, Denbighshire, Flintshire, Gwynedd, Isle of Anglesey, Wrexham)
- Mid Wales (Ceredigion, Powys)
- South Wales (Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Carmarthenshire, Merthyr Tydfil, Monmouthshire, Neath Port Talbot, Newport, Pembrokeshire, Rhondda Cynon Taff, Swansea, Torfaen, Vale of Glamorgan)

In the first instance it is anticipated that organisations will utilise the lot appropriate to their location and/or the site of the planned works. Where an organisation spans are number of regions and requires a consistent approach in several locations, the organisation should undertake a mini-competition including only suppliers who have been successful across all related regions providing suitable justification for the need for consistency can be provided.

Value Banding

All disciplines with, the exception of Ecology, BREEAM Assessment and Landscape Architecture, are also sub-divided into 4 value bands based on the estimated/budgeted final constructional contract value of the works. The value bands are as follows:-

- £0 to £250,000
- £250,001 to £1,000,000
- £1,000,001 to £4,000,000
- £4,000,001 plus.

Where the services relate directly to a construction project with an anticipated final value, only providers within the appropriate geographic area and value band should be considered.

Where the final value is estimated to fall at the juncture of two bands we would recommend that the higher band is used.

3. SUPPLIERS

There are 42 suppliers on the Framework with a maximum of between 5 and 7 in any one lot, across the disciplines as a whole this breaks down as follows:-

Discipline	Number of Suppliers
Architecture	9
Mechanical and Electrical Engineering	7
Quantity Surveying	10
CDM Co-ordination	9
Structural Engineering	8
Project Management	8
Ecology	6
Landscape Architecture	5
BREEAM Assessment	5
All-In Multi Disciplinary	9

Full details of the suppliers on the Framework can be found at within the Framework Funnelling Tool.

4. INSURANCE REQUIREMENTS

The following insurance requirements were a condition of participation for successful suppliers:-

Public Liability Insurance of £5,000,000 each and every claim but in the aggregate for pollution and contamination liability in the period of indemnity.
Professional Indemnity Insurance £1,000,000 each and every claim but in the aggregate for pollution, contamination and asbestos in the period of indemnity held for a minimum period of 12 years from appointment.
Employers Liability Insurance £5,000,000 where applicable

Bidders were advised that there may be circumstances where risks within a particular project may justify a higher requirement. Where this is the case the issue should be addressed at mini-competition stage by means of a disbursement..

5. COLLATERAL WARRANTIES

Template wording for Collateral Warranties has been agreed in principle and circulated to the suppliers for information. A copy of this document is available from the Contract and Resources section of Sell2Wales. Where a collateral warranty is required this must form part of a mini-competition and the associated cost included as a disbursement within the commercial evaluation.

6. HOW TO USE THIS FRAMEWORK

STEP ONE – None Disclosure and Access Agreement for participation in Wales Public Sector Construction Consultancy Framework Agreement

All public bodies are required to complete and return the Agreement attached at appendix one, this should be returned by e-mail to the National Procurement Service, prior to commencing use of the agreement.

STEP TWO

Please check Sell2Wales to ensure you have the latest version of the User Guide:

<http://www.sell2wales.gov.uk/>

Select - Contracts and Resources, Professional Services

STEP THREE – THE FUNNELLING TOOL

In addition to this user guidance you should have access to the Wales Public Sector Construction Consultancy Funnelling Tool.

This spreadsheet allows you to identify all the suppliers on the appropriate lot by a simple exercise of filtering by discipline, area and then value band where applicable.

All the suppliers contact details can be found within the tool along with their pricing information.

Please note the pricing information is supplied in confidence.

STEP FOUR – OPTION ONE

Direct Award

- Contracting Bodies will be at liberty to make Direct Awards (calling off without re-opening competition) where the terms laid down in the framework agreement are ‘sufficiently precise’ to cover all the terms of the call-off. A contracting body must make a direct award under a multi-supplier framework where the framework agreement covers all the terms of the particular call off contract.
- It is anticipated that this will only apply where a consultant is appointed on an hourly rate basis for standard services, for example, where there is a need to secure a limited amount of professional expertise/knowledge and in house expertise is not available. The provider will be selected on the basis of best value for money between those who have the capability/competence to meet the requirement.
- In the case of a Direct Call off the NEC3 PSC April 2013 Option E, Time Based Contract will apply.
- The Contract should be formed through the issue of a Purchase Order which MUST clearly reference the Framework name, reference number and lot.

STEP FOUR – OPTION TWO

Mini-competition

- A mini- competition is an exercise to reopen competition under the Framework, to secure formal quotations from all of the suppliers listed on the Framework that are able to meet your specific requirement.
- A mini competition for a call off contract must be held where not all of the terms for the contract are prescribed in the framework agreement. This will apply where the Contracting Body wishes to obtain a fixed price on the basis of a detailed brief.
- It is anticipated that fixed fees provided will be broken down into a schedule of rates which will then form the basis for any additional charges due resulting from variations requested by the contracting authority.

- Specifications must include enough detail regarding the services required to enable the suppliers to make a comprehensive and realistic resource calculation.
- Suppliers party to this framework have already undergone a lengthy process of assessment and so mini-competitions should be kept as simple as possible and focus on the suppliers offering specific to the project in question.
- Any quality criteria should reflect the categories shown below where they are applicable but must be project/commission specific.
- To assist you in developing your specification and further competition, template documentation that has been developed by NPS is available for you to use and supports this User Guide. If you need assistance with the template documentation, please contact the NPS Category Officer on page 3 of this guide.
- Contracting authorities running a mini-competition must:-
 - Invite bids in writing from all providers on the framework that are capable of delivering the particular requirement;
 - On all occasions the contracting authority MUST advise the contact provided within the Funnelling Tool of the imminent opportunity providing details of how the opportunity will be issued and guidance on any registrations required.
 - Where Sell2Wales is used, the contracting authority must confirm with the contact the appropriate registration to invite into the opportunity.
 - Your tender document must describe the requirement and tell bidders the basis on which you will evaluate their offers (e.g. cost, understanding the specification, delivery method etc) together with an indication of the relative importance of these criteria.
 - Set an appropriate time limit for the submission of tenders which takes into account the complexity of the subject matter of the contract and the time needed to submit the tenders, normally two to three weeks should be regarded as the absolute minimum.
 - Request that bids are returned from providers in writing and treat them confidentially until after the deadline has passed;
 - Award each contract to the provider who has submitted the best tender on the basis of the award criteria specified in the contract documents based on the framework agreement;
 - Bids must be submitted in accordance with organisational standing orders.
 - You must tell bidders the closing time and date for submitting their bids. You should not consider any bids which arrive late.
 - Evaluate the tenders submitted by the required deadline. You must treat all bidders equally and fairly, and evaluate all bids in accordance to the way you described in the tender documentation.
 - Advise all suppliers of the outcome by letter (template award and decline letters are available within the set of mini-competition templates). Unsuccessful suppliers must be made aware of their relative strengths and weaknesses in relation to the winning bid. The NPS is currently working with Procserve to set up an easy to use mini-competition facility within the Value Wales eTrading hub.

The default call off Terms and Conditions under this framework agreement are the NEC Professional Services Contract April 2013.

Where a mini competition is being undertaken, the contracting body may, at their discretion, state that a call off contract is made using an alternative set of Call Off Terms taken from the following list:-

- RIBA Standard form of Appointment
- RICS Standard Form of Appointment
- AEC Design plus applicable schedules
- JCT Consultancy (Public Sector) 2011

Contracting authorities must ensure they consider and include detail within the mini-competition of the use of any Option or Supplementary Clauses.

Mini-competition Award Criteria

It is intended that each time the Authority (and/or any Other Contracting Body) re-opens competition and runs a mini competition for the award of a Call Off Contract under the multi Provider Framework then the award decision will be based on the following criteria:

Overall weightings may be adjusted by the Authority or OCB based on the complexity of the individual project, sub-criteria will be weighted dependent on their applicability to the individual project.

Criterion	% Weighting
Price	20-80%
Quality	20-80%
Quality Sub Criteria	
Resources and Management	To be set by Authority/OCB conducting mini-competition
Managing Delivery	To be set by Authority/OCB conducting mini-competition
Continuous Improvement and Performance Management	To be set by Authority/OCB conducting mini-competition
Client Engagement	To be set by Authority/OCB conducting mini-competition
Buildings Information Management (BIM)	To be set by Authority/OCB conducting mini-competition
Technology and Innovation	To be set by Authority/OCB conducting mini-competition
Sustainable Buildings	To be set by Authority/OCB conducting mini-competition

Awarding a Contract

Call Off Contracts, whether as a result of Direct Award or following Mini-Competition, will be formed by the issue of an Order to the Provider and acceptance by the Provider of said Order.

7. ABOUT NPS AND OUR FRAMEWORKS

NPS is a new approach to collaborative public procurement in Wales.

The NPS became operational in November 2013 and is managed through Category Teams that will respond to the requirements of the customer organisations and negotiate Frameworks and contracts on their behalf, getting the best possible deal for Welsh public sector.

Further information on NPS can be found here: <http://npswales.gov.uk/about-us>

8. SERVICES AVAILABLE VIA THIS FRAMEWORK

A Framework Agreement is, essentially, a list of suppliers that have proven to have a successful track record of delivering construction consultancy services. Customers may use the Framework to set up supply arrangements quickly and simply.

The specification used to establish the framework can be found at Annex 2. Template specifications and documentation are also available to assist customers' procuring from the Framework.

9. SUPPLIER INFORMATION

SUPPLIER CONTACT DETAILS

For ease of reference, the names and contact details for the suppliers on the Framework are available within the Funnelling Tool. Suppliers are listed in alphabetical order and are not ranked in any way.

10. PRICING INFORMATION

Maximum Rate Cards are available for all Lots.

The rate cards show the maximum hourly rate that suppliers are able to charge for their services under the Framework for the following level of specialist:

Grade	Characteristics
Technical Staff - Technician/Senior Technician	Technical competence and with demonstrable experience working within the discipline and on projects relevant to the requirements of the lot.
Professional Staff - Senior Consultant	Staff at this grade must be professionally qualified in the required discipline and be able to demonstrate significant experience of managing and successfully delivering a broad range of relevant projects within the appropriate category and value band.
Partner/Principal	Staff at this grade must be professionally qualified in the required discipline and be able to demonstrate substantial experience, at a managerial level, of managing and successfully delivering a broad range of relevant projects within the appropriate category and value band.

During mini competitions suppliers can submit prices that either match or are lower than the maximum rates but **cannot exceed them**.

11. MANAGING THE FRAMEWORK

As this is a Framework from which customers can conduct further competition, NPS will not be involved in the day to day management of the suppliers and the services they provide you. However, NPS will be closely monitoring the progress and performance of the arrangement throughout the life of the Framework to ensure customers' needs are being appropriately met.

If you have any queries or require support regarding the use of the framework, or experience any issues please contact NPS via:-

NPSProfessionalServices@wales.gsi.gov.uk

Kathryn Jane Jones

0300 062 5427

12. BACKGROUND TO THE PROCUREMENT

This section is simply background information for those who may be interested in using the Framework and who want to understand a little more about the process Wrexham County Borough Council (WCBC) followed when setting it up.

Where did the Wales Construction Consultancy Framework come from?

The North Wales Procurement Partnership (NWPP), representing Gwynedd, Anglesey, Conwy, Denbighshire, Flintshire and Wrexham Councils, let a Framework Agreement in August 2009 for Construction Professional Services. This agreement expired during August 2013. The North Wales Procurement Partnership, as an entity, officially ceased in March 2013, with function transferring to the NPS. Former members of the Partnership and the National Procurement Service wished to replace this agreement with a new and improved alternative, providing quality services and achieving the optimum value for money for public bodies across Wales.

Via interested stakeholder groups, agreement was reached to widen the scope for the new agreement to include the public sector within other regions of Wales.

The project was led by Wrexham County Borough Council (WCBC) who worked in partnership with the NPS. The agreement has now novated to the NPS who will take forward all the framework management.

The purpose of establishing this framework agreement for consultants was two fold:-

To supplement limited resources within participating contracting bodies.

To identify providers who could offer expertise within their profession where the contracting body does not have the internal capability of expertise.

How WCBC established the Framework

- A Prior Information Notice (PIN) was published in the Official Journal of the European Union (OJEU) and supplier feedback sought on the proposed procurement strategy.
- Formal notice inviting expressions of interest from potential suppliers was published in the Official Journal of the European Union (OJEU)
- A Customer User Group comprising the members of the North Wales Local Authority Design Group developed the ITT documentation in conjunction with the NWPP and latterly NPS.
- A consultation exercise was undertaken prior to issue of the ITT via the Wales Collaborative Works Group.
- The procurement process adopted by WCBC was based upon the Open procedures as detailed in the Public Contract Regulations (2006)
- A detailed and thorough evaluation of the tenders that were submitted was completed by Property Services/Design representatives from a number of Local Authorities.

- It was determined from the outset that the objective of a new Framework agreement was not to promote a single supplier as a preferred route to market, but was to offer a wide range of service solutions from a number of suppliers across Wales.

13. PERIOD OF THE FRAMEWORK AND RIGHT TO EXTEND

This EU compliant Framework commenced 17th December 2014 and will be in place to 16th December 2016, there are 2 optional extensions available meaning that the framework could be extended to a maximum of 16th December 2018.

Please note that the duration of the individual contracts awarded by customers are to be determined by the customer and may extend beyond the life of the Framework Agreement. Official guidance suggests that individual contracts should not normally exceed 4 years' duration.

The length of individual contracts, as with all contracts, should be appropriate to the purchase in question and should reflect value for money.

Annex 1:

**NPS WALES PUBLIC SECTOR CONSTRUCTION CONSULTANCY FRAMEWORK
AGREEMENT**

NON DISCLOSURE AND CUSTOMER ACCESS AGREEMENT

NPS CONTRACT REFERENCE NPS004

Non-Disclosure Agreement: On behalf of the organisation detailed below, I acknowledge that suppliers' pricing under the Wales Public Sector Construction Consultancy Framework is at this point considered to be commercially sensitive and could well prejudice the commercial interests of the suppliers involved if the information were to be made publicly available.

I therefore hereby agree on behalf of the said organisation that we will keep strictly confidential the pricing information supplied to us and will not disclose the same or any part thereof to any other person, organisation or company and shall not make any use of such information or any part thereof for any purposes other than for accessing the framework, unless required to by law to disclose.

I further agree that access to all such information will be restricted only to those persons reasonably required to know it and that, in any event, our employees, agents, consultants and sub-contractors (if any) are bound to us to hold such information in confidence and to use such information only for the purposes of accessing the framework.

Access Agreement: I/we confirm that the organisation detailed below intends to participate in the abovementioned NPS framework agreement, and that in doing so will act in accordance with the Public Contracts Regulations 2006. I/we confirm that any guidance and/or template documentation provided to me will only be used in relation to this Framework, and will only be used for other purposes where prior consent from NPS has been given.

Signature:

Date:

Name of person signing this form:

Position:

Name of authority:

Address:

Telephone:

E-mail:

Annual Spend on Property Construction Consultancy:

Intended contract start Date:

Please tick which disciplines you anticipate you will be accessing:

Discipline	Yes/No
Architecture	
Mechanical and Electrical Engineering	
Quantity Surveying	

CDM Co-ordination	
Structural Engineering	
Project Management	
Ecology	
Landscape Architecture	
BREEAM Assessment	
All-In Multi Disciplinary	

To return this form, please email it to: NPSPProfessionalServices@wales.gsi.gov.uk

Annex Two:

Technical Specification

Scope of Services to be included within the Wales Public Sector Framework for Construction Consultancy Services

This framework agreement brings together project management, design and a number of ancillary technical services designed primarily to assist clients in delivering a wide range of property related projects. The service package can be used as a comprehensive "one-stop-shop" consultancy solution (All-In) or as a schedule of specialist elements which can be purchased in isolation or any bespoke combination according to client need.

The All-In option will be used where a lead consultant is required take responsibility for and manage the contracts for all required services on a particular commission.

It provides clients with access to a full Project Management & Design team service to progress clients through the RIBA Plan of Works 2013 when delivering new build schemes, refurbishment and major programmes of work.

All specified services must be provided within the hourly rate submitted including all travel and subsistence. Additional specific requirements may be included at the mini-competition stage and would be priced as separate disbursements.

Architecture

The authority is seeking to appoint to the framework Architectural Practices able to provide a suitable, professionally qualified resource to undertake potential commissions, as a minimum, applying practices must have personnel at a senior level within the organisation who is/are fully qualified Architects who are registered with the Architects Registration Board (or National equivalent in the case of another Member State) in addition to any technical or supporting staff.

Practices must use a computer aided design package (Autocad or equivalent) maintaining and upgrading such a system to exploit the potential of new technological developments where reasonable.

Specifications must be produced in an NBS format.

Duties will include:-

- Production of affordable and sustainable architectural building design
- RIBA plan
- Project Briefs
- Specifications
- Design guides and design codes
- Planning applications and building control applications
- Infrastructure studies
- Design audit, and advice,
- DDA & access arrangements
- Design quality
- Whole life cost
- Regeneration
- Energy conservation and sustainability advice, assessments and implementation
- Achievement of EPC "A" for grant funded refurbishment works.

- Preparation of work packages suitable to tender, procurement management, monitoring of construction works
- Health safety environment management
- Training.
- Interior design
- 3D Design

Mechanical and Electrical Engineering

The authority is seeking to appoint to the framework Mechanical and Electrical Engineering Practices able to provide a suitable, professionally qualified resource to undertake potential commissions, as a minimum, applying practices must have personnel at a senior level within the organisation who is/are a fully qualified Engineer (CEng), chartered by an appropriate and relevant institution licensed by the Engineering Council (CIBSE, IMechE etc) in addition to any technical or supporting staff.

Practices must use a computer aided design package (Autocad or equivalent) maintaining and upgrading such a system to exploit the potential of new technological developments where reasonable.

Specifications must be produced in an NBS format.

Duties will include:-

- Production of Affordable and Sustainable Engineering Design
- Upgrading and refurbishment projects
- Asset Condition Surveys
- Design/Management
- Feasibility Studies
- Utility Assessments
- Whole Life Cost Assessment
- Electrical Services
- Achievement of EPC “A” for grant funded refurbishment works.
- Mechanical Services
- CCTV and Access Control
- Noise Control
- Energy Efficiency
- Thermal modelling
- Daylight assessments
- Acoustics
- Whole Life Cost Considerations
- Preparation of work packages suitable to tender
- Procurement Management, Monitoring of Construction Works
- Health Safety
- Environment Management
- Training.
- Air conditioning.
- Telecommunications and IT infrastructure.
- Fire alarms and lift installations

Quantity Surveying

The authority is seeking to appoint to the framework Quantity Surveying Practices able to provide a suitable, professionally qualified resource to undertake potential commissions, as a minimum, applying practices must have personnel at a senior level within the organisation who is/are a fully qualified Surveyor holding full membership of the RICS (MRICS) or equivalent in addition to any technical or supporting staff.

Preliminaries, General Conditions and Specifications must be produced in an NBS format.

Successful practices will be able to produce a Bill of Quantities using a standard method of measurement in addition to other schedules of rates.

Duties will include:-

- Inception
- Sketch Design
- Detailed Feasibilities
- Tender Evaluation and Reporting
- Valuations and Cost Reporting
- Conclusion of Final Accounts
- Deliver Affordable and Sustainable refurbishment projects
- Commercial or mixed-use developments
- Land Remediation
- Infrastructure projects
- Appraisal work
- Direct Development and Post Agreement Monitoring
- Whole Life Cost Considerations
- Preparation of work packages suitable to tender
- Procurement Management, Monitoring of Construction Works
- Contract Administration
- Health Safety Environment Management
- Training

CDM Co-ordination

CDMC Services will be provided in compliance with the CDM Regulations 2007 and the accompanying ACOP.

Note: the regulations are currently under review, therefore services and associated costs must be adjusted for compliance as detailed under the revised regulations where applicable.

The authority is seeking to appoint to the framework CDM-C Practices able to provide a suitable, professionally qualified resource to undertake potential commissions, as a minimum, applying practices must provide a resource of appropriately experienced and qualified CDM Co-ordinators with membership of a relevant construction-related professional institution e.g. membership of the Health and Safety register operated by the Institution of Civil Engineers (ICE), membership of the design register or CDM co-ordinators' register operated by the Association for Project Safety (APS), or membership of the CDM co-ordinators' register administered by the Institution of Construction Safety (ICS).

Duties will include:

- Advise and assist the client with his/her duties.
- Notify HSE on relevant projects.
- Co-ordinate health and safety aspects of design work and co-operate with others involved with the project from conception to completion.
- Facilitate good communication between client, designers and contractors.
- Liaise with the principal contractor regarding ongoing design.
- Identify, collect and pass on pre-construction information
- Prepare/update health and safety file.

Structural Engineering

The authority is seeking to appoint to the framework Structural Engineering Practices able to provide a suitable, professionally qualified resource to undertake potential commissions, as a minimum, applying practices must have personnel at a senior level within the organisation who is/are a fully qualified Engineer (CEng), chartered by an appropriate and relevant institution licensed by the Engineering Council (MIstructE) in addition to any technical or supporting staff.

Practices must use a computer aided design package (Autocad or equivalent) maintaining and upgrading such a system to exploit the potential of new technological developments where reasonable.

Specifications must be produced in an NBS format.

Duties will include:-

- Provide services relevant to their discipline in structural engineering and associated infrastructure works, for new build, refurbishment or upgrading projects.
- They will provide affordable and sustainable designs and advice having regard to all current standards and regulations.
- Provide the client with plans and associated documents, including structural calculations, load bearing capacities and cost effective solutions as appropriate for all stages of the project.
- Advise the Design Teams on the merits of alternative solutions considered appropriate for projects to demonstrate the achievement of Best Value.
- Co-operate with and advise the design team to ensure a coordinated approach for all relevant elements of projects to prevent clashes of installations and other elements of structure.
- Consider the ethos of BREEAM where appropriate in design together with other environmental issues.
- There may be a requirement to undertake associated drainage design.

Project Management

The authority is seeking to appoint to the framework Project Management Practices able to provide a suitable, professionally qualified resource to undertake potential commissions, as a minimum, applying practices must have personnel at a senior level within the organisation who hold a professional construction qualifications, chartered by an appropriate and relevant institution in addition to any technical or supporting staff.

The Project Manager will:-

Be required to work closely with the client and all members of the design team effectively forging the team into an effective entity focused upon the successful delivery of the scheme and recognising the lead role of the architect in the organisation of the design team.

Undertake the delivery of a project within established construction industry best practice whilst embracing the PRINCE 2 Methodology.

Establish and maintain an organisational structure that will effectively deliver the desired outcomes.

Ensure the coordination of all development tasks and team members, managing flow of information and adherence to deadlines

Exercise control over quality of work and proposals brought forward by consultants and others working on the development process.

Duties will include:-

- Project and Programme Management Service to act on behalf of the Client to include upgrading and refurbishment of the land and premises
- Land remediation, infrastructure and development.
- Business /Economic Support & Operating
- European Regional Develop Funding
- Actions plans
- Risk Management,
- Science and Research
- Leisure and Tourism
- Information Technology and Strategy Development
- Management of Procurement
- Preparation of work packages suitable to tender
- Monitoring of Construction Works,
- Health Safety Environment Management
- Gateway Reviews
- Knowledge Transfer
- Share Best Practice
- Skills / Training Delivery

Ecology

The authority is seeking to appoint to the framework Ecology Practices able to provide a suitable, professionally qualified resource to undertake potential commissions, as a minimum, applying practices must have personnel at a senior level within the organisation who is/are a fully qualified full member of the Chartered Institute of Ecology and Environmental Management (MCIEEM) or equivalent in addition to any technical or supporting staff.

The authority is seeking to appoint practices capable of providing a full range of ecological services, whether directly or via the use of appropriately qualified sub-contractors holding the relevant licenses.

Core Duties will include:-

- Ecology
 - o Ecological Risk Assessments
 - o RAMs Method Statements
 - o Habitat Surveys
 - o A full range of individual species surveys
 - o Conservation Management Plans
- Impact Assessment
- Advice on Best Practice & Government legislation
- Feasibility Studies
- Site Safety and Regulatory Assessments
- BREEAM,CEEQUAL Environmental Technologies and Services
- Invasive Weed
- Whole Life Cost Considerations
- Sustainable Procurement
- Preparation of work packages suitable to tender
- Monitoring impact of Construction Works
- Training.
- Graphics Production

Successful practices will have a working knowledge of issues surrounding the following:-

- Pollution Control
- Noise
- Air Quality.
- Carbon Reduction
- Sustainability
- Environment Management Services
- Contaminated Land
- Waste Management
- Flooding
- Rural and Coastal Issues

Landscape Architecture

Services are to be in accordance with the Landscape Institute Landscape Consultants Appointment - Revised May 1998.

The authority is seeking to appoint to the framework Landscape Architecture Practices able to provide a suitable, professionally qualified resource to undertake potential commissions, as a minimum, applying practices must have personnel at a senior level within the organisation who is/are a fully qualified chartered member of the Landscape Institute (CMLI) or equivalent in addition to any technical or supporting staff.

Duties will include:-

- Reporting on Area Regeneration Studies, Master Plans and Sub-regional Strategies, Landscape/Townscape analysis
- Town / Master planning,
- Soft and hard landscape design
- Urban Design & Guidance
- Feasibility Studies
- Site Appraisals
- Preparation of work packages suitable to tender
- Planning Applications
- Landscape design
- Public Art
- Procurement
- Presentation Visualisations
- Advice on Best Practice & Government Policy
- Monitoring of Construction Works
- Adoption works, Heritage
- Landscape Studies
- Community Engagement
- Sustainability
- Transport Planning & Studies
- Liaison with Dependant Parties
- Training

BREEAM Assessment

1) Pre assessment advice

Set standard for best practice in sustainable building design, construction and operation.

Review scheme information with regard to BREEAM criteria (current standards)

Provide pre assessment document indicating baseline rating and including suggested specification uplift, to meet required BREEAM rating.

Provide support to ensure that tender documents meet the required standards.

Review and comment as necessary on BREEAM issues as the design progresses.

Attend design team meetings.

2) Design and Procurement

Review submitted information for formal assessments.

Provide interim reports indicating what has been achieved and list further requirement.

Attend meeting

Determine outstanding information or issues raised during the formal assessment.

Provide formal Design and Procurement Assessment

Submit to BRE for Design and Procurement Certification

3) Post Construction Review

Review as built drawings and specification against Design and Procurement information

Undertake site inspection to verify construction.

Undertake formal Post Construction Review assessment.

Issue to BRE for Post Construction Review Certification

4) BREEAM Accredited Professional

Carry out the role of BREEAM Accredited Professional (AP) throughout the project as required.

This lot will be employed where the design elements are being undertaken in house.

All-In

The All-In option will be used where a lead consultant is required take responsibility for and manage the contracts for all required services on a particular commission.

1. Lead consultant/project management
2. Architectural service/ lead designer
3. M&E services
4. Structural Engineer Service
5. Quantity Surveying/cost consultant

A fully qualified professional for each discipline must be made available to the framework in line with the requirements detailed under each individual section of this specification.

We would require the bidding organisation to have at least one member of staff at a senior level within the bidding organisation who is professionally qualified within one of the following disciplines; Architecture, Mechanical and Electrical Engineering, Structural Engineering or Quantity Surveying.

Sub Consultant (to be appointed separately)

- Ecologist
- Archaeologist
- BREEAM assessor
- (CDM-C appointed by the client)
- Landscape Architect
- Civil Engineer

The multi-disciplinary services (All-in Project Management & Design team) must progress clients brief through the RIBA "Plan of Work; Multi-Disciplinary Services" Work Stages A - L1 (1-7) to deliver the project.

Required standards and duties for each individual discipline will be in line with the individual appointment within the framework, with additional responsibilities for the Lead Consultant/project manager as listed:

- Defining the client's requirements,
- identifying constraints
- developing and maintaining a project strategy
- the appointment of appropriate professional skills
- creating a management structure and good communications environment in which all parties can perform effectively.
- developing project procedures, including identifying relevant existing procedures of the client
- administrative actions such as contributions to and frequency of progress reports, validation of certificates, invoices etc. (see also RIBA Work Stage Procedures)
- developing and managing change control procedures
- monitoring performance activity, cost planning, change control, programme and progress
- evaluating performance of the project in use.
- BREEAM where appropriate within the design together with other environmental issues that occurs.

General requirements applicable to all lots:-

Practices will be able to demonstrate a level of experience appropriate to the value bands in which they are bidding (see minimum requirements as detailed within the qualification section of this ITT). Further evidence may be sought to verify the information provided, if such evidence cannot be provided any contract/agreement may be cancelled.

Practices will adhere to their relevant professional bodies codes of conduct at all times.

Organisations are at different stages with implementation of the use of BIM suppliers will be expected to work with participating organisations regarding development of BIM in line with individual authority and WAG requirements.

The Service Provider must allow for all work necessary for the delivery of the project including but not limited to the following:

- All project management duties with regard to the services specified within the applicable lot.
- Contract administration.
- Employers agent
- Expert witness
- Cost Management
- Supply Chain Management
- Where applicable and appropriate due consideration will be given to BREEAM Excellence requirements

- Conservation area, listed building, historic estate and archaeological reviews
- Specific outputs defined by the client within the specification for the further competition
- Service Provider specified outputs
- Compliance with all Clients policies in the development of the design and other Outputs;
- Stakeholder consultations and approvals e.g. planning authorities, building control, fire authorities, facilities management, site security and Client representatives
- All disciplines to be represented at relevant meetings, site visits, workshops and discussions;
- Preparing all necessary project documentation, including agendas, minutes of meetings, formal contract correspondence; appointment documentation and obtaining specialist fee quotations;
- Providing resource input into the development e.g. attending framework/ supply chain meetings, workshops, away days and other events organised by the Client.
- The Service Provider will be responsible for managing and maintaining the relationship with the Client through the framework, including providing feedback on potential improvements that could be implemented and integrated into the project deliverables at agreed intervals.
- Production of hard copy drawings/designs/schedules as required for tender/contract purposes and a full set at each revision as required by the Client/Project Manager.
- There may be a requirement to produce documentation in and attend and present at meetings which are conducted in the Welsh Language.
- Attending meetings as and when required in line with the needs of the project.

The fees submitted by the Service Provider are deemed to include all necessary services which could reasonably be expected of a professional working in the specified field, this includes but is not limited to all account management, internal processes, provision of management information, travel, subsistence and accommodation expenses.

All consultants will be expected to have a working knowledge of the principles of BREEAM where applicable.

Indicative Characteristics of Staff Grades

The Framework is priced against three grades of staff, the table below details the expected experience and qualification at each level.

Grade	Characteristics	% Weighting for Evaluation
Technical Staff Technician/Senior Technician	Technical competence and with demonstrable experience working within the discipline and on projects relevant to the requirements of the lot.	35
Professional Staff Senior Consultant	Staff at this grade must be professionally qualified in the required discipline and be able to demonstrate significant experience of managing and successfully delivering a broad range of relevant projects within the appropriate category and value band.	50

Partner/Principal	Staff at this grade must be professionally qualified in the required discipline and be able to demonstrate substantial experience, at a managerial level, of managing and successfully delivering a broad range of relevant projects within the appropriate category and value band.	15
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Construction Procurement Strategy for Wales

The Framework seeks to promote the ethos of the Construction Procurement Strategy for Wales and expects all clients and successful suppliers to adhere to the principles of the Construction Commitment Charter for Wales where applicable.

<http://www.cewales.org.uk/cew/wp-content/uploads/Construction-Procurement-Strategy-E.pdf>

<http://www.cewales.org.uk/cew/wp-content/uploads/Construction-Procurement-Strategy-W.pdf>

Community Benefits

Procurement is viewed as a key driver for delivering the organisations sustainable development commitments. The organisation is striving to develop a vibrant Welsh economy capable of delivering strong and sustainable economic growth by providing opportunities for everyone in Wales. Sustainable Development means ensuring that our actions contribute in the round to social, economic and environmental well-being now and in the future; improving the environment, building stronger communities, reducing social exclusion and poverty and encouraging the development of the economy. The organisation’s commitment to deliver ‘community benefit’ outcomes from our procurement activity is designed to ensure that wider social and economic issues are taken into account when spending public money. The intention is to achieve the very best value for money in the widest sense.

At award of contract following a mini competition, within the highest value bands, the successful tenderer will be expected to work with the contract manager to maximise the community benefits delivered through the contract. The community benefits element may at this point, where appropriate and applicable, form a special condition of contract and expectations in terms of fulfilment of such benefits will be outlined per individual contract. These benefits will be on a non-core basis, i.e. they will not form part of the contract award criteria however will become a condition of the contract.

Examples of the types of community benefits that may be sought include:-

- 1. Training and employment opportunities including work placement for undergraduates, working with local schools and colleges including work experience etc.**
- 2. Contributing to local regeneration schemes/initiatives**
- 3. Other benefits as appropriate to the contract under consideration**

Response to the Report of the National Assembly for Wales Public Accounts Committee Report on *Intra-Wales – Cardiff to Anglesey – Air Service: Final Report*

Recommendation 1. The Committee recommends that when commissioning external advice the Welsh Government should set out in advance the detailed scope of the work required and that any subsequent changes to the scope are supported by a clear business case.

Response : Accept in principle

The Welsh Government will, when commissioning any external advice in relation to the Intra Wales Air Service, establish in advance a clear and detailed scope of the work required. The Welsh Government may decide to adjust, amend or increase the scope of work required on the basis of the evidence provided during the commission where this is possible within procurement rules.

Recommendation 2. To allow itself flexibility to make timely and effective decisions, the Welsh Government should take a three yearly view of contracts that will expire and when new contracts need to be awarded by.

Response : Accept in principle

We will continue to monitor the performance of the Intra Wales Air Service contract to inform any future review regarding the continuation of the service beyond its 2018 expiry date. Any future review will be completed in time to inform a procurement exercise.

Recommendation 3. The Committee recommends the Welsh Government, in liaison with the Ministry of Defence, provides an assessment of (a) the costs and impact of opening RAF Valley on weekends, against an appraisal of likely revenue and any other benefits from operation; and (b) the potential modification of Anglesey Airport to accommodate greater passenger numbers, including using the opportunity of the RAF's anticipated improvement works.

Response : Accept

The Welsh Government liaised with RAF Valley and Isle of Anglesey council on these issues during the procurement for the current contract. We will continue to explore with all parties the potential opportunities for extending the opening times of RAF Valley, including at weekends. We will also continue to explore the potential for the airport to meet National Aviation Security Programme (NASP) to enable larger aircraft to be used on the route, should passenger and commercial demand support it.

Recommendation 4. The Committee recommends that the Welsh Government sets out its plans to ensure that the alteration to the route due to

the temporary closure of RAF Valley is communicated to potential passengers well in advance to ensure minimum disruption to the uptake of the service.

Response : Accept

We will ensure that the service operator, Links Air, publicise to passengers any changes to the service due to any temporary closure of RAF Valley. We will also continue to engage with Isle of Anglesey Council, RAF Valley and Links Air on this issue to work together to minimise the impact any temporary closure could have on passengers using the service.

Recommendation 5. The Committee recommends that Welsh Government should explore with Links Air other uses for the aircraft between its flights under the PSO, particularly those which may be of benefit elsewhere in Wales.

Response : Accept

We will continue to encourage Links Air to develop options for commercial routes using their aircraft based in Wales.

Recommendation 6. The Committee recommends that the Welsh Government provide an update on passenger figures and provide an explanation for any discrepancy with the CAA figures in January 2016.

Response : Accept

Passenger numbers for the first 6 months of the new contract have been in excess of those for the same period from the previous year. We will publish passenger numbers on an annual basis which will include a comparison with figures published by the Civil Aviation Authority.

Recommendation 7. The Committee recommends that the Welsh Government set out how it intends to use the findings from the required passenger surveys to identify how to increase passenger numbers.

Response : Accept

The passenger surveys will be an important tool for Links Air to use to identify passenger requirements for the air service. The results should be a valuable resource for the company enabling it to better market the service to increase patronage.

Recommendation 8. The Committee recommends that the Welsh Government publish a subsidy cost per passenger periodically, and its assessment of the value-for-money of the service, using suitable comparisons, on an annual basis.

Response : Accept

We will include a calculation of subsidy cost per passenger with the publication of annual passenger figures to enable an assessment of the value for money of the service.

Recommendation 9. The Committee recommends that the Welsh Government set out how it will evaluate the marketing of the scheme, which should be undertaken early in 2016.

Response: Accept

One of the key metrics we will use to assess the success of Links Air's marketing strategy will be the increase in the number of passengers using the service. We will conduct a review of Links Air's marketing strategy, materials produced, budget spent and targets achieved to ensure that they have marketed the service in accordance with the contract agreement.



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Mr Darren Millar AM
Chair of the Public Accounts Committee
National Assembly for Wales
Cardiff Bay
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Reference	PA152/MM/hcj
Date	18 September 2015
Pages	1 of 3

Dear Darren

Welsh Government Response – Intra-Wales Air Service

The Clerk's letter of 10 September requested the Auditor General's advice on the Welsh Government response to the Committee's final report on the *Intra-Wales – Cardiff to Anglesey – Air Service*. The Auditor General is on annual leave and in his absence he has asked me to respond on his behalf. While the Welsh Government has accepted seven of the Committee's nine recommendations, accepting the remaining two recommendations in principle, there are a number of matters that warrant clarification.

Recommendation 1: The Welsh Government has accepted this recommendation in principle, on the basis that it reserves the right to change the scope of a commission where possible within procurement rules. The Welsh Government's position in this regard appears reasonable. However, the response is framed simply in the context of any future external advice about the Air Service. We understood that the Committee was making this recommendation to cover Welsh Government practice in general and thereby requiring a more corporate response.

The Committee might wish to refer back to the Auditor General's February 2013 report on *The Procurement and Management of Consultancy Services*. One of the recommendations in that report related to the development by public bodies of template documentation to set out all essential factors which they should consider when purchasing consultancy services. The recommendation referred to the articulation at an early stage of exactly what service is required, the desired outcomes and the likely costs, to provide a firm foundation for project approval and subsequent contract management and evaluation. In its own report on the same topic in September 2013, the Committee recommended that the Welsh Government should ensure that the National Procurement Service develops guidance and templates to ensure that business cases exist for different procurement exercises, and are robust. We understand that the National Procurement Service may shortly be submitting evidence on action taken in response to the Committee's report on consultancy services.

Recommendation 2: Again, the Welsh Government has responded to this recommendation specifically in the context of the Air Service contract, rather than from a more corporate perspective. In respect of the Air Service, the basis on which the recommendation has been accepted only in principle is not entirely clear. Given the Committee's previous concern about the timescale for the most recent procurement exercise, it might have been useful for the response to have confirmed the expected timescale for the completion of a review to inform any future procurement exercise ahead of the expiry of the current Air Service contract in December 2018.

Recommendation 3: The Welsh Government has given a commitment that it will continue to work with all parties to explore opportunities to extend the opening times at RAF Valley and the potential for the airport to be developed to enable larger aircraft to be used on the Air Service route. While the response addresses the spirit of the Committee's recommendation, we took it that the Committee would expect to receive evidence at some point setting out the Welsh Government's assessment of these issues, and any related costs and benefits. In the case of the use of a larger aircraft, any such assessment might understandably be best undertaken when there is also clearer evidence of there being a growth in demand to support a larger aircraft.

Recommendation 4: It would have been helpful if the Welsh Government could have re-confirmed the latest expected timetable for the closure of RAF Valley, given previous slippage, and set out the related timetable for publicity to passengers. The position reflected in the Committee's report was that the closure was expected to happen in summer 2016. The Committee's recommendation pointed to the need for communication 'well in advance' to ensure minimum disruption to uptake of the service.

Recommendation 6: While the Welsh Government has committed to the publication of annual passenger data at the start of 2016, it would have been helpful if the response could have quantified the higher passenger numbers in the first six months of the current contract compared with the same period from the previous year.

Recommendations 7 and 9: The response to recommendation 7 appears to place the onus on Links Air to make use of the passenger survey information. However, the response to recommendation 9 confirms that the Welsh Government will be reviewing Links Air's marketing strategy. We assume that any such review would take into account relevant information from the passenger surveys. Nevertheless, the Welsh Government's response to recommendation 9 does not confirm whether this review will be undertaken in early 2016 as recommended by the Committee.

Recommendation 8: The Welsh Government has not given an explicit commitment that it will include in its publication of the annual passenger figures and assessment of the value for money of the service any suitable comparisons.

I trust that this advice is helpful to the Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Matthew Mortlock', written in a cursive style.

Matthew Mortlock
Director Performance Audit

Lesley Griffiths AC / AM
Y Gweinidog Cymunedau a Threchu Tlodi
Minister for Communities and Tackling Poverty



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: SF-LG-2246-15

Darren Millar AM
Chair – Public Accounts Committee
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Cardiff Bay
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25

August 2015

Dear Darren

Public Accounts Committee Report: Responding to Welfare Reform in Wales

Thank you for the copy of your Committee's report, which was sent to the Permanent Secretary on 28 July 2015.

I enclose a copy of the Welsh Ministers' response to the above report which will be laid before the Table Office.

On behalf of the Cabinet, I would like to thank you and the Committee for the careful and considered way in which you undertook the investigation and produced the report.

Regards
Lesley

Lesley Griffiths AC / AM
Y Gweinidog Cymunedau a Threchu Tlodi
Minister for Communities and Tackling Poverty

Appendix 1

Response to the Report of the National Assembly for Wales Public Accounts Committee Report on: Responding to Welfare Reform in Wales published on 28 July 2015.

We welcome the Committee's detailed consideration set out in its report. The following responds to each recommendation.

Recommendation 1

The Committee recommends that the Welsh Government develops a strategy to manage the impact of welfare reform where it has reduced welfare payments in Wales. This should identify best practice, provide coherent leadership and increase consistency between the approach taken by local authorities, housing associations and the third sector to welfare reform.

Partially Accepted

The broad principles behind the Committee's recommendation are accepted. The Welsh Government sees mitigating the impact of welfare reform as one element of its wider strategy on tackling poverty¹. There is not a compelling case for another, separate, strategy. The Welsh Government will continue to provide leadership in this area with a view to identifying the need for action and delivering a planned and co-ordinated programme in conjunction with stakeholder organisations to help people to cope with the impact of welfare reform. The programme would be part of, and would contribute to, the implementation of the Government's strategy to tackle poverty.

Since September 2011, the Ministerial Task and Finish Group on Welfare Reform has monitored the likely impact of welfare reform and provided strategic oversight for the actions being taken in mitigation. The Ministerial Task and Finish Group commissioned a comprehensive programme of research to assess the impact of these reforms. All research reports have been published on the Welsh Government's webpages. This analysis has been shared, via a series of Stakeholder Events, with a range of organisations actively involved in dealing with the impact of welfare reform. These events have enabled those organisations to share their insights and give feedback to Ministers, most recently in June 2015.

The Welfare Reform and Work Bill will bring further welfare benefit changes and cuts, as outlined within the UK Summer Budget 2015 on 8 July 2015. The Ministerial Task and Finish Group have commissioned further research to assess the likely impact of these reforms in Wales. It is anticipated the next research report will begin to be available this autumn.

A Welsh Government-led Task and Finish Group to consider work to mitigate the impact of the Housing Benefit size criteria reported in February 2014 making a total of 16 recommendations – all of which have been implemented.

The Welsh Government will continue to work with Local Authorities, Registered Social Landlords and Third Sector organisations to identify the need for further action and to deliver through existing programmes and new action additional support to help people to cope with further welfare reform.

¹ <http://gov.wales/docs/dsjlg/publications/150327-child-poverty-strategy-walesv2-en.pdf>
<http://gov.wales/docs/dsjlg/publications/150701-tackling-poverty-action-plan-2015-en.pdf>

Recommendation 2

The Committee recommends that the Welsh Government publish the suite of options considered by the Ministerial Task and Finish Group for responding to welfare reform. This should include a cost/benefit analysis of mitigating the full impact of the removal of the spare room subsidy through discretionary housing payments, as the Scottish Government chose to do.

Partially Accepted

During this term of Government, the Ministerial Task and Finish Group has considered a wide range of actions which the Welsh Government might need to take in response to welfare reform, ranging from policy decisions required in direct response to UK Government decisions, to indirect action to tackle potential consequences. It would be impracticable to publish details of every aspect the Group has considered, however a summary of the Welsh Government's response to welfare reform will be added to the welfare reform pages on our website.

Our research has considered the likely impacts in Wales of mitigating the impact of the Housing Benefit size criteria and also provides an indication of the costs and benefits which may materialise if the Welsh Government mitigated the full impact of the policy via increased discretionary housing payments. However the opportunity cost of diverting funding into a recurrent commitment of some £20m per year outweighed the estimated benefits. The Welsh Government had already entered an annual commitment of a similar magnitude on Council Tax Reduction (benefitting 307,000 households at the end of 2014/15) and with budgets decreasing, we would have had to cease or reduce other programmes which had a longer term, preventative value, such as action to prevent homelessness, in order to mitigate the impact of the Housing Benefit size criteria.

Recommendation 3

The Committee recommends that the Welsh Government collects and evaluates key data from the Department for Work and Pensions, local authorities and housing associations in relation to: -the profile of Housing Benefit recipients in Wales; -rent shortfalls; -debt collection costs; -referrals to food banks and advice services; -the number of financial capability assessments carried out; and -information from tenants on the personal impact of welfare reform. This should also include information on the removal of the spare room subsidy to identify how many tenants have moved or lost their home, transferred to another social housing property or into the private rented sector, and no longer claim Housing Benefit.

Partially Accepted

As part of its work to understand and assess the impact of welfare reforms on people in Wales, the Welsh Government monitors and considers data from a wide range of sources. This includes data on the profile of Housing Benefit recipients in Wales on which the Department for Work and Pensions publishes data on a quarterly basis.

By way of examples of other data monitoring, information on rent shortfalls is collected from social landlords in the form of rent arrears data. This annual count is disaggregated by Local Authority and whether arrears are for less or more than 13 weeks at the point the data is collected. It is extremely challenging to gauge rent shortfalls in the Private Rented Sector as the sector is more disparate.

Evidence on debt collection costs is provided in the Department for Work and Pensions' evaluations of welfare reform. The Welsh Government liaises with the Department for Work and Pensions on research and evaluation. Data on food banks is obtained from providers, such as The Trussell Trust, which runs a network of food banks across Wales. Preliminary discussions have also been held with them about the data they collect and whether more detailed information is available to inform a full and accurate statistical analysis on the use of food banks. We are currently investigating what data are currently available, and whether any improvements are achievable using existing sources and research evidence. Linked to this, we have a commitment in the Tackling Poverty Action Plan to develop a set of indicators on food poverty. This work is ongoing, with the view to providing

population level data on food poverty. Data on referrals to advice services are also considered from providers such as Citizens Advice and Shelter Cymru, which receive funding from the Welsh Government.

Financial capability assessments are a topical issue and are the subject of current action to study the policies and practices of Local Authorities and Registered Social landlords (see response to recommendation 8).

Information on the personal impact on tenants of welfare reform including, for example, the impact of the Housing Benefit size criteria has been considered as part of joint working with Local Authorities, Registered Social Landlords to help people to cope with changes to Housing Benefit. We will continue to consider the use of periodic data collection exercises intended to inform the wider challenge of mitigating the impact of welfare reform on tenants in the social-rented sector. This may be something which is commissioned as part of our research programme. In the meantime, our research has drawn on survey data published by UK Government departments and research organisations. We are also proactive in monitoring emerging evidence, for example, evaluations undertaken by the Department for Work and Pensions, and analysis published by the Joseph Rowntree Foundation and Citizens Advice Bureau.

Recommendation 4

The Committee recommends that the Welsh Government undertakes a modelling exercise on the future profile of the social housing market and its needs.

Partially Accepted

The prime responsibility for assessing housing need lies with Local Authorities and is currently undertaken through their Local Housing Market Assessments, which inform Local Development Plans. Each Local Authority is required to update its assessment so at any point in time it is no more than two years old.

Increasing housing supply is one of the Welsh Government's top priorities and the need to provide housing of the right type is recognised. This is reflected by its investment in building smaller properties in response to the previous round of welfare reforms. Modelling future demand for properties of different sizes is a challenge for us and for Local Authorities, and we are aware further research may be necessary. We will consider this in parallel with considering the findings of other research. The Public Policy Institute Wales has been engaged in updating the assessment of housing need and demand, which was published in 2010. Its work will, in due course, allow us to determine the best way of responding to changing needs and circumstances, such as those caused by the impact of further welfare reforms on individuals, such as young people. In turn, this will inform us on the best use of the investment of our Social Housing Grant, taking into account housing needs which stem from welfare reform alongside consideration of other factors which influence the scale and nature of identified housing needs.

Recommendation 5

The Committee recommends that the Welsh Government should undertake a cost/benefit analysis of providing Discretionary Housing Payments to tenants with disabilities in significantly adapted homes.

Partially Accepted

This information would be beneficial and is something Welsh Government will explore with the Department for Work and Pensions and Local Authorities.

Currently, Local Authorities are not routinely required to record all their decisions for Department for Work and Pensions' statistical purposes². They only provide details of successful applications which

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/300220/discretionary-housing-payments-guide-apr-14.pdf

have arisen due to welfare reforms (i.e. benefit cap, removal of spare room subsidy in social rented etc.) and also record the intended outcome (removal costs, remain in adapted property etc.)

Most importantly, Local Authorities, having made an award do not follow up and routinely evaluate if the outcomes were achieved.

As this is a non-devolved area, Welsh Government would be relying on the goodwill of Local Authorities to participate in the process and asking them to record more detailed information. However, discussions with Local Authorities will take place as such action would be in Authorities' own interests in being able to evidence decisions for people generally and, with equality duties in mind, for specific groups within the population e.g., groups with protected characteristics.

Recommendation 6

The Committee recommends that the Welsh Government should evaluate the use and disposal of void properties.

Accepted

The statistics do not indicate a substantial increase in voids but one of the effects of the latest welfare reforms, particularly the lower household benefit cap, may be an increase in the number of voids. Social landlords are responsible for managing their stock and property assets. If a problem with the number of voids comes to the attention of the Welsh Government as a result of our regulation of Registered Social Landlords or from ongoing dialogue with Local Authorities and Registered Social Landlords on preventing homelessness, the need for action will be considered. When reviewing the use of periodic data collections exercises (response to Recommendation refers), we will consider collecting data on voids as part of the scope and content.

Recommendation 7

The Committee recommends that the Welsh Government explores how widespread the practice of converting larger social housing into shared accommodation is, and whether regulation is required to ensure that housing standards are acceptable.

Partially Accepted

It is for social landlords to respond to the housing needs profile in their areas and to use their properties flexibly to ensure they meet the current and future needs of their residents. We will continue to keep their use of larger properties under review. We are aware of a small number of such developments but will liaise with Local Authorities and Registered Social Landlords to ascertain the extent of developments to date and any future plans.

However, the Welsh Government is determined all social housing tenants should live in a decent home and all 225,000 social housing properties must meet the Welsh Housing Quality Standard by 2020. The Standard would apply to any social housing converted into shared accommodation, which addresses the Committee's concerns. We are already taking significant measures to ensure compliance. These include a requirement on all social landlords to submit detailed annual statistical returns showing achievement against the Standard. For those receiving grant to help with achievement of the Standard, there is a requirement for annual submission of 30 year business plans, which are analysed and robustly monitored.

There is also a requirement for all social landlords to have a Compliance Policy, developed in consultation with tenants, in place by 1 April 2016. This must demonstrate how achievement of the Standard has been verified. Powers were taken in The Housing (Wales) Act 2014 for Welsh Ministers to ensure compliance with the Welsh standard if necessary and this is underpinned by £108 million per annum in Major Repairs Allowance from the Welsh Government.

It is also important to note housing conversions must also comply with the Building Regulations and any necessary planning conditions.

Recommendation 8:

The Committee recommends that the Welsh Government monitor the impact of financial capability assessments and undertake research into the profile of applicants who fail them.

Accepted

The Welsh Government is already in the process of undertaking a study in conjunction with Community Housing Cymru and the WLGA to examine collaboration between Registered Social Landlords and Local Authorities on preventing homelessness. The study will consider policies and practices, which will consider the impact of financial capability assessments on access to social housing. Social landlords consider information on the financial circumstances of potential tenants to assess their need for social housing and this is often used to identify the need for support to help them to take up their benefits entitlement and to manage their income. The results of this study will enable the impact of financial capability assessments to be considered, which will inform discussions with Local Authorities on the sampling of applicants who fail them in order to determine characteristics and profile. This will inform developments and action and the need for any additional research.

Recommendation 9

The Committee recommends that the Welsh Government takes action to ensure that social landlords cannot prevent tenants from transferring to smaller properties if they have arrears which have arisen as a result of the removal of the spare room subsidy.

Accepted

The study mentioned in response to Recommendation 8 above will also examine local policies and practice for tenants who want and/or who may need to transfer to smaller properties. Our initial consideration of this, based on dialogue with several Local Authorities, indicates arrears caused by the Housing Benefit size criteria are not a barrier used by landlords to prevent a tenant transferring. The Welsh Government will take appropriate action in cases where further research shows otherwise.

Recommendation 10

The Committee recommends that the Welsh Government undertakes an audit of social housing evictions and the outcomes for households post-eviction.

Partially Accepted

The broad rationale for such work is accepted. The precise reasons for evictions are many and varied. The Welsh Government's approach is to prevent homelessness in the first place and this is at the heart of the new homelessness legislation, which came into effect in April this year. Assessing the reasons for eviction is easier than tracking the outcomes for households' post-eviction, which poses challenges in terms of research. We will consider with stakeholders how such a study could be done with a view to commissioning future research.

Recommendation 11

The Committee recommends that the Welsh Government should review its policies for social housing landlords and provide guidance to ensure those in the greatest housing need are being assisted, regardless of financial means.

Partially Accepted

The 1996 Housing Act and the Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness 2015 already provide information and guidance for social landlords on categories of people who have priority for social housing such as vulnerable people,

people with medical conditions, homeless people and those fleeing domestic violence. Thus, those in greatest housing need already receive appropriate assistance.

An updated version of the Code was published in April this year to coincide with, and to reflect the change brought in by, the commencement of new homelessness legislation in Part 2 of the Housing (Wales) Act 2014. The Code is kept under review with updates needed as a result of case law. It has been developed as a web-based reference document, which enables prompt and timely updating when required. The next update, which depends on the outcome of discussions with Local Authorities and Third Sector organisations on the implementation of the new homelessness legislation set out in the Housing (Wales) Act 2014, will be considered in October this year. Identifying the need for possible updating of the Code or further clarification on matters of policy or law within the Code is part of arrangements to monitor the implementation of the new legislation, which is designed to ensure consistent practice in all areas.

The financial position of individuals in need of housing is recognised as are the Committee's concerns. The findings of the survey of Local Authorities and Registered Social Landlords, which will examine the assessment of people's financial situation, will inform updating of the Code and the need for further advice and guidance to Local Authorities.

Recommendation 12

The Committee recommends that the Welsh Government should consider providing the advice services sector with a longer-term funding proposal so services can be planned more effectively.

Accepted in principle

The importance of a sustainable funding platform for the planning and delivery of effective advice services is recognised. The Welsh Government has established the National Advice Network to develop an evidence-based strategy upon which a longer term funding proposal for advice services will be based.

The Welsh Government is committed to supporting the provision of free and independent advice services to ensure people are better equipped to take control of their own affairs and to exercise their rights and responsibilities. The Welsh Government considers support for the most vulnerable people in our society to be particularly important to enable them to have access to free and independent advice, particularly on social welfare issues.

The Government's commitment is reflected by the £2 million of funding made available this financial year to support front-line advice services on issues relating to welfare benefits, debt, housing and discrimination, and also by the £2.2 million supporting the *Better Advice Better Lives Project*, which helps people claim the benefits to which they are entitled.

The relatively late timing for the UK Government's Comprehensive Spending Review later this year presents difficulties in considering firm allocations at this point in time for advice services beyond current commitments. We will maintain communications with advice providers between now and the point at which future funding decisions can be taken.

Recommendation 13

The Committee recommends that the National Advice Network evaluate the balance of advice provision between social landlords and independent services, including surveying tenants to identify their accessing of advice services and savings made from use of advice services. This should also include an evaluation of the services lost as a consequence of reduced funding for advice services.

Partially Accepted

The National Advice Network has developed a work plan for 2015-16, which includes mapping the current provision of information and advice services. These include, but are not limited to, the information and advice provided by social landlords and independent agencies.

The Network will consider a range of existing data sources before determining whether further research or evaluation is necessary before undertaking an objective advice needs analysis which reflects advice seeking behaviours. The measurement of impact and outcomes of advice will also be considered later this year.

The evaluation of advice services lost as a consequence of reduced funding is more challenging in terms of research as there would be practical difficulties in obtaining information where services have ceased to exist as a consequence. A much broader range of internal and external factors will have affected individual advice providers' ability to mitigate the impact of any financial loss and, where they already exist, advice networks offer an opportunity to learn from each other. The Network is considering how this best practice sharing can be taken forward across Wales.

Recommendation 14

The Committee recommends that the Welsh Government exercises greater influence to ensure a consistent approach to the use of discretionary housing payments across Wales.

Accepted

As a result of the Housing Benefit size criteria, applications for Discretionary Housing Payments have dramatically increased. The best possible use must be made of limited funds. Following work to consider the ways in which Discretionary Housing Payments were being used and using Cardiff City Council's approach (as the exemplar in the administration and deployment of Discretionary Housing Payments), a new approach was agreed with Local Authorities in April this year. This was designed to ensure tenants who are struggling to meet their rental costs are able to access Discretionary Housing Payments financial assistance in a fair and consistent way. The Welsh Government, the Welsh Local Government Association, the Welfare Reform Club and Local Authorities, have worked closely together to develop new protocols for awarding Discretionary Housing Payments.

The new approach is underpinned by a focus on ensuring Local Authorities assist tenants with the underlying problems causing them hardship. Tackling the root causes of a tenant's difficulties, as seen in the approach adopted by Cardiff City Council, helps to minimise the chances of recurring problems i.e. a cycle of repeated difficulties. The assistance includes providing advice and referring people to other appropriate agencies.

Local Authorities are responsible for administering the fund and use guidance provided by the Department for Work and Pensions. The guidance has been criticised for its lack of clarity, which has contributed to inconsistencies in the award of payments, especially for disabled people and those who occupy specially adapted properties. The new protocols are set to be used alongside existing Department for Work and Pensions guidance and will help Local Authorities award the funding in a fair and consistent way. The framework has enabled a consistent approach by the Local Authorities to disability benefits.

Recommendation 15

The Committee recommends that the Welsh Government monitors and publishes the uptake of discretionary housing payments in Wales, including how local authorities and social landlords inform tenants of the availability of payments and the information provided to unsuccessful applicants.

Partially Accepted

Welsh Local Authorities have a very good record of spending allocations from the Department for Work and Pensions. The Welsh Government has considered this as part of its work to ensure a more consistent approach to the use of the funding across Wales. This will continue to be done as part of the overall approach to helping people to cope with the changes and as part of the Welsh Government's priority for preventing people from becoming homeless. As part of this, it is anticipated the ways in which the Funding is brought to the attention of the public will be considered. The information provided to applicants who are unsuccessful in their claim is a matter for the Department for Work and Pensions. In such cases, the application will result in a generic disallowance form being issued to the applicant by Local Authorities.

Recommendation 16

The Committee recommends that the Welsh Government requires all local authorities and housing associations to publicise discretionary housing payments, including the associated eligibility criteria. They should also ensure that disability-related benefits are not used in income calculations, and explain why they have not made use of Discretionary Housing Payments where appropriate.

Accepted

This matter is non-devolved and is the responsibility of the Department for Work and Pensions. Local Authorities are in a very difficult position. Discretionary Housing Payments funds are finite and increased pressures on people's income from welfare reform changes and greater publicity will result in increased demand. Some Local Authorities try to help as many tenants as possible, which can result in the funding being spread thinly. Others target particular groups, which means the assistance does not cover everyone who may need it or be aware of it. Given the need to make the best possible use of limited funds, the new framework is aimed at those in greatest need and who are looking to help themselves. The new framework allows for disability benefits to be taken fully into account and any expenses linked to the benefit should be offset i.e. laundry, mobility etc. Special rules apply to Disability Living Allowance and Personal Independence Payments as a result of the recent Sandwell case. This action is supplemented by action by the Welsh Government e.g. past work on the Discretionary Housing Payments (response to Recommendation 14 refers); monitoring implementation of new homelessness legislation, to ensure consistent practice and assistance for individual in all areas.

Local Authorities have been advised to disregard all components of Disability Living Allowance (and Personal Independence Payments) in the Discretionary Housing Payments financial assessment, whilst continuing to take account of all expenditure. This, and the Local authorities' use of Discretionary Housing funding, will be considered as part of the Welsh Government's overall approach to helping people to cope with the changes which result from further welfare reform.

Recommendation 17

The Committee recommends that the Welsh Government takes an early view of the likely impact of changes in the welfare system, including the recently-announced changes for Housing Benefit eligibility for 18-21 year olds, and consults early and widely on its proposed response.

Accepted

The potential impact of further changes to the welfare system gives considerable cause for concern. We have already undertaken an early analysis of the potential impacts of the welfare cuts included in the UK Government's Summer Budget 2015. Members of the Committee will be aware of some of our initial conclusions from the additional information (sent 18 June) provided after the Committee's meeting on 2 June. Further work is already in hand as part of our programme of more detailed research to consider the potential impacts. We anticipate our next research report will be received this autumn 2015.

We will continue to work with Local Authorities, Registered Social Landlords and other Third Sector providers to consider the impacts of welfare cuts and action to help people to cope with the

changes. We will continue to utilise existing mechanisms such as our Ministerial Task and Finish Group on Welfare Reform, our Tackling Poverty External Advisory Group and our existing networks, such as our Supporting People and Homelessness networks.