

# The people of Wales require a public inquiry into the £200,000 donation made to Vaughan Gething

Petitions Committee | December 2024

Reference: SR24/9803/4

**Petition Number:** P-06-1481

**Petition title:** The people of Wales require a public inquiry into the £200,000 donation made to Vaughan Gething.

**Text of petition:** A donation of £200,000 was made to Vaughan Gething in pursuance of his bid to become First Minister, even though this essentially only involved canvassing votes from Labour unions. The company making that donation also received a substantial loan from the Development Bank of Wales, which is a wholly owned subsidiary of the Welsh Government. A full public inquiry should be held to determine details of the loan, its purpose, the subsequent donation and how that donation was spent.

## Background

### The donations

As part of his campaign for the leadership of Welsh Labour, Vaughan Gething MS accepted a total of £200,000 in donations from Dauson Environmental Group. David Neal, who is a director with significant control in the company, was prosecuted for illegally dumping waste at a conservation site on the Gwent Levels in 2013. He was prosecuted again in 2017, for failing to remove the waste.



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On 14 March, it was reported that in January 2024 Atlantic Recycling, which is part of Dauson Environmental Group, pleaded guilty to failing to operate according to a condition of its permit.

On 22 April, it was reported that the Development Bank of Wales had loaned Neal Soul Suppliers (a subsidiary of Dauson Environmental Group) £400,000 in February 2023.

On 3 June, the BBC reported that a criminal investigation into Resources Management Limited (a firm linked to David Neal) was being carried out by Natural Resources Wales.

## The Ministerial Code

The Ministerial Code provides guidance to Ministers, deputy Ministers and the Counsel General on expected standards of constitutional and personal conduct.

It consists of a Ministerial code of ethics, procedural guidance for Ministers, and seven principles of public life.

## Reporting donations

Under Schedule 7 of the Political Parties, Elections and Referendums Act 2000, “regulated donees” (which includes Members of the Senedd) “are subject to controls on the acceptance and reporting of donations”.

The Electoral Commission keeps a register of donations. The relevant donations were declared with the Electoral Commission and can be viewed here.

## The Development Bank of Wales

The Development Bank of Wales (DBW) funds businesses it believes will benefit Wales. It is a wholly owned subsidiary of Welsh Government with a directive to support the Welsh Government’s Programme for Government. The Welsh Government set out the strategic priorities for the Development Bank for Wales in its remit letter for 2021-26.

Chief Executive of DBW, Giles Thorley, told the Senedd’s Economy, Trade and Rural Affairs Committee in April that the Bank has “full independence” from Welsh Government Ministers.

The Committee published a report on DBW in July 2024, which included discussion of the loans to Dauson Environmental Group. In the Welsh

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Government's response to the report, it accepted the Committee's recommendation to task DBW with reviewing its due diligence processes.

## Welsh Government action

On 27 February 2024, the BBC reported that then First Minister, Mark Drakeford MS, found that Vaughan Gething MS had not broken the Ministerial Code, as the Code "does not govern the process for the receipt of donations to Senedd members". He added that "these are set and regulated by the Electoral Commission".

Vaughan Gething was nominated as First Minister on 20 March.

On 23 April, First Minister Vaughan Gething said that he would "not commission any further advice or an independent inquiry" on his decision to accept the donations. He said that the Development Bank of Wales are wholly independent of Welsh Government, and that there was no conflict of interest.

## Response to the petition

In her response to the petition, the First Minister stated that:

This matter was considered by the previous First Minister, Mark Drakeford who concluded that there had not been a breach of the Ministerial Code.

I do not intend to revisit that decision, as there is no additional evidence available as part of this petition submission.

## Welsh Parliament action

### First Minister's Questions

The donations were discussed several times at First Minister's Questions, including:

- 27 February: Welsh Conservative leader in the Senedd, Andrew R.T. Davies MS, asked the then First Minister, Mark Drakeford MS, whether he would launch an investigation into the donations. The First Minister advised that he asked for an investigation and was advised that there had been no breach of the Ministerial Code;
- 23 April: The First Minister, Vaughan Gething MS, noted an internal Labour Party review being held which would include a consideration of campaign finance. He said this review would be made public. The DBW loan was raised; the First Minister stressed that DBW is independent of Welsh

Government, and that an independent investigation was not needed. Plaid Cymru leader, Rhun ap Iorwerth MS, revealed that he wrote to the Welsh Government's Permanent Secretary, Andrew Goodall, to ask for an independent inquiry; and

- **4 June:** Andrew R.T. Davies MS asked whether the First Minister was aware that a company owned by David Neal was under criminal investigation at the time the donations were made. The First Minister said that he was not aware until the BBC reports were published.

The donations were also discussed in First Minister's Questions on 16 April, 30 April, 21 May and 11 June.

### Committee for the Scrutiny of the First Minister

On 26 April, the Committee for the Scrutiny of the First Minister met. Llyr Gruffydd MS raised questions about the donations; the First Minister said that he had “been honest throughout this about what [he had] done and why”.

### Debates

Three relevant debates took place in the Senedd.

On 1 May, the Welsh Conservatives led a debate on “leadership campaign donations and the ministerial code”. The following motion, as amended, was agreed:

Motion NDM8562 as amended:

To propose that the Senedd:

1. Recognises that the Welsh Government takes seriously the Ministerial Code and the responsibilities it places upon Welsh Ministers.
2. Notes that loan and investment decisions taken by the Development Bank of Wales are done so entirely independently of the Welsh Government.

Also on 1 May, Plaid Cymru led a debate on a “cap on political donations”. The following motion, as amended, was agreed:

Motion NDM8561 as amended:

To propose that the Senedd:

1. Notes that Members of the Senedd have a responsibility to declare interests on the Members' Register of Interests and to identify such declarations where relevant in written and oral contributions to Senedd Business.

2. Notes that members are also required to check that donations of £500 or more are from permissible donors and report full details of those over £2230 to the Electoral Commission.
3. Recognises that political parties, and their constituent governing bodies, are responsible for setting and monitoring compliance with rules which go beyond existing legal requirements.
4. Calls on the Standards of Conduct Committee to continue to ensure that the highest standards of conduct are observed by all Members.

On 5 June, the Welsh Conservatives led a debate on confidence in the First Minister. The following motion was agreed:

Motion NDM8593 Darren Millar

To propose that the Senedd:

1. Recognises the genuine public concern over the First Minister accepting a £200,000 donation for his Labour leadership campaign from a company owned by an individual who has two environmental criminal convictions, and regrets the poor judgement shown by the First Minister in accepting this donation, and his failure to repay it.
2. Regrets the publication of Welsh Government ministerial messages where the First Minister states his intention to delete messages that could have later been helpful to the COVID inquiry in its deliberations around decision making at the time of the COVID pandemic, despite the First Minister telling the UK COVID inquiry that he didn't delete any messages.
3. Notes the dismissal by the First Minister of the Minister for Social Partnership from his Government, regrets that the First Minister is unwilling to publish his supporting evidence for the dismissal, and notes the former Minister for Social Partnership's strong denial of the accusations levelled against her.
4. For the above reasons, has no confidence in the First Minister.

Every effort is made to ensure that the information contained in this briefing is correct at the time of publication. Readers should be aware that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.