

Agenda – Public Accounts and Public Administration Committee

Meeting Venue:	For further information contact:
Committee Room 3	Fay Bowen
Meeting date: 2 February 2023	Committee Clerk
Meeting time: 09.00	0300 200 6565
	SeneddPAPA@senedd.wales

This meeting will be broadcast live on www.senedd.tv

(Private pre-meeting)

(09:00 – 09:15)

1 Introductions, apologies and substitutions

(09:15)

2 Papers to note

(09:15 – 09:30)

2.1 Letter from the Welsh Government to the Committee Chair on Wizz Air at Cardiff Airport

(Page 1)

3 Welsh Government Workforce Planning: Evidence Session (part 1)

(09:30 – 10:30)

(Pages 2 – 69)

Dr Andrew Goodall – Permanent Secretary, Welsh Government

Tim Moss – Chief Operating Officer, Welsh Government

Peter Kennedy – HR Director, Welsh Government

Sally-Ann Efstathiou – Deputy Director, HR Operations & Performance, Welsh Government

(Break)

(10:30 – 10:40)



4 Welsh Government Workforce Planning: Evidence session (part 2)

(10:40 – 11:40)

Dr Andrew Goodall – Permanent Secretary, Welsh Government

Tim Moss – Chief Operating Officer, Welsh Government

Peter Kennedy – HR Director, Welsh Government

Sally–Ann Efstathiou – Deputy Director, HR Operations & Performance, Welsh Government

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

(11:40)

The remainder of the meeting.

6 Welsh Government Workforce Planning – Consideration of the evidence received

(11:40 – 12:00)

7 Audit Wales Reports

(12:00 – 12:30)

(Pages 70 – 74)

7.1 Audit Wales Report – A missed opportunity – Social Enterprises

Audit Wales Report – [‘A missed opportunity’ – Social Enterprises](#)

7.2 Audit Wales Report – Together we can – Community resilience and self-reliance

Audit Wales Report – [‘Together we can’ Community resilience and self-reliance](#)

7.3 Audit Wales Report – Time for Change – Poverty in Wales

Audit Wales Report – [‘Time for Change’ – Poverty in Wales](#)

8 Gilestone Farm

(12:30 – 13:00)

(Pages 75 – 124)

Tracey Burke

Cyfarwyddwr Cyffredinol / Director General

Y Grŵp Newid Hinsawdd a Materion Gwledig
Climate Change and Rural Affairs Group



Llywodraeth Cymru
Welsh Government

Mark Isherwood MS
Chair
Public Accounts and Public Administration Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

12 January 2023

Dear Mr Isherwood,

Wizz Air at Cardiff Airport

You will have seen media reports regarding the unfortunate decision by Wizz Air to close its base at Cardiff Airport from the end of January this year.

We understand that Wizz Air's decision was driven by the general macro-economic climate and challenging state of the commercial aviation market, especially for lower-cost carriers. Many airlines have been scaling back their routes and services across Europe over the past year. We believe that the airline has been complimentary about the service and operation at Cardiff, which makes its decision all the more disappointing.

The Airport executive and board, alongside the airport's holding company and WG colleagues, are starting to work through the implications of Wizz Air's withdrawal.

Given your Committee's ongoing interest in the Airport, I will write to you again in due course once we have a fuller understanding of the impacts.

Yours sincerely,

Tracey Burke

Director General, Climate Change and Rural Affairs Group



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

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

Agenda Item 3

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

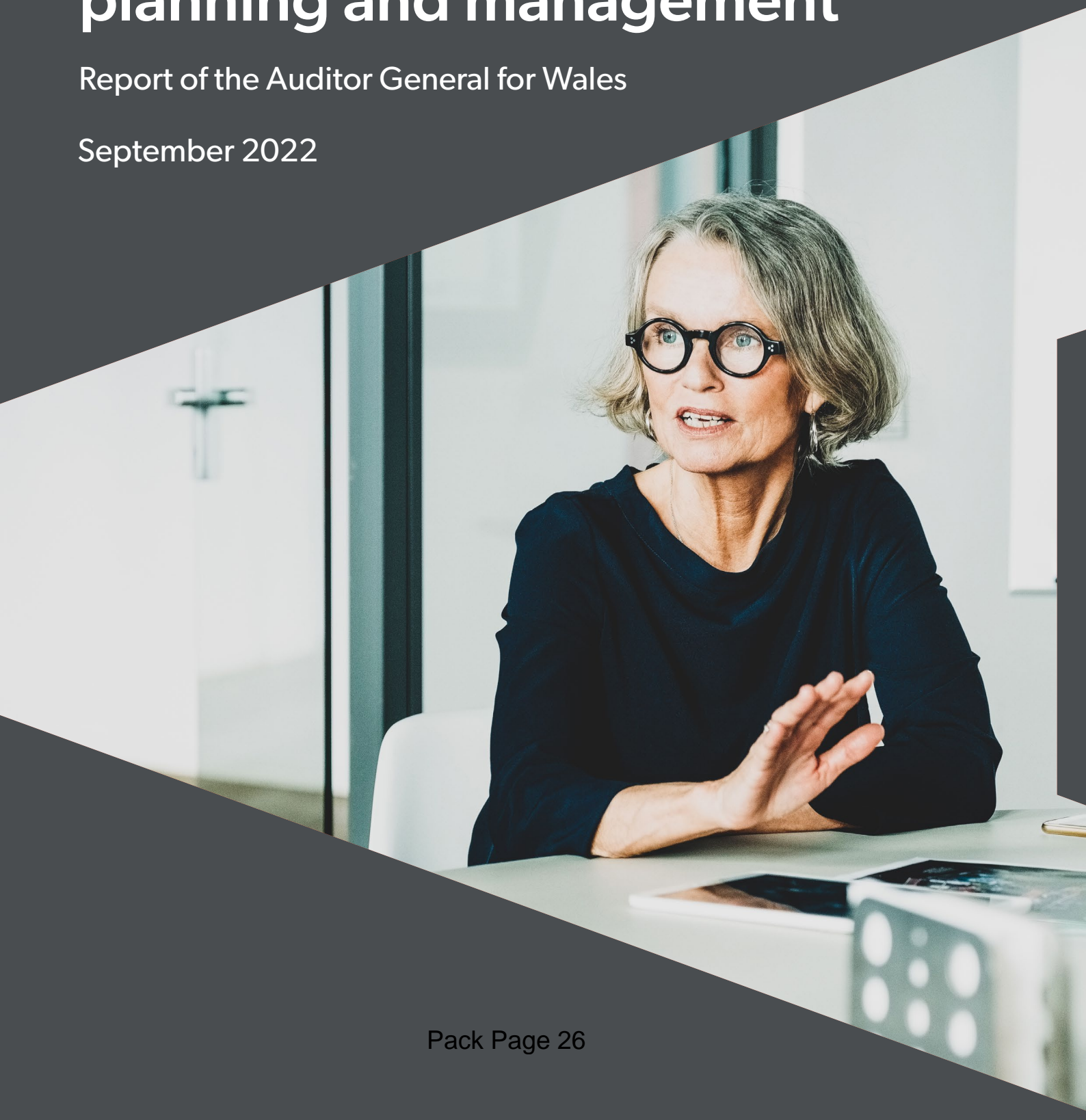
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Welsh Government workforce planning and management

Report of the Auditor General for Wales

September 2022



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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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Key messages

Background

- 1 The Welsh Government has faced some unprecedented staffing challenges associated with Brexit transition and the response to the COVID-19 pandemic. These national events have escalated the importance and impact of effective workforce management.
- 2 This report considers whether the Welsh Government has a sound approach to workforce planning. We looked at the main issues shaping the Welsh Government's current workforce, its response to short-term pressures and priorities, and its longer-term initiatives to develop a workforce strategy and better information systems. We completed our evidence gathering before the Welsh Government restructured into new groups¹ and introduced a new Chief Operating Officer role from April 2022. **Appendix 1** describes our audit approach and methods.

Overall conclusion

- 3 The Welsh Government has faced significant operational workforce pressures. It has sought to contain staff costs and manage a reduction in staff numbers, while pursuing its policy programmes and responding to events, especially the COVID-19 pandemic. At times these workforce pressures have impacted the Welsh Government's ability to deliver its objectives and some functions are not resilient.
- 4 The Welsh Government has been managing these pressures in the absence of a formalised strategic workforce plan and with limited external recruitment. Progress in developing a more strategic approach was delayed by the COVID-19 pandemic. The Welsh Government is reinvigorating this work and intends to develop a workforce strategy that is integrated with other key organisational strategies around home working and use of digital technology. In doing so, it will also need to improve its use of data to underpin its strategic and operational workforce management.

1 Groups are the way the Welsh Government structures itself. Each group is sub-divided into directorates, divisions, branches, and teams.

Key findings

- 5 Since 2010, the Welsh Government has sought to contain its running costs during a period of financial constraint by limiting staff numbers through stringent controls on the creation of new posts and on external recruitment, especially for permanent staff. The full-time equivalent workforce was 9% smaller in 2021-22 than in 2009-10, despite a modest increase since 2017 to cope with the most urgent demands of Brexit and the COVID-19 pandemic. Overall staff costs fell in real terms after 2010 but have now returned to their 2009-10 level. Real-terms salary costs have fallen by 6.6% over the period, but total staff costs rose by 0.3% due mainly to higher pension and National Insurance contributions.
- 6 The result has been a relatively stable, experienced workforce that has had to adapt to rising workload pressures, especially the exceptional challenges of the COVID-19 pandemic. Staff have benefited to some extent from career development opportunities within the relatively closed workforce. Staff survey results have generally been favourable, although rising workloads have put pressure on many staff.
- 7 The current position creates longer-term challenges for the Welsh Government as the workforce ages. Low staff turnover coupled with recruitment controls makes it difficult to diversify the workforce so that it is representative of the broader Welsh population, or to bring in fresh talent, new perspectives and key skills, even when external recruitment would yield financial savings. The proportion of staff who are disabled and from ethnic minority groups have both risen slightly. But both are still some way from reflecting the diversity of the population. There has been limited progress in closing the gender pay gap.
- 8 Workforce pressures have made it difficult for the Welsh Government to achieve some of its policy ambitions. Several programmes and projects have been delayed due to staff shortages and some policy areas are not resilient. To date, the Welsh Government has managed these challenges through reactive measures to meet pressing short and medium-term needs, alongside a tightening of central control over budgets and workforce decisions, especially recruitment.

- 9 The Welsh Government has run some strategic organisational development initiatives but has never had a strategic workforce plan. It has been progressing efforts to develop a strategic plan since 2019. It has produced a baseline review of the workforce and a set of strategic principles for future planning. However, the work has been repeatedly delayed by the COVID-19 pandemic. Over recent months, senior managers have sought to assess in more detail the implications of the pandemic for future ways of working. Gaps in data and fragmented systems have made the process of workforce planning more difficult, though improvements to information systems are being planned.
- 10 Officials plan to develop an overarching workforce strategy during 2022-23, aligned to new workplace and digital strategies. Under a new Workforce Delegation and Accountability Framework, groups will develop workforce plans and will gain greater autonomy, potentially addressing some of their concern about the inflexibility and delays in the current system of recruitment controls and central budgeting. The new Framework presents a new challenge to groups to step up their workforce planning.



Like many other public bodies, the COVID-19 pandemic has had a significant impact on the Welsh Government's workforce as its staff have had to adapt to new ways of working and rapidly changing priorities. However, the need for a comprehensive strategy to deal with long-term workforce challenges in a sustainable way is increasingly pressing. The Welsh Government faces a challenging workload to deliver its programme for government, while dealing with the aftermath of the pandemic and new responsibilities arising from Brexit.

Adrian Crompton
Auditor General for Wales



Key facts

Workforce numbers and costs

5,571 average number of full-time equivalent staff employed by the Welsh Government in 2021-22

£351 million total staff costs in 2021-22

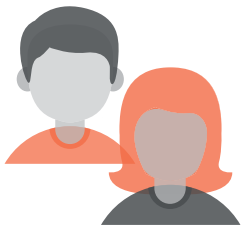


0.3% real terms increase in staff costs between 2009-10 and 2021-22 (reduction of 6.6% in salary costs, increase of 24.4% in other staff costs)



9% reduction in full time equivalent staff between 2009-10 and 2021-22

Workforce diversity (2020-21)



59% percentage of staff who are female

43% percentage of senior staff who are female

7.4% gender pay gap



2.8%

percentage of staff from a non-White ethnic minority



5.9%

percentage of staff who are disabled

Staff survey (October 2021)

75% percentage of staff saying they had an acceptable work-life balance



63% percentage of staff saying they had an acceptable workload

50%

percentage of staff saying they had opportunities to advance their career





Recommendations

Recommendations

Strategy and planning

- R1** The Welsh Government should prioritise the development of its workforce strategy. In particular, this work needs to embed the sustainable development principle set out in the Well-being of Future Generations Act and cover:
- a a clear assessment of long-term future workforce needs to deliver on policy priorities as well as core statutory functions;
 - b a clear roadmap to bridge any gaps between the current workforce size and capabilities and the future needs, including any plans for alternative delivery mechanisms;
 - c a clear and robust process for prioritising workload within available resource limits;
 - d succession planning to ensure that the next generation of civil servants has the opportunity to enter the workforce and develop;
 - e alignment of the strategy with wider policy goals, notably to align the approach to recruitment with goals around equality, including reducing socio-economic inequality in Wales; and
 - f clear milestones for delivery and a robust system for monitoring and evaluating progress and updating the strategy in light of lessons learnt.

Recommendations

Management information

- R2** The Welsh Government should strengthen workforce data and underpinning systems to support workforce planning and day to day staff management, including enabling groups and managers to have better direct access to workforce data and reducing the reliance on manually collating workforce information.

Operational workforce management

- R3** The Welsh Government should review the Workforce Delegation and Accountability Framework two years after its introduction to evaluate its effectiveness in enabling more flexible and responsive workforce management, and its contribution towards the objectives of the wider workforce strategy.

Detailed report

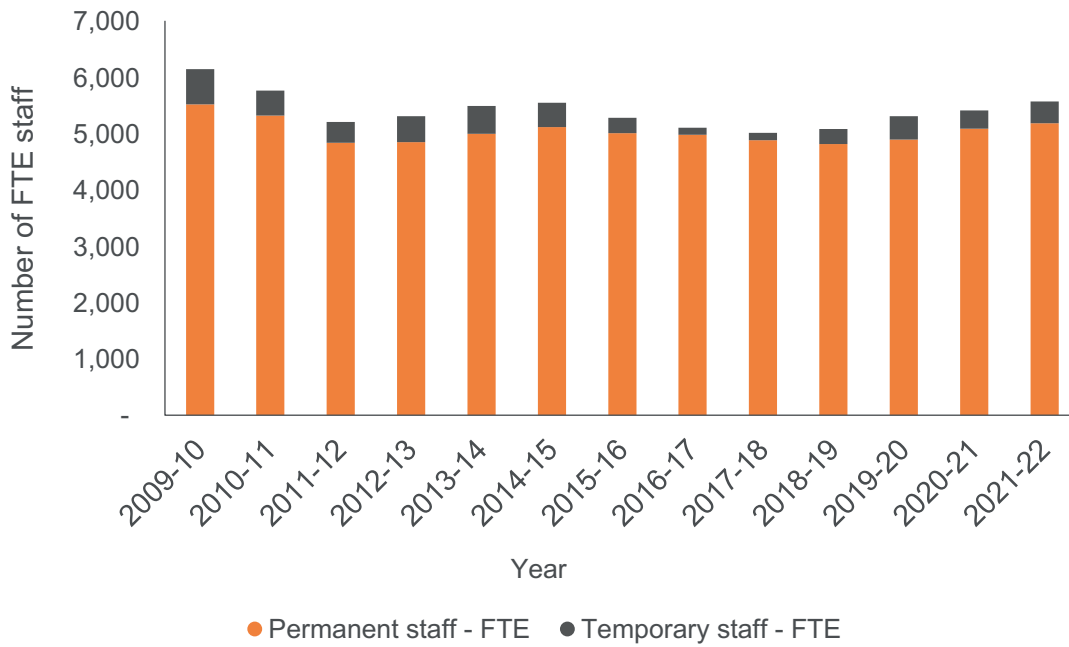
The Welsh Government's workforce has become smaller since 2010 as it has sought to contain staff costs

1.1 This part of the report describes the current profile of the Welsh Government's workforce and explains some of the main trends in its size, composition and cost over the last 12 years. The Welsh Government's workforce undertakes a wide range of work across many different professions, including policy development and operational delivery as well as support functions like legal, financial, procurement and ICT.

Despite some recent growth, the Welsh Government's workforce has decreased since 2010

- 1.2 The workforce increased significantly between devolution in 1999 and 2010. In 2010, UK Government policy switched from a policy of growth in spending to one of sustained constraint. The Welsh Government's funding fell in real terms over the period from 2010-11 until the start of the COVID pandemic, and the resulting budget cuts for devolved public services led to a significant reduction in the public sector workforce across Wales. The Welsh Government decided to reduce its running costs in real terms – with a consequential impact on staff numbers – to reflect these financial constraints and the trend elsewhere in the public sector.
- 1.3 While staff numbers have fluctuated since 2009-10, especially for temporary staff (**Exhibit 1**), the Welsh Government has maintained the policy of containing staff numbers. Staff transfers into and out of the Welsh Government due to organisational changes have affected staff numbers to some extent. For example, some staff were transferred out from the Welsh Government following the creation of Transport for Wales while new staff were brought in following the in-sourcing of the Welsh Government's ICT service in 2019.
- 1.4 Recently there has been some increase in the number of staff to meet additional requirements arising from Brexit and the COVID-19 pandemic (see part 2 of this report). Nonetheless, average full-time equivalent staff numbers in 2021-22 were 9% lower than in 2009-10. On average during 2021-22, the Welsh Government employed 5,571 full-time equivalent staff, of whom around 7% were on temporary contracts.

Exhibit 1: Welsh Government full-time equivalent (FTE) staff numbers, 2009-2022



Note: these figures are the average for the year based on the monthly data reported by the Welsh Government and exclude ministers' special advisors.

Source: Welsh Government, [Number of staff at the Welsh Government](#), accessed 28 July 2022

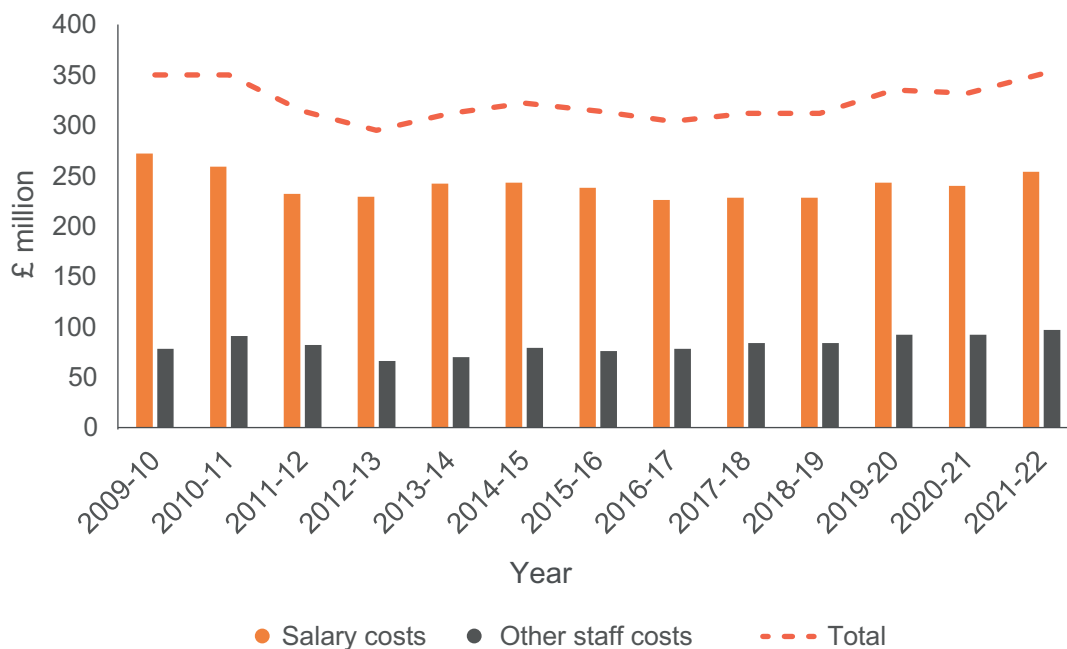
Overall staff costs fell in real terms after 2010 but have now returned to their 2009-10 level, due mainly to rises in National Insurance and pension contributions

- 1.5 The Welsh Government managed much of the workforce reduction through successive voluntary exit exercises. Between April 2010 and March 2021, 1,544 staff left the Welsh Government with severance or early retirement packages, of which all but 12 were on voluntary terms. The total cost was £72.1 million at an average of £46,687 per employee. Most of these exits occurred early in the period, with 637 in 2010-11 alone.
- 1.6 Staff costs² have been curtailed, although not necessarily in line with staff numbers. Total staff costs were £351 million in 2021-22, 26% higher than in 2009-10 in cash terms. However, once inflation³ is factored in, real terms spending on staff costs fell after 2010, started to rise from 2017-18, and was only 0.3% higher in 2021-22 than 2009-10 (**Exhibit 2**). Salary costs were 6.6% lower while other staff costs rose by 24.4%, due mainly to rises in pension and National Insurance contributions (**paragraph 1.7**). The Welsh Government's salary scales have risen by less than inflation over the period, but the average salary has risen slightly in real terms as the proportion of staff in more senior grades has increased (**paragraph 1.8**).

2 Staff costs in this section are derived from Welsh Government annual accounts for the period, excluding subsidiaries. The 2021-22 data is from the unaudited draft accounts. See notes below Exhibit 2 for further information.

3 On the basis of the GDP deflator measuring prices across the whole economy, HM Treasury, GDP deflators at market prices, and money GDP, June 2022 (Quarterly National Accounts), June 2022. This shows inflation of 25.3% over the period 2009-10 to 2021-22.

Exhibit 2: Welsh Government staff costs in real terms, 2009-2022 (2021-22 prices)



Notes:

Costs are for the Welsh Government departments only, excluding subsidiaries.

Salary costs include some non-salary costs like allowances, overtime and voluntary exit payments. We have adjusted salary costs reported in the accounts to remove changes in annual leave balances accrued by staff, which had increased to £15.2 million in 2021-22.

Other staff costs include employer’s National Insurance contributions, employer’s pension contributions and changes in pension liabilities. Pension liabilities relate to early retirement provisions and obligations to staff who have transferred into the Welsh Government from other bodies but have retained their membership of their previous employer’s pension scheme. These liabilities fluctuate from year to year and varied between £3.9 million and £23.6 million in real terms during the period.

Source: Welsh Government Consolidated Accounts, 2009-10 to 2021-22 (draft unaudited accounts for 2021-22 data)

- 1.7 Costs are affected by the number of staff, their grade, their position on their pay scale and pay settlements negotiated with trade unions. Headline pay increases have been restrained, often below inflation. However, other factors have put upward pressure on costs. These factors include:
- increases in employer pension contributions for the Principal Civil Service Pension Scheme (employee contributions have also increased). Total pension costs increased by 54% in cash terms between 2009-10 and 2021-22.
 - the abolition of the contracted-out rebate for employer's National Insurance contributions in 2016-17, which increased the Welsh Government's cost by around a quarter. Total National Insurance costs increased by 59% in cash terms between 2009-10 and 2021-22.
 - the payment of guaranteed salary increments to most staff, provided they are assessed as being effective in their roles, until they reach the top of their pay scale (typically within two to six years). This policy – agreed with the trade unions – has been in place for many years to ensure equal pay for staff in the same grade.
 - a change in the grade mix (**paragraph 1.8**).

The Welsh Government's workforce is getting older, more senior and more diverse in some respects

- 1.8 The proportion of staff in more senior roles has increased in the last ten years (**Exhibit 3**). This shift gradually took place between 2013 and 2016 and the proportion of staff in each grade has stayed broadly the same since 2016.

Exhibit 3: staff by grade as a proportion of total full-time equivalent staff, 2009-2022



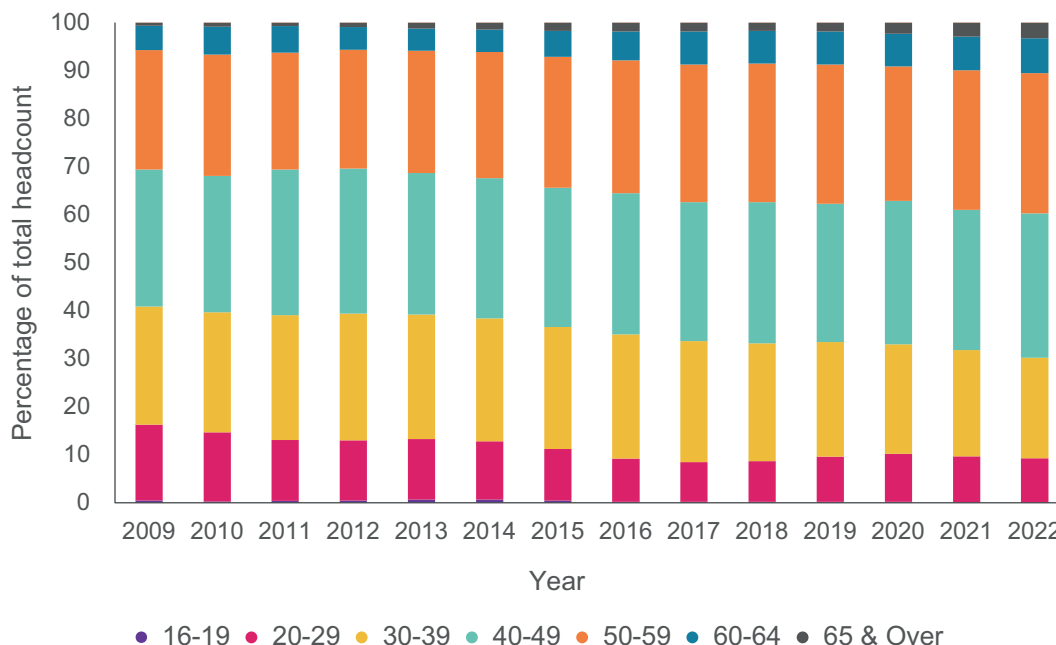
Note: The data reflects the position on 31 March of each year.

Source: Audit Wales analysis of [Civil Service statistics: 2009 to 2022](#) (Statistical tables, table 21)

1.9 The Welsh Government has frozen external recruitment for permanent staff, other than for certain specialist roles and some senior posts, for much of the period since 2009-10 (**paragraph 2.7**). There was also some external recruitment of temporary staff to cover the rise in Brexit workload (**paragraph 2.9**). External staff turnover has been subdued compared to wider civil service and labour market trends and was only 3.4% in 2020-21. However, there was a buoyant internal market during this period as staff competed for posts through internal recruitment. As a result, there was frequent turnover of staff within the Welsh Government until the COVID-19 pandemic. From April 2020, senior management restricted staff transfers to those required to meet the immediate needs of the organisation to deal with the pandemic and other critical tasks.

1.10 The limited recruitment of staff externally has also contributed to an ageing workforce, with 40% of staff over 50 years old and only 9% aged between 16 and 29 years (**Exhibit 4**). The proportion of staff within the higher age ranges has steadily increased over the last ten years.

Exhibit 4: percentage of total staff (headcount) by age range, 2009-2022



Note: The data reflects the position on 31 March of each year.

Source: Audit Wales analysis of Civil Service statistics: 2009 to 2022, (Statistical tables, table 39)

1.11 The Welsh Government has sought to increase the diversity of its workforce by increasing the proportion of staff who are disabled or from an ethnic minority background, but progress has been slow due to limited external recruitment. The proportion of staff are disabled has increased from 4.4% to 5.9% between 2010-11 and 2020-21 and the target of 5.8% was achieved in 2019-20. The proportion of the working age population in Wales with a disability is around 22%⁴. The proportion of staff from ethnic minorities rose from 2.2% to 2.8% over the same period, exceeding the target of 2.5%, but still below the average of 4.9% for the population of Wales reported by the Welsh Government⁵.

4 Office for National Statistics, Annual Population Survey, year to September 2021 (from StatsWales: [disability status by region](#))

5 The Welsh Government’s StatsWales website reports that 4.9% of the population are from a Black, Asian or minority ethnic background. This figure does not include white ethnic minorities, such as travellers. The Office for National Statistics reports ethnic minorities as all groups other than ‘White British’. Using this definition, the ethnic minority population is around 7.8%.

- 1.12 The Welsh Government has a target of recruiting 20% of externally appointed staff from each group (disabled people and those from an ethnic minority) by 2026 to help increase representation. In 2019-20, 5.9% of external applicants were disabled and 7.2% were from an ethnic minority group.
- 1.13 Low turnover of staff in senior grades has made it more difficult to reduce the gender pay gap⁶, which was 7.4% in 2020-21, similar to previous years. Around 59% of staff are female, but the proportion falls to 43% of the senior civil service, almost unchanged from the 42% in 2010-11. This imbalance in the higher paid senior roles accounts for much of the gender pay gap.
- 1.14 The Welsh Government aims to become a bilingual organisation by 2050 in which all its staff can at least understand Welsh. In 2020-21, 24% of the Welsh Government's staff could understand Welsh at the level required for bilingual working. Staff surveys show that fluency in Welsh has been fairly stable at 16-17% of staff for several years, but there has been a reduction in the proportion of staff who have no Welsh language skills at all.

6 The gender pay gap is the difference between the average basic full-time salary of women as a percentage of the average basic full-time salary of men employed by the Welsh Government. The calculation does not include allowances or overtime.

The Welsh Government has had to manage operational workforce pressures which have impacted on the delivery of its objectives

2.1 The part of the report looks at the Welsh Government's operational workforce planning⁷ and management. It considers how the Welsh Government has responded to changing priorities and the impact of workforce pressures on delivery and staff welfare.

The arrangements for operational workforce planning have been increasingly centralised, partly as a response to COVID-19

2.2 Operational workforce planning in the Welsh Government is mainly done at group level. In April 2022, the Welsh Government restructured into six groups, one to be headed by a newly created post of Chief Operating Officer (**Exhibit 5**). The restructuring has resulted in a more even distribution of staff between the main groups. The Chief Operating Officer's Group will include internal services as well as Care Inspectorate Wales, Healthcare Inspectorate Wales and Planning and Environment Decisions Wales⁸. Each group is sub-divided into directorates, divisions, branches and teams.

7 Operational workforce planning is the process by which an organisation plans the size, deployment and development of its workforce over the near-term, typically 3 to 12 months.

8 At the time we carried out our fieldwork, there were four groups plus the Office of the First Minister. The groups were: Economy, Skills and Natural Resources (the largest with almost 40% of staff resources); Education and Public Services; Health and Social Services; and the Permanent Secretary's Group. The Office of the First Minister included cross-cutting policy teams, and the Permanent Secretary's Group included certain internal services such as central finance and HR.

Exhibit 5: full-time equivalent staff by group, 30 April 2022

		Number	%
HSS	Health and Social Services	753	13.4
CCRA	Climate Change and Rural Affairs	1,399	24.8
ESJWL	Education, Social Justice and Welsh Language	785	13.9
ETC	Economy, Treasury and Constitution	1,174	20.8
CRLG	Covid Recovery and Local Government	149	2.6
COOG	Chief Operating Officer's Group	1,254	22.3
OFM	Office of the First Minister	104	1.8
PSO	Permanent Secretary's Office	16	0.3
	Total	5,634	100.0

Source: Welsh Government

2.3 Until the start of the COVID-19 pandemic in March 2020, groups were responsible for operational planning within an organisation-wide framework set by the central finance and HR functions. Salaries and other terms and conditions are set centrally following negotiation with the Welsh Government's recognised trade unions. Many other HR policies, such as the use of temporary duties allowances and temporary promotion, are also agreed centrally and groups have no freedom to diverge from them.

- 2.4 While arrangements varied between groups, each typically had an operations director to oversee the management of resources, including staff. The operations director chaired a committee (known as a resource panel) to consider priorities and make decisions on staff deployment accordingly. Each group had dedicated HR business partners to provide advice on workforce planning, job design, performance development and well-being, as well as administrative services. Within groups, directors were able to allocate their own staff to ensure priorities were met and would revert to the resource panel if they needed additional staff. If requests could not be met within the group, the group resource panel would seek approval for additional resources from the Welsh Government's Executive Committee⁹.
- 2.5 When deciding on whether to approve requests to the Executive Committee for new posts or additional staff, group resource panels would consider such factors as:
- how the role contributed to achieving goals, strategies and priorities;
 - alternative solutions to additional staff, such as merging posts, temporary duties allowances etc;
 - the risks if the bid were not approved; and
 - the cost of the job and how it would be funded. Programme funded posts (those where costs are met from the programme budget) were more likely to be approved than those funded from the Welsh Government's central administrative costs budget.
- 2.6 In 2018, the Welsh Government centralised its staff cost budgets, which had previously been delegated to groups. Groups continued to work within headcount limits set centrally. The headcount controls cap the number of staff in each group but do not specify the grade of these posts. However, the headcount limits are set at a level well in excess of the numbers actually in post, so they have had no practical impact on workforce planning. In practice, groups' freedom to act has been constrained by budgetary and policy constraints (for example, on recruitment and temporary promotion) that are managed centrally.
- 2.7 All external recruitment for permanent jobs had to be authorised centrally from 2018 and was generally limited to senior or specialist posts. In 2019, the Welsh Government centralised recruitment and case advice as part of a pilot project aimed at providing a more efficient and consistent service.

9 The Executive Committee is part of the senior management structure for the Welsh Government. The Executive Committee aims to provide strategic leadership and assurance that the Welsh Government's programme for government is delivered and ensure that resources are prioritised and deployed effectively.

2.8 Since the start of the pandemic, the autonomy of groups has been further reduced and replaced with strong central control over resourcing decisions. The Welsh Government's executive leaders decided that the scale and urgency of staff redeployment required to meet the needs of the pandemic were such that decisions should be directed centrally. The Executive Committee has made decisions on resource allocation and staff management in cooperation with groups. At the same time, staff were directed to move to new posts on a temporary basis, and internal competitive recruitment was suspended to ensure that resourcing requirements were met swiftly and efficiently. These arrangements largely ended from January 2022 as COVID-related pressures eased, when the Welsh Government resumed internal competition for priority roles and lateral moves.

The Welsh Government has reacted to changing priorities primarily by moving staff around, with limited external recruitment

2.9 Before the COVID-19 pandemic, the arrangements set out above had enabled groups to respond to priorities and gaps by moving staff around. The Welsh Government re-allocated staff to manage the pressures posed by Brexit (**Exhibit 6**). While there was some limited external recruitment, much of it temporary¹⁰, most of the Brexit-related preparations were led and carried out by staff moved from other substantive roles within the Welsh Government. In February 2019, we set out the views of officials that the movement of staff to Brexit related roles had left gaps in the delivery of non-Brexit work¹¹.

10 The number of temporary full-time equivalent staff rose by around 280 in the two years to 31 March 2020, to recruit for specialist posts and to backfill gaps caused by the redeployment of experienced permanent staff to Brexit-related work.

11 Auditor General for Wales, Preparations in Wales for a no-deal Brexit, February 2019

Exhibit 6: workforce pressures arising from Brexit

Preparations for Brexit required substantial staff time to review and amend legislation and develop plans for the transition to new trading and border arrangements. All groups faced significant additional workloads, with the Economy, Skills & Natural Resources (ESNR) group and the Office of the First Minister most affected. For example, the ESNR group reported that it delivered 40 pieces of legislation and 75 readiness projects by the end of 2020-21 against rapidly changing timescales and considerable uncertainty in the pre-Brexit period.

The work also greatly increased demand on the Welsh Government's legal staff, who had to deal with a fast-changing and complex situation and ensure that there were no gaps in regulations when EU law stopped applying. A modest increase in the number of lawyers was not sufficient to deal with the additional workload, so some policy work needed to be reprioritised.

Brexit has resulted in 3,500 new legal responsibilities for Welsh Ministers within ESNR's remit. These responsibilities could require significant staff resources, depending on how Ministers choose to exercise them. The end of European agricultural, structural and investment funds in Wales could release around 250 staff but will be replaced by UK or Welsh Government schemes whose resource implications are uncertain at present. The European structural and investment programmes will continue to operate in Wales until the end of 2023 so any dividend in terms of staffing will not emerge immediately.

- 2.10 The response to the COVID-19 pandemic has also required a huge shift of resources from business-as-usual work. Almost all areas of Welsh Government activity have had to adapt policy and practices, often at exceptional speed. The pandemic has led to particular demands for staff with in-depth experience of policy and government business, as well as legal, analytical and communications expertise.

- 2.11 The Welsh Government reported in its 2019-20 accounts that around 80% of its staff had been working on the pandemic, either in a new role or because their own role had substantially changed. Throughout the period, the pandemic response has been the top priority and other work has been deferred to re-allocate resources. After the first wave of the pandemic, the Welsh Government identified 73 critical roles in autumn 2020, mostly in the Health and Social Services Group, that were filled by moving staff from elsewhere in the organisation. In the ESNR Group, 450 staff were moved to new COVID-19 specific roles and 60 staff were moved to roles elsewhere in the organisation, while 75% of the group's staff were engaged in COVID-19 related work on a full-time or part-time basis. Other groups also faced pressures and had to redeploy staff to COVID-related work.
- 2.12 Where the approach of moving existing staff within the Welsh Government has not been sufficient, the Welsh Government has sought additional staff. This has been from a variety of sources, mainly on a fixed term basis without recruiting permanently (**Exhibit 7**).

Exhibit 7: arrangements for temporarily filling staffing gaps

Loans from other UK Government departments	This is relatively straightforward to arrange and has the benefit that staff are familiar with civil service work, have already passed security vetting checks and already operate at the expected grade.
Secondments	Staff brought in from the NHS, local authorities or other public bodies in Wales, especially during the pandemic.
Agency staff and staff on fixed term contracts	<p>The Welsh Government has made increasing use of these arrangements to meet urgent requirements.</p> <p>Certain grades of directly recruited temporary employees may be converted to permanent status after 12 months if the need for their role is ongoing and budgetary cover is available to fund their employment. In addition, those recruited through a fair and open competition are eligible to apply for internally advertised permanent positions after 12 months.</p> <p>An internal audit in June 2020 found that the use of agency workers was not centrally controlled in a way that ensured value for money and compliance with the Agency Workers Regulations, which require agency staff to be offered the same basic terms and conditions as directly employed staff after 12 weeks in the job.</p>

Temporary duties allowances (TDAs)

There has been extensive use of TDAs, whereby staff are paid either a 10% salary supplement to undertake duties at the grade above their own, or a 5% supplement for undertaking additional duties at their substantive grade. Until January 2022, they were designed to cover temporary staffing gaps for a relatively short period, and could be filled quickly without the need for fair and open competition.

Senior staff have used TDAs to cover vacancies for extended periods without recruiting or promoting staff, and their use has grown, covering 13% of Welsh Government staff in January 2020.

The Welsh Government has agreed a policy with trade unions that individuals should not remain on TDA to the next grade for more than 12 months. However, they have been used for longer periods, increasingly so during the pandemic to meet urgent staffing requirements. The extensive use of TDAs has caused concern among staff and trade unions, as TDA recipients are not paid the full rate for the work they are doing and do not have the security of a permanent promotion.

The Welsh Government has sought to reduce the use of TDAs through assessment and development gateways, whereby successful candidates are assessed as fit for promotion to a higher grade and ultimately promoted. It has also agreed a new policy with the trades unions, which it will roll out during 2022-23. The policy aims to replace TDAs for higher grade work with formal temporary promotions with appropriate pay uplifts and clear end dates, which are opened up to a wider range of staff. However, TDAs remain in common use. An internal audit in August 2018 found that earlier efforts to curtail the use of TDAs were unsuccessful, as groups were not complying with guidance that TDAs should only be used in exceptional circumstances and must be approved centrally.

2.13 The Welsh Government's internal audit service has carried out reviews of secondments, agency workers and temporary duties allowances in recent years. It found administrative weaknesses arising from a range of factors including unclear or inconsistent guidance, inconsistent practice between groups, non-compliance with central guidance and a lack of central oversight. The audits were only able to provide limited assurance of effective governance, risk management and internal control in these areas.

- 2.14 There has been some external recruitment, largely from other parts of the civil service. Recruitment from outside the civil service has been limited to specialist posts, the Welsh Government entry-level apprenticeship scheme, and an exercise in autumn 2020 to recruit 20 senior officials at Deputy Director grade. Even for specialist posts, it can be hard for managers to obtain approval to recruit externally. For example, the ICT division has struggled to obtain permission to fill all posts in its target operating model. This has resulted in staff gaps and ongoing use of expensive consultants to cover roles that could be filled more cheaply through recruitment.
- 2.15 External recruitment is a time-consuming process that requires approval at group and organisational level that the post is necessary and affordable and that alternatives to external recruitment are not suitable. Once these approvals are obtained, the process of advertisement, selection and on-boarding begins. Resource pressures at any one of these stages can lead to delays. Senior managers in groups have expressed concerns about the length of the process and the effects of the resulting gaps on projects and services.

Workforce pressures have impacted on delivery in some areas and some functions are not resilient

- 2.16 The Welsh Government has struggled to resource all policy commitments to meet planned timescales. During the pandemic, particularly at peaks of the waves of infection, critical COVID-19 related roles took precedence over everything else. Unsurprisingly, this caused delays in delivering some of the 121 policy commitments in the 2016 to 2021 Programme for Government. The legislative programme for the 2020-21 session of the Senedd was scaled back, with other legislation deferred. The Government's legislative programme was under particular pressure due to a lack of specialist legal expertise and experienced policy professionals who are needed to pilot a bill through the various stages into law.

- 2.17 The activities affected have varied over time depending on relative priorities, with group risk registers indicating officials' concerns about several high priority projects at different times. For example, in January 2022, risk registers identified resource constraints as a risk to delivery of the Tertiary Education and Reform Bill, the Building Safety Programme, border controls at Welsh ports, the local government financial reform programme, the Additional Learning Needs project and policy work on second homes. There were no resources at all to take forward some other policy commitments. Officials have responded by discussing priorities with Ministers and deferring or scaling back work accordingly.
- 2.18 Resource constraints have had a significant impact on the progress of work that is not considered a short-term or high-impact priority, with various policy development projects being suspended or slowed at times. Many vacancies have not been filled, leaving some teams depleted and unable to pursue the full range of intended activity, focussing instead on the most essential tasks. In some cases, teams are reliant on a single individual to deal with important areas of work, creating resilience risks if that individual were absent or left the organisation.
- 2.19 There have also been fewer resources to undertake corporate functions such as HR, internal audit and risk management, and some senior staff have been unable to maintain their membership of audit and risk assurance committees due to other pressures. The pandemic also led to an increase in demand for some corporate functions, such as HR.
- 2.20 Ongoing statutory services have also been affected in several areas. For example, Care Inspectorate Wales and Healthcare Inspectorate Wales – which are part of the Welsh Government – have found it difficult to deliver their inspection programmes due to staff shortfalls and restrictions on recruiting to key posts. Healthcare Inspectorate Wales has managed these pressures by using TDAs and fixed term contracts, but the use of fixed term contracts has made some posts less attractive and harder to fill. The Welsh Government has now restored delegated powers to the two inspectorates to recruit externally.

2.21 Several of our own reports, and the work of the Welsh Government's internal audit service, have also indicated that staff shortfalls have sometimes had a detrimental impact on service quality or delivery, even before the disruptive effects of the COVID-19 pandemic (**Exhibit 8**). Reports by the Welsh Government's internal audit service before the pandemic have also highlighted issues resulting from staff shortages. For example, these include administrative failures that led to the withdrawal of two grant claims for EU technical assistance for the Rural Development Plan, and incorrect payments to staff in Qualifications Wales under a payroll services agreement.

Exhibit 8: examples of workforce issues raised in Audit Wales reports

Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act (November 2019)	We found that a majority of organisations surveyed felt that guidance from the Welsh Government was too late to be useful and that they received limited support from the Welsh Government, partly because of resource constraints and frequent staff turnover in the relevant team of officials.
Managing the impact of Brexit on the Rural Development Programme in Wales (November 2018)	We found that a lack of staff capacity had stifled the Welsh Government's ability to open more schemes and thus expedite the use of EU rural development funding. In July 2018, there was a backlog of 132 projects still in appraisal stage.

Most staff continued to have positive views about their workload and work-life balance, but the Welsh Government has nevertheless been concerned about staff welfare

- 2.22 As noted in **paragraph 2.11**, the COVID-19 response has had a direct impact on the vast majority of Welsh Government staff. Throughout this period most staff have worked from home. Officials told us that many staff have increased their working hours substantially and have built up a backlog of annual leave and flexitime which will be challenging to manage. The Welsh Government was unable to quantify the backlog as it does not hold central data on leave or working hours, although it has a project underway to develop this data.
- 2.23 Senior managers have expressed concerns about the impact of these pressures on staff welfare in terms of fatigue, stress and mental health. In response, the Welsh Government has expanded its wellbeing support, provided extensive IT support for home working, established regular communication channels between senior managers and staff, and offered staff more flexible working arrangements to meet individual needs during the pandemic. The HR department has run several surveys to assess the overall position on staff health and wellbeing to inform the support package and identify areas of particular risk. These areas are targeted for bespoke HR support which may include additional staff.
- 2.24 Despite rising workforce pressures, staff survey results on key metrics have remained broadly positive (**Exhibit 9**). Scores for workload, work-life balance and access to learning and development in 2021 were broadly the same as 2018 and better than the scores for 2010. The proportion of staff who felt there were opportunities for career development increased markedly, although it dipped in 2021. Indices for employee engagement and leadership and managing change also improved over the period. Similar trends were evident across the UK civil service, with the Welsh Government scoring slightly above the civil service median on most questions, and much better on pay and benefits. Despite the broadly positive picture, the survey also shows that, in 2021, 21% of respondents disagreed with the statement that they had an acceptable workload.

Exhibit 9: selected Civil Service People Survey results for the Welsh Government

Questions	% positive ¹			
	2010	2018	2020 ²	2021
I have an acceptable workload	62%	63%	64%	63%
I achieve a good balance between my work life and my private life	71%	75%	73%	75%
I am able to access the right learning and development opportunities when I need to	65%	66%	68%	67%
There are opportunities for me to develop my career in the organisation	35%	49%	52%	50%
Theme scores³				
Employee engagement index	57%	64%	69%	68%
Leadership and managing change	31%	44%	62%	60%
Pay and benefits	57%	56%	64%	60%

Notes:

- 1 Percentage of respondents answering 'agree' or 'strongly agree' to the statements. The table shows the three most recent surveys in which the Welsh Government participated (2018 being the last before the COVID-19 pandemic) and the 2010 survey at the start of the period of financial constraint that led to a reduction in the Welsh Government's workforce.
- 2 The Civil Service People Survey is run in October each year. In 2020, the survey was run about six months after the onset of the COVID-19 pandemic. Response rates for the Welsh Government were 68% in 2010, 73% in 2018, 63% in 2020 and 67% in 2021.
- 3 Each theme score represents the average for each question within the group of questions for the relevant theme. The average for the engagement index is calculated differently to the other theme scores.

Source: Civil Service People Surveys

2.25 Annual rates of sickness absence have fluctuated since 2010 at between 6.9 and 8.1 working days per employee. Levels of sickness absence fell sharply to 5.1 days in 2020-21, but officials believe that this may reflect the impact of more flexible and hybrid working on recording and reporting of sickness absence.

The Welsh Government recognises the need for a more strategic approach and is developing a longer-term workforce strategy

- 3.1 This part of the report considers the Welsh Government's approach to strategic workforce planning. Strategic workforce planning is the process by which an organisation seeks to align its workforce with its strategic ambitions. The current workforce may need to change to meet an organisation's future needs, and strategic workforce planning provides a framework for assessing and delivering the changes required¹².

The Welsh Government recognises the need for a more coherent approach having not previously had a formalised workforce strategy, but progress has been delayed by COVID-19

- 3.2 The Welsh Government has never had a full and formalised workforce strategy and recognises the need for a more comprehensive approach to strategic workforce planning. In August 2019, the Welsh Government began a Baseline Review: a detailed analysis of the employed workforce which asked directors to comment on current priorities, resourcing capacity, internal and external pressures, and opportunities to take a different approach to delivering priorities.
- 3.3 The Executive Committee intended to use the Baseline Review findings (**Exhibit 10**) to develop options for the future purpose, size, shape and operating models of the devolved civil service, following engagement with Ministers and a wide range of staff groups. This would lead to a final proposal, with a funding bid included, for approval by Ministers in March 2020. This proposal would form the basis of a future workforce strategy.

12 According to the CIPD, the process should include: gaining a full understanding of the organisation and its current environment; analysis of the current and potential workforce; determining future workforce needs; identifying gaps between the current position and future needs; and taking actions to address those gaps (CIPD, Workforce Planning and Practice Guide, May 2018).

Exhibit 10: key findings of the Welsh Government's Baseline Review in autumn 2019

About what staff were doing	<p>The review showed that 42% of staff worked mainly in Ministerial policy roles, 41% on direct delivery to citizens or customers, and 17% in corporate function roles.</p> <p>Around 12% of staff time was spent on Brexit, although relatively few staff had full-time Brexit roles.</p>
Directors' views on the workforce situation	<p>Directors reported a range of concerns about workforce pressures, including a lack of resilience, gaps in specialist expertise, and the pressures created by Brexit and a challenging policy programme.</p> <p>Directors believed that these pressures created significant delivery, financial and reputational risks, with staff too thinly spread in many areas and a lack of time for managers to develop staff.</p>
Opportunities to work differently	<p>Suggestions focused on greater collaboration (internally and with external delivery partners) and cross-government working, with some sharing of some functions across public sector bodies.</p> <p>There were also suggestions to develop alternative delivery models and bring in flexible staff as secondees, contractors and agency staff.</p>

Source: Audit Wales analysis of Welsh Government data

- 3.4 The Welsh Government set up a Strategic Workforce Planning Reference Group (the reference group) in November 2019. The reference group comprised senior staff from across the organisation and representatives from trade unions and staff networks. Its goal was to take forward the issues identified in the baseline review and develop a future workforce strategy. The reference group suspended its work in early 2020 due to the COVID-19 pandemic.

- 3.5 Work resumed in October 2020 and the reference group agreed a set of strategic principles (**Exhibit 11**) that would guide the development of a future workforce strategy. The workforce strategy will sit alongside two other strategies that will also affect the workforce:
- a future workplace strategy, which will consider how the Welsh Government should re-organise its accommodation and facilities to meet changing ways of working; and
 - a future digital strategy, which will build on existing work to enable remote working and make best use of new technology.
- 3.6 The Welsh Government intends for these new strategies to build on the experience of the pandemic, reflecting changes in working patterns, new tools to work together and share information, and more staff working remotely.

Exhibit 11: summary of principles to shape Future Workforce Strategy 2021-2026 (draft, March 2021)

Our values

- Build an inclusive culture that values strength in difference
- Open, transparent and continued engagement with staff
- A 'digital first' approach to involve, communicate and share information with staff on future ways of working
- Work in partnership with trade unions colleagues

Delivery priorities

- Deliver a motivated, capable and resilient workforce that is structured to deliver the priorities of the cabinet
- Create more flexible resourcing arrangements to prioritise how resources are deployed
- Fair, open, robust and consistent approach to recruitment, promotion and career development opportunities
- External recruitment to attract essential specialist skills, lived experience and more diversity into the workforce
- Greater opportunities and permeability across the wider civil service and public sector in Wales
- Develop a more robust workforce data and analytics function to enable data-driven decisions at all levels of workforce planning

Leadership, performance and development

- Set clear expectations for inclusive, purposeful and inspiring leaders
- Continue to embed a strength-based, coaching approach to performance conversations
- Prioritise investment in learning and development to build the capability of our workforce in priority areas
- Develop a modern, accessible learning programme that addresses core capability gaps
- Invest in creating a strong and diverse pipeline of talent for the future

New ways of working

- Prioritise the health, safety and wellbeing of our workforce
- Accelerate Smarter Working practices, building on the advantages of remote working during the pandemic and addressing its less positive aspects
- Retain a 'virtual by default' principle for meetings to retain the equity of experience and opportunity to participate on equal terms

Delivering efficient and effective HR services

- Continue to build the HR function to support strategic workforce planning while delivering efficient and effective HR services for staff.

Source: Welsh Government

- 3.7 The Welsh Government had initially intended that a draft strategy and implementation plan would be considered by its Executive Committee in February/March 2021 and then finalised in the new Senedd term. This timescale has slipped, with ongoing disruption to the workforce due to the COVID-19 pandemic, and a desire by senior managers to assess in more detail the implications of the pandemic for future ways of working.
- 3.8 In March 2021, the reference group commissioned a second data gathering exercise (the workforce reset review) to update information obtained in the baseline review. Also in March 2021, the Welsh Government launched 'Let's Talk Reset', a staff engagement exercise which invited feedback from staff on their experiences during the pandemic and views on how staff should work in future. As part of 'Let's Talk Reset', the Welsh Government communicated to all staff a set of high-level goals, agreed by the reference group that would inform the development of the future workforce, workplace and digital strategies.
- 3.9 The Welsh Government has now decided to wait until the newly appointed Permanent Secretary has consulted staff more broadly on the direction of the organisation and future ways of working. Officials told us the strategy will be developed as part of 'Welsh Government 2025', the new Permanent Secretary's organisational development programme, which will be shaped by insights from the staff engagement process.

3.10 The Welsh Government has not yet developed an action plan for addressing the needs identified in the Baseline Review or achieving the strategic objectives that it has set for itself. However, there has been some progress through Welsh Government 2025 with the Welsh Government launching a Workforce Delegation and Accountability Framework in June 2022. The Framework will see greater delegation of workforce decisions to groups. The goal of the Framework is to ensure that accountability is clear and that decisions on staffing matters can be exercised at appropriate leadership levels across the organisation. Groups will be required to work within centrally set policy and budget parameters and undertake their own workforce planning.

The Welsh Government has pursued some strategic projects to develop its future workforce as part of other initiatives

3.11 In the absence of a formal workforce plan, the Welsh Government has been undertaking elements of strategic planning as part of various organisational initiatives. In 2016, the then Permanent Secretary launched the 'Future-proofing initiative¹³', focused on building 'a strong, skilled and sustainable civil service for the Welsh Government'. The Welsh Government did not run the future-proofing initiative as a formal programme with specific objectives and targets, so it is not possible to assess the progress of the initiative against original plans.

3.12 The Welsh Government intended that the future proofing initiative would support cultural change, with a shift towards a more inclusive model of leadership and a trial of 'smarter working' practices that gave staff more flexibility in terms of working hours and location, using enhanced technology. There was a switch in emphasis towards people-centred change and the development of behaviours, compared with the organisational and structural changes that had been the focus of activity previously.

3.13 There have also been a range of other strategic workforce initiatives, some looking at specific themes like Welsh language and Brexit. Individual Groups have also carried out some initiatives looking at their own future workforce needs. **Exhibit 12** sets out some examples of the strategic workforce initiatives carried out over recent years, including under the future proofing initiative.

13 The initiative identified four key areas to focus on: aligning ways of working with the Programme for Government and essential/statutory business; supporting and developing leadership; improving learning and development to equip the workforce for now and the future; and creating a robust and developmental approach to performance management.

Exhibit 12: examples of strategic workforce initiatives

Leadership development and talent management



Fast Stream; Future Leaders Scheme; and Senior Leaders Scheme. A range of targeted internal development schemes are available in support of the organisation's objective to be an exemplar in equality, diversity and inclusion.

Talent management: the Welsh Government has developed a programme to provide training and challenging work experience opportunities for staff at SEO and Grade 7 level. Participants were selected in 2019 for a 3-year programme and hold a 'ticket' to secure an interview and compete for promotion.

Policy capability



A new Well-being and Future Generations division has been set up to support Welsh Government staff with the Well-being of Future Generations (Wales) Act 2015 and strengthen policy making capability. All recruitment and promotion exercises for the Senior Civil Service, and many other roles, now require candidates to have knowledge and understanding of the Act in the context of the organisation's work.

The Welsh Government developed a Policy Capability Framework, which includes the knowledge, skills and behaviours that Welsh Government expects of its policy professionals and is supported by a revamped Policy Education Programme that has recently been piloted. The framework has been designed to suit the particular requirements of Wales and is intended as a self-assessment tool, with teams identifying and acting on their own development needs when dealing with policy projects.

Thematic initiatives



The Welsh Government established a 'priority resourcing project' in November 2019 to deliver key resourcing interventions for the Executive Committee. These included focused workforce planning to identify post-Brexit resource requirements, developing a temporary posting policy and delivering a new assessment and development scheme for staff.

The Welsh Government aims to become a bilingual organisation by 2050 in which all its staff can at least understand Welsh. It has a long-term strategy¹⁴ to enable gradual progress towards this goal, starting with a five-year action plan to develop leadership skills, enhance services for Welsh learners, expand the importance of Welsh language skills in recruitment, and introduce new technology that will make it easier to use Welsh in the workplace.

The Welsh Government is developing plans to improve workforce information which currently does not meet the needs of effective workforce planning and management

- 3.14 Accurate and up to date information about the workforce is a key component of effective strategic and operational planning. The Welsh Government captures a range of information on its current workforce. **Exhibit 13** summarises the information provided by the most important systems and how it is reported for operational purposes. This data is drawn from several stand-alone systems that are not integrated and some of which have limited reporting functionality. Additional data is obtained as required from various other sources that are not maintained centrally.

Exhibit 13: summary of workforce data captured by Welsh Government systems

System	Information provided
<p>Appoint</p> <p>An e-recruitment and applicant tracking system that permits applications in English or Welsh.</p> <p>Applies to internal and external candidates including graduate programmes, internships, apprenticeship schemes and public appointments.</p>	<ul style="list-style-type: none"> • Recruitment activity and appointments, e.g. types of recruitment, number of applicants and appointments • Candidates' personal data, such as equality data (protected characteristics)
<p>Snowdrop</p> <p>The Welsh Government's main database for capturing and reporting staff details</p>	<ul style="list-style-type: none"> • Sickness records: amount and reasons for absence • Staff performance data • Personal details on age, gender, grade, length of service etc • Tracking changes to organisational structures
<p>Payroll services</p> <p>Provided under contract by CGI</p>	<ul style="list-style-type: none"> • Salary and allowances • Statutory deductions and payments
<p>MS CRM</p> <p>(Microsoft Customer Relationship Management)</p>	<ul style="list-style-type: none"> • Captures data via e-forms for people moves, temporary duties allowances and timesheets where applicable • Workplace adjustments
<p>Occupational health systems</p>	<ul style="list-style-type: none"> • Referrals for occupational health support
<p>Employee Assistance Programme provider system</p>	<ul style="list-style-type: none"> • High-level, quarterly management information on referrals
<p>Learning Lab</p>	<ul style="list-style-type: none"> • Learning, development and improvement activity undertaken or booked on Welsh Government's online platform

- 3.15 The ageing HR information system, Snowdrop, does not readily provide management information and went out of service in April 2022¹⁵. Managers are unable to interrogate data in real time and rely on the central HR department to collate it for them.
- 3.16 Some information is still held on paper files – for example, annual leave records – which means that officials cannot readily assess its likely impact on staff availability and the organisation’s financial liabilities. There is no central system for recording potential conflicts of interest. Internal audit reports have drawn attention to weaknesses in information systems for overtime payments and records of continuing professional development for economists. More generally, there is no comprehensive central database of skills and development needs, with varying levels of information held by individuals, teams and professional networks, as well as in an online learning portal known as Learning Lab.
- 3.17 The gaps in data and fragmented information systems make strategic workforce planning more difficult. Much of the data required for the 2019 Baseline Review and subsequent strategic workforce exercises needed to be collated from disparate sources. Key information about the type of work done by individuals (for example, whether they worked in policy, operational delivery or corporate functions) needed to be gathered from senior managers across the organisation as part of a one-off exercise.

15 Out of service means the system will no longer get updates, including security updates, and the developer will no longer provide support should there be any problems with the system. The Welsh Government has developed contingency plans to provide management information offline if the system fails after March 2022.

- 3.18 The Welsh Government began a project in 2020 to review its HR management information needs and develop plans for improvements. The objectives of the review are to provide a clear service offer for information users, standardise management information, provide clear interpretation, and develop efficient processes that automate reporting and include an ability to interrogate data. This is happening in three stages:
- development of finance and (sickness) case advice dashboards using PowerBI reporting software;
 - candidate profiling of employees who go through assessment and development gateways and analysis of their subsequent progression, providing data on equality, diversity and inclusion objectives; and
 - the same approach for external recruitment. Also, further improvements to provide automated, standardised reports for the key decision-making boards, and finalising the wider HR management information framework.
- 3.19 Much of this work has been completed. The Welsh Government has appointed a partner to develop a replacement for the HR information system and will continue to use the legacy system (despite it no longer being supported) until it is ready. It remains to be seen to what extent any new HR system can address the information gaps, particularly around skills and development needs, that have hindered workforce planning and management. The Welsh Government is also exploring the potential for an integrated payroll, finance and grants system to replace the current standalone systems. If successful, these measures could also provide some timely and useful data to support workforce planning.



Appendices

1 Audit approach and methods

1 Audit approach and methods

Workforce planning is a key consideration for all public sector organisations and can play a key role in transforming the way in which services are delivered. If done well, it enables an employer to understand its current and future workforce needs, to identify gaps in skills or numbers, and to take effective action to address those gaps. At a strategic level, it will be important for the Welsh Government to ensure it has the skills and capacity to respond to future demands and capitalise on opportunities such as digital transformation and flexible working practices.

Aware of wider workforce challenges facing the Welsh Government, this high-level review considered whether the Welsh Government has a sound approach to workforce planning. We have reflected on arrangements for operational workforce planning, the emerging approach to strategic workforce planning and the response to current workforce needs.

Our work was restricted to the Welsh Government's core costs and staff, including functions that have their own specific identity, for example the Welsh European Funding Office, Healthcare Inspectorate Wales, Care Inspectorate Wales and Cadw (the Welsh Government's historic environment service). The Welsh Government's Consolidated Accounts include data about staff numbers and costs across other organisations that are consolidated into its accounts, for example NHS bodies.

We engaged initially with Welsh Government officials about this work in late 2019. However, we adjusted our plans because of the ongoing COVID-19 pandemic to allow officials to focus on other priorities. We gathered and reviewed evidence on a staggered basis between October 2020 and March 2022. Annualised data is reported to March 2022 for staff costs and staff numbers, and to March or October 2021 for other metrics. This is the most recent data that we were able to confirm with the Welsh Government at the time of finalising the report. **Exhibit 14** sets out the audit methods we used.

Exhibit 14: audit methods

Document and data review

We reviewed:

- documents relating to the planning and delivery of strategic and operational workforce planning
- meeting papers of relevant committees and working groups, including the Executive Committee, Audit and Risk Assurance Committees and strategic workforce planning groups
- internal audit reports
- Welsh Government accounts and annual reports
- Civil Service People Survey results
- Welsh Government data on staff numbers and Civil Service workforce statistics
- the Welsh Government's Policy Capability Framework and related documents

Interviews

We carried out a range of interviews with staff involved in leading, planning and implementing workforce planning, including central HR staff and the operations directors of individual groups.



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Agenda Item 7

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

Document is Restricted

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Reference: AC/344/caf

Date issued: 19 January 2023

Dear Mark

The Welsh Government's purchase of Gilestone Farm

On 31 March 2022, the Welsh Government bought the freehold of Gilestone Farm near Talybont-on-Usk, Powys (within the Brecon Beacons National Park), in a private sale, for £4.25 million. Simultaneously, to support its ongoing management of the site, the Welsh Government entered into a short-term lease arrangement with the vendor, at a peppercorn rent, to maintain the property and harvest existing crops. This lease agreement expired on 31 October 2022. At that point, the Welsh Government had not finalised its long-term intentions for the site. Subsequently, the Welsh Government has agreed a new short-term lease with the vendor to continue existing operations on what we understand are now commercial terms, including a profit-share. This new lease is due to expire on 31 October 2023.

By setting out key facts from our review of the Welsh Government's decision, this letter and appendices are intended to support any further PAPAC scrutiny¹, building

¹ On 14 July 2022, the Senedd's Public Accounts and Public Administration Committee (PAPAC) heard evidence from Welsh Government officials about the transaction.

on oral and written evidence that the PAPAC and the wider Senedd has already received and other public domain information. Appended to this letter is a detailed timeline identifying key events and relevant documents supporting the acquisition process. Also appended is a schedule of the Welsh Government's responses to Freedom of Information requests in the public domain as at 31 December 2022.

Good decision-making by the Welsh Government (and other public bodies) requires acting fairly, within the law; and respecting principles of accountability, accessibility, and transparency². Doing so, leads to decisions that are capable of withstanding scrutiny, and any legal challenge by someone directly affected by the decision.

Key areas of focus for our review³ were whether:

- the Welsh Government had the legal powers to purchase Gilestone Farm, and exercised these powers appropriately within its policy framework;
- the decision to buy the Farm was taken properly; made within the correct administrative processes and control framework, and taken by those with the appropriate authority;
- the Welsh Government gave due consideration to all relevant information when making its decision, and excluded irrelevant information;
- the Welsh Government took appropriate steps to safeguard value for money from public funds; and
- the Welsh Government has given a proper account of its actions and the reasons for them, in response to legitimate Senedd and public scrutiny.

We have not examined the merits of future uses of the site by the Welsh Government, its tenants, or any onward purchasers; particularly by companies

² These principles underpin the terms 'regularity' (compliance with legislation, delegated authority, and relevant guidance, including using public funds for their intended purposes); and 'probity' (meeting high standards and expectations of public conduct).

³ We have referred to the Welsh Government's own publications, [Managing Welsh Public Money](#) and [Making Good Decisions](#).

associated with the Green Man Festival⁴, held on the nearby Glanusk Estate. Nor have we examined the basis on which the Welsh Government has now decided on a commercial lease agreement with the vendor through to late September 2023. However, we have reviewed the extent to which the Welsh Government's consideration of potential future uses informed its own actions in relation to the purchase.

We have not sought full disclosure on all evidence pertaining to the transaction. The key parties that we met and corresponded with include Welsh Government officials, the vendor, the Managing Director of Green Man, and external parties that provided professional advice to the Welsh Government. To support our review, we inspected publicly available information about the Gilestone Farm site and location, valuation and survey reports, legal advice/reports, environmental reports, Green Man's business plan outline, advice and correspondence provided to Ministers and correspondence between key parties. However, the Welsh Government did not keep a record of matters discussed with Green Man in various virtual meetings during its consideration of Green Man's business plan outline and the process leading up to acquisition of Gilestone Farm. We consider that notes of those discussions would have better supported the audit trail for the Welsh Government's decision-making, particularly from the point at which Gilestone Farm was identified as a potential purchase.

To date, the Welsh Government has purchased freehold land and property at Gilestone Farm supported by an independent professional valuation, as is particularly important for any purchase under private treaty; intrinsically a relatively straightforward transaction. At the time of our review, plans for future use of the Farm were still under consideration and will be subject to further decisions. When it decided to buy the Farm, the Welsh Government had anticipated a further decision on whether or not it would support Green Man's business plan before the end of October 2022 when the initial short-term lease with the previous owner expired.

In our view, the most significant contributing factor driving the pace of the Welsh Government's decision-making process for the purchase decision itself was the opportunity to use an in-year underspend within the Economy Main Expenditure

⁴ Several related companies are associated with the Green Man Festival. For convenience we refer to them collectively as 'Green Man', unless otherwise identified.

Group (MEG) to fund the purchase, along with the consequential requirement (emphasised in officials' advice to the Minister for Economy) to complete the purchase by 31 March 2022.

It is important for the Welsh Government to have sufficient flexibility to make decisions properly, but still at pace, where this enables it to take advantage of opportunities as they arise which clearly support its policy objectives. We also recognise that the Welsh Government had been in discussions with Green Man about potential sites for some time. However, in relation to Gilestone Farm, we consider that avoidable haste driven by the financial year-end compromised the Welsh Government's ability to clearly articulate and fully consider as part of its decision-making process the underlying rationale for purchasing that site, linked to Green Man's intentions for it. In our view, these issues do not fundamentally undermine that decision's procedural integrity if regarded, in the first instance at least, as a straight property transaction. Nevertheless, it is clear that the Welsh Government would not have bought the Farm had it not been approached by Green Man with what, at the time, and based on the evidence we have reviewed, was little more than a high-level outline of Green Man's aspirations.

We will not speculate about whether, given a longer timeframe, the Minister would still have made same decision. However, with more time the Welsh Government could have undertaken greater due diligence before making any decision. By buying Gilestone Farm when it did, the Welsh Government accepted an avoidable financial risk, albeit one which officials have emphasised to us was, in their view, low and manageable. And, in our view, if the Welsh Government had concluded its consideration of Green Man's plans before taking any decision about buying or not buying the Farm, the Welsh Government's external communication of its actions could also then have been clearer.

Whether the Welsh Government had the legal powers to purchase Gilestone Farm, and exercised these powers appropriately within its policy framework?

In making decisions, the Welsh Government must act within its legal authority⁵. Its legal powers are usually set out in legislation and may be limited by case law.

Advice provided on 23 March 2022 by Welsh Government officials to the Minister for Economy, requesting a decision on the Gilestone Farm purchase transaction, identified the necessary legal powers under the Welsh Development Agency Act 1975, Section 1 (as amended by the Government of Wales Act 2006). This advice also contextualised the Minister's decision within Welsh Government duties, including the Well-being of Future Generations (Wales) Act 2015; and policies to support tourism, and social and economic regeneration.

Was the decision to buy the Farm taken properly; made within the correct administrative processes and control framework, and taken by those with the appropriate authority?

In practice, ministers' duties are often carried out by officials, acting within a framework of delegated authority⁶. However, important decisions are frequently made by ministers in person. This includes decisions which set precedents, are novel, potentially contentious, or could cause repercussions elsewhere in the public sector.

⁵ In constitutional and administrative law, acting without legal authority is termed 'ultra vires'.

⁶ The 'Carltona case' provides that where sufficiently experienced officials make a decision on the Minister's behalf, the decision remains the Minister's decision and his or her responsibility.

Following earlier discussions with Green Man about finding an appropriate site, and soon after Green Man had brought to the Welsh Government's attention the potential availability of Gilestone Farm, on 7 February 2022 officials secured the Minister for Economy's agreement for them to continue dialogue about a potential acquisition. Following formal Ministerial Advice dated 22 March 2022 setting out a range of options, on 24 March 2022 the Minister for Economy decided to proceed with the preferred option of purchasing the site for £4.25 million by 31 March 2022. This option included a lease-back arrangement with the vendor, from sale completion until 31 October 2022, at peppercorn rent. The Ministerial Advice presented six alternative options to the Minister with a brief explanation for each on why that option was not viable or preferred. The alternative options presented to the Minister were:

- Green Man to acquire or lease the entire subject property without Welsh Government involvement.
- The Welsh Government does not acquire the subject property.
- The Welsh Government acquires an alternative property.
- The Welsh Government provides grant support to Green Man, enabling them to acquire the property.
- The Welsh Government provides loan support to Green Man, enabling them to acquire the property.
- Powys County Council acquires the subject property.⁷

In advance of the formal advice, officials had appropriately referred the decision about whether to purchase Gilestone Farm to the Welsh Government's internal Corporate Governance Unit (CGU) because, at that point, the Welsh Government had not received a full business plan from Green Man. The CGU confirmed that the

⁷ The advice dated 22 March 2022 explained that Powys County Council did not have the funding available to purchase the site although we have been unable to determine the basis of this conclusion. We have seen e-mail exchanges between the Welsh Government and Powys County Council that simply concern potential activities at the site rather than questions of funding for the purchase. The Council has confirmed to us that it did not receive any formal request about purchasing the site.

decision was therefore novel and/or contentious and then provided the relevant clearance on the basis that they were satisfied that the risks and issues arising specifically from the novel and/or contentious basis of the decision had been properly disclosed and mitigated within the advice note, prior to it being referred to the Minister.

The Deputy Director of Finance for Economy Skills and Natural Resources also had sight of the advice and confirmed to the CGU they were content to accept the risk relating to the novel/contentious issue; noting the amount and risk were relatively low. Additionally, financial clearance was provided by the relevant finance group and the Budget & Government Business Division. The Director General for Economy, Treasury and Constitution (the Additional Accounting Officer) was not copied into the advice and (as confirmed in the Welsh Government's response to a freedom of information request) was not one of the senior officials who knew about the interest in and purchase of Gilestone Farm at the time. The Welsh Government's Scheme of Delegation does not necessarily require the Additional Accounting Officer's approval of Ministerial Advice, stating that 'the overriding principle is that accountability rests with the Deputy Director who clears the MA, or somebody more senior'. However, where decisions are novel or contentious, we would consider it prudent for the Director General to at least be kept informed.

In our view the advice provided to the Minister could have made clearer exactly why the contents of the advice were novel/contentious, and how specific risks arising would be mitigated. In addition, the advice provides limited information on how the site's suitability for Green Man's intended uses could be constrained by the identified potential issues in relation to, the physical access to the site; others' rights of access to the site; planning requirements; and parts of the site being environmentally sensitive i.e., being designated as a Site for Special Scientific Interest and Special Area of Conservation.

A separate, earlier, Ministerial Advice note (dated 10 March 2022) requested a Ministerial decision to authorise expenditure of up to £60,000 on professional fees for legal and property advice in relation to the potential purchase transaction, to be procured under existing framework contracts. The Minister for Economy approved the expenditure on 16 March 2022. The Ministerial Advice did not make clear that the chosen professional advisors had already been commissioned and had started undertaking their work before officials had sought approval for the expenditure.

The advice dated 22 March 2022 was copied for information to the Minister and Deputy Minister for Climate Change, and the Deputy Minister for Arts and Sport. It was not copied to the Minister for Rural Affairs, due to what we understand was an administrative oversight, despite it being relevant to their portfolio. The Deputy

Minister for Climate Change replied after the decision to purchase been agreed by the Minister for Economy, stating that if the Green Man option did not proceed that the Welsh Government should consider using the property for alternative policy objectives such as tree planting and renewable energy, prior to placing the property onto the open market. In a written statement by the First Minister on 12 August 2022 in relation to alleged breaches of the Ministerial Code⁸, the First Minister identified that, while information had been copied to the Minister for Climate Change, neither the Minister for Climate Change nor the Minister for Education and Welsh Language were involved in making decisions about Gilestone Farm and no breaches of the Code had taken place. However, due to their friendships with the Managing Director of Green Man, both Ministers would be recused from any further decisions.

The purchase and lease-back arrangements were supervised by the Welsh Government's Property Leadership Team (PLT), in accordance with what the Welsh Government has emphasised to us are the usual arrangements for such transactions, including independent professional advice. We have not reviewed the Welsh Government's wider property purchasing practices as part of this work.

Did the Welsh Government give due consideration to all relevant information when making its decision, and exclude irrelevant information?

A decision by a public body may be judged to be unreasonable if it is based on a conclusion that is not supported by any evidence or good reasons; or where no reasonable person would consider the evidence to be sufficient to support the conclusion drawn⁹.

The decision-maker is not required to consider all material but should have as much information as possible about the decision to ensure that no relevant considerations are ignored. They must take relevant considerations into account and must not be

⁸ On 16 May 2022, the Minister for Climate Change, and the Minister for Education and Welsh Language both attended a social event in their personal capacities. The Managing Director of Green Man also attended.

⁹ The 'Wednesbury' reasonableness test.

influenced materially by irrelevant considerations. Irrelevant factors include the need to get something done quickly; and expected media reaction to the decision.

Officials' advice which supported the Minister's decision on whether to purchase the Farm (dated 22 March 2022) emphasised that, for funding reasons, the acquisition needed to be completed on or before 31 March 2022. Welsh Government officials confirmed that the Creative Wales capital budget for 2022-23 (which we understand is just £5 million) did not include any available funds for the purchase. It is clear that the Welsh Government's choice to use an in-year budget underspend from its wider budget to fund the purchase before the end of the financial year was the primary driver for a quick transaction because:

- The vendor had not openly marketed the Farm and a potential private buyer, to whom property details had been provided in February 2020¹⁰, subsequently withdrew their interest later that year – there was no imminent prospect of the property being sold to another party;
- Green Man's own plans did not necessitate a quick purchase decision and were not yet fully formed. The Welsh Government did not receive an initial version of a full business plan from Green Man until 29 June 2022;
- Securing ownership of Gilestone Farm was not necessary to support the 2022 Green Man Festival, staged over 18 – 21 August 2022 at Glanusk Estate, Crickhowell, Powys; and
- There was no immediate threat to the retention of the Green Man festival in Wales, although Ministerial Advice noted that Green Man had received approaches to buy the brand which could potentially result in the Festival moving from Wales. Green Man's current agreement with the Glanusk Estate runs until 2030.

The immediate consequences of transacting on 31 March 2022 were that the Welsh Government:

¹⁰ These details dated from 2015 and valued the property at £3.25 million; predated the subsequent development of holiday accommodation; and do not reflect wider increases in property values since that date.

- provided a short-term lease to the vendor (to 31 October 2022) at peppercorn rent, to enable them to harvest crops and fulfil holiday accommodation bookings; and
- needed to maintain a range of options for the site, including extending the current short-term lease-back arrangement to the vendor; a longer-term lease to Green Man, or another lessee; or an onward sale.

If the Welsh Government had been able to use a different capital budget with funds available for 2022-23, it would have avoided the funding-driven purchase completion deadline of 31 March 2022, with its associated option risks. This would have allowed a later purchase decision, transaction process, and completion date; all determined by the Welsh Government's detailed assessment of Green Man's full business plan. The options presented to the Minister did not include using a different funding budget and deferring the purchase of Gilestone Farm until due diligence on a full business plan from Green Man had been completed; thus avoiding the time constraint of 31 March 2022 (see above). In our view, proper consideration should have been given to that option.

Officials' explanations to the Minister of the Welsh Government's rationale for buying Gilestone Farm were based on an initial proposal / business plan outline from Green Man, which the Welsh Government received in October 2021, and were set out in the relevant Ministerial Advice. The Ministerial Advice dated 22 March 2022 (regarding the purchase and lease-back to the vendor) stated that the property acquisition was being progressed to support future expansion of the Green Man Festival by enabling Plant Pot Limited¹¹ to buy or lease the Property, because the current festival is constrained by the lack of available land to accommodate the number of visitors that

¹¹ Plant Pot Limited ('PPL') is the company which organises the Green Man Festival. In fact, Green Man's intentions do not involve PPL operating the Gilestone site. Instead, Green Man formed a new company for the venture, Cwningar Ltd, incorporated on 22 February 2022. The Ministerial Advice suggested that if the Welsh Government were to support Green Man's business plans, Plant Pot Limited would enter into a short-term lease to manage the entire property from November 2022 to January 2023, during which period negotiations about it purchasing or leasing the property on a longer-term basis would be concluded.

could be attracted to the event.¹² In our view, these statements suggested that increasing the Festival's visitor capacity was the primary objective for the Farm's acquisition and that some of the existing Festival activities would relocate from Glanusk Estate to Gilestone Farm. The Welsh Government has since emphasised that this is not and was not actually their intention, which is to support extension of the Green Man brand and help to secure its future in Wales.

Following sale completion, on 15 May 2022, Green Man executives attended a meeting of Talybont-on-Usk Community Council and clarified that the Green Man Festival would not be relocating to Gilestone Farm but may host several smaller events each year; they intend farmland to remain in agricultural use; to utilise the accommodation for residential and tourism use; and to support selected small enterprises to develop under the Green Man brand.

Did the Welsh Government take appropriate steps to safeguard value for money from public funds?

Before buying Gilestone Farm and leasing it back to the vendor under a short-term agreement, the Welsh Government commissioned independent property valuation, lease advice and legal searches, consistent with making such decisions; recognising that further advice may be necessary in relation to any additional lease, onward sale, or changes in future use.

The sale was agreed at £4.250 million, against an independent Welsh Government-commissioned valuation of market price of £4.325 million. Prior to receiving its own independent valuation, the Welsh Government had sight of a separate valuation report commissioned by Green Man which valued the property at £4.250 million. The Ministerial Advice stated that if Green Man did not buy or lease the Farm from the Welsh Government it could market the site for sale on the open market and recover its investment.

The Welsh Government had received a summary of findings from the building survey on 16 March 2022 and the valuation report on 17 March 2022, before the submission of advice to the Minister on 23 March, although full building survey and legal title

¹² This latter statement was also included within the Ministerial Advice note of 10 March 2022 which related to professional fees.

reports were only received on 28 and 30 March respectively; just prior to sale completion on 31 March and leaving limited time for full consideration.

The Ministerial Advice note for the purchase decision contained a summary risk analysis, the financial implications and a summary of legal issues which highlighted the following:

- Possible property costs of £166,000, including managing the property generally;
- Uncertainty over access rights and shooting rights, held by third parties; and
- That the need for any future uses to comply with regulations relating to planning, and biodiversity would be the responsibility of Green Man.

Furthermore, it remains to be seen whether the Welsh Government feels it can support Green Man's business plans for the Gilestone Farm site. Should the Welsh Government decide not to support Green Man's plans, an alternative use may need to be identified or (as suggested within the Ministerial Advice) disposal of the asset on the open market. Despite obtaining an independent valuation of the site which was £75,000 higher than the actual purchase price, in the event of an onward sale, the Welsh Government may not be able to recover:

- The full purchase price, either due to market conditions or to separation of the site into separate lots¹³, which are in total worth less than the whole site in a single lot.
- Costs of undertaking repairs, including to the farmhouse (a Grade II listed building). The full professional building survey report (dated 28 March 2022)

¹³ The proposal for splitting the property was for Green Man to purchase the farmhouse and surrounding buildings, and for the Welsh Government to purchase the farmland and agricultural buildings and then lease these parts of the property to Green Man.

identified repair costs of £168,600 during the first year and an additional £27,750 in 6 – 10 years.¹⁴

- Professional fees associated with the initial purchase and onward sale.
- Welsh Government staff time costs associated with the transaction; the ongoing assessment of Green Man's business case and subsequent communication which includes briefing Ministers; providing information to respond to written questions in the Senedd; and responding to the public and media. All of which has required significant input, including from senior officials.

Consequently, in acquiring the property speculatively, the Welsh Government has accepted financial risks that would not have arisen if it had delayed a final purchase decision until after its full consideration of Green Man's plans, and the suitability of Gilestone Farm for intended future uses, had been concluded (see above).

The Welsh Government has confirmed to us that to the end of November 2022 it has incurred direct costs related to the acquisition of approximately £60,000, and currently anticipates further costs relating to the management of the Farm of approximately £57,000¹⁵. Some of these costs may be offset by letting income and profit shares generated by farming and other commercial operations at the site.

¹⁴ Knight Frank had previously (on 16 March 2022) provided the Welsh Government with a lower estimate of repair and statutory compliance costs of £54,000 plus fees, for the farmhouse alone, which was used to inform the advice provided to the Minister.

¹⁵ Costs are approximate as the final VAT position is unclear. The Welsh Government bought the property exclusive of VAT and has not yet elected to charge VAT. Also, these figures do not include any potential costs arising from an asbestos survey to be undertaken early in 2023.

Has the Welsh Government given a proper account of its actions and the reasons for them, in response to legitimate political and public scrutiny?

On 13 May 2022, the BBC published a news item that the Green Man Festival organisers would run Gilestone Farm, which had been bought by the Welsh Government. The article stated that the festival itself was expected to remain at its current site on the Glanusk Estate. The Welsh Government and Green Man declined to provide comments.

On 18 May 2022, a question was tabled in plenary in the Senedd, asking the Minister for Economy to provide a statement on the purchase. In reply, the Minister confirmed the purchase price and that this had been supported by an independent valuation. The Minister also said that discussions were ongoing with Green Man, subject to receipt of a full business plan. The Minister went on to emphasise the Welsh Government's wish to retain the festival in Wales. Subsequently Members of the Senedd tabled various written questions to the Minister for Economy.

On 19 May 2022, and seemingly prompted by the news that had broken, the Welsh Government published its decision reports relating to the decisions on 16 March 2022, authorising spend on professional services related to the purchase and on 24 March 2022, approving the Farm purchase and leaseback to the vendor. These decision reports simply record the decisions taken, without providing any details, reasons, or context.

The Welsh Government has advised that decision reports are routinely published as soon as a decision has been made by Ministers, but that policy officials will be aware of any publicity or sensitives surrounding a decision and may therefore advise Ministers regarding when a decision report is published. We note that 8 weeks elapsed between the purchase decision and decision notice publication. Welsh Government officials suggested to us that the reason for the apparent lag was due to a combination of factors, including wanting to manage the communication and publicity around the transaction, the commercial sensitivities of the transaction and, more generally, competing workload priorities. We have not been made aware of any direct communication with the Minister for Economy about the arrangements for publication of the decision reports in advance of the news about the acquisition breaking, other than:

- The Ministerial Advice of 22 March 2022 noted that the decision required a Decision Report, which may be published, and also that a planned media announcement would be made following the decision; and

- The Minister's written decision on 24 March 2022, which states that the Decision Report is to be held until any announcement.

As at 31 December 2022, the Welsh Government has published responses to 26 Freedom of Information requests relating to the purchase of the Farm (between 14 June 2022 and 27 October 2022). Of these, on three occasions, following internal reviews, the Welsh Government decided to release information. Our own review of the Freedom of Information responses identified two instances where the Welsh Government stated they did not hold information within the scope of the requests, but where it appears from subsequent responses that the Welsh Government did hold the information requested. We have highlighted these examples in **Appendix 2** to this letter which sets out the chronology of publicly available requests for information and the approach taken to each request. In our view, there have been inconsistencies in the approaches taken in response to similar requests for information relating to the purchase of the Farm.

There has also been significant media reporting and speculation about plans for Gilestone Farm and its suitability, as well as correspondence to PAPAC from a range of interested parties. In our view, much of this attention could have been avoided if the purchase decision had followed rather than preceded full business plan consideration; in which case the Welsh Government could have given a more detailed and timely account of its actions and rationale.

Possible future audit work

So far, we have not directly considered the site's future or related potential support to Green Man. In due course, we may undertake further audit work retrospectively examining the Welsh Government's decision-making relating to these matters, and in particular:

- Procedural fairness, how decisions to provide or not provide direct or indirect financial support to particular organisations or individuals are taken, including the presence of bias or favourable treatment;
- Whether decisions taken previously fetter the discretion to take subsequent decisions on their merits; and
- Value for money, including the impact and outcomes of any such decisions.

In making any future decisions relating to the site, given its location within the Brecon Beacons National Park and the presence of protected species and habitats, we

would expect the Welsh Government (and other public bodies with relevant responsibilities) to consider in-depth, duties under:

- The Well-being of Future Generations (Wales) Act 2015, to act in accordance with the sustainable development principle to improve the economic, social, environmental, and cultural well-being of Wales;
- The Environment (Wales) Act 2016, to maintain and enhance biodiversity; and
- Any legal requirements or reasonable expectations for public consultation.

In his letter to you dated 26 September 2022, following the PAPAC evidence session on 14 July 2022, Andrew Slade explained that the Welsh Government does not intend to undertake economic analysis of the Green Man Festival itself but will undertake robust due diligence of the economic benefits of the activities proposed at Gilestone Farm. The Welsh Government has said that it will also examine the finances and group structure of companies associated with Green Man and assess how third-party shooting and fishing rights, and ecological and environmental constraints might impact on the activities proposed for the site. Any future audit work could include checking that the Welsh Government has given these matters due consideration in any further decisions.

Yours sincerely



ADRIAN CROMPTON
Auditor General for Wales

Appendix 1 - Acquisition of Gilestone Farm Timeline

Event / Key Milestone	When	Explanation of Event / Key Milestone
The Welsh Government and Green Man engage in discussions about the potential to support the growth of the brand in Wales, resulting in the Welsh Government undertaking a search of Welsh Government owned land.	September 2019	The search of Welsh Government owned land did not identify any suitable properties for Green Man.
Fiona Stewart of Green Man expresses her interest in Gilestone Farm to the [then] owner.	2019 - 2020	<p>As a resident of Powys, we understand that Fiona Stewart became aware through word of mouth that Gilestone Farm would be a suitable location for Green Man's ambitions.</p> <p>Both parties explained to us that they had discussions during this period but were unable to be precise about when. No formal offers were made, and discussions were inconclusive.</p>

Event / Key Milestone	When	Explanation of Event / Key Milestone
<p>McCartneys Prospectus¹⁶ provided to a prospective buyer.</p>	<p>February 2020</p>	<p>We have confirmed with McCartneys that a property prospectus was created in December 2015 for the [then] owner and shared privately with a small number of prospective purchasers in 2016. At that time the asking price quoted within the prospectus was £3.25 million.</p> <p>In February 2020, we understand that the same prospectus was shared with one interested party accompanied with an e-mail which clarified that there was an updated asking price of £4.25 million. The interested party withdrew their interest in Gilestone Farm later the same year. At the time of issuing this letter we had requested, but had not received, a copy of the e-mail.</p>
<p>The Welsh Government receive a 'Business Plan Outline' from Green Man.</p>	<p>01 October 2021</p>	<p>The Welsh Government received a 'Business Plan Outline' from Green Man. The high-level document provides an overview of what the brand would like to achieve by securing a permanent site in Wales, enabling the existing business to triple in size over five years. The document details the following:</p>

¹⁶ The "McCartneys Prospectus" referenced here is the set of particulars that were shared with the Public Accounts and Public Administration Committee for the meeting held on 14 July 2022 and part of which was also circulated online by a Member of the Senedd on 21 June 2022.

Event / Key Milestone	When	Explanation of Event / Key Milestone
		<ul style="list-style-type: none"> • The economic impact of the existing Festival, citing a consulting report commissioned by Green Man (BOP Consulting Report 2018). • A proposal for site use, including glamping and holiday accommodation; incubating small businesses to diversify the Green Man brand; hosting a programme of annual festivals and smaller events; developing a wellness business and spa-style facility • Green Man’s specific requirements for a suitable site. • An overview of the events market. • Case studies of product development and branding. <p>Further correspondence from Green Man explained that their proposal would consist of two stages:</p> <ul style="list-style-type: none"> • Stage 1 - The purchase by the Welsh Government of a permanent site (farm/estate) in Wales to be leased to Green Man at the rate of commercial activity currently taking place on the land. Subsequently, Green Man would have an opportunity to purchase the site from the Welsh Government at the original purchase price. • Stage 2 – Further business development to be undertaken once the site has been procured. <p>Green Man also suggested that the additional economic benefits of their proposal of obtaining a permanent site could generate £10 million to the Welsh economy on top of its existing assessment of benefits from the Green Man Festival. We have not seen any evidence to suggest that these claims about additional benefits formed part of the Welsh Government’s</p>

Event / Key Milestone	When	Explanation of Event / Key Milestone
		<p>formal decision-making about the acquisition, although issues relating to retention of existing economic benefits from the Festival were considered.</p>
<p>Welsh Government officials meet with Green Man</p>	<p>22 October 2021</p>	<p>Welsh Government officials meet with Green Man virtually. No meeting notes were recorded and therefore we are unable to confirm what was discussed.</p>
<p>Welsh Government officials meet with Green Man to discuss Gilestone Farm</p>	<p>26 & 28 January 2022</p>	<p>Welsh Government officials confirmed to us that a phone call held on 26 January was when they were first informed of the potential availability of Gilestone Farm.</p> <p>A virtual meeting was held on 28 January, introducing the Welsh Government official who would eventually lead on the transaction.</p> <p>This phone call and subsequent meeting were not included in the response provided to the written question '<u>WQ85337</u>' tabled on 30 May 2022 which sought details about meetings between the Minister or officials with Green Man in relation to Gilestone Farm.</p> <p>The Welsh Government stated in its <u>written submission</u> supporting the PAPAC evidence session on 14 July 2022, and in subsequent follow up <u>correspondence</u> on 26 September 2022, that Green Man first brought Gilestone Farm to its attention in February 2022.</p>

Event / Key Milestone	When	Explanation of Event / Key Milestone
<p>Fiona Stewart of Green Man contacts the Leader of Powys County Council via e-mail</p>	<p>30 January 2022</p>	<p>Fiona Stewart contacts the Leader of Powys County Council to elicit support for potential ventures at Gilestone Farm, including a festival, and written assurance to provide to the Welsh Government that a licence application for events would be supported.</p> <p>Powys County Council released the e-mail in response to a Freedom of Information request on 24 October 2022.</p>
<p>Welsh Government officials seek approval from the Minister for Economy to explore the opportunity for the Welsh Government to purchase Gilestone Farm</p>	<p>02 & 07 February 2022</p>	<p>On 02 February, Welsh Government officials e-mailed the private secretary to the Minister for Economy seeking approval for further discussions on the acquisition of Gilestone Farm. Background information on the transaction and Green Man was explained to the Minister. It was also explained that the transaction could be financed provided that the transaction was concluded within the financial year. The estimated price referenced in the communication with the Minister was £3.5 million. Welsh Government officials could not explain to us the basis for this estimate.</p> <p>On 07 February, the Minister for Economy agreed that officials should continue discussions.</p>
<p>The Welsh Government contacts Knight Frank via e-mail confirming background information on the proposed</p>	<p>09 February 2022</p>	<p>This is the first documented correspondence between the Welsh Government and its valuers Knight Frank. At this stage the transaction proposed was for Green Man to purchase the farmhouse and surrounding buildings and for the Welsh Government to purchase the farmland and</p>

Event / Key Milestone	When	Explanation of Event / Key Milestone
transaction after a phone call discussion on the same day.		agricultural buildings, and subsequently lease that part of the property to Green Man.
Welsh Government officials meet with Green Man	11 February 2022	Welsh Government officials meet with Green Man virtually. No meeting notes were recorded and therefore we are unable to confirm what was discussed.
Green Man forwards to the Welsh Government an e-mail from Powys County Council expressing in principle support for the development of Gilestone Farm	11 February 2022	The Welsh Government was made aware that the Council was supportive of Green Man's proposals. Green Man shared an e-mail it received from the Executive Leader ¹⁷ of the Council on 10 February 2022 which displays support for the project in principle, in response to Fiona Stewart's e-mail of 30 January.
E-mail exchange between a Welsh Government official and a Powys County Council officer.	1 March 2022	The Welsh Government official asks for advice or observations regarding the development of Gilestone Farm for events and associated businesses from a licensing perspective. The Council officer responds that each

¹⁷ The Executive Leader for Powys County Council on 11 February 2022 was Councillor Rosemarie Harris.

Event / Key Milestone	When	Explanation of Event / Key Milestone
		application is considered on its merits but that the Council is supportive in principle.
E-mail instructions to Knight Frank	01 March 2022	<p>This is the formal instruction to Knight Frank to undertake a valuation and surveys on Gilestone Farm under the SEWTAPS framework. Knight Frank were instructed to:</p> <ul style="list-style-type: none"> • Provide a Market Valuation and a Market Rental Valuation and other supportive reports of the Subject Property. The valuation work will be done on the bases of splitting the farm (<i>as above</i>), and as a whole. • Undertake a building and asbestos survey. • Provide advice on the Heads of Terms¹⁸ for the potential purchase and future letting of the Subject Property. <p>Although this instruction included a requirement for an asbestos survey, Knight Frank confirmed to us that they do not undertake asbestos surveys but had provided the Welsh Government with advice that asbestos was likely to be present on the site. The Welsh Government confirmed to us that while it initially instructed Knight Frank to undertake an asbestos survey, it later became apparent that the survey would not be possible by</p>

¹⁸ A document which sets out the terms of a commercial transaction agreed in principle between parties during negotiations

Event / Key Milestone	When	Explanation of Event / Key Milestone
		31 March 2022 because it would have needed to be sub-contracted. Therefore, no asbestos survey was procured in advance of the acquisition. ¹⁹
Knight Frank Valuation and Inspection Date	02 March 2022	Knight Frank undertook their inspection on this date and provided a valuation as at this date.
Blake Morgan (Welsh Government appointed external solicitors) start legal enquiries.	04 March 2022	Blake Morgan started their initial enquiries, further correspondence/enquiries were also completed during March 2022.
Welsh Government officials meet with Green Man	07 March 2022	Welsh Government officials meet with Green Man virtually. No meeting notes were recorded and therefore we are unable to confirm what was discussed.

¹⁹ As at 31 December 2022, the Welsh Government has commissioned an asbestos survey through its facilities management service provider but has not yet received the results.

Event / Key Milestone	When	Explanation of Event / Key Milestone
Ministerial Advice for the appointment of professional advisors used for the acquisition of Gilestone Farm sent to the Minister for Economy.	10 March 2022	<p>The Minister was asked to approve expenditure of up to £0.06 million including VAT for legal and property advice associated with the potential acquisition and leasing of the subject property. The advice to the Minister also included background information covering the purpose of the transaction, the proposal that was being explored at that time and the 'requirement' to conclude the transaction within the current financial year (i.e. by 31 March 2022).</p> <p>The Ministerial Advice did not make clear that the chosen professional advisors had already been commissioned and had started undertaking their work before officials had sought approval for the expenditure.</p>
Building Survey completed by Knight Frank	11 March 2022	Knight Frank completed a Building Survey on the 10 properties at Gilestone Farm. A summary of the survey was provided to the Welsh Government on 16 March 2022 with the formal report being issued on 28 March 2022.
Heads of Terms agreed by the Vendor	14 March 2022	The Heads of Terms for the Sale and Leaseback were agreed by the Vendor, subject to confirmation of price and formal approval.

Event / Key Milestone	When	Explanation of Event / Key Milestone
<p>Finance staff and Corporate Governance Unit provide clearance on the Ministerial Advice for the Acquisition of Gilestone Farm.</p>	<p>15 & 16 March 2022</p>	<p>The draft Ministerial Advice note was shared with the relevant teams for financial and Corporate Governance Unit clearance on 15 March 2022.²⁰</p> <p>The Corporate Governance Unit confirmed that the advice was novel and contentious, as there was a lack of a business case to support the proposal and sought further confirmation from the Deputy Director of Finance in Economy, Skills, and Natural Resources that they are content to accept the risk and the proposal.</p> <p>The Deputy Director of Finance in Economy, Skills and Natural Resources confirmed they were content, noting the relatively low risk and amount on 16 March 2022.</p> <p>Additionally, financial clearance was provided by the relevant finance group and the Budget & Government Business Division.</p>

²⁰ Due to limitations on the Welsh Government’s document management system, we have not been able to obtain the version of the Ministerial Advice document which was sent on 15 March 2022. We understand the amendments between this version and the final version sent to the Minister were amendments made upon receipt of further professional advice and in response to recommendations by the Property Leadership Team (PLT).

Event / Key Milestone	When	Explanation of Event / Key Milestone
<p>Minister for Economy agrees the recommendation in Ministerial Advice for the professional services relating to the acquisition of Gilestone Farm.</p>	<p>16 March 2022</p>	<p>The Minister for Economy agrees the recommendation in Ministerial Advice dated 10 March 2022. The advice relates to the professional services required for the acquisition of Gilestone Farm.</p>
<p>Summary of Building Survey results received</p>	<p>16 & 17 March 2022</p>	<p>Knight Frank provided the Welsh Government with a summary of its findings of the building survey via e-mail. The e-mails provide a summary of buildings at the farm and some legal clarifications.</p> <p>Additionally, an estimate of costs for internal repairs, statutory compliance issues and external repairs for the farmhouse were provided totalling £54,000 plus fees. A further estimate of costs for all buildings onsite was provided by Knight Frank totalling £166,000.</p>
<p>Terms of engagement with Knight Frank signed</p>	<p>17 March 2022</p>	<p>The terms of engagement between the Welsh Government and Knight Frank for property services was signed on 17 March 2022. Welsh Government officials explained that they were able to engage with Knight</p>

Event / Key Milestone	When	Explanation of Event / Key Milestone
		Frank under the SEWTAPS ²¹ framework before terms were signed in order for work to start immediately.
Valuation Report received	17 March 2022	The Knight Frank valuation report was received providing a valuation of the whole property of £4,325,000. The proposal to split the property into two lots would result in the properties being valued separately at £1,620,000 and £2,200,000. This proposal would result in a loss in 'marriage value' of £505,000 and as advised by Knight Frank, would reduce the Welsh Government's asset management potential and control over the entire property.
Welsh Government's Property Leadership Team (PLT) considers the acquisition of the land	17 March 2022	The PLT considered the proposed acquisition on 17 March 2022 and provided recommendations to be incorporated into Ministerial Advice. However, PLT advised for the Case Officer ²² to seek approval for the subsequent leaseback via the PLT panel responsible for lease transactions.

²¹ SEWTAPS is the South East Wales Technical and Professional Services framework.

²² The Welsh Government official that submitted the transaction to the Property Leadership Team for consideration.

Event / Key Milestone	When	Explanation of Event / Key Milestone
<p>Final Ministerial Advice clearance obtained from the Economy Skills and Natural Resources Governance and Compliance group.</p>	<p>22 March 2022</p>	<p>Clearance was obtained on the latest version of the Ministerial Advice after amendments were made upon receipt of further professional advice and recommendations from the PLT.</p> <p>It would have been for the Deputy Director who signs off on the Ministerial Advice to decide whether any previous clearances needed to be reobtained following the amendments. In this instance, we understand that they decided the changes made were not significant enough to require this. Upon requesting final clearance, the relevant finance group and the Budget & Government Business Division were included as copy recipients.</p>
<p>The Ministerial Advice for the acquisition and subsequent short-term leaseback was sent to the Minister for Economy.</p>	<p>23 March 2022</p>	<p>The Minister was asked to agree the following recommended option:</p> <ul style="list-style-type: none"> • the freehold purchase of Gilestone Farm Talybont-on Usk, Powys for £4.25m; and • the short-term lease back of property to the current owner/vendor for a peppercorn for management and maintenance purposes. <p>The advice included background information to the transaction and the Subject Property. The advice was considered novel and contentious, therefore the Corporate Governance Unit had sight and cleared the advice on 16 March 2022 confirming “the risks and mitigations associated with the novel or contentious matter have been properly set out in the advice”</p> <p>The advice also explains that in the event that Green Man does not purchase and/or lease Gilestone Farm, the Welsh Government would be</p>

Event / Key Milestone	When	Explanation of Event / Key Milestone
		<p>able to market the site for disposal on the open market. The advice explains that the purchase and/or lease of the property will be subject to the outcome of the Welsh Government's review of Green Man's Business Plan.</p> <p>The advice sets out the reason as to why the acquisition needs to be completed on or before 31 March 2022, citing there is no provision in the Creative Wales budget for the financial year 2022-23.</p> <p>Copied recipients of the advice included:</p> <ul style="list-style-type: none"> • Julie James MS, Minister for Climate Change • Lee Waters MS, Deputy Minister for Climate Change • Dawn Bowden MS, Minister for Arts & Sport, and Chief Whip <p>The preparer of the advice confirmed that it was an administrative oversight not to include the Minister for Rural Affairs as a recipient of the advice.</p>
Welsh Government officials meet with Green Man	23 March 2022	Welsh Government officials meet with Green Man virtually. No meeting notes were recorded and therefore we are unable to confirm what was discussed.
Minister for Economy agrees the recommendation in	24 March 2022	The Minister for Economy agrees the recommendation in Ministerial Advice dated 22 March 2022. The advice relates to the professional

Event / Key Milestone	When	Explanation of Event / Key Milestone
Ministerial Advice for the acquisition and short-term leaseback of Gilestone Farm.		services required for the acquisition and short-term leaseback of Gilestone Farm.
Welsh Government's Property Leadership Team (PLT) considers the short-term leaseback. ²³	24 March 2022	As advised within the PLT panel dated 17 March 2022 the tenancy agreement was considered at another PLT panel meeting on 24 March 2022. The panel provided recommendations to be included within the tenancy agreement.
Building Survey Report received from Knight Frank	28 March 2022	Knight Frank provided the full Building Survey report which was summarised to the Welsh Government on 16 and 17 March 2022. The final report included estimates of £168,600 for short term costs and a further £27,750 in the long term.
Deputy Minister for Climate Change responds to advice note dated 22 March 2022	28 March 2022	The Deputy Minister for Climate Change noted the advice as a copy recipient and commented if the Green Man option does not proceed that consideration into tree planting and renewable energy options be given before any resale onto the market.

²³ The short-term leaseback legal form was a Farming Business Tenancy agreement.

Event / Key Milestone	When	Explanation of Event / Key Milestone
Final report on title received from Blake Morgan	30 March 2022	<p>Blake Morgan provided their legal advice/report on title to the Welsh Government on 30 March 2022. Draft versions of this report were provided to the Welsh Government on 25 March 2022.</p> <p>As part of the final report on title, a separate planning report was provided on the 30 March 2022.</p>
Acquisition and subsequent leaseback completed	31 March 2022	The acquisition and subsequent leaseback transaction was completed on 31 March 2022 and legal ownership transferred to the Welsh Government, the legal documents were signed and sealed on the same date.
Detailed Flood Report received	01 April 2022	Blake Morgan recommended the Welsh Government to undertake a detailed flood risk assessment based on their initial searches as the initial basic flood search identified the flood risk as “High”. The further flood report received on 01 April 2022 assessed the overall flood risk as “Moderate to High”.
Welsh Government Decision Reports published	19 May 2022	The Welsh Government published Decision Reports relating to the professional advice fees, and the purchase and leaseback transaction.

Appendix 2 – Freedom of Information Request Schedule

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
<u>ATISN 16312</u>	14 June 2022	<ol style="list-style-type: none"> 1. How much the Welsh Government have paid for Gilestone Farm, Talybont, Brecon. 2. A copy of the business plan and any other accompanying information which must have been created in order for the Welsh Government to have made their decision. 	<ol style="list-style-type: none"> 1. £4.25 million 2. Information withheld on the basis of / by virtue of exemption at Section 43²⁴ the Freedom of Information Act 2000 (FOIA).
<u>ATISN 16331</u>	15 June 2022	<ol style="list-style-type: none"> 1. When did the Welsh Government buy Gilestone Farm, Talybont on Usk, LD3 7JE; Land Registry title 	<ol style="list-style-type: none"> 1. March 2022 2. £4.25 million

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²⁴ Section 43 is a qualified (public interest tested) exemption. Information is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
		<p>number CYM515641?</p> <ol style="list-style-type: none"> 2. How much did Welsh Government pay for this property? 3. Why has the Welsh Government entered into an agreement with Fiona Stewart and the Green Man Festival for Ms Stewart and others to run this expensive piece of real estate – paid for with Welsh public money? 4. What exactly is the agreement entered into with Ms Stewart et al? 5. Was there an open tendering process for the renting or leasing of this property, or was it a 'done deal' and the property bought specifically for Ms Stewart and her associates? 	<ol style="list-style-type: none"> 3. The Welsh Government has not entered into an agreement with Fiona Stewart and the Green Man Festival. 4. Please see Q3. 5. There was no open tendering process and the purchase was made by the Welsh Government for economic development purposes.
<p><u>ATISN 16343</u></p>	<p>16 June 2022</p>	<ol style="list-style-type: none"> 1. Copies of e-mails, written correspondence, minutes of meetings, and decisions made, from 	<p>Information withheld on the basis of / by virtue of section 12 of the Freedom of Information Act 2000.</p>

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
		<p>and to and within the Department of the Economy containing the words “Gilestone Farm” and/or “Green Man”.</p> <ol style="list-style-type: none"> 2. Copies of e-mails & correspondence to & from Vaughan Gething mentioning “Gilestone Farm” and/or “Green Man”. 3. Copies of all communications with the planning department of Powys County Council & the Beacons National Park authority. 4. Has there has been any environmental study concerning Gilestone Farm. 5. Copies of all valuations pertaining to Gilestone Farm. 	<p>We note that point 4 would simply have required a confirmatory response and that a copy of the Welsh Government commissioned valuation report on Gilestone Farm was later released in response to a separate request ATISN 16423 (see below).</p>
ATISN 16354	24 June 2022	<ol style="list-style-type: none"> 1. A copy of all correspondence between The Minister for Economy (including any other Welsh Minister 	<ol style="list-style-type: none"> 1. Having searched records no correspondence was found between The Minister for Economy and Fiona Stewart

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
		<p>or Welsh Government staff) and Fiona Stewart (MD Green Man Festival).</p> <ol style="list-style-type: none"> 2. A copy of all correspondence between The Minister for Economy and Mr Legg-Bourke of the Glan Usk Estate (or staff members of either). 3. A list of Welsh Government staff members who knew about the interest and purchase of Gilestone Farm. 4. Was the Permanent Secretary aware that Welsh Government were purchasing Gilestone Farm. 	<p>relating to the purchase of Gilestone Farm. Correspondence between Welsh Government staff and Fiona Stewart, was not disclosed under exemption from disclosure under Section 43.</p> <ol style="list-style-type: none"> 2. No information found. 3. Only senior officials are named in relation to freedom of information requests, the lead officials in this case are Jason Thomas, Director Culture Sport, and Tourism, Gerwyn Evans, Deputy Director Creative Wales, Chris Munday, Deputy Director Business Solutions. Tim Howard, Deputy Director Property, Steve Hudson Head of Governance and Compliance and Kim Jenkins, Chief Accountant & Deputy Director Corporate Governance. 4. The Permanent Secretary wouldn't have been aware of the purchase as it was a standard economic transaction approved by the Minister for Economy.

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
<u>ATISN 16366</u> ²⁵	30 June 2022	<ol style="list-style-type: none"> 1. Did you make the First Minister and/or the Minister for Economy aware of your connection to Gilestone Farm by being author of the 'James Report'. 2. Did you declare an interest in the Welsh Government purchase of Gilestone Farm? 3. A copy of correspondence with the Minister for Economy relating to the purchase of Gilestone Farm. 4. A copy of any correspondence between John Parson and Welsh Government. 	<p>No information held for Questions 1-5.</p> <p>Questions 6-9 – Information withheld on the basis of / by virtue of Section 43 of the Freedom of Information Act 2000</p> <p>Q10 – A link to Managing Welsh Public Money was provided.</p>

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²⁵ It appears this request was directed specifically to the Minister for Climate Change based on the response provided to the request.

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
		<ul style="list-style-type: none"> 5. Information relating to Mr Parson’s investigation of BBNP handling of Gilestone Farm. 6. A copy of the valuation report. 7. A copy of the completion certificate. 8. A copy of the ‘submissions document’ prior to purchase. 9. Copies of invoices, surveys, legal fees and any additional spend relating to the purchase. 10. Copy of ‘Ministerial Procedures Document’ relating to Welsh Government spend on assets and cap on spending for individual Ministers. 	
<p><u>ATISN 16383</u></p>	<p>07 July 2022</p>	<p>1. How many acres of land at Tan-y-Fedw, Cray, Brecon, Powys LD3 8RA has Welsh Government purchased?</p>	<p>The Welsh Government confirmed that it has not purchased and does not currently intend to purchase any land as referred to.</p>

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
		<p>2. How many acres of land at Tan-y-Fedw, Cray, Brecon, Powys LD3 8RA are Welsh Government intending to purchase? (For reference, the address known as The Wainhouse, tan-y-Fedw, Cray, Brecon, Powys LD3 8RA belongs to Gilestone Leisure Limited. This request refers to the land at the address in Cray)</p> <p>3. Does the purchase of Gilestone Farm include a parcel of land at Tan-y-Fedw, Cray, Brecon, Powys, LD3 8RA which is the registered address of Gilestone Leisure Limited?</p> <p>4. How much land has Welsh Government purchased or are looking to purchase in the Cray, Brecon area, LD3 8RA since the end September 2020?</p>	

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
<u>ATISN 16316</u>	08 July 2022	Who now owns the rights to the substantial deposits of sand and gravel beneath Gilestone farm	<p>This information is available in the Land Registry titles (i.e. CYM5155577, WA515967, CYM515641, WA521251). The Welsh Government own the rights to the sand and gravel deposits.</p> <p>We note this information was disclosed upon internal review.</p>
<u>ATISN 16388</u>	11 July 2022	<ol style="list-style-type: none"> 1. All communication relating to the purchase of Gilestone Farm 2. All communication between the government and Green Man relating to the purchase of Gilestone Farm 3. Document relating to the independent certification of Gilestone farm's market value by the government's consultant surveyors 	Information withheld on the basis of / by virtue of Section 43 of the Freedom of Information Act 2000 (FOIA).
<u>ATISN 16402</u>	13 July 2022	<ol style="list-style-type: none"> 1. Any environmental studies or assessments of Gilestone Farm considered by the Welsh 	Standard environmental reports were commissioned prior to the purchase and

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
		<p>Government prior to its purchase by the government?</p> <p>2. Details of any consultations with Environmental organisations/departments either internal to the Welsh Government, or external?</p>	<p>further reports would be carried out for any future use of the property as appropriate.</p>
<u>ATISN 16408</u>	14 July 2022	<p>The outline business plan relating to Gilestone Farm that was provided to the government in October 2021 by Green Man.</p>	<p>Information withheld on the basis of / by virtue of Section 43 of the Freedom of Information Act 2000 (FOIA).</p>
<u>ATISN 16405</u>	14 July 2022	<p>You asked for copies of any correspondence or e-mails with the Brecon Beacons National Park Authority (BBNPA) in relation to Welsh Government's purchase and plans for Gilestone Farm, Talybont on Usk.</p>	<p>Confirmed that there was no contact with BBNPA in relation to the purchase and plans for Gilestone Farm, Talybont on Usk. However, there will be consultation with the Authority as statutory consultees.</p>
<u>ATISN 16419</u>	18 July 2022	<p>1. Was the Minister for Economy aware of an agreement between Charles</p>	<p>No recorded information is held for questions 1 and 4.</p>

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
		<p>Weston and Mr G Thomas regarding mineral rights after the sale.</p> <ol style="list-style-type: none"> 2. Was the Minister aware of the flooding risk in all but 2 fields. 3. A copy of the 'submission paper' sent to the Minister for Economy relating to the purchase of Gilestone Farm. 4. A copy of any correspondence between Charles Weston and Welsh Government. 5. Why did the Minister buy a farm. 	<p>Welsh Government officials are aware that the property is in a flood risk area. Information withheld for question 3 on the basis of / by virtue of Section 43 of the Freedom of Information Act 2000 (FOIA).</p> <p>The purchase of Gilestone Farm was approved by the Minister for Economy for economic development purposes.</p> <p>We note that regarding question 1 of ATISN16419, the Welsh Government were aware of the mineral rights agreement prior to the purchase, although we have seen no evidence that the Minister for Economy was aware. Regarding question 4 of ATISN16419, Welsh Government officials had corresponded directly with the vendor, however it is possible that this information would not be disclosed under Section 43 of the Freedom of Information Act 2000.</p>

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
<u>ATISN 16411</u>	19 July 2022	<ol style="list-style-type: none"> 1. Please publish the correspondences between Welsh Government and Plant Pot Limited/Green Man Festival. 2. Please publish minutes of meetings between Welsh Government and Plant Pot Limited/Green Man Festival. 	Information withheld on the basis of / by virtue of Section 43 of the Freedom of Information Act 2000 (FOIA).
<u>ATISN 16423</u>	19 July 2022	Copies of all valuations undertaken for Gilestone Farm prior to its purchase by the Welsh Government	<p>Information withheld on the basis of / by virtue of Section 43 of the Freedom of Information Act 2000 (FOIA).</p> <p>However, was subsequently disclosed under the same request upon internal review on 07 September 2022.</p>
<u>ATISN 16348</u>	19 July 2022	<p>The following information including all minutes and correspondence:</p> <ol style="list-style-type: none"> 1. Dept of Economic Affairs – ‘independent valuation’ of Gilestone farm copy of the valuation and the fees paid. 	<p>Q1 – Information withheld on the basis of / by virtue of Section 43 of the Freedom of Information Act 2000</p> <p>Q2-5 and A-E: No information held.</p>

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
		<ol style="list-style-type: none"> 2. Media reports quote the creation of 174 jobs – all information relating to ‘jobs’ at Gilestone. 3. Environmental assessment of the impact of an economic development project Gilestone farm – all information. 4. Discharge of the Department’s statutory duty under the Environment Act to have due regard to the purposes of a National Park in buying Gilestone Farm as a ‘permanent base’ for the Green Man festival? Information relating to this statutory duty. 5. Dept of Economics Affairs correspondence and information with Powys CC relating to the Council’s apparent support for the use of the farm. 	<p>We note that in relation to Q5, Powys County Council has since released e-mails exchanges between a Welsh Government official (the Deputy Director of Creative Wales) and a Powys County Council officer, relating to licencing and general support for Green Man’s potential activities at Gilestone Farm.</p>

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
		<p>Additionally requested the following information relating to the procedures of the Welsh Government in the Gilestone Farm purchase</p> <ul style="list-style-type: none"> a) The process that was followed for identifying alternative location options. Can we see the outputs? b) The process that was followed for evaluating alternative location options. Can we see the outputs? c) What process was followed for establishing the suitability of the Gilestone location? Can we see the outputs? d) On what legal and policy basis does the purchase of Gilestone Farm rest? e) On what legal and policy basis does the proposed leasing or sale of Gilestone Farm to a private company without tender or market testing rest? 	

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
<u>ATISN 16447</u>	21 July 2022	You asked for all material/correspondence and reports of the Green Man festival' economic benefits.	The Welsh Government provided the following link for the information requested – <u>PowerPoint Presentation (gov.wales)</u>
<u>ATISN 16483</u>	12 August 2022	The total annual payments made to Green Man each year (as grants, subsidies, handouts, whatever etc.) for each of the years from 2013 through to (and including) 2022.	Breakdown of funding as follows: <ul style="list-style-type: none"> • 2014: £170,000 – Major Events Grant • 2015-2016: – £276,000 – Creative Industries/Tourism Grant, Commercial Sponsorship to develop an enhanced media profile and launch a partnership with BBC6 Music • 2016 - £50,000 – Tourism, Creative Industries and Food – Sponsorship Support • 2017 - £150,000 – Major Events Grant – To Increase Capacity • 2017-2019 – £100,000 – Tourism Product Innovation Fund – Development of Courtyard Welsh Beer and Cider Festival

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
			<ul style="list-style-type: none"> Under the Cultural Recovery Fund in 2020, Green Man received funding totalling £526,111
<u>ATISN 16480</u>	12 August 2022	<p>In relation to the attendance of members of the Welsh Government to the Green Man festival at Glanusk in any official or work capacity over the last five years</p> <ol style="list-style-type: none"> The names of any attending other than in a private capacity Did they go as invited guests, if so who were they invited by? Did they go with any official brief? What years did they attend? Was any attendance recorded in register of interests? 	<p>The exemption under Section 21 of the Freedom of Information Act 2000 was applied as the information was reasonably accessible to the applicant by other means.</p> <p>All Ministerial Engagements are published on https://gov.wales/ministerial-meetings-and-engagements</p>
<u>ATISN 16481</u>	12 August 2022	<ol style="list-style-type: none"> The outline business plan submitted by Green Man Festival, or Plant Pot Ltd, 	<p>Questions 1 and 2 - Information withheld on the basis of / by virtue of Section 43 of the</p>

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
		<p>or any companies run by Fiona Stewart in relation to the purchase of Gilestone Farm by the Welsh Government.</p> <p>2. The full business plan that was submitted to the Welsh Government by Fiona Stewart on 29 June 2022.</p> <p>3. Which music industry companies or organisations were consulted by the Welsh Government in relation to its purchase of Gilestone Farm?</p>	<p>Freedom of Information Act 2000.</p> <p>Question 3 – No consultations were made.</p>
<u>ATISN 16494</u>	31 August 2022	The BOP Consulting report referenced in a PowerPoint presentation released in ATISN 16447 on the matter of Gilestone Farm. You released to me the PowerPoint presentation file (for a second time) instead of the actual report.	The Welsh Government confirmed it did not hold the ‘BOP Consulting Report’.
<u>ATISN 16611</u>	01 September 2022	The BOP Consulting Report that has been mentioned in correspondence	No information held.

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
		relating to Gilestone Farm Talybont on Usk	
<u>ATISN 16593</u>	21 September 2022	<p>Copies of all minutes and correspondence relating to the purchase and future use of Gilestone Farm, Talybont on Usk between Dept of Economic Affairs or Creative Wales and the following:</p> <ul style="list-style-type: none"> • departments with responsibility for the biodiversity emergency • departments with responsibility for the climate emergency • departments with responsibility for the environment 	No information held.
<u>ATISN 16545</u>	<p>04 October 2022*</p> <p>This freedom of information request was</p>	A copy of all correspondence between the Welsh Government and representatives of the Green Man Festival relating to the purchase of Gilestone Farm.	Upon internal review, correspondence between the Welsh Government and representatives of the Green Man Festival starting on 01 October 2021 and 22 March 22 was disclosed.

FOI Request Number	Date	Summary of FOI Request	Summary of FOI Response and audit observation (where relevant)
	reopened upon complaint and internal review		
<u>ATISN 16636</u>	06 October 2022	A copy of correspondence by letter and e-mail between Knight Frank and the Welsh Government during 2022.	Information withheld on the basis of / by virtue of section 12 of the Freedom of Information Act 2000.
<u>ATISN 16658</u>	13 October 2022	A copy of the "Cost v Benefit analysis" undertaken by Welsh Government officials to inform the ministerial decision to purchase Gilestone Farm in the sum of £4.25 million.	No information held.
<u>ATISN 16695</u>	27 October 2022	The outline business plan relating to the purchase of Gilestone Farm	Information withheld on the basis of / by virtue of Section 43 of the Freedom of Information Act 2000 (FOIA).