

Hannah Blythyn AS/MS
Y Dirprwy Weinidog Partneriaeth Gymdeithasol
Deputy Minister for Social Partnership



Llywodraeth Cymru
Welsh Government

Jenny Rathbone MS
Chair of the Equality & Social Justice Committee

Huw Irranca-Davies MS
Chair of the Legislation, Justice & Constitution Committee

Peredur Owen Griffiths MS
Chair of the Finance Committee

Welsh Parliament
Cardiff Bay
Cardiff
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28 February 2023

Dear Jenny, Huw & Peredur,

I am writing to you ahead of the Stage 3 debate on the Social Partnership and Public Procurement (Wales) Bill on 07 March to inform you that I have today tabled an updated version of the Explanatory Memorandum ('EM') for the Bill.

Revisions have been made throughout the EM reflecting the commitments I gave in response to a number of Stage 1 Committee Recommendations. The main changes are listed at page 45 of the document, and it will be clear to Committee Chairs and Members which Recommendations these relate to. However, I thought it would be helpful to provide additional detail in relation to the following Committee Recommendations, so that you are assured these have been appropriately dealt with:

- a) In response to ESJ Committee Recommendation 2: revisions have been made to the narrative text of chapters 3 and 11 to make clearer the outcomes that the Bill is seeking to achieve and how these will be monitored and measured over time. Key stakeholders have also been involved in the revision of the EM (see c) & e) below).
- b) In response to ESJ Committee Recommendation 11, and the related Finance Committee Recommendation 10: the changes made in relation to the Future Generations Commissioner's office and Audit Wales are at paragraph 282 & Table 3.4, and also paragraphs 289 – 293. You will recall that I provided details regarding the Commissioner's budget in my letter to you of 17 January - this information has not been included in the revised EM as it is not directly related to the Bill.

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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.

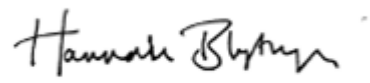
- c) In response to ESJ Committee Recommendation 17 and Finance Committee Recommendation 3: following further consultation with external public procurement stakeholders the amount of training and support that will be required to ensure contracting authorities are able to fulfil their socially responsible procurement duties, and the associated costs, have been increased in response to concerns that the original EM had underestimated these. The changes are as follows:
- the amount of guidance and support required (which now includes supplier support sessions, and an increase in staff training days per person per year from 8 to 20 per person) and the cost of producing and delivering this, has been increased from £360,400 to £641,100 (see Table 5.1, Table 5.4, Table 5.7, Table 6 and paragraph 390); and,
 - the amount of time required for objective setting and planning has been increased from 7 days per year per person to 11 days per year per person, and the costs uplifted accordingly from £98,400 to £215,900 (see Table 5.6).
- d) In response to ESJ Committee Recommendation 22: additional text has been added to the EM providing examples of the types of circumstances that might trigger an investigation under Section 41 (see paragraphs 109 – 112).
- e) In response to ESJ Committee Recommendation 25: in addition to the work undertaken with procurement stakeholders referred to at c) above, the Welsh Government has also engaged with the Social Partnership Forum to explain the changes being made to the EM, including in relation to costs. These changes include:
- replacing the costs relating to the Shadow Social Partnership Council ('SSPC') which were included in the original EM with the costs of the Social Partnership Forum ('SPF') which succeeded it. Because the SPF has a smaller membership and meets less frequently than the SSPC costs have reduced from £73,300 to £49,900 (see paragraphs 198 – 204 and Tables 2 and 2.1);
 - responding to concerns that the familiarisation costs in relation to the social partnership duty had been underestimated by including a wider range of stakeholders, resulting in an increase in costs from £2,200 to £22,319 (see paragraphs 280 – 283 and table 3.4; and
 - correcting an error in Table 3.5 which had costed for three Social Partnership Council meetings per year rather than four.

Feedback was invited from SPF members on these changes, which has been taken into account in producing the final revised version of the EM.

- f) In relation to Finance Committee Recommendation 1: because all of the costs included in the RIA are staffing costs (which have been uplifted to take account of the most recent pay data available), there are no costs which could be recalculated to take account of general price inflation. On the wider issue raised in Recommendation 2 - as I confirmed in my letter of 15 December 2022 the Committee Chair will receive a formal response from the Minister for Finance and Local Government on this matter in due course.

The result of these revisions to the EM is that the total costs of this legislation to the public and private sector over the five-year appraisal period has increased from £30,399,200 to £31,552, 219.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Hannah Blythyn'.

Hannah Blythyn AS/MS

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