

Shan Morgan  
Permanent Secretary  
Welsh Government

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14 July 2020

Dear Permanent Secretary,

Thank you for attending the meeting of the Public Accounts Committee, along with your officials, on 6 July.

There were a number of questions we were unable to reach due to time constraints, which I said I would write to you on. These are detailed below.

### **Civil Service and the well-being of staff**

1. Given the pressures, what is the risk that Welsh Government staff – including the Senior Leadership Team or you – will ‘burn out’? How are you mitigating this risk, and what action are you taking to ensure that staff across the Welsh Government take annual leave?

### **Internal Audit**

2. Can you provide an update on the review of Internal Audit work in 2020–21: has this been completed; what were the main findings and has the Welsh Government retained sufficient resources in the core team to carry out this work?
3. How will the Welsh Government manage the conflicts of interest as a result of Internal Audit staff being redeployed to carry out executive roles? How will this affect Internal Audit capacity for 2020–21 and future years?

### **Access to data – HMRC Database**

4. The Welsh Government does not have access to the HMRC database. What is your assessment of the impact of this on the appraisal process for grant claims?



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How much staff time would have been saved if officials had access and what steps have you taken to obtain access to the HMRC database?

### **Supporting and funding other organisations: Local authorities**

5. How will the Welsh Government obtain assurance over the Covid-19 grants administered by local authorities and how will it evaluate their impact?

### **Supporting the Economy**

6. Airbus announced significant job losses at its base in Broughton last week. The Minister for Economy, Transport and North Wales has issued a statement on the actions being taken to respond to the crisis facing the aerospace industry in Wales. Are you able to provide an update on these actions and the Welsh Government's to support the aerospace industry in Wales in the future?

### **Learning lessons**

7. Please could you provide an update on the results of the Crisis Survey Response to which your letter of 1 June 2020 referred.

### **Easing restrictions and Covid-19 recovery**

8. The Welsh Government has emphasised the importance, to public health and public confidence, of sectors opening safely. What were the respective roles of Welsh Government and Cardiff Airport in respect of the Ryanair flights that departed on Friday 3 July from Cardiff Airport to Malaga and Faro, ahead of the lifting of the requirement to 'stay local' and lifting of the restriction on 'non-essential travel' and how have the related public health risks been managed?
9. It has been reported in the media that the Welsh Government has spent more than £11m on the Bryn Cegin business park in Bangor which has remained empty for 20 years. Could you explain what plans the Welsh Government has for the future of the business park and is there potential for it to be used to stimulate economic recovery post Covid-19?

### **Action points following the meeting**

#### 'Test Trace Protect'

It was agreed during the meeting that Dr Andrew Goodall would send us further information on the evaluation mechanism for the contact tracing system - 'Test Trace Protect'.



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## Staff working hours and annual leave

During the consideration of the evidence received, Members also requested that I write to you to ask for information about Welsh Government staff working hours and annual leave. Please could you provide us with anonymised data showing how much annual leave has been taken by Welsh Government staff between 1 March and 30 June 2020, broken down by grade and by gender, set against the same data for the period 1 March – 30 June 2019? Could this data also include how many non-working days and weekends staff, by grade, have worked?

## Welsh Government Sponsored Bodies

At the meeting, Members asked about your assessment of the impact on Welsh Government Sponsored Bodies (WGSBs) of the loss of their trading and other non-government income during the pandemic and what financial support has been, or will be, provided to them. You told the Committee, Ministers had discussed “the implications of budget reductions with the sponsored bodies ahead of the publication of the first supplementary budget” and the Welsh Government would be working with WGSBs in the year ahead to support them in their decision making.

On 9 July 2020, the Chief Executive of Natural Resources Wales (NRW) told the Senedd Climate Change, Environment and Rural Affairs Committee its review had identified cost pressures and loss of income, which resulted in a potential £15 million shortfall in its budget. While Welsh Government had provided £5 million of additional capital funding, NRW was reportedly using reserves from previous timber sales and had identified savings of £8.8 million to address the funding gap.

We would be interested to receive information about WGSBs that are experiencing significant reductions in trading income or non-government funding –such as NRW, HEFCW and Sport Wales– as a result of Covid-19. What is the extent of the difficulties they are facing, are they reporting changes in their costs as a result of the pandemic, how they are responding and what support is being provided by Welsh Government officials (including the Public Bodies Unit).

## **International Convention Centre (ICC) Wales**

On 9 July 2020, and subsequent to the meeting, the Celtic Manor Resort and International Convention Centre (ICC) Wales announced a redundancy programme as a result of the pandemic and the related restrictions for the hospitality and tourism sectors. It is expected to result in a loss of 450 staff from the permanent workforce of 995. We would welcome information about the Welsh Government’s assessment of its exposure to



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financial risk as a result of this announcement and the wider economic conditions. Have you changed the value or classification of any related liabilities and if so, could you please provide details?

I look forward to receiving your response.

Yours sincerely,

A handwritten signature in black ink that reads "Nick Ramsay". The signature is written in a cursive style with a long, sweeping underline.

**Nick Ramsay MS**  
**Chair**

Croesewir gohebiaeth yn Gymraeg neu Saesneg / We welcome correspondence in Welsh or English.

