

**Y Pwyllgor Cyfrifon Cyhoeddus a
Gweinyddiaeth Gyhoeddus**

**Public Accounts and Public
Administration Committee**

Dr Andrew Goodall
Permanent Secretary
Welsh Government

11 March 2025

Scrutiny of Accounts: Welsh Government 2023-24

Dear Andrew

We would like to thank you and your colleagues for giving evidence at our meeting on 19 February 2025 for our annual scrutiny of Welsh Government accounts.

Points were raised during the meeting which you agreed to follow up on, which are noted in Annex A. Additionally, it was agreed that we would send in writing questions that were not asked during the session, due to time constraints. These are noted in Annex B.

We would be grateful to receive a response by 1 April 2025.

Yours sincerely,



Mark Isherwood MS

Chair of the Public Accounts and Public Administration Committee

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

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Annex A

Evidence session follow up - Scrutiny of Accounts: Welsh Government 2023-24

1. In the accounts, you note that the Welsh Government is in the process of developing an exit strategy that examines the cost versus benefit of whether to continue with post-competition monitoring of its COVID-19 business grants. In the session, you agreed to provide a note elaborating on your oral response. We look forward to receiving this.
2. As per the above point, you also agreed to address the a point made by the Chair concerning the administration of COVID business grants:

If you could also provide a note addressing whether you've carried out any work in that context regarding the business grants—the COVID business grants—regarding the differential way the discretionary local authority powers were exercised. I know, just in my area, some were very permissive, but not fraudulent; others were extremely restrictive and even denied that they had discretionary powers, and that would have been reflected in the numbers of grants, presumably, awarded. So, I don't know if you've done any work on that, but if you have, I'd be grateful if you could address that subsequently.

Annex B

Additional Questions - Scrutiny of Accounts: Welsh Government 2023-24

Accounts preparation

- In the Accounts, the Welsh Government notes GCRE Limited has not yet been classified by ONS and private financial investment is actively sought for the long-term future of the entity. What's the current status of GCRE Limited; has it attracted private investment?

Welsh Government 2025

- How are you improving the diversity of your workforce (for which you've set "ambitious plans and targets") and ensuring a pipeline of talent across the organisation since you've paused the new apprentice and fast streamer recruitment for 2024-25?
- We note comments at the Board in September 2023 that many of the savings identified in 2023-24 were one-off and financial challenges lay ahead. Can you set out the scale of the financial challenge you faced in 2023-24 and the implications for 2024-25?

Workforce issues

- Sickness levels were lower in 2023-24 than the previous year, which you say is largely due to a decline in COVID-19. However, you note a "minor increase" in absence related to mental health issues and identify it as one of the key areas for focus in the coming year. How prevalent is staff absence due to mental health issues and how are you addressing it?

Welsh Government spending

- In its report, '[Maximising EU funding](#)' published in June 2023, Audit Wales noted that WEFO and the Welsh Government had identified staff capacity as a risk. How are you balancing maintaining resources in WEFO to support programme closure and redeploying staff to other Welsh Government priorities?

Losses and Special Payments

- How did the Welsh Government incur a loss of £2.3m relating to the Welsh Government's Optimised RetroFit Programme (ORP) and could it have been avoided?
- What can you tell us about the fraud investigation of the three grants paid to the same individuals for the refurbishment of hotel and leisure facilities at two separate premises, the recovery of which you wrote off in 2023-24?

- Why did the Welsh Government make a special payment of £13.1m (excluding VAT) to reach contractual settlement agreements for Strategic Road Network (SRN) Projects, which arose due to inflationary pressures; what would have been the consequences of not settling?
- An HMRC VAT inspection identified the Welsh Government under recovered VAT on the A487 and A465 road schemes. Why was this not identified by officials and what assessment have you made whether the issue is more widespread?

Governance and assurance

- What lessons have you learned from the Internal Audit of the Welsh Government's Programme and Project Management Framework, for which the Head of Internal Audit gave a "no assurance" opinion again in 2023-24; have you now fully implemented the priority projects and workstreams of this Programme?
- What essential areas of Managing Welsh Public Money have you identified for immediate update and when do you expect to publish them; are you on course to complete a comprehensive review of the entire document by the end of this calendar year, as planned?
- Have you implemented the new self-assessment approach for, and resumed the tailored review of, individual organisations; if so, can you share a rollout plan with the Committee?
- You say, in the notes to the Summary of Resource Outturn, a number of the Welsh Government's Arm's Length Bodies overspent in 2023-24. Aside from having to accommodate the overspending in your budgets, what are the implications for you (including the sponsor department) and the organisations themselves?

Other issues

- In his July 2024 letter to the Committee, the AGW noted officials were preparing Ministerial advice about whether to sell the shareholding in TVR Automotive. Does the Welsh Government still hold an equity stake in TVR Automotive and if so, how does this represent value for money?
- Has the Welsh Government now leased the refurbished factory in Ebbw Vale; if so, what are the terms of the lease and will it generate the expected return?
- How many vacant commercial properties is the Welsh Government holding and how does it decide when to sell them?