

**Mark Drakeford AM/AC**

**Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol**  
**Cabinet Secretary for Finance and Local Government**



**Llywodraeth Cymru**  
**Welsh Government**

Simon Thomas AM  
Chair  
Finance Committee  
National Assembly for Wales

July 2017

Dear Simon,

Thank you for your letter dated 21 June regarding the Committee's inquiry into the financial estimates accompanying legislation.

In your letter, you asked about the availability of the revised guidance on the preparation of Regulatory Impact Assessments (RIAs). The revised guidance forms one chapter of the Legislation Handbook on Assembly Bills which is currently being translated and is expected to be published in the summer. However, to assist the inquiry, I have arranged for a copy of the relevant chapter to be provided to the Committee Clerk. I would be grateful if the document is not shared outside the Committee prior to its publication.

You also asked for information on any post-implementation reviews carried out on the four Acts under consideration as part of the inquiry. Information from the relevant policy departments is provided in the attached annex.

If you require any further information, please let me know.

Yours sincerely

**Mark Drakeford AM/AC**

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**Cabinet Secretary for Finance and Local Government**

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400  
[Gohebiaeth.Mark.Drakeford@llyw.cymru](mailto:Gohebiaeth.Mark.Drakeford@llyw.cymru)  
[Correspondence.Mark.Drakeford@gov.wales](mailto:Correspondence.Mark.Drakeford@gov.wales)

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.

**Social Services and Well-being (Wales) Act 2014**

The Social Services and Well-being (Wales) Bill, which was introduced on 28 January 2013, came into force on 6 April 2016 and is now into the second year of implementation. There has been no formal assessment of the accuracy of the RIA for the Bill or global post-implementation review to date. This recognises the fact that the Regulatory Impact Assessment expected that benefits would not begin to materialise until year 3 of implementation and beyond.

However, a discrete piece of work has been undertaken to evaluate the approach taken by the Welsh Government to developing the statutory framework, entitled *The co-productive approach taken to develop the statutory framework for the Social Services and Well-being (Wales) Act 2014* (<http://gov.wales/statistics-and-research/co-productive-approach-taken-develop-statutory-framework-social-services-well-being-act-2014/?lang=en>). This piece of work, which was published on 11 May 2017, will feed-into the evaluation strategy being developed to assess the implementation of the Act across a number of areas.

This evaluation of the implementation of the Act will be conducted over 3 years as a minimum and will provide information as to how well the Act has achieved its aims. As part of this evaluation officials are preparing the groundwork for an independent long-term standalone evaluation, which will commence in the third year of implementation of the Act. In preparation for this a Stakeholder Evaluation Group has been established to inform the specification for the evaluation and steer it. This will include consideration of how the evaluation can be used to consider the accuracy of the Regulatory Impact Assessment of the Bill. The intention is to issue the tender for the evaluation early in 2018, to follow on from the publication of our evaluation strategy for the Act.

**Housing (Wales) Act 2014**

The Housing (Wales) Act 2014 gained Royal Assent in September 2014. It is a multi-faceted piece of legislation designed to help translate into action the Government's three strategic priorities for housing; more homes, better homes and better services.

Part 1 of the Act involves the requirement for private rented sector landlords and their agents to be registered and licensed by Rent Smart Wales. This part of the Act has been independently evaluated from its inception (by PACEC). A key objective is to evaluate the impacts on private landlords, lettings agents, Local Authorities and tenants leading up to and following implementation. The first report was published in November 2016 (see link below), with the final evaluation report expected to be published in the autumn.  
<http://gov.wales/statistics-and-research/evaluation-rent-smart-wales/?lang=en>

Part 2 of the Act places a greater emphasis on the prevention of homelessness by strengthening the role of prevention in the duties local authorities owe to homeless people. Post-implementation evaluation of this part of the Act is being undertaken by the University of Salford. The evaluation project commenced spring 2016 and will shortly be releasing an interim report to feed back the initial findings from the interviews with stakeholders, local authorities and the examination of the homelessness data. The final report will be released before the end of the financial year and will also include the findings from a series of interviews with service users which will be completed in the coming weeks.

A second separate piece of research focusing on the impact of the homelessness duties on prison leavers commenced March 2017. The 'Evaluation of Homelessness Services

Provided to Adults Leaving the Secure Estate' is being undertaken by Wrexham Glyndwr University. A final report is scheduled to be issued before the end of the calendar year.

Part 3 of the Act places a new statutory duty on local authorities to provide new Gypsy and Traveller sites where an unmet need has been identified. The Welsh Government will monitor each local authority's compliance with this part of the Act on an annual basis.

The Act also encourages the development of more co-operative housing by allowing fully mutual co-operative housing associations to use the assured tenancy regime to provide greater housing security for its members. The Welsh Government commissioned Wavehill Ltd to carry out an "Evaluation of co-operative housing developments in Wales" and the report was published in March 2016.

<http://gov.wales/statistics-and-research/evaluation-co-operative-housing-developments/?lang=en>

The Wales Co-operative Centre, which is revenue funded by the Welsh Government, has also commissioned research into co-operative housing and this will be published shortly. The aim of this piece of work is to engage with key people in each of the pioneers – co-operators and representatives and partner organisations – to identify the lessons learnt to date and to inform the process of developing more co-operative homes in the future.

Finally, the Act provides Local Authorities in Wales with discretionary powers to charge a council tax premium on long term empty homes and second homes in their area from the 1st April 2017. A post implementation review will be undertaken during 2018-19 based on evidence from the first financial year of the premiums being charged. Arrangements are in place to collect data from local authorities to inform the review.

## **Well-being of Future Generations (Wales) Act 2015**

Given the range and depth of changes required by this Act, in the governance and delivery activities of the 44 public bodies bound by it, and given the timescale that will inevitably be needed to give effect to them, it would be premature and unproductive to initiate an overall assessment of the accuracy of the RIA at this stage in the Act's implementation. However, as various elements of the Act begin to be implemented, an incremental approach to such an overall assessment can and will be pursued.

One of the first of such elements was the establishment of the office of the Future Generations Commissioner, the take up of the premises being completed at the end of November 2016. Some variations from the original RIA were noted in the course of completing this work and these will be covered as part of the broader review, once other key elements have reached a stage when useful assessments can be made.

Other elements likely to be covered in a first stage assessment include the development and publication of Well-being objectives, the publication of National indicators and the production of a Future Trends Report.

By April 2016 all public bodies had published their well-being objectives, a key part of the well-being duty under Part 1 of the Well-being of Future Generations (Wales) Act 2015. Public bodies will now be taking steps to achieve these objectives and will need to report on their progress annually. The first reports will be published in 2018 which will give us insight into how public bodies are discharging their duties under the Act, and the progress they are making in meeting their objectives and consequently their contribution to achieving the well-being goals, at which stage, we will be better placed for a review against the RIA.

Following Royal Assent of the Bill, the Welsh Government developed and consulted on national indicators to measure the progress at a Wales level in achieving the seven well-being goals for Wales. The 46 National Indicators were laid before the National Assembly for Wales in March 2016 and later this year we will be publishing the first statutory report on progress in relation to these national indicators, looking at the Well-being of Wales.

The Future Trends Report was published in May of this year, however that publication marked the start of collaborative, work across all public bodies, to design, actively maintain and continuously develop our Future Trends analysis capability. This work will need to progress further before a meaningful assessment can be made.

## **Qualifications Wales Act 2015**

The Act received Royal Assent in August 2015 and Qualifications Wales was established as the independent regulator of qualifications in Wales in September 2015.

Qualifications Wales is required to publish an annual report setting out how it has performed its functions. The first report was submitted to the National Assembly for Wales and published in December 2016. Since the organisation is less than two years old, it is considered too early to have undertaken a post-implementation review of the impact of the Act.