

Agenda – Y Pwyllgor Cyllid

Lleoliad:	I gael rhagor o wybodaeth cysylltwch a:
Ystafell Bwyllgora 2 – y Senedd	Bethan Davies
Dyddiad: Dydd Iau, 29 Mehefin 2017	Clerc y Pwyllgor
Amser: 09.30	0300 200 6372
	SeneddCyllid@cynulliad.cymru

1 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau

(9.30)

2 Papur(au) i'w nodi

(9.30)

Llythyr gan y Prif Weinidog – Oedi wrth Osod Cyfrifon Blynnyddol Cyfoeth Naturiol Cymru 2016–17 – 20 Mehefin 2017

(Tudalen 1)

Llythyr gan y Prif Weithredwr i Gynulliad Cenedlaethol Cymru – Adroddiad

Dangosyddion Perfformiad Allweddol Corfforaethol 2016–17 – 26 Mehefin 2017

(Tudalennau 2 – 19)

3 Tanwariant ym Mhenderfyniad y Bwrdd Taliadau

(9.30–10.30)

(Tudalennau 20 – 48)

Manon Antoniazzi, Prif Weithredwr a Chlerc y Cynulliad
Suzy Davies AC, Comisiynydd y Gyllideb a Llywodraethu
Nia Morgan, Cyfarwyddwr Cyllid

Papur 1 – Llythyr gan Suzy Davies AC – Gwybodaeth Ychwanegol – 6 Mehefin 2017

Papur 2 – Llythyr gan Anthony Barrett, Archwilydd Cyffredinol Cynorthwyol – 20 Mehefin 2017

4 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer yr eitemau a ganlyn:

(10.30)



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Eitemau 5, 9, 10 a 11

5 Tanwariant ym Mhenderfyniad y Bwrdd Taliadau: trafod y dystiolaeth

(10.30–10.45)

Egwyl (10.45–10.50)

6 Ymchwiliad i'r amcangyfrifon ariannol sy'n cyd-fynd â deddfwriaeth: Sesiwn dystiolaeth 4

(10.50–11.35)

(Tudalennau 49 – 115)

Dr Clive Grace OBE, UK Research and Consultancy Services Ltd
Dan Bristow, Dirprwy Gyfarwyddwr, Sefydliad Polisi Cyhoeddus i Gymru

Papur 3 – Reducing Complexity and Adding Value: A Strategic Approach to Impact Assessment in the Welsh Government – Chwefror 2016

7 Ymchwiliad i'r amcangyfrifon ariannol sy'n cyd-fynd â deddfwriaeth: Sesiwn dystiolaeth 5

(11.35–12.20)

(Tudalennau 116 – 139)

Philip Blaker, Prif Weithredwr, Cymwysterau Cymru
Kerry Price, Pennaeth Cyllid, Cymwysterau Cymru
Alison Standfast, Cyfarwyddwr Gweithredol – Cyllid a Gwasanaethau Corfforaethol, Cymwysterau Cymru

Papur 4 – Tystiolaeth ysgrifenedig – Cymwysterau Cymru

Papur 4 – Tystiolaeth ysgrifenedig – Cymwysterau Cymru – Diweddarwyd 28 Mehefin

8 Ymchwiliad i'r amcangyfrifon ariannol sy'n cyd-fynd â deddfwriaeth: Sesiwn dystiolaeth 6

(12.20–13.05)

(Tudalennau 140 – 159)

Bethan Jones, Rheolwr Gweithredol, Rhentu Doeth Cymru

Papur 5 – Tystiolaeth ysgrifenedig – Rhentu Doeth Cymru

9 Ymchwiliad i'r amcangyfrifon ariannol sy'n cyd-fynd â deddfwriaeth: Trafod y dystiolaeth

(13.05–13.15)

10 Dull Craffu ar Gyllideb Ddrafft Llywodraeth Cymru 2018–19

(13.15–13.30)

(Tudalennau 160 – 171)

Papur 6 – Dull Craffu ar Gyllideb Ddrafft Llywodraeth Cymru 2018–19

11 Ymweliad â'r Alban: trafod y cyfarfodydd

(13.30–13.45)

(Tudalennau 172 – 175)

Papur 7 – Crynodeb o'r Prif Bwyntiau



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MAP/FM/2182/17

Simon Thomas AC
Cadeirydd
Y Pwyllgor Cyllid
Cynulliad Cenedlaethol Cymru

SeneddFinance@assembly.wales

20 Mehefin 2017

Annwyl Simon,

Diolch am eich llythyr ynglŷn â'r adroddiad ar yr oedi o ran gosod cyfrifon blynyddol Cyfoeth Naturiol Cymru ar gyfer 2016 ac am anfon copi o'r adborth a gawsoch gan Archwilydd Cyffredinol Cymru.

Mae swyddogion Llywodraeth Cymru wedi dechrau trafod gyda chydweithwyr yn Swyddfa Archwilio Cymru y goblygiadau technegol a deddfwriaethol a godwyd ac maent wedi cytuno y dylent weithio gyda'i gilydd i benderfynu ar drywydd i'w ddilyn a fydd yn foddhaol yn ogystal ag yn gynhwysfawr.

Er fy mod yn falch y bydd Llywodraeth Cymru a Swyddfa Archwilio Cymru yn cydweithio ar y materion pwysig hyn, y mae'n golygu na fyddaf yn gallu rhoi ymateb llawn a chynhwysfawr i'r pwyllgor ynglŷn â'r camau gweithredu i'w cymryd tan ar ôl toriad yr haf.

Yn gywir

CARWYN JONES

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400
YP.PrifWeinidog@llyw.cymru • ps.firstminister@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.

Tudalen y pecyn 1

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.

Item 2.2

Simon Thomas AC
Cadeirydd y Pwyllgor Cyllid
Cynulliad Cenedlaethol Cymru
Tŷ Hywel
Bae Caerdydd
Caerdydd

26 Mehefin 2017

Annwyl Simon

Mae'n bleser gennyf anfon yr adroddiad blynyddol cyntaf ar Ddangosyddion Perfformiad Allweddol Corfforaethol Comisiwn y Cynulliad ar gyfer y Pumed Cynulliad at y Pwyllgor Cyllid. Mae hwn yn cynnwys perfformiad y Comisiwn yn erbyn ein hamcanion strategol ar gyfer y cyfnod rhwng Ebrill 2016 a Mawrth 2017.

Mae dechrau'r Pumed Cynulliad wedi gweld lefel uchel o weithgaredd ac mae Comisiwn y Cynulliad wedi perfformio'n dda yn erbyn ei nodau strategol. Mae crynodeb a'r prif bwyntiau ar dudalennau tri a phedwar yr adroddiad.

Rwy'n gobeithio y bydd yr adroddiad yn ddefnyddiol i'r Pwyllgor ac yn ei helpu gyda'i waith. Mae croeso ichi gysylltu â mi os oes gennych unrhyw ymholiadau, neu os hoffech gael rhagor o wybodaeth. Caiff yr adroddiad ei gyhoeddi nawr ar dudalennau'r Comisiwn ar y wefan.

Yn gywir



Manon Antoniazzi

Prif Weithredwr a Chlerc Cynulliad Cenedlaethol Cymru

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



Cynulliad Cenedlaethol Cymru **Adroddiad Comisiwn y Cynulliad ar Ddangosyddion Perfformiad Allweddol Corfforaethol**

Ebrill 2016 - Marwth 2017



Cynulliad Cenedlaethol Cymru
Comisiwn y Cynulliad

Tudalen y pecyn 3

Cynulliad Cenedlaethol Cymru yw'r corff sy'n cael ei ethol yn ddemocrataidd i gynrychioli buddiannau Cymru a'i phobl, i ddeddfu ar gyfer Cymru, i gytuno ar drethi yng Nghymru, ac i ddwyn Llywodraeth Cymru i gyfrif.

Gallwch weld copi electronig o'r adroddiad hwn ar wefan y Cynulliad Cenedlaethol:
www.cynulliad.cymru

Mae'r ddogfen hon hefyd ar gael mewn fformatau hygyrch, gan gynnwys ar ffurf Braille, fersiwn hawdd ei darllen, fersiwn print bras, fersiwn sain a chopi caled drwy gysylltu â ni:

Cynulliad Cenedlaethol Cymru
Bae Caerdydd
Caerdydd
CF99 1NA

Ar-lein: **www.cynulliad.cymru**
E-bost: **cysylltu@cynulliad.cymru**
Ffôn: **0300 200 6565**

Rydym yn croesawu galwadau a wneir drwy wasanaeth Text Relay.

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Ceir atgynhyrchu testun y ddogfen hon am ddim mewn unrhyw fformat neu gyfrwng cyn belled ag y caiff ei atgynhyrchu'n gywir ac na chaiff ei ddefnyddio mewn cyd-destun camarweiniol na difriol. Rhaid cydnabod bod Comisiwn Cynulliad Cenedlaethol Cymru sy'n berchen ar hawlfraint y deunydd a rhaid nodi teitl y ddogfen.

Cynulliad Cenedlaethol Cymru
**Adroddiad Comisiwn y
Cynulliad ar Ddangosyddion
Perfformiad Allweddol
Corfforaethol**

Ebrill 2016 - Marwth 2017



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Cyflwyniad

Yr enw ar gorff corfforaethol Cynulliad Cenedlaethol Cymru yw Comisiwn y Cynulliad. Mae'r Comisiwn yn gwasanaethu Cynulliad Cenedlaethol Cymru i gynorthwyo â'r gwaith o'i wneud yn sefydliad democrataidd cryf, hygyrch a blaengar ac yn ddeddfwrfa sy'n gweithredu'n effeithiol ar gyfer pobl Cymru.

Mae'r Comisiwn yn cynnwys Elin Jones AC, y Llywydd, a phedwar Aelod Cynulliad arall a etholwyd gan y Cynulliad: Suzy Davies AC, Caroline Jones AC, Adam Price AC a Joyce Watson AC. Mae'r Comisiwn yn gyfrifol am gyfeiriad strategol gwasanaethau'r Cynulliad ac mae'n atebol i'r Cynulliad. Mae'r gwaith o reoli a chyflawni o ddydd i ddydd wedi'i ddirprwyo i **Brif Weithredwr a Chlerc y Cynulliad**, Manon Antoniazzi.

Strategaeth Comisiwn y Cynulliad 2016-21 sy'n pennu ein nodau ar gyfer y Pumed Cynulliad. Ein nodau strategol yw:

- darparu cefnogaeth seneddol o'r radd flaenaf;
- ymgysylltu â holl bobl Cymru a hyrwyddo'r Cynulliad; a
- defnyddio adnoddau'n ddoeth.

Adrodd am berfformiad

Mae'r nodau strategol hyn yn pennu'r fframwaith am gyfres uchelgeisiol o flaenoriaethau sy'n adeiladu ar y buddsoddiad a'r momentwm a gyflawnwyd yn y Pedwerydd Cynulliad.

Mae'r adroddiad hwn yn cynnwys nifer o brif ddangosyddion, a bennwyd yn unol â'r nodau strategol, sydd wedyn yn cael eu rhannu'n ddangosyddion manylach. Defnyddir system 'goleuadau traffig' i ddangos perfformiad yn erbyn y targedau o ran dangosyddion:

Allwedd ar gyfer statws Coch/Oren/Gwyrdd:



Coch: Mae materion sylweddol yn effeithio ar y gallu i gyflawni amcanion busnes. I sicrhau eu bod yn cael eu cyflawni, mae angen newidiadau o ran amser, costau a/neu gwmpas.



Oren: Mae materion neu risgiau y mae angen mynd i'r afael â nhw. Serch hynny, mae'n bosibl y bydd modd cyflawni'n llwyddiannus heb effeithio rhyw lawer ar y gyllideb, safon gwasanaethau na dyddiadau targed.



Gwyrdd: Mae gwaith yn bodloni'r safonau y cytunwyd arnynt neu yn mynd rhagddo fel y cynlluniwyd. Mae pob risg sy'n hysbys yn cael ei rheoli.

Dyma adroddiad perfformiad corfforaethol blynyddol cyntaf y Pumed Cynulliad ac mae'n edrych ar sut y perfformiodd Comisiwn y Cynulliad yn unol â'i nodau strategol ar gyfer y cyfnod rhwng mis Ebrill 2016 a mis Mawrth 2017.

Rydym wedi adolygu'r ystod o ddangosyddion a'r adroddiad er mwyn sicrhau eu bod yn parhau i ddiwallu ein hanghenion o ran adrodd ar berfformiad, a'u bod yn ddefnyddiol ac yn berthnasol ar gyfer y Pumed Cynulliad. Felly, nid oes data cymharol o'r flwyddyn flaenorol ar gyfer rhai dangosyddion sydd wedi eu hadolygu. Mae targedau'r dangosyddion wedi cael eu hadolygu a chrëwyd llinell sylfaen newydd ar gyfer y Pumed Cynulliad er mwyn sicrhau ein bod yn parhau i herio ac adeiladu ar ein cyflawniadau blaenorol.

Mae Comisiwn y Cynulliad hefyd yn cyhoeddi **Adroddiad Blynyddol a Datganiad o Gyfrifon** sy'n amlinellu sut y mae'r Comisiwn yn cyflawni yn ôl ei nodau a'i flaenoriaethau strategol a'r hyn a gyflawnwyd yn ystod y flwyddyn ariannol.

Dylid darllen yr adroddiad hwn ynghyd â'r Adroddiad Blynyddol a'r Datganiad o Gyfrifon i gael darlun llawn o berfformiad y Comisiwn a'r hyn y mae wedi'i gyflawni.

Arolwg Boddhad Aelodau'r Cynulliad a Staff Cymorth Aelodau'r Cynulliad

Ym mis Chwefror, gofynnir i Aelodau'r Cynulliad a Staff Cymorth Aelodau'r Cynulliad gwblhau arolwg boddhad blynyddol i helpu i fesur pa mor dda y mae'r gwasanaethau a ddarperir gan staff y Comisiwn wedi perfformio yn ystod y flwyddyn ddiwethaf. Mae crynodeb o'r canlyniadau i'w weld yn yr adroddiad hwn.









Mynediad at wybodaeth











Mae'r Comisiwn yn fodlon darparu rhagor o wybodaeth os hoffech ddysgu rhagor am ein gwaith:

- Gallwch gysylltu â ni yma: **www.cynulliad.cymru/cysylltu**
- Mae canllawiau ar **fynediad at wybodaeth** ar gael ar wefan y Cynulliad.

Cyflawniad ar sail Nodau Strategol

Crynodeb o'r wybodaeth fanylach sy'n dilyn am y dangosyddion perfformiad allweddol (KPI):

Darparu cymorth seneddol o'r radd flaenaf	Ebrill 2015 – Mawrth 2016	Ebrill 2016 – Mawrth 2017
KPI 1: Mae'r holl fusnes seneddol wedi digwydd fel y cynlluniwyd Perfformiad cyson uchel o ran cyhoeddi papurau pwyllgor a phapurau briffio. Oherwydd cynnydd yn nifer oriau'r Cyfarfod Llawn ac oriau pwyllgor, bu gostyngiad bychan yng Nghofnod Trafodion Pwyllgorau a gyhoeddir erbyn y terfyn amser. Fodd bynnag, mae staff newydd wedi cael eu recriwtio a byddant wedi eu hyfforddi'n llawn yn fuan. Cafodd sesiwn o'r Cyfarfod Llawn ei gohirio am resymau technegol ym mis Ionawr 2017 yn dilyn methiant yn y cyflenwad pŵer. Cymerwyd camau adfer i ddarparu gwytnwch ar gyfer digwyddiad o'r fath yn y dyfodol.	 Gwyrdd	 Gwyrdd
KPI 2: Darparu Datblygiad Proffesiynol effeithiol Yn ôl y disgwyl, roedd y nifer sy'n manteisio ar weithgareddau datblygiad proffesiynol parhaus yn isel yn ystod y cyfnod cyn yr Etholiadau ym mis Mai 2016, tra bod y nifer wedi cynyddu'n sylweddol yn dilyn yr Etholiad. Cafwyd sgôr uchel am yr effaith gadarnhaol y bydd yn ei gael ar waith cynrychiolwyr. Gwelwyd cynnydd yn nifer y dysgwyr Cymraeg ar ôl creu Tîm Sgiliau Iaith newydd.	 Oren	 Gwyrdd
Ymgysylltu â holl bobl Cymru a hyrwyddo'r Cynulliad	Ebrill 2015 – Mawrth 2016	Ebrill 2016 – Mawrth 2017
KPI 3: Meithrin dealltwriaeth o rôl a gwaith y Cynulliad Mae lefelau boddhad ymhlith ymwelwyr yn parhau i fod yn uchel ac rydym wedi gweld cynnydd yn nifer y teithiau. Trefnwyd llai o ddigwyddiadau ar yr ystâd yn ystod cyfnod y diddymiad cyn Etholiad y Cynulliad ym mis Mai 2016. Yn dilyn yr Etholiad trefnwyd llai o ddigwyddiadau a noddur gan Aelodau Cynulliad (AC) o gymharu â'r un cyfnod y llynedd. Roedd gostyngiad yn nifer yr ymwelwyr â'r Pierhead o gymharu â'r un cyfnod y llynedd hefyd, a hynny am fod arddangosfa boblogaidd wedi'i chynnal rhwng mis Gorffennaf a mis Medi 2015, a ddenodd nifer fawr o ymwelwyr, ac am fod y Pierhead ar gau am wythnos i wneud gwaith cynnal a chadw ym mis Mai 2016.	 Gwyrdd	 Gwyrdd
KPI 4: Hyrwyddo gwaith y Cynulliad Yn sgil ymgyrch yr etholiad rhwng mis Ebrill a mis Mai roedd llawer o weithgarwch ar y cyfryngau cymdeithasol a arweiniodd at fwy o draffig. Roedd cynnydd mawr yn nifer yr ymweliadau â sianel YouTube y Cynulliad yn y cyfnod hwn hefyd.	 Gwyrdd	 Gwyrdd

Defnyddio adnoddau'n ddoeth	Ebrill 2015 – Mawrth 2016	Ebrill 2016 – Mawrth 2017
KPI 5: Gwariant yn erbyn y targed Rydym yn disgwyl adrodd am sefyllfa diwedd blwyddyn o danwariant o tua £224k yn erbyn y gyllideb. Bydd contractau a aildrafodwyd yn gwireddu £537,600 o arbedion. Mae prydlondeb taliadau i gyflenwyr ac Aelodau'r Cynulliad yn parhau i fod yn ymhell o fewn y targed.	 Gwyrdd	 Gwyrdd
KPI 6: Mae'r gofynion a'r disgwyliadau o ran adnoddau staff yn cael eu diwallu Roedd cyfraddau absenoldeb ar gyfer y cyfartaledd treigl o 12 mis yn dangos gostyngiad bach yn ystod cyfnod y 6 mis cyntaf, yn rhannol oherwydd ffactorau tymhorol ac yn rhannol oherwydd gostyngiad mewn achosion o salwch tymor hir. Fodd bynnag, wrth i'r flwyddyn fynd rhagddi, gwelwyd y cynnydd arferol mewn afiechydon tymhorol fel peswch, annwyd ac ati. Mae cyfraddau absenoldeb cyfartalog yn is na ffigur meincnod y Sefydliad Siartredig Personél a Datblygu (CIPD) o 3.7%, ond yn uwch na tharged y Cynulliad o 3%. Roedd cynnydd yn nifer yr adolygiadau perfformiad staff a gwblhawyd erbyn y terfyn amser; roedd gostyngiad yn nifer y bobl a gwblhaodd yr arolwg staff blyneddol, ond mae'r gyfradd ymateb yn dal i fod yn uwch na Chanolrif y Gwasanaeth Sifil. Mae cyfanswm nifer y staff wedi cynyddu ychydig.	 Oren	 Oren
KPI 7: Mae gwasanaethau TGCh yn cael eu darparu yn ôl y bwriad Er gwaethaf llwyth gwaith trwm ar ôl yr etholiad i gefnogi Aelodau'r Cynulliad a'u staff gyda'r gwaith o sefydlu systemau TGCh yn eu swyddfeydd, mae safonau perfformiad y gwasanaeth wedi gwella.	 Oren	 Gwyrdd
KPI 8: Mae ceisiadau Rhyddid Gwybodaeth (FOI) yn cael eu prosesu yn ôl y gofyn Cafwyd nifer fawr o geisiadau Rhyddid Gwybodaeth yn ystod y cyfnod hwn gyda saith o geisiadau Rhyddid Gwybodaeth yn fwy na'r uchafswm statudol. O'r rhain, roedd rhai ceisiadau yn cynnwys nifer o feysydd gwasanaeth ac felly roedd angen ymgynghori ychwanegol gyda thimau, tra roedd eraill yn gofyn am ddatgelu gwybodaeth bersonol, lle'r oedd yn rhaid i'r Comisiwn ymgynghori â gwrthrychau'r data.	 Gwyrdd	 Oren
KPI 9: Mae targedau amgylcheddol yn cael eu bodloni yn ôl y bwriad Mae cynnydd da yn parhau i gael ei wneud yn erbyn y gostyngiad yng nghyfanswm yr allyriadau ynni a'r dargyfeirio o dargedau tirlenwi. Mae Comisiwn y Cynulliad wedi sicrhau gostyngiad o 17.1% yng nghyfanswm yr allyriadau ynni o gymharu â llinell sylfaen 2012-13 ac mae ar y trywydd iawn i gyrraedd y targed o ostyngiad o 30% erbyn 2021.	 Gwyrdd	 Gwyrdd

Nod strategol: Darparu cefnogaeth seneddol o'r radd flaenaf

	Targed	Ebrill 2015 – Mawrth 2016	Ebrill 2016 – Mawrth 2017	
KPI 1: Mae'r holl fusnes seneddol wedi digwydd fel y cynlluniwyd				
Canran y papurau pwyllgor a gyhoeddwyd o fewn terfynau amser y cytunwyd arnynt â phob pwyllgor	100%	93.3%	95.8%	●
Canran Cofnod Trafodion y Cyfarfod Llawn a gyhoeddwyd o fewn y terfyn amser	100%	99.0%	100%	●
Canran Cofnod Trafodion y pwyllgorau a gyhoeddwyd o fewn 5 diwrnod gwaith	100%	99.0%	96.3%	●
Canran o drafodion y Cynulliad (cyfarfodydd pwyllgor/Cyfarfod Llawn) yr effeithiwyd arnynt oherwydd methiant i ddarparu gwasanaethau'r Comisiwn	0%	0.6% (2 allan o 345)	0.3% (1 allan o 350)	●
Canran yr ymholiadau i'r gwasanaeth ymchwil a atebwyd o fewn terfyn amser y cytunwyd arno	100%	98.5%	98.4%	●








Noder: Dangosir y data fel cyfartaledd ar gyfer y cyfnod adrodd.

	Targed	Ebrill 2015 – Mawrth 2016	Ebrill 2016 – Mawrth 2017	
KPI 2: Darparu Datblygiad Proffesiynol effeithiol				
Yn dilyn yr Etholiad, nifer yr Aelodau Cynulliad newydd i gwblhau'r rhaglen gynefino ¹	80%	-	100%	●
Nifer y lleoedd ar raglen Datblygiad Proffesiynol Parhaus (DPP) a lenwyd gan Aelodau'r Cynulliad ²	180	144	334	●
Nifer y lleoedd ar raglen DPP a lenwyd gan Staff Cymorth Aelodau'r Cynulliad ²	350	444	660	●
Y graddau y mae Aelodau'r Cynulliad a Staff Cymorth Aelodau'r Cynulliad yn disgwyl i'r hyfforddiant a ddarparwyd gael effaith gadarnhaol ar eu gwaith ³	70% effaith gadarnhaol	-	97.7%	●
Nifer y Dysgwyr Cymraeg (staff y Comisiwn, Aelodau Cynulliad a Staff Cymorth Aelodau'r Cynulliad) sy'n cael hyfforddiant drwy'r Tîm Sgiliau Iaith ¹	-	-	95	-

Noder: ¹ Dangosir y data fel ar ddiwedd mis Mawrth. ² Dangosir y data fel cyfanswm ar gyfer y cyfnod adrodd. ³ Dangosir y data fel cyfartaledd ar gyfer y cyfnod adrodd.



Nod strategol: Ymgysylltu â holl bobl Cymru a hyrwyddo'r Cynulliad

	Targed	Ebrill 2015 – Mawrth 2016	Ebrill 2016 – Mawrth 2017	
KPI 3: Meithrin dealltwriaeth o rôl a gwaith y Cynulliad Cenedlaethol				
Nifer yr ymwelwyr â: ⁴				
- Y Senedd	I'w gynnal ym mhob cyfnod	77,462	83,680	
- Pierhead		85,696	82,962	
Nifer yr ymwelwyr ar deithiau ⁴	I'w gynnal ym mhob cyfnod	17,663	26,305	
Nifer y cwsmeriaid sy'n nodi bod eu profiad o fynd ar daith o amgylch yr ystâd yn dda/da iawn ar y cyfan ⁵	80%	-	100%	
Nifer y digwyddiadau a drefnwyd ar yr ystâd ⁴	Cynnydd ar y cyfnod blaenorol	292	263	
Nifer y cwsmeriaid sy'n nodi bod eu profiad o drefnu digwyddiad ar yr ystâd yn dda/da iawn ar y cyfan ⁵	80%	-	98.7%	
Nifer y sesiynau codi ymwybyddiaeth gyffredinol wyneb yn wyneb a gynhaliwyd gyda phobl ifanc ⁴	I'w gynnal ym mhob cyfnod	-	873	

Noder: ⁴ Dangosir y data fel cyfanswm ar gyfer y cyfnod adrodd. ⁵ Dangosir y data fel cyfartaledd ar gyfer y cyfnod adrodd.

	Targed	Ebrill 2015 – Mawrth 2016	Ebrill 2016 – Mawrth 2017	
KPI 4: Hyrwyddo gwaith y Cynulliad				
Traffig ar y we: ⁶				
- Ymwelwyr	I'w gynnal ym	42,374	45,940	●
- Ymweliadau	mhob cyfnod	80,782	87,553	●
- Achosion o agor tudalen benodol		274,905	281,797	●
Facebook – Cyrhaeddiad ar gyfartaledd ⁶	I'w gynnal ym	-	9,847	●
	mhob cyfnod			
Facebook – 'Hoffi' ⁷	I'w gynnal ym	4,749	9,067	●
	mhob cyfnod			
Argraffiadau Twitter (nifer y bobl a welodd y cynnwys) ⁷	I'w gynnal ym	-	689,000	●
	mhob cyfnod			
Twitter: ⁷				
- Dilynwyr (y prif gyfrif corfforaethol)	I'w gynnal ym	36,193	44,215	●
- Dilynwyr (cyfrifon eraill)	mhob cyfnod	23,024	28,270	●
YouTube ⁸				
- Faint o bobl a oedd wedi edrych arno	I'w gynnal ym	59,509	102,478	●
- Munudau a wylwyd	mhob cyfnod	64,597	93,233	●
Defnydd o Senedd.tv: ⁸				
- Faint o bobl a oedd wedi edrych arno	I'w gynnal ym	280,284	386,576	●
- Defnyddwyr	mhob cyfnod	44,839	58,650	●
Y nifer sy'n agor blog y Gwasanaeth Ymchwil (Cymraeg a Saesneg) ⁸	I'w gynnal ym	90,004	138,426	●
	mhob cyfnod			

Noder: ⁶ Dangosir y data fel cyfartaledd ar gyfer y cyfnod adrodd. ⁷ Dangosir y data fel ar ddiwedd mis Mawrth. ⁸ Dangosir y data fel cyfanswm ar gyfer y cyfnod adrodd.

Nod strategol: Defnyddio adnoddau'n ddoeth



	Targed	Ebrill 2015 – Mawrth 2016	Ebrill 2016 – Mawrth 2017	
KPI 5: Gwariant yn erbyn y targed				
Rhagolwg o ganran y tanwariant ar ddiwedd y flwyddyn ⁹	<0.5%	0.1%	0.4%	●
Cyrraedd y nod o sicrhau gwerth am arian ⁹	£500,000	£866,000	£537,600	●
Nifer y diwrnodau a gymerir i dalu cyflenwyr ar gyfartaledd ¹⁰	<10 diwrnod	5.9	5.9	●
Nifer y diwrnodau a gymerir i dalu Aelodau'r Cynulliad ar gyfartaledd ¹⁰	<5 diwrnod	1.7	2.0	●

Noder: ⁹ Dangosir y data fel ar ddiwedd mis Mawrth. ¹⁰ Dangosir y data fel cyfartaledd ar gyfer y cyfnod adrodd.


I gael rhagor o wybodaeth am Strategaeth Gyllidebol Comisiwn y Cynulliad edrychwch ar y [Gyllideb](#) a'r [Adroddiad Blynyddol a'r Datganiad o Gyfrifon](#).

	Targed	Ebrill 2015 – Mawrth 2016	Ebrill 2016 – Mawrth 2017	
KPI 6: Mae'r gofynion a'r disgwyliadau o ran adnoddau staff yn cael eu diwallu				
Absenoldeb salwch – canran y cyfartaledd treigl dros 12 mis ¹¹	<3%	3.7%	3.5%	●
Absenoldeb salwch – canran y cyfartaledd misol ¹¹	<3%	3.1%	3.8%	●
Cwblhau adolygiadau perfformiad staff (ddwywaith y flwyddyn – Ebrill a Hydref)	100%	86.0%	95.9%	●
Cyfradd ymateb cyflogeion i'r arolwg staff blynyddol ¹²	Canolrif y Gwasanaeth Sifil - ar hyn o bryd 65%	93.0%	85.0%	●
Lefel ymgysylltiad cyflogeion yn erbyn y 5 cwestiwn craidd yn yr arolwg staff blynyddol	Canolrif y Gwasanaeth Sifil - ar hyn o bryd 58%	72.0%	72.0%	●
Nifer y staff: ¹¹				
- Nifer y staff	-	450	466	-
- Nifer y staff cyfwerth ag amser llawn	-	434.27	447.98	-



Noder: ¹¹ Dangosir y data fel ar ddiwedd mis Mawrth. ¹² Mae'r arolwg staff blynyddol yn cael ei gwblhau ym mis Mai / Mehefin bob blwyddyn.

	Targed	Ebrill 2015 – Mawrth 2016	Ebrill 2016 – Mawrth 2017
KPI 7: Mae gwasanaethau TGCh yn cael eu darparu yn ôl y bwriad			
Targedau'r cytundeb lefel gwasanaeth a gyflawnwyd ar gyfer pob achos	90%	89.1%	91.3% 
Sgôr boddhad cwsmeriaid ar gyfer ymdrin ag achosion (allan o 9)	8	8.6	8.8 

Noder: Dangosir y data fel cyfartaledd ar gyfer y cyfnod adrodd.

	Targed	Ebrill 2015 – Mawrth 2016	Ebrill 2016 – Mawrth 2017
KPI 8: Mae ceisiadau Rhyddid Gwybodaeth yn cael eu prosesu yn ôl y gofyn			
Nifer y ceisiadau Rhyddid Gwybodaeth a atebwyd	-	69	75 -
Canran y ceisiadau rhyddid gwybodaeth a atebwyd yn unol â'r terfyn amser statudol	100%	99.0%	90.7% 

Noder: Dangosir y data fel cyfanswm ar gyfer y cyfnod adrodd.

	Targed	Ebrill 2015 – Mawrth 2016	Ebrill 2016 – Mawrth 2017
KPI 9: Mae targedau amgylcheddol yn cael eu bodloni yn ôl y bwriad			
Cyfanswm ôl troed ynni (Ystâd Bae Caerdydd)	Gostyngiad o 30% yng nghyfanswm yr allyriadau ynni erbyn 2021	11.0%	17.1% 
Dargyfeirio gwastraff o safleoedd tirlenwi	100% erbyn 2021	-	96.6% 







Noder: Dangosir y data fel ar ddiwedd mis Mawrth.



I gael rhagor o wybodaeth am faterion amgylcheddol, edrychwch ar yr [Adroddiad Amgylcheddol Blynyddol](#).







Arolwg Boddhad Aelodau'r Cynulliad a'u Staff Cymorth

Ym mis Chwefror, gofynnir i Aelodau Cynulliad a Staff Cymorth Aelodau'r Cynulliad gwblhau arolwg boddhad blynyddol i helpu i fesur pa mor dda y mae'r gwasanaethau a ddarperir gan staff y Comisiwn wedi perfformio yn ystod y flwyddyn ddiwethaf. Mae'r cwestiynau yn defnyddio graddfa 10 pwynt, lle mae 1 = gwael a 10 = ardderchog. Mae crynodeb o'r canlyniadau yn cael eu cyflwyno yma.

Ni chafodd yr arolwg boddhad ei gwblhau yn 2016 oherwydd Etholiad y Cynulliad; felly mae data o 2015 wedi cael ei ddarparu ar gyfer cymharu. Dylid nodi hefyd bod yr arolwg boddhad wedi cael ei adolygu ar gyfer y Pumed Cynulliad ac felly nid oes data cymaradwy ar gael ar gyfer pob dangosydd.

	Targed	2015	2017	
Nod strategol – Darparu cefnogaeth seneddol o'r radd flaenaf				
Y cymorth cyffredinol i Bwyllgorau'r Cynulliad	8	8.3	8.5	
Y cymorth cyffredinol i'r Cyfarfod Llawn	8	8.6	8.4	
Y cymorth cyffredinol ar gyfer gwaith etholaethol	8	-	8.2	
Y cymorth cyffredinol i ymgymryd â'ch gwaith yn eich dewis iaith	8	8.8	8.9	
Y cymorth cyffredinol a ddarperir gan Cymorth Busnes i'r Aelodau	8	9.0	8.9	
Y cymorth cyffredinol a ddarperir drwy'r swyddogaeth Datblygiad Proffesiynol	8	8.2	8.3	

	Targed	2015	2017	
Nod strategol - Ymgysylltu â holl bobl Cymru a hyrwyddo'r Cynulliad				
Effeithiolrwydd cyffredinol Comisiwn y Cynulliad wrth ymgysylltu â phobl Cymru	8	7.2	6.9	
Effeithiolrwydd cyffredinol Comisiwn y Cynulliad wrth hyrwyddo gwaith y Cynulliad	8	-	7.0	

	Targed	2015	2017	
Nod strategol – Defnyddio adnoddau'n ddoeth				
Y cymorth cyffredinol a ddarperir gan TGCh yn Nhŷ Hywel	8	8.2	8.3	
Y cymorth cyffredinol a ddarperir gan TGCh yn y Senedd	8	8.2	8.4	
Y cymorth cyffredinol a ddarperir gan TGCh yn y swyddfeydd etholaethol neu'r swyddfeydd rhanbarthol	8	7.2	7.9	
Y dewis cyffredinol o offer TGCh sydd ar gael	8	-	7.9	
Y cymorth cyffredinol a ddarperir ar gyfer Tŷ Hywel a'r Senedd	8	8.4	8.7	
Y cymorth cyffredinol a ddarperir ar gyfer y swyddfeydd etholaeth neu ranbarthol	8	-	8.0	

Noder: Dangosir y data fel sgôr cyfartalog a ddarperir gan Aelodau'r Cynulliad a Staff Cymorth Aelodau'r Cynulliad.

Item 3

Simon Thomas AC
Cadeirydd y Pwyllgor Cyllid
Cynulliad Cenedlaethol Cymru
Tŷ Hywel
Bae Caerdydd
CF99 1NA

16 Mehefin 2017

Annwyl Simon

Diolch am eich llythyr dyddiedig 24 Mai ynghylch y gwaith pellach a wnaed gan eich Pwyllgor wrth graffu ar gyllideb ddrafft Comisiwn y Cynulliad ar gyfer 2017-18 ar 17 Mai 2017. Mae'n bleser gennyf ddarparu'r wybodaeth ychwanegol y gofynnwyd amdani yn eich llythyr.

Gofynnwyd am:

- ddadansoddiad manwl o sut yn union y defnyddiwyd yr £1.185 miliwn a nodwyd ar gyfer y gwaith o adnewyddu'r llawr daear ar gyfer y prosiect hwn;
- pa gostau pellach sydd wedi'u hysgwyddo, neu a gaiff eu hysgwyddo, yn sgil adnewyddu'r llawr daear, a faint o'r arian hwnnw sydd eisoes wedi'i ddyrannu i'r prosiect hwn o gyllideb 2017-18; a
- manylion ychwanegol am y tanwariant a ragwelir ar hyn o bryd ar gyfer 2017-18, a sut y disgwylir defnyddio'r arian hwn.



Mae ymatebion manwl i'r cwestiynau hyn yn Atodiad A ac yn cynnwys y canlynol:

- Mae Tabl A yn rhoi manylion y costau gwirioneddol ar gyfer 2016–17 ochr yn ochr â'r amcangyfrif o gostau a ddarparwyd yn flaenorol yn fy llythyr dyddiedig 28 Mawrth 2017;
- Mae Tabl B yn rhoi dadansoddiad o sut yn union y defnyddiwyd yr £1.185 miliwn (amcangyfrif), a neilltuwyd ar gyfer y gwaith o adnewyddu'r llawr daear, a nodwyd yn ein llythyr dyddiedig 28 Mawrth i dalu am y prosiect hwn. Y costau gwirioneddol ar gyfer 2016–17 oedd £1.211 miliwn;
- Mae Tabl B hefyd yn cynnwys gwybodaeth am gostau pellach sydd wedi'u hysgwyddo yn sgil y gwaith o adnewyddu'r llawr daear yn ystod 2017–18 a gwariant arall ar y llawr daear gan gynnwys TGCh; ac
- Mae Tabl C yn rhoi manylion am y tanwariant a ragwelir ar hyn o bryd ar gyfer 2017–18 a sut y disgwylir defnyddio'r arian hwn. Mae'r tabl yn dangos bod yr holl waith a wnaed wrth adnewyddu'r llawr daear yn ystod 2017–18 wedi cael ei neilltuo dros dro fel gwaith a ariannwyd o danwariant y penderfyniad ar gyfer 2017–18.

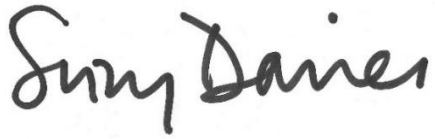
O ran defnyddio tanwariant o Benderfyniad y Bwrdd Taliadau a chyllidebau eraill i ariannu buddsoddiad sydd wedi'i gynllunio a buddsoddiad sydd wedi'i flaenoriaethu, bu'r Comisiwn yn trafod eich llythyr yn ei gyfarfod ar 12 Mehefin. Mae'r Comisiynwyr yn parhau i gredu mai ein bod yn defnyddio'r dull mwyaf darbodus a chadarn o reoli cronfeydd y Comisiwn er lles y Cynulliad fel yr amlinellwyd yn fy llythyr at y Pwyllgor ar 28 Mawrth.

Wedi dweud hynny, mae'n gwbl gywir bod eich Pwyllgor yn craffu ar ein gwaith ac yn herio sut yr ydym yn rheoli'r cronfeydd a ymddiriedir i ni gan y Cynulliad. Rwy'n gobeithio y bydd y wybodaeth sydd ynghlwm yn ddefnyddiol ac rydym yn croesawu'r cyfle i ddod i un o gyfarfodydd y Pwyllgor i drafod y mater hwn ymhellach.



Unwaith eto, os hoffai eich Pwyllgor gael unrhyw wybodaeth bellach, rhowch wybod i mi.

Yn gywir

A handwritten signature in black ink that reads "Suzy Davies". The script is cursive and fluid.

Suzy Davies

cc Manon Antoniazzi, Nia Morgan

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



Atodiad A

Roedd fy llythyr dyddiedig 28 Mawrth 2017 yn cynnwys detholiad o Dabl A isod ac yn darparu amcangyfrif o'r tanwariant a ragwelwyd (£1.954 miliwn) o ran yr arian a dynnwyd i lawr i ariannu Penderfyniad y Bwrdd Taliadau a sut y byddai'n cael ei ddefnyddio yn ystod 2016–17.

Mae colofn (b) yn rhoi gwybodaeth am sut y defnyddiwyd y tanwariant gwirioneddol (£1.705 miliwn), a oedd yn is na'r hyn a ragwelwyd yn rhagolwg mis Mawrth (£1.954 miliwn).

Tabl A – Defnyddio Tanwariant y Penderfyniad ar gyfer 2016–17

Disgrifiad	Rhagolwg mis Mawrth (a)	Yr hyn a ariannwyd gan y Tanwariant (b)
Adnewyddu'r Llawr Daear	£1.185 miliwn	£1.211 miliwn
TGCh Ystafelloedd Pwyllgora	£0.202 miliwn	£0.224 miliwn
Prosiect y Swyddfa Gyflwyno	£0.048 miliwn	£0.048 miliwn
Prosiect Cofnod y Trafodion	£0.078 miliwn	£0.078 miliwn
Gwella diogelwch swyddfeydd etholaethol yr Aelodau	£0.040 miliwn	£0.048 miliwn
Gwydnwch pŵer gwell	£0.140 miliwn	£0.140 miliwn
Gorffen Ailwampio'r Siambr	£0.261 miliwn	£0.261 miliwn
Amcangyfrif o Gyfanswm y Tanwariant ar gyfer 2016–17	£1.954 miliwn	
Gwariant gwirioneddol ar brosiectau		£2.01 miliwn
Cyfanswm y Tanwariant gwirioneddol ar gyfer 2016–17		£1.705 miliwn



Gwahaniaeth		-£0.301
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Roedd y gwahaniaeth hwn yn bennaf am fod gwariant gan Aelodau Cynulliad ym mis Mawrth 2017 llawer yn uwch na'r hyn a ragwelwyd. Ni ragwelwyd y gwariant hwn ac roedd yn ymwneud yn bennaf ag anfonebau 2016-17 a hawliadau a gyflwynwyd ac a dalwyd ym mis Ebrill 2017.

Ni chafodd y gwahaniaeth effaith arian parod yn 2016-17 ac ni ohiriwyd unrhyw wariant arall gan fod tanwariant o gyllideb dibrisiant y Comisiwn (eitem arall nad yw'n arian parod) ar gael i dalu am y gorwariant hwn.

Adnewyddu Llawr Daear Tŷ Hywel

Rhodddwyd gwybod i chi ym mis Mawrth y rhagwelwyd gwariant o £1.185 miliwn ar adnewyddu'r llawr daear. Y gost derfynol, yn unol â (b) uchod, oedd £1.211 miliwn. Yn nhabl B isod, mae dadansoddiad manwl o'r £1.211 miliwn, yn unol â'ch cais, a dadansoddiad o'r costau TGCh £0.224 miliwn a ysgwyddwyd yn 2016-17 fel rhan o'r gwaith ar y llawr daear. Mae Tabl B hefyd yn dangos y costau a ragwelir ar gyfer 2017-18, yn unol â'ch cais.

Nid oedd yr angen busnes am ystafelloedd pwyllgor ychwanegol wedi dod i'r amlwg eto pan roedd gofyniad y gyllideb ar gyfer 2016-17 yn cael ei baratoi (haf/hydref 2015). Penderfynwyd ychwanegu pwyllgorau ychwanegol yn 2016-17. Felly, nid oedd modd i'r Comisiwn dynnu sylw at y gwariant hwn fel rhywbeth a fyddai'n galw am adnoddau sylweddol yng nghyllideb ddrafft 2016-17.

Y prif sbardun ar gyfer gwaith adnewyddu hwn oedd penderfyniad y Pwyllgor Busnes/y Cynulliad i greu dau bwyllgor polisi ychwanegol ac ehangu'r wythnos fusnes e.e. mae'n arferol bellach i bedwar pwyllgor fod yn eistedd ar yr un pryd.

Yn y Pedwerydd Cynulliad, defnyddiwyd Ystafell Bwyllgora 4 ar y llawr daear yn Nhŷ Hywel fel opsiwn wrth gefn pan fyddai tri phwyllgor yn cyfarfod ar yr un pryd. Fodd bynnag, roedd yr ystafell hon yn gyfyngedig ac nid oedd wedi'i threfnu yn y ffordd orau i'w defnyddio'n rheolaidd. Gyda'r cynnydd yn nifer y pwyllgorau ni ellid dibynnu arni mwyach fel opsiwn wrth gefn pan fyddai pedwar pwyllgor yn cyfarfod. Nid oedd ychwaith gyfleusterau aros/lluniaeth y tu allan i'r ystafell ar gyfer yr Aelodau a'r tystion.



Tabl B – Cyfanswm costau gwirioneddol y llawr daear wedi'i rannu rhwng 16/17 a 17/18

Prosiect Ystafelloedd Pwyllgora 4 a 5		
Eitem	16/17	17/18
<u>Gwaith galluogi</u>		
Gwaith adeiladu	£49,106	£0
Llogi cabanau dros dro	£11,295	£0
Ffioedd rheoli prosiect	£3,120	£0
Is-gyfanswm	£63,522	£0
<u>Ystafelloedd pwyllgora</u>		
Gwaith adeiladau yn cynnwys parwydydd symudol, gwydr, bleindiau a drysau	£438,794	£20,000
Gwaith trydanol	£226,040	£0
Gwaith mecanyddol	£153,571	£0
Ffioedd rheoli prosiect gan gynnwys gwaith ar adeiladau'r adran ddiogelwch	£14,976	£0
Dodrefn	£73,286	£92,213
Costau amrywiadau	£0	£28,745
Is-gyfanswm	£906,667	£140,959
<u>Adeiladau'r adran ddiogelwch</u>		
Gwaith adeiladu yn cynnwys coridor gwydr	£152,253	£0
Gwaith trydanol	£4,909	£0
Gwaith mecanyddol	£58,824	£0
Dodrefn	£24,706	£0
Is-gyfanswm	£240,691	£0
<u>TGCh</u>		
Camerâu, cyfarpar rheoli, cyfieithu ar y pryd, ceblau	£174,468	£97,905
Rheoli ystafelloedd ac arwyddion		£89,415
Fideogynadledda		£55,070
Llafur, teithio a chynhaliaeth, rheoli prosiect		£113,875
Cost y rhwydwaith TGCh	£21,986	
Costau ychwanegol CBRE	£27,687	£4,481
Is-gyfanswm	£224,141	£360,746

<u>Cyfanswm costau'r prosiect</u>	16/17	17/18
Gwaith galluogi	£63,522	£0
Ystafelloedd pwyllgora	£906,667	£140,959
Adeiladau'r adran ddiogelwch	£240,691	£0
Is-gyfanswm – gwaith	£1,210,880	£140,959
TGCh	£224,141	£360,746
Cyfanswm	£1,435,020	£501,705



Er mwyn cefnogi gofynion y Pumed Cynulliad, adolygodd Comisiwn y Cynulliad y cyfleusterau sydd ar gael, o ran yr anghenion busnes ar gyfer cyfarfodydd pwyllgor ac o ran opsiynau ar gyfer defnyddio swyddfeydd a mannau cyfarfod yn fwy hyblyg. Roedd wedi dod yn amlwg y byddai'n ormod o risg parhau am unrhyw gyfnod o amser heb gyfleusterau pwyllgor digonol. Roedd y risgiau'n cynnwys:

- y risg y byddai'r cynnydd yng ngwaith y pwyllgorau ers yr etholiad yn golygu nad oedd opsiwn wrth gefn pe na bai modd defnyddio un o'r ystafelloedd pwyllgora.
- mae gan y Comisiwn ddyletswydd statudol i sicrhau y darperir yr eiddo, y staff a'r gwasanaethau sydd eu hangen at ddibenion y Cynulliad (Deddf Llywodraeth Cymru 27(5)). Mae'n rhaid i'r Comisiwn gydymffurfio â gofynion a nodir yn y Rheolau Sefydlog a Deddf Llywodraeth Cymru hefyd, er enghraifft o ran mynediad y cyhoedd i drafodion. Pe na baent yn darparu ystafelloedd pwyllgor ychwanegol, roedd perygl na fyddai'r Comisiwn yn gallu cydymffurfio â'r gofynion statudol a'r Rheolau Sefydlog hyn.

Nodwyd y risgiau hyn yn nhymor yr haf/hydref 2016. Cyflwynwyd achos busnes i'r Bwrdd Taliadau Annibynnol ym mis Tachwedd 2016 yn argymhell y dylid adnewyddu'r llawr daear. Ar ôl craffu ar y dewisiadau, cymeradwyodd y Bwrdd y gwariant hwn. Cafodd y Comisiwn wybod am y prosiect hwn, er bod y swm arian o fewn terfyn arian dirprwyedig y Prif Weithredwr o £5 miliwn, oherwydd proffil y prosiect.

Cynyddwyd terfyn arian dirprwyedig y Prif Weithredwr o £1 miliwn i £5 miliwn ym mis Mehefin 2016 er mwyn adlewyrchu'r terfynau arian dirprwyedig mewn rhannau eraill o'r sector cyhoeddus ac, yn benodol, i sicrhau bod trefniadau Comisiwn y Cynulliad yn cyd-fynd yn fwy â threfniadau Senedd yr Alban. Mae Corff Corfforaethol Senedd yr Alban wedi dirprwyo'r awdurdod i'w Clerc a Phrif Weithredwr gymeradwyo gwariant cyfalaf o hyd at £10 miliwn a dyfarniadau contract o hyd at £5 miliwn.



Darparodd y prosiect:

- dwy ystafell bwyllgor sydd wedi'u trefnu'n briodol ac yn cynnwys yr holl offer angenrheidiol yn lle un ystafell annigonol;
- cyfleusterau aros/lluniaeth ar gyfer Aelodau a thystion;
- ystafell gyfarfod ychwanegol; a
- waliau symudol er mwyn caniatáu i'r mannau gael eu defnyddio'n hyblyg ar gyfer ystod o ddibenion gwahanol heblaw am gyfarfodydd pwyllgor.

Sicrhawyd bod digon o arian ar gael i'r prosiect drwy ddyrannu tanwariant yn ymwneud â'r arian a dynnwyd i lawr ar gyfer Penderfyniad y Bwrdd Taliadau, a thrwy flaenoriaethu prosiectau buddsoddi e.e. gohirio nifer o brosiectau mawr gan yr adran Ystadau a'r adran TGCh.

Drwy ddefnyddio'r cronfeydd hyn, roedd modd dechrau'r gwaith yn ystod 2016–17 gyda'r nod o'i gwblhau yn fuan ar ôl toriad y Pasg 2017 (dros ddwy flwyddyn ariannol), gan fynd i'r afael â'r risgiau a nodwyd uchod cyn gynted â phosibl. Pe na bai'r tanwariant wedi bod ar gael, y drefn fyddai ystyried cyllideb atodol ym mis Chwefror neu fis Mehefin, gan ohirio'r prosiect yn sylweddol.

Nid oedd angen cyllideb atodol gan fod arian wedi'i ddyrannu ar gyfer Penderfyniad y Bwrdd Taliadau heb gael ei ddefnyddio, ac felly roedd yr arian hwnnw ar gael i'r Comisiwn. Mae'n ofynnol i'r Comisiwn ddarparu ar gyfer gwariant ar Benderfyniadau yn ei gyllideb a bydd unrhyw danwariant yn parhau ar gael i'r Comisiwn gyflawni ei amcanion strategol.

Gobeithio fod y wybodaeth hon yn egluro:

- bod penderfyniad y Pwyllgor Busnes yn rhy hwyr i'r Comisiwn gynnwys y gwariant hwn yng nghyllideb 2016–17 a chyllideb 2017–18 ar ôl hynny;
- bod y Bwrdd Taliadau Annibynnol wedi craffu ar y broses; a
- bod y Comisiwn wedi cael gwybod am y gwariant.



Bydd y Pwyllgor Cyfrifon Cyhoeddus yn craffu ar Adroddiad Blynyddol a Chyfrifon Comisiwn y Cynulliad ar gyfer 2016–17. Bydd y cyfrifon yn cael eu cyflwyno ym mis Gorffennaf a disgwylir i'r sesiwn graffu ddigwydd ym mis Medi.

Rhoddwyd mwy o dryloywder yn natganiad y Llywydd i'r Aelodau ym mis Tachwedd 2016:

“Rhoddodd y Comisiynwyr hefyd ystyriaeth i waith archwiliadol i sicrhau bod ystâd y Cynulliad ym Mae Caerdydd yn datblygu i gyd-fynd â gwaith y Cynulliad.

O ystyried y cynnydd yng ngweithgarwch pwyllgorau ers yr etholiad, cytunodd y Comisiynwyr i ad-drefnu llawr gwaelod Tŷ Hywel. Bydd hyn yn golygu bod gan y Cynulliad bum ystafell bwyllgora â'r holl offer angenrheidiol – tair yn y Senedd a dwy yn Nhŷ Hywel. Bydd yr ystafelloedd newydd yn barod o ddechrau tymor yr haf.”



Effaith yn 2017–18

Mae bodloni'r ddyletswydd statudol a mynd i'r afael â'r risgiau uchod wedi cael effaith sylweddol ar y sefyllfa ariannol ar gyfer 2017–18. Bydd tua £0.5 miliwn yn cael ei wario ar ystafelloedd pwyllgora yn 2017–18, gan leihau'r arian sydd ar gael ar gyfer y prosiectau buddsoddi a fyddai'n mynd yn eu blaen yn ddelfrydol.

Mae'r gwaith o uwchraddio system teledu cylch cyfyng yr ystâd hefyd yn effeithio ar 2017–18 hefyd, ynghyd â'r disgwyliad y bydd angen arian ddiwedd 2017–18 i symud ymlaen â nod y Comisiwn o sicrhau y gellir diwallu anghenion o ran adeiladau yn y dyfodol.

O ganlyniad, mae'r sefyllfa gyllidebol eleni yn hynod o dynn a bydd yn rhaid gwneud penderfyniadau anodd ynghylch staffio a'r prosiectau a fyddai'n mynd yn eu blaen yn ddelfrydol.

Er gwaetha'r pwysau ychwanegol hyn, rydym yn rhagweld y byddwn yn sicrhau alldro ariannol o fewn 0.5 y cant o'n cyllideb ar gyfer 2017–18. Fodd bynnag, mae hyn wedi arwain at ohirio eitemau o wariant sylweddol tan 2018–19. Bydd y pwysau hyn yn cael eu hadlewyrchu yng nghyllideb y Comisiwn ar gyfer 2018–19, sydd i'w drafod gan y Pwyllgor ym mis Hydref.

Mae'r Comisiwn yn cytuno â'r farn a fynegodd y Pwyllgor y llynedd pan nododd na fyddai modd rhagweld y pwysau ar y Cynulliad yn y dyfodol a bod angen hyblygrwydd o ran anghenion cyllidebol y Comisiwn yn y dyfodol. Fel y nodwyd eisoes, mae'r hyblygrwydd hwn wedi galluogi'r Comisiwn i ymateb yn effeithiol i anghenion y Cynulliad.



Y tanwariant a ragwelir o ran Penderfyniad 2017–18

Ar hyn o bryd, disgwylir tanwariant o £1.05 miliwn o ran Penderfyniad 2017–18, yn seiliedig ar amcangyfrifon cynnar o wariant Aelodau yn ystod y misoedd sy'n weddill o 2017–18.

Adolygir hyn bob mis, wrth i dueddiadau gwariant ddechrau dod i'r amlwg, yn enwedig o ran costau staff Aelodau a chostau swyddfa.

Dyma'r prosiectau posibl a nodwyd ar gyfer y tanwariant hwn (yn amodol ar achosion busnes):

Tabl C – Sut y rhagwelir defnyddio'r Tanwariant o ran Penderfyniad 2017–18

Cymeradwywyd eisoes gan y Bwrdd Taliadau Annibynnol:	
Disgrifiad	Swm
Cwblhau'r gwaith o adnewyddu'r llawr daear	£0.141 miliwn
Cwblhau TGCh Ystafelloedd Pwyllgora	£0.361 miliwn
Cwblhau Prosiect Cofnod y Trafodion	£0.052 miliwn
Cwblhau Prosiect y Swyddfa Gyflwyno	£0.032 miliwn
Cyngor cyfreithiol ynghylch Diwygio Etholiadol a deddfwriaeth ddrafft	£0.050 miliwn
Cwblhau prosiect teledu cylch cyfyng	£0.328 miliwn
Is-gyfanswm	£0.964 miliwn

Achosion busnes a ddisgwylir yn 2017–18	
Senedd leuenctid	£0.050 miliwn
Newid caledwedd TGCh (rhan o raglen dreigl ehangach)	£0.036 miliwn



Is-gyfanswm	£0.086 miliwn
Cyfanswm	£1.050 miliwn

Mae Tabl C yn dangos bod gan y Comisiwn nifer sylweddol o brosiectau y bydd angen eu cyllido yn 2017–18. Mae'r prosiectau hyn yn hanfodol wrth fodloni ein rhwymedigaethau statudol, sicrhau gwytnwch a chyflawni amcanion strategol y Comisiwn a nodwyd ar ddechrau'r Pumed Cynulliad.

Fel y gwelir uchod, nid yw'r Bwrdd Taliadau wedi cymeradwyo nifer o'r prosiectau hyn eto. Dim ond wrth i'r lefel wirioneddol o danwariant ddod yn gliriach y caiff y prosiectau hyn eu cymeradwyo.

Dim ond eitemau hanfodol a gaiff eu cymeradwyo, yn dilyn gwaith craffu a blaenoriaethu gan y Bwrdd Taliadau.

Bydd angen cyllid yn 2017–18 ar eitemau ychwanegol nad ydynt wedi eu cynnwys uchod, fel gwariant ychwanegol ar TGCh a chyfleusterau, ac ni fydd yr eitemau hynny'n symud ymlaen oni fydd tanwariant ychwanegol ar gael i'w cyllido. Os na fydd hynny'n digwydd, byddant yn cael eu gohirio tan 2018–19 yn amodol ar y cyllid a'r blaenoriaethau eraill ar y pryd. Mae rhagor o wybodaeth am wariant ar Ddiogelwch, TGCh a Rheoli Ystadau a Chyfleusterau ar ddiwedd yr Atodiad hwn.



GWYBODAETH YCHWANEGOL

Gwariant Diogelwch 2016–17

Cafodd gwariant sylweddol ar ddiogelwch effaith ar flwyddyn ariannol 2016–17. Mae Tabl A yn nodi gwariant o £48,000 ar wella diogelwch swyddfeydd etholaethol yr Aelodau. Roedd y gwariant hwn yn cynnwys eitemau fel drysau newydd, teledu cylch cyfyng, botymau panig, larymau, gwydr barugog, goleuadau diogelwch ac ati.

At hynny, dechreuodd y gwaith ar system teledu cylch cyfyng newydd ar ystâd Bae Caerdydd yn 2016–17. Daeth hynny i gyfanswm o £473,000 yn 2016–17 a £189,000 yn 2017–18. Mae gwelliannau diogelwch eraill yn cynnwys sganwyr newydd ar gyfer yr ystâd a gwelliannau Cadw'n Ddiogel i wella cadernid a diogelwch y prif allanfeydd.

Blaenoriaethau'r gwasanaeth Rheoli Cyfleusterau ac Ystadau 2017–18

Mae gwariant wedi'i glustnodi ar gyfer yr eitemau a ganlyn o waith Rheoli Ystadau a Chyfleusterau yn sefyllfa ariannol 2017–18. Nid yw'r Bwrdd Taliadau wedi cymeradwyo'r rhain eto. Mae'r pedair eitem yn nhrefn blaenoriaeth, yn bennaf ar sail cydymffurfiaeth statudol, iechyd a diogelwch, a pharhad busnes.

Eitem	Categori	Cost
Byrddau Dosbarthu Trydanol Cam 2 (C1s)	Cylch Bywyd hanfodol	£28,800
Gwelliannau i lifftiau'r Senedd a'r Pierhead	Cydymffurfiaeth statudol/cylch bywyd hanfodol	£33,693
Camau adfer asesu risg dŵr Tŷ Hywel	Cydymffurfiaeth statudol	£16,320
Lifftiau Tŷ Hywel – newid rhaffau 1, 2, a 3	Cydymffurfiaeth statudol	£54,450
		<u>£133,263</u>



Blaenoriaethau TGCh 2017-18

Mae'r tabl a ganlyn yn dangos y blaenoriaethau TGCh cyfredol ar gyfer 2017-18, o ganlyniad i'r pwysau ariannol sy'n wynebu'r Comisiwn yn 2017-18 ac efallai y bydd yn rhaid gohirio nifer o eitemau tan 2018-19. Mae'r blaenoriaethau presennol yn ymwneud â blaenoriaethau newydd ac eitemau a ohiriwyd o 2016-17.

Mae'r Bwrdd Taliadau wedi cymeradwyo £100,000 o wariant ar newid caledwedd ac mae'n adolygu sefyllfa ariannol 2017-18 bob pythefnos. Bydd cyllid pellach yn cael ei ryddhau ar gyfer gwariant TGCh os bydd arian ar gael ac os bernir bod yr eitemau hynny'n flaenoriaeth i'r Comisiwn cyfan.

Prosiectau TGCh ar y Blaengynllun Gwaith ar gyfer 2017-18	Blaenoriaethau Presennol	Cymeradwywyd gan y Bwrdd Taliadau Annibynnol
Trawsnewid i Wasanaethau Cwmwl	£120,000	
Newid caledwedd bwrdd gwaith	£344,000	£100,000
Costau traul caledwedd	£25,000	
Gwaith tanddaearôl BT	£11,000	
Seibr ddiogelwch	£32,000	
Trwyddedau Adobe	£6,000	
SeneddTV	£40,000	
Rhaglen newydd yn lle Caseworker	£75,000	
	£653,000	£100,000





WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Wales Audit Office / Swyddfa Archwilio Cymru

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ

Mr Simon Thomas AC
Cynulliad Cenedlaethol Cymru
Bae Caerdydd
Caerdydd
CF99 1NA

Tel/Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn destun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Cyfeirnod: [AJB301]

Dyddiad cyhoeddi: 21 Mehefin 2017

Annwyl Simon

Comisiwn Cynulliad Cenedlaethol Cymru - Cyllideb Ddrafft

Diolch am eich llythyr, dyddiedig 24 Mai 2017, i'r Archwilydd Cyffredinol. Rwyf yn ateb ar ran Huw gan ei fod ef ar ei wyliau ar hyn o bryd.

Mae fy ymateb yn seiliedig ar yr hyn a wyddom am y materion fel y'u hamlinellwyd yn eich llythyr a'r trawsgrifiad ategol o'r Pwyllgor Cyllid. Nid ydym wedi cynnal adolygiad penodol o drefniadau'r Comisiwn ar gyfer gosod y gyllideb.

Ymddengys i mi fod yna ddau fater y mae angen ymdrin â hwy:

- Yr angen i'r Comisiwn ddarparu adnoddau digonol i gyllido penderfyniadau'r Bwrdd Cydnabyddiaeth Ariannol. Deallaf fod y Comisiwn yn gosod ei gyllideb ar y swm mwyaf y mae'n amcangyfrif y bydd ei angen i gyfarfod â'r angen hwn.
- Cyfrifoldebau'r Pwyllgor Cyllid i graffu ar gyllideb y Comisiwn, sy'n gymhleth oherwydd y ddarpariaeth wrth gefn ("tanwariant rhagweladwy") sydd wedi ei hadeiladu i mewn i linell gyllideb y Bwrdd Cydnabyddiaeth Ariannol.

Mae Trysorlys Ei Mawrhydi yn rhoi arweiniad yn ei gyhoeddiad,

'Supply Estimates: a guidance manual' ar ffurf a chynnwys Amcangyfrifon Cyflenwi. Ym mharagraff 2.1 dywed yr arweiniad hwn:

"Parliament expects departments to submit for approval Estimates based upon taut and realistic spending plans. This means that the amount of provision sought in the Estimates must reflect the department's best view as to the amount of expenditure likely to take place in that financial year. The amounts sought in the Estimate should be neither more (perhaps in order to provide a buffer in case of unexpected additions) nor less (perhaps in order to spread out the increase) than is actually expected to be needed."

Mater i'r Cynulliad Cenedlaethol yw penderfynu a ddylid cymhwyso arweiniad o'r fath yng Nghymru.

Rwyf yn llwyr gydnabod yr anawsterau ymarferol y mae'r Comisiwn yn eu hwynebu drwy orfod gwneud darpariaeth yn y gyllideb ar gyfer gwariant o'r fath sy'n cael ei arwain gan y galw. Mae'n ddiddorol, felly, adolygu sefyllfa derfynol 2015-16 a gyhoeddwyd ar gyfer pob un o gyrff cyfatebol y Comisiwn yn y DU ar draws llinellau cyllideb cyfatebol, fel sydd wedi eu crynhoi yn y tabl canlynol.

Corff	Disgrifiad o Wariant	Gwariant Amcangyfrifedig* £'000	Gwariant mewn Gwirionedd* £'000	Amrywiad £'000	% yr Amrywiad
Comisiwn Cynulliad Cenedlaethol Cymru	Adnoddau o ran penderfyniadau'r Bwrdd Cydnabyddiaeth Ariannol	14,500	13,453	1,047	7.2
Awdurdod Safonau Seneddol Annibynnol	Cyflogau ASau, staffio, costau busnes a threuliau	201,082	169,230	31,852	15.6
Cynulliad Gogledd Iwerddon	Cyflogau aelodau, treuliau a chostau gweinyddol	46,230	43,063	3,167	6.8
Corff Corfforaethol Senedd yr Alban	Nid yw'r Corff yn cynhyrchu crynodeb alldro manwl				

* Fel yr eglurwyd yn Natganiad Alldro Adnoddau'r corff

Rwyf hefyd yn crynhoi isod, ar gyfer blynyddoedd blaenorol, ganran tanwariant y Comisiwn ar benderfyniadau'r Bwrdd Cydnabyddiaeth Ariannol:

- 2014 -15: 5.5%
- 2013 -14: 3.2%
- 2012 -13: 4.2%

Dengys y dadansoddiad lefel uchel hwn, fod pob un o gyrff cyfatebol y Comisiwn wedi adrodd am danwariant cymharol sylweddol ar "gostau aelodau" ar gyfer 2015-16. Er nad ydym wedi adolygu prosesau gosod cyllideb y gyrff hyn, rydym wedi cael trafodaethau gyda chydweithwyr yn Swyddfa Archwilio Gogledd Iwerddon ac Archwiliad yr Alban, sydd wedi tynnu sylw at rai gwahaniaethau diddorol o ran trefniadau gosod cyllideb ar gyfer costau Aelodau. Er enghraifft, cawsom ar ddeall fod Corff Corfforaethol Senedd yr Alban yn amcangyfrif faint o lwfansau aelodau sy'n debygol o gael eu hawlio bob blwyddyn; tra bydd Cynulliad Gogledd Iwerddon, yn debyg i'r Comisiwn, yn gosod ei gyllideb ar y swm mwyaf sy'n daladwy, er ein bod yn deall bod yna drefniant anffurfiol i ad-dalu unrhyw danwariant. Os nad yw wedi gwneud hynny'n ddiweddar, efallai y byddai'n werth i'r Comisiwn ystyried gyda'i gyrff cyfatebol sut y maent yn ceisio rheoli'r rhan hon o'r gyllideb. Er nad wyf yn meddwl bod yna ateb syml i'r problemau yr ydych yn eu codi, rwyf yn cynnig isod ddau fodel i'r Pwyllgor Cyllid eu hystyried.

Sefydlu cyfanswm rheoli adnoddau ar wahân ar gyfer penderfyniadau'r Bwrdd Cydnabyddiaeth Ariannol

Ar hyn o bryd mae'r Cynnig Cyllideb a gafodd ei gymeradwyo gan y Cynulliad Cenedlaethol, yn cynnwys un terfyn adnoddau sengl ar gyfer y Comisiwn mewn perthynas â'i holl wariant. Gallech ystyried gyda'r Comisiwn y dewis o rannu hyn yn ddau gais am adnoddau: y cyntaf ar gyfer penderfyniadau'r Bwrdd Cydnabyddiaeth Ariannol; a'r ail ar gyfer gwariant arall y Comisiwn. Byddai'r dewis hwn yn ei gwneud yn bosibl cael mwy o dryloywder ym mhroses y gyllideb yn ei chyfanrwydd. Gellid gosod y cais gwreiddiol am adnoddau ar gyfer penderfyniadau'r Bwrdd Cydnabyddiaeth Ariannol ar lefel amcangyfrifedig ar gyfer y flwyddyn a cheisio unrhyw adnoddau

ychwanegol fyddai eu hangen drwy broses y gyllideb atodol. Byddai'r dull hwn, i bob pwrpas, yn trosglwyddo'r risg o ddarparu adnoddau digonol ar gyfer penderfyniadau oddi wrth y Comisiwn i'r rheolaeth gyffredinol ar gyllideb floc Cymru.

Byddwn yn nodi, fodd bynnag, y byddai'n anarferol i gorff deddfwriaethol ymarfer rheolaeth mor fanwl dros gyllideb corff.

Cadw'r sefyllfa fel y mae gydag adrodd ychwanegol

Yr ail ddewis fyddai gofyn i'r Comisiwn roi mwy o fanylion yn ei gyflwyniad cyllideb, gan gynnwys:

- Y gyllideb amcangyfrifedig ar gyfer penderfyniadau yn y flwyddyn (yn seiliedig, o bosibl, ar brofiad hanesyddol); y swm mwyaf fel sydd wedi ei gynnwys ar hyn o bryd yn y cais cyffredinol am adnoddau; a'r lefel o ddarpariaeth wrth gefn (sef y gwahaniaeth rhwng y ddau ffigur).
- Gwybodaeth am y prosiectau y câi unrhyw danwariant yn erbyn cyllideb y penderfyniadau ei wario arnynt.

Byddai'r dull hwn yn rhoi'r cyfle i'r Pwyllgor Cyllid graffu ar holl gynlluniau gwariant y Comisiwn. Byddai gan y Pwyllgor wedyn dri dewis wrth ystyried y cais cyllideb:

- Cadarnhau'r cais mwyaf, a chaniatáu i'r Comisiwn ddefnyddio unrhyw danwariant ar ei brosiectau pwysicaf.
- Cadarnhau'r cais mwyaf, ond gofyn i'r Comisiwn gyflwyno cyllideb ddiwygiedig yn ddiweddarach yn y flwyddyn ariannol os oedd y gwariant disgwyliedig ar Benderfyniadau yn debygol o fod yn sylweddol is na'r lefel uchaf. Byddai hyn yn galluogi'r Pwyllgor i benderfynu p'un a ddylid caniatáu i'r Comisiwn gadw'r cyllid ar gyfer ei brosiectau pwysicaf ynteu ailddyrannu'r cyllid i gorff arall a gyllidir drwy Gronfa Gyfunol Cymru.
- Cadarnhau'r lefel ddisgwyliedig yn hytrach na'r lefel uchaf o gyllideb a gofyn i'r Comisiwn gyflwyno amcangyfrif atodol os oedd disgwyl i'r gwariant gwirioneddol fod yn uwch na'r amcangyfrif cychwynnol.

Gobeithio y byddwch yn cael y wybodaeth hon yn ddefnyddiol. Nid wyf wedi gofyn i'r Clerc am bersbectif y Comisiwn ar y dewisiadau hyn. Efallai y bydd y Pwyllgor Cyllid yn dymuno gwneud hynny a gofyn yr un pryd am sylwebaeth fanylach ar reolaeth y gyllideb yng ngweinyddiaethau eraill y DU.

Yn gywir



Anthony Barrett
Archwilydd Cyffredinol Cynorthwyol

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon



Public Policy Institute for Wales
Sefydliad Polisi Cyhoeddus i Gymru

Reducing Complexity and Adding Value: A Strategic Approach to Impact Assessment in the Welsh Government

February 2016

Reducing Complexity and Adding Value: A Strategic Approach to Impact Assessment in the Welsh Government

Dr Clive Grace O.B.E.

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For further information, please contact:

Dan Bristow (PPIW Lead)

Public Policy Institute for Wales

Tel : 029 2087 5345

Email : info@ppiw.org.uk

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Summary

- The Welsh Government's Permanent Secretary engaged with staff to identify ways to improve advice to Ministers and reduce the complexity of internal processes. Impact Assessment (IA) was an area where increasing complexity militated against effective policy advice. The First Minister asked the PPIW to support the Welsh Government in addressing this.
- IAs are a structured understanding of the consequences of governmental actions and interventions, applicable to all the principal governmental intervention instruments. The evidence shows that structural, cultural and contextual factors interact to create the IA 'system' that shapes both the complexity and the value that IAs contribute.
- Improving IAs requires a full understanding of the 'problem'. There is no silver bullet to fix it. The need is for a clear, strategic approach consisting of the following:
 - **Cabinet Statement of Purpose:** The Permanent Secretary to ask the First Minister and Cabinet to consider issuing a clear 'purpose' statement of IA in the Welsh Government;
 - **Well-being of Future Generations (Wales) Act:** The Well-being of Future Generations (Wales) Act 2015 to provide a key integrating framework for all assessments of impact;
 - **Steward:** Creation of the function of 'steward' of the overall IA process;
 - **Aligning the legal framework:** The Welsh Government and the National Assembly for Wales (NAfW) to align their approach to IAs, with other legal IA requirements kept under review where appropriate;
 - **Culture and judgement:** The IA process to emphasise the judgement and responsibility of officials, and a reliance on people rather than procedure;
 - **Process and procedure:** Terminology to be consolidated around 'IA', and a single IA front end template and screening process to be created, data and evidence resources to be identified, and a consolidated and searchable IA archive to be created;
 - **Design:** IA design principles to be developed and (re) promulgated; and
 - **Public bodies and other stakeholders:** They should be party to the changes and able to influence and share Welsh Government materials and guidance on IAs.
- These changes would enable a more integrated approach and reduce complexity, and officials should then be able to approach IAs with more confidence and clarity.

Introduction

The Permanent Secretary led a process of engagement with staff to identify ways of improving advice to Ministers and reducing complexity in the Welsh Government. As part of that, the range of processes of Impact Assessment was highlighted by many officials as being a problem, and action was then taken within a wider 'Reducing Complexity' Programme. A Working Group and internal review identified various aspects of the problem (effectively all of which have been broadly confirmed by this study), and pointed to ways to improve. As a result, some positive progress was made, but not sufficient to satisfy the need. The Welsh Government recognised that deeper and more intractable cultural and/or structural problems lay behind the 'surface' problem of complexity in the impact assessment process. The First Minister asked the PPIW to support the Welsh Government in addressing this.

The overall aim has been to advise the Welsh Government on steps to improve the impact assessment processes as a means of supporting better, simpler and more integrated policy making in Wales. It has attempted to:

- identify evidence of impact assessment activities within the Welsh Government which have been most / least effective and most / least burdensome;
- understand existing practice in other governments, including smaller countries;
- review existing integrated impact assessments/appraisal tools and to identify the characteristics of an improved model for supporting people to carry out high quality analysis and demonstrate that this has been done; and
- identify options to introduce an integrated approach aligned to the seven goals within the Well-being of Future Generations (Wales) Act 2015 and building in other existing impact assessment requirements.

Working with a Steering Group of officials, the approach and method deployed has been:

- Understanding and mapping the existing requirements and the typical processes associated with impact assessments through a mixture of documentary analysis, semi structured interviews with key identified individuals, workshops, and further iteration with the Steering Group, and generally assessing current practice in Welsh Government, including a 'user' test of Welsh Government intranet materials;
- Reviewing similar and alternative international and UK arrangements through both an academic and grey literature search, and also through engagement with practitioner and policy maker experts in other jurisdictions, and generating a thematic analysis and

also a comparative analysis across jurisdictions on key issues such as the Regulatory Impact Assessment (RIA)/IA relationship;

- Interviews/workshop totalling 91 individuals (47 internal to Welsh Government, 3 within National Assembly for Wales, 23 external to Welsh Government although within Wales, and 18 outside Wales);
- (Re-)analysis of the ‘problem’ of impact assessments including understanding the forces acting on and within the impact assessment ‘system’, contextualising the problem developmentally and redefining it in relation to added value and making better policy as well as reducing complexity, and analysis of potential dimensions of both ‘complexity’ and ‘integration’; and
- Developing lines of recommendation and credible alternatives and testing them through bi-lateral and multi-lateral exchanges with the client Steering Group and others with relevant experience, and crafting credible options for consideration.

The following report reviews the ‘landscape’ of impact assessment in the Welsh Government, and also catalogues its functions and its problems. It goes on to consider what insights might be garnered from other jurisdictions, albeit that ‘context is key’ and so lessons from other countries may only be applied with care and re-interpretation to the particulars of the development of the governance of Wales. In light of this, the ‘problem’ of impact assessment is re-analysed, and conclusions and recommendations drawn out.

Finally by way of introduction, it should be noted that whilst this is a report commissioned by the Welsh Government, in seeking to provide a comprehensive analysis it became important to take into account the role of the National Assembly and its requirements, because they are a key part of the landscape. The report therefore addresses these aspects also.

Impact Assessment in the Welsh Government

The role of impact assessment

The field of ‘impact assessment’ in public policy is very broad, and terminology is no sure guide to what an impact assessment is in practice. Its meaning in this context is:

- At heart, IAs are a structured understanding of the consequences (intended and unintended) of governmental actions and interventions which can be applied to legislation (primary and secondary), to significant policy developments, and also (potentially) to significant investments and budgetary decisions (Northern Ireland



Executive, 2007). They are conducted *ex ante* (and ideally early in the policy development/legislative/investment cycle) but potentially linked to *ex post* evaluation (Russel & Turnpenny, 2009; OECD, 2011; Smismans, 2015);

- They are generally associated with wider processes of evidence-based policy making, and of public consultation and stakeholder engagement, and they are variably integrated into other policy/legislative procedures such as policy clearance arrangements and Ministerial submission requirements (Her Majesty's Government, Department of Business, Innovation and Skills, 2015; Australian Government, 2015; Government of Canada, 2012b);
- They are underpinned by statutory or Ministerial or National Assembly for Wales (NAfW) requirements, and given effect through a designated procedure, and with/without associated screening, template, and tools, depending on the IA in question; and
- They are variably policed/enforced administratively within the civil service, and/or by potential legal intervention, and/or by external formal institutional actors, and/or by external stakeholders/publics.

It is important to note that, in a governmental context, the genesis of 'impact assessment' as a major policy making aid comes from two principal currents relating to 'mainstreaming' particular cross-cutting policies. On the one hand there is the often detailed and technical requirements associated with certain kinds of policy initiatives, and especially those with potential environmental consequences. On the other, there are initiatives aimed at tackling regulatory burden on private businesses, and usually styled as 'regulatory impact assessments', although RIAs in the Welsh Government have been only indirectly influenced by the 'reducing red tape' approach to regulatory reform.

The Functions of IAs in the Welsh Government

The Welsh Government distinguishes between RIAs and IAs:

- RIAs are completed for primary legislation (as a requirement of the Assembly's Standing Orders (SOs)) and secondary legislation (as a statutory requirement and pursuant to a Ministerial Code, and also as required by Assembly SOs) (National Assembly for Wales, 2015; National Assembly for Wales, 2009). They concentrate on the economic costs and benefits of proposals (which can include monetised environmental or social benefits);

- ‘IAs’ as a policy instrument include RIAs, but in Wales in practice they sit alongside RIAs to address a whole series of other policy areas, some of which themselves have a statutory underpinning (notably equalities, children’s rights, privacy, and environmental impact assessments) and others which are ‘only’ policy driven (including health, poverty, and rural proofing) but which should be part of the RIA backdrop for policy that is being delivered through legislation. (For examples see: Welsh Government, 2015a; Welsh Government, Fairer Futures Division, 2015a; Welsh Government, Information Security Branch, 2015a).

A list of what is considered to be the current array of IAs is at Annex 3. RIAs are effectively policed by the Legislative Programme and Governance Unit and the Chief Economist’s Office, and by the NafW. The other IAs are policed by a variety of actors/processes of varying strengths and locations, some of which (such as the various Commissioners¹) are ‘external’ to the Welsh Government *per se* (Welsh Government, Policy Support Unit, 2015d).

The potential opportunities and risks of IAs

The popularity of IAs as a policy instrument across all modern jurisdictions as an aid to evidence based policy making points clearly to their ubiquity in the policy process. There is an obvious and compelling counterfactual – no serious modern policy and legislative body would not undertake an ‘understanding of the likely consequences’ in developing policy or legislation. However, what is also clear is that IAs have multiple (and possibly sometimes conflicting) purposes, and that the benefits associated with them vary in character and scale and realisability from the perspective of the various stakeholders who have an interest in them (Dunlop et al., 2012; Rissi & Sager, 2013; Torriti, 2010; Davies, 2012).

On the positive side, IAs are a core instrument in policy making. They are powerful because they provide focus and can mobilise resource and attention, and because associated IA procedures create channels for action and for potential policing and enforcement mechanisms. They can also identify unintended effects or opportunities. They are potentially very flexible, supporting changes in and a focus on new priorities, and they have strong ‘mainstreaming’ and ‘horizontal’ effect in applying an area of policy priority across the range of governmental responsibilities (Northern Ireland Executive, 2013; Government of Canada, 2012; Government of Canada, 2014). They can bring an important element of democratic accountability and transparency to the policy making process by supporting ‘the public’ and

¹ The Commissioners of particular relevance here are those for Children, Equalities and Human Rights, Older People, Future Generations, and Welsh Language.

other key stakeholders in having their say on proposed policy, which is a critical function in a democratic society (European Commission, 2015; Northern Ireland Executive, 2007; O’Faircheallaigh, 2010). Further, even when they do not lead to changes in policy direction as such, IAs can have collateral benefit in building evidence and understanding on the part of politicians, officials and stakeholders or in the design of mitigating actions where adverse effects are identified. (Jacob et al., 2012; Bartlett, 2013).

On the negative side, however, IAs can too often perform the function of *ex post facto* justification and decision ‘retro-fit’, being weighted down with burdensome procedure and a distraction from officials’ ‘main’ purpose. (Russel & Turnpenny, 2009; Hertin et al., 2009) As officials strive to comply with statutory and non-statutory requirements, and ‘get them done and out of the way’ they can become merely a tick-box exercise, or, conversely, lengthy and obfuscatory (Jacob et al., 2008; European Court of Auditors, 2010). The success of IAs in having strong horizontal effect can encourage multiple and excessive policy demands from other policy entrepreneurs, and there is an ever present risk of IA proliferation. Whilst IAs ought in theory to create an effective platform against which to conduct *ex post* implementation evaluation, that connection is not often made effectively (Smismans, 2015; Jacob et al., 2008).

Problems and Issues with IAs in the Welsh Government

To understand existing practice in Wales, a series of interviews were conducted including with most of the IA ‘owners’, many IA authors, and various types of IA ‘consumers’ within the Welsh Government and amongst external stakeholders. There was no real doubt about the potential benefits of IAs, nor the possibility to realise some of those benefits. Indeed, a number of the IAs that are required reflect important moves forward by the Welsh Government on key policy areas, such as the incorporation of the rights of children and a stronger focus in relation to equalities. However, the interviews and the associated review of internal documentation surfaced a number of preliminary themes. As will be seen from the references in the text below, these reflect IA-related problems which have also been identified in other jurisdictions:

- Overall, IAs are not done as well as they could or should be, as officials recognised in initiating this review. There is evidence from authoritative observers that the quality of RIAs in particular is improving, but it remains variable and patchy. Sometimes they are spread too thin, and so themselves lose impact, and the sheer number of them itself can promote a compliance culture. Respondents in all categories identified few if any IAs which they regarded (albeit from their own perspectives) as adding real value based on evidence. This judgement is also reflected in the judgements of authoritative external observers, including the Auditor-General for Wales and some Commissioners;

- The current weaknesses in IAs include inappropriate timing (usually too late, but sometimes too early) (Jacob et al., 2008; European Court of Auditors, 2010); a ‘compliance’ approach which inhibits value-add (Rothstein & Downer, 2013; Davies, 2012); unclear or inadequate use of evidence (Jacob et al., 2012; Russel & Turnpenny, 2009); failure sufficiently to identify risks (Pope et al., 2013; National Audit Office, 2007; Hertin et al., 2009); and poor standards of presentation (Davies, 2012). They are not always done with the right focus e.g. at programme rather than project level. The current model is experienced as burdensome by those who have to do them;
- The IA landscape in the Welsh Government is undoubtedly very complex. For example there were 60+ IAs produced for the Public Health (Wales) Bill. There is also a comparatively large number of different IA topics. Wales has at least 18. No other jurisdiction is close to that, apart from Northern Ireland which has 14 (Welsh Government, Policy Support Unit, 2015d; Northern Ireland Executive, 2007);
- The current approach focuses mainly on the adverse impact of decisions, rather than on getting the best decisions through exploring benefits in an integrated way. It is not strategic in nature but something of a ‘free for all’ with home grown guidance and templates (see, for example, Welsh Government, 2015a; Welsh Government, Fairer Futures Division, 2015a; Welsh Government, Information Security Branch, 2015a). The various IAs tend to operate as strong silos with stakeholder support which nonetheless seek to exercise mainstreaming and horizontal effect. A number of issues are not covered (or not always), and there is continuing pressure to add new statutory requirements, including health, for example;
- The application of the various duties is often blurred and there are variations in approach which add to complexity (Pope et al., 2013; Morgan et al., 2012; Rothstien & Downer, 2013). It is a struggle for officials to pull the various threads together, even though some of the corporate resources, such as the intranet ‘front end’ address appropriate issues and provide constructive advice. There is some procedural/gateway consolidation through the intranet and some efforts to join up IAs, but a general absence of coordination across IA topic boundaries; and
- There is a perceived lack of high quality sources of data needed to conduct in depth assessment processes for IAs, particularly in certain areas such as economic impacts (European Court of Auditors, 2010; Russel & Turnpenny, 2009; Rothstein & Downer, 2013; Achtnicht, Rennings & Hertin, 2009; Carroll, 2010), and a perceived lack of capacity among practitioners in departments to conduct effectively some of the more ‘specialist’ IAs, especially those that require fundamental knowledge and

understanding of the field in order to make a meaningful assessment (Jacob et al., 2008; Jacob et al., 2011; Jacob et al., 2012; Hertin et al., 2009; Petak, 2015; Howlett et al., 2014; Howlett, 2009; Pope et al., 2013). Actual production of the IAs appears often to be delegated too far down to be done with the requisite level of skill, judgement and experience.

The elements in the policy making process which exacerbate IA complexity in the Welsh Government include:

- The sources of authority vary between the IAs, and their character varies considerably - some are universal, some are not; some are statutorily required, some are 'only' policy; some are treated as compliance matters by the owners as well as the producers; some have associated templates and screening processes, some do not; and some have dedicated or related quality and policing mechanism, some do not (Welsh Government, Policy Support Unit, 2015b; Welsh Government, Policy Support Unit, 2015c; Welsh Government, Policy Support Unit, 2015d). Overall they are not fully connected to the wider policy development process;
- There is a lack of clarity over who owns the overall process. There is no clear steward of the process, and the process is not clearly connected to any significant strategic and corporate approach to IA. It is essentially a decentralised and partially fragmented 'process' which lacks a clear and focussed 'authorising environment'. That is, it lacks a stated organisational framework and approach which guides officials in understanding what they should be trying to achieve in assessing the potential impact of the Government's proposals, and how they ought to go about it in order to give Ministers the best possible advice and the NAfW the best possible evidence to support scrutiny and the legislative process. In the current context, policy entrepreneurs and advocates flourish and (quite legitimately) pursue their particular policy priorities. This then 'invites' others to join in to try and add their own policy priorities to the IA environment. Potential new ones are always in the wings; and
- There are constant changes and developments in the IA landscape as policy priorities emerge and evolve, and as procedures and processes are elaborated, matured, and further developed, and as improvements are made. Training and support is largely in individual IA areas and lacks a central overview.

The above assessment echoes in all material respects to those made by officials themselves in grappling with the problem of how to tackle the complexity of IAs in the Welsh Government.

The task now is to try and go further in understanding some of the root causes, drawing on insights available from other jurisdictions.

Insights from Other Jurisdictions

Impact assessments are a near universal instrument for supporting public policy in all modern jurisdictions, and valuable insights can be drawn from what happens differently elsewhere, and what seems to work well – albeit that a fundamental lesson from the international literature is that ‘context is key’ (Pope et al., 2013; Jacob et al., 2008; Rissi & Sager, 2013; Hertin et al., 2009; Peci & Sobral, 2011; Rissi & Sager, 2013; Torriti, 2010). Why IAs take the form they do in any particular jurisdiction is a function of the many both typical and unique features jurisdictions exhibit, and their combinations. So ‘lessons’ need to be learned cautiously, on any basis, and they have to be focussed at the level at which learning can sensibly be transferred. The focus here is to learn how IAs function in other jurisdictions as part of a wider governmental process, and to see if there are lessons to draw on at that functional level.

This section reviews the functioning of IAs in Northern Ireland, Canada, the European Union, the State of Victoria, Scotland, and the UK. It is important to note that the terms ‘impact assessment’ and ‘regulatory impact assessment’ are not used consistently across jurisdictions and, in the account below, these terms are not a sure guide to the content or form of an IA or RIA.

Northern Ireland

IAs are regarded as key tools, forming an integral part of the policy cycle and effective policy making. IAs are not seen as particularly burdensome. They are situated within the Sustainable Development agenda of the Government (Northern Ireland Executive, 2013), but may not always be framed in that context. Public authorities have a statutory duty to promote sustainability in policy making and service delivery under the *Northern Ireland (Miscellaneous Provisions) Act 2005*.

Policy makers may be required to undertake a range of different IAs for proposals, in some cases to meet statutory obligations (such as Equality Assessments) (Northern Ireland Executive, 2007). Guidance on the policy making process is supplied by the *Northern Ireland Policy Toolkit*, a series of five workbooks that provide a practical overview of the key steps and phases in the policy development process. Workbook Four - *A Practical Guide to Impact Assessment* – contains step-by-step guidance, screening tools, and IA templates for every

kind of IA practitioners may be required to undertake in Northern Ireland. RIA is one form of IA, dealing with economic issues. However, in many cases the social and environmental dimensions will also be included as key factors for the development of policies (Northern Ireland Executive, 2014). RIA is one form of IA to be undertaken depending upon the policy proposal in question, and is included alongside the other kinds of IA in guidance documentation. The same basic methodology applies to all (Northern Ireland Executive, 2013; Northern Ireland Executive, 2007).

Canada

The use and methodological approaches to IA vary between the national (federal) and sub-national levels of government – e.g. Health Impact Assessment is not required federally, but is in Quebec and British Columbia (Mendell, 2011). The federal level has a highly structured, centrally directed approach to the development of regulation, in which RIA plays a crucial role. All federal government departments utilise a common approach, and the process is facilitated through clear guidance on the required procedures (Government of Canada, 2014). The President of the Treasury Board (a senior Cabinet post) has responsibility for implementing overall federal regulatory policy, as directed by the Prime Minister. A committee of Cabinet Ministers (the Treasury Board) reviews and considers all regulatory proposals requiring Governor-in-Council approval. A central directive – *The Cabinet Directive on Regulatory Management 2012* – outlines the obligations of departments in relation to RIA (Government of Canada, 2012). The overall objective is “to maximize net benefits of regulation for current and future generations of Canadians”. Departments undertaking RIA are supported by the Regulatory Affairs Sector of the Treasury Board Secretariat, which acts as a central facilitator, consultant, trainer, and gatekeeper (Government of Canada, 2015b).

RIA is embedded in an overall policy context of the streamlining of regulation and reducing the burden of red tape, reflected in the requirements of a ‘one for one’ rule and the application of a ‘small business lens’ (Government of Canada, 2007; Government of Canada 2012b; Government of Canada 2014). RIA processes are refined over time to achieve greater effectiveness and efficiency. This is thought to have reduced the burden of RIA and fostered cultural acceptance among practitioners – ‘this is just how we do it in Canada’.

EU - European Commission and Parliament

IA in the EU is framed by the need to develop legislation and policy to take into account the plethora of stakeholders it may impact on (Torriti, 2010), to contribute to evidence based policy



making and as a tool for political decision making. The European Commission (EC) uses an Integrated Impact Assessment that evaluates the potential economic, social, and environmental impacts in a single assessment, and which must be completed for most legislative proposals, as well as for non-legislative initiatives, and implementing and delegated acts expected to have significant impacts (European Commission, 2015a; European Commission, 2015b). IAs are an essential element of Better Regulation, and designed to mainstream sustainability to ensure that European Commission proposals meet policy goals and deliver maximum benefits to citizens, businesses, and workers, while avoiding unnecessary regulatory burdens. There is no consensus as to whether undertaking IA to account for the complicated institutional and political context of the EU actually increases efficiency, or if taking an increasing number of impacts into account makes EU IAs unduly complex.

The EC's Better Regulation Guidelines clearly outline the requirements for IA in EU policy development, and include explicit obligations for the process to be embedded in the policy cycle, to be proportionate, and to include stakeholder consultation (European Commission, 2015a). The Regulatory Scrutiny Board acts as a quality control gatekeeping body for IAs (European Commission, 2015c). The EC does not undertake separate RIA, EIA, HIA etc. processes for each initiative, but a single holistic analysis that can account for all impacts (at least in theory). The Principles of Better Regulation are incorporated into the whole of the policy making process (European Commission, 2015a; European Commission, 2015b). The European Parliament now has its own IA services to scrutinise EC IAs against established internal guidelines as well its own criteria, and (increasingly) to initiate and conduct their own IAs.

State of Victoria

In Victoria, Legislative Impact Assessments (LIAs) and Regulatory Impact Statements (RISs) are influenced by a deregulation agenda and an administrative/policy context in which the focus is on developing policies that produce the greatest net benefit (Australian Government, 2015). LIAs are for primary legislation and are confidential to Cabinet, and RISs are conducted separately. RISs in Victoria are used to determine whether the costs (very broadly conceived) of a policy intervention are at least offset by the benefits, with guidance on how to achieve this provided by the *Victorian Guide to Regulation*, which is signed off by the Cabinet (State Government of Victoria, 2014). Victoria has a mature system of IA which is both supported and policed by an independent Commissioner who is responsible for compliance but strives above all to add value. They have reviewed the effectiveness of the IA system and identified



significant avoided cost and improved public consultation. LIAs and RISs are far and away the most important, and there are no other significant IAs, but RISs in particular are very broad.

Scotland

IA operates in the context of a National Performance Framework and the very strong political consensus on the need for such a framework, if not all of its content. Scotland does have examples of requirements for impact assessments set externally to the Government. For example, Parliament requires evidence of impact in relation to legislation. Other IAs conducted include Equalities, Wave and Tidal Development, Children's Rights and Well-being, Privacy, and Environmental.

The service provided by the Better Regulation team in respect of Business and Regulatory Impact Assessments (BRIAs) changed in 2015. BRIAs need to be completed for policy changes and legislation which may have an impact on business or the third sector. They apply to primary or secondary legislation being introduced to the Scottish Parliament, as well as codes of practice or guidance, and are undertaken when considering traditional regulations as well as alternatives such as proposals which encourage self-regulation or opt-in regulation and voluntary guidance. This is seen as helping to ensure through consultation and engagement with business, that the costs and benefits are fully analysed and understood. Guidance is provided, along with the template and toolkit, to provide comprehensive advice on what is involved, the process and sources of further support and advice (Scottish Government, 2015).

Each Directorate is responsible for BRIA quality assurance and monitoring, with each policy area ensuring BRIAs are completed and the assessments are robust, consulting with economists and analytical colleagues and others as appropriate, before seeking Ministerial sign off. The Better Regulation team continues to be available for general advice.

As seen by the Head of Policy Profession in the Scottish Government, understanding impact is less about 'only' policy-making and more about the end to end journey, taking implementation into account, with a strong focus on outcomes and a responsibility on officials to attend to implementation and delivery as well as policy development. Whilst there is concern about the volume of work associated with IA, its value is not in question. A significant factor is that its value is reinforced by Ministers who want to know about the possible consequences of their proposed interventions, and who have an explicit reputational concern for their own and for wider governmental competence.



UK Government

In the strongly centralised UK system IA is a key instrument used to ensure policy makers adhere to the overall policy objective of reducing regulation as outlined in the *Principles of Regulation* – which has a mandatory core and ‘gateway’ delegations to Whitehall Departments (Her Majesty’s Government, 2015). RIAs have become just ‘IAs’, but they remain rooted in the Better Regulation and de-regulatory agenda. IAs are undertaken to determine the necessity of regulation, and present the likely costs and benefits and associated risks of a regulatory proposal. They apply to primary legislation, secondary legislation, and codes of practice and guidance, and are required, *inter alia*, for proposals that will impose additional costs or reduce existing costs on businesses or civil society organisations. Policy makers must also account for the Business Impact Target (BIT).

Clear guidance on the required procedures for IA is provided by the Better Regulation Executive (BRE) through documents such as *Impact Assessment Guidance – When to Do an Impact Assessment* and an associated single template (Her Majesty’s Government, 2011). The BRE works with departments to provide practical support to practitioners undertaking IA, drawing on the Better Regulation Framework Manual (2015). The Regulatory Policy Committee (RPC) – an independent, non-departmental public body – provides independent scrutiny of impact assessments supporting regulatory proposals and validates figures, measuring the impact of these proposals on business and civil society organisations, for the Government’s regulatory account. Independent scrutiny is seen as crucial to increasing the quality of IAs, testing the evidence base (for example against the BIT) and making the system credible for stakeholders. The RPC also supports IA practitioners by providing guidance on its application of the Government’s better regulation framework, in particular relating to the methodology for counting business impacts in the Government’s regulatory account. The regulatory IA process is also quality controlled by the Reducing Regulation Sub-Committee (RRC) which acts as a gatekeeper for IAs (Her Majesty’s Government, 2015; Her Majesty’s Government, 2011). IAs must be submitted to the RRC (alongside relevant RPC opinions on that IA) for approval as part of the Ministerial clearance process for new regulatory and deregulatory measures.

Overall

A number of other jurisdictions are defined by a clearer approach to IAs than Wales’ in relation to both process/procedure and substance. They have stronger ‘vertical’ arrangements and requirements than Wales. Thus, the UK, Canada and Victoria are all highly centralised and have a continued focus on the ‘regulatory burden’ agenda and adverse economic impact,



although Victoria has a wider approach to assessing scope than the UK. Northern Ireland has a sustainable development focus, and the European Union an integrated approach. Scotland's 'vertical' is organised around an outcome and national performance framework focus.

This does not mean that those developing policy or legislation do not have to also have regard to many other factors and issues, for example in the UK Government, possible statutory requirements affecting environmental proposals or State Aid. But those are left to Departments themselves to address. The effect of the IA arrangements is that officials and others are clearer about the purposes as well as the processes of IA. Complexity may not be eliminated, especially in intrinsically complex jurisdictions such as the EU, but is more manageable and, where it persists, has a clearer justification.

The 'Problem' of Impact Assessments

The 'problem' of IAs in the national governance of Wales has been fairly well documented internally, and in the initial appraisal above. But the review of other jurisdictions underlines that the character of IAs relates to deep forces and themes in the approaches of particular governments. The 'problem' of IAs in Wales needs to be re-assessed and re-stated against its own context and history by firstly setting out the IA 'system', and by understanding the many dimensions of 'complexity' it might exhibit and why such complexity has emerged in Wales. That will help focus on key aspects of the IA jigsaw, and how they might be brought into better alignment and integration.

The IA 'System'

In practice, the way that IAs are conducted and the degree of 'success' they enjoy is a function of multiple forces and choices (Pope et al., 2013; Jacob et al., 2008; Rissi & Sager, 2013)). Especially important is the 'authorising environment' which shows officials and others at a fairly high level why the government wants IAs undertaken, who should be doing them, how they should be conducted, and within what policy frame of reference. Other 'structural' aspects include the underlying nature of the legal (or otherwise) requirement and the intervention instrument being deployed, the political context, and the wider policy process, including the degree and character of Ministerial interest (Hertin et al., 2009; Devon County Council, 2013; Chanchitpricha et al., 2011). Features of the particular proposal itself also figure, such as the degree of sensitivity/controversy of the issue and the character and extent of public interest, any technical aspects, and the availability of data/evidence (O'Faircheallaigh, 2010; OECD, 2011). Process aspects include the leadership, capacity and capability of those entrusted with



the IA, the required procedures, the 'cultural attitude' of practitioners towards IA (whether seen as useful or as simply a 'hurdle'), and any quality control or quality assurance processes (Devon County Council, 2013; Howlett, 2014; Jacob et al., 2012).

Recasting the 'problem' of IAs in Wales

This brief description of the IA 'system' helps to locate the various dimensions of complexity which it may exhibit. Thus there may be complexity in the number of different IAs that may have to be completed, and in the authorising environment in terms of who needs to do IA and to what purpose. There may be complexity in what needs to be done and how, with uncertainties around whether and to what extent IAs have to be done, and variation in the level of detail required and the format of the templates and procedures to use. There is complexity in 'when', and at what stage in the policy/legislative cycle to do IA, and in the support mechanisms available. There is complexity in accountabilities, in who an IA is being done for and who ought to benefit, and this is often associated with the way in which the enforcement of some IAs has partially been 'outsourced', for example to Commissioners. There is also, as Williams [Commission on Public Service Governance and Delivery, 2014] pointed out, complexity in the multiple policy mechanisms used across the Welsh Government which do not interact coherently and effectively.

IA in the Welsh Government has all of these complexities, but a key question remains as to why it has become more complex. Context is a key determinant, and the complexity that has arisen in the Welsh Government is not happenstance. It is, rather, deeply rooted in the way in which government in Wales has developed since 1998, and is itself an unintended consequence of otherwise very positive developments in the national governance of Wales. Current IA complexity fundamentally arises from the pace and dynamic of a developing devolved Welsh governance, in which an 'activist' devolved government has successively acquired and exercised new powers. The Government has enjoyed increasing policy 'reach', and it has used IAs as an instrument to exercise that reach, driven in part by Ministerial policy enterprise and well organised stakeholder lobbies. In climbing towards policy goals, Ministers and stakeholders have sought to drive a succession of 'pitons' in the rock face to support progress and so that there would be no going back on key policy commitments.

The complexity of the current processes has its origin in the wide range of IA duties which have been created as a result, and their differences in terms of organisational reach, legislative competence, decision making procedures, standards, output, enforcement, and delivery. The duties have developed in a piecemeal way either through UK, Welsh or EU legislation, and/or policy, and this has been coupled with the sheer usefulness of the IA process to prioritise,



embed, and mainstream policy priorities for the benefit of Wales and its future generations. The current complexity is best understood as an unintended consequence of exercising policy and legislative power in Wales to add value and benefit. It reflects the changing and developing priorities and the developmental character of devolved government in Wales and the successive acquisitions of additional powers which it has actively exercised.

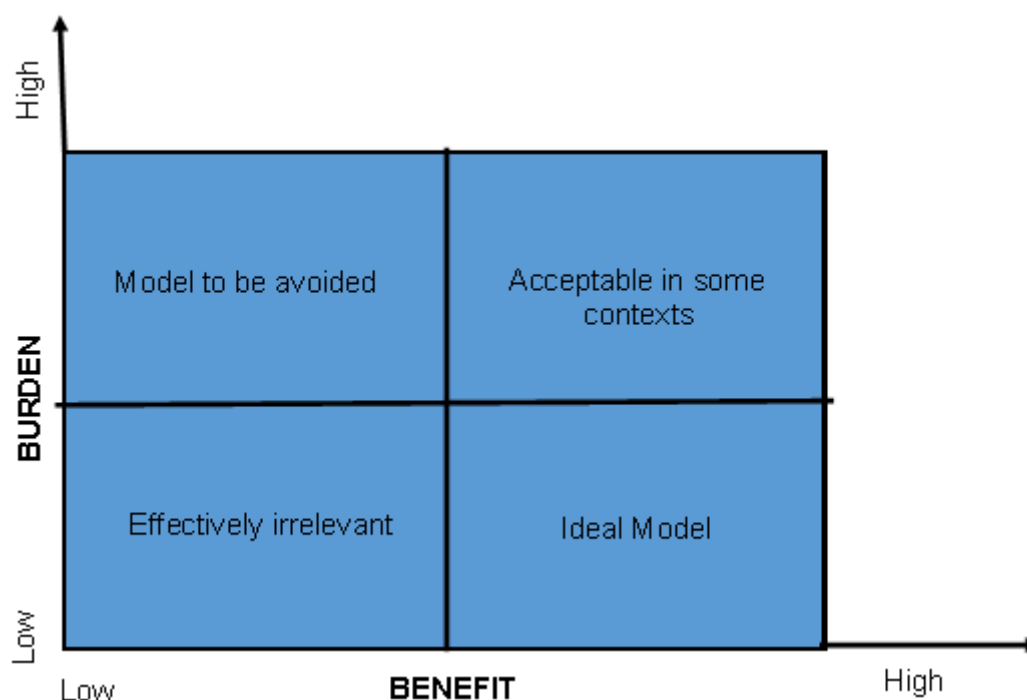
Implications for improving IA in Wales

The underlying problem behind the ‘surface’ problem of IA complexity is therefore structural as well as cultural and operational. There are lines of tension and a degree of fracture in the authorising environment for IA, and an absence of a strong and clear ‘vertical’ sense of purpose capable of marshalling and coordinating the powerful multiple horizontal IA ‘authorising’ forces which operate in and on the policy system. As a consequence, it is unlikely that the problem of IA will ‘naturally’ disappear over time, though it may well attenuate and the perceived burden will probably ultimately reduce with familiarity. The forces aiming to add additional IAs to the mix are likely to remain strong, and there is no current centrally stated strategic purpose to help counter those forces. So any improvement in value may not be significant or enduring. The current compliance culture encouraged by the complexity of the IA process and the lack of clarity in who owns the overall process is unlikely to change, and that complexity may also continue to inhibit the exercise of judgement.

The issue is how to get added value as well as reduce complexity in a small country government which needs to harness all its capabilities and capacities, and to have a coherent framework to guide the deployment of those resources.

Reducing complexity and adding value

Seeking to reduce complexity might suggest reducing the scope and number of IAs, but so doing may also risk sacrificing value. Complexity may not be undesirable in and of itself, but entirely appropriate and necessary in some cases because the character of the problems and the IA process necessarily entail that. There is a danger of conflating complexity with undesirability when the key issue is whether IAs add value and for whom, and at what administrative and other cost. Added value (‘benefit’) and complexity (‘burden’) are in fact variably related, as shown by the diagram below of their relationship.



The two (not necessarily incompatible) ways of improving IAs would be to increase their value in terms of good policy making, delivery, and outcome, or to reduce their associated burden. As the figure suggests, there will be some instances where IAs impose a large burden but be highly valued by the multiple potential beneficiaries of IAs (O’Faircheallaigh, 2010). However, this need not be the case, and adding value might actually depend on reducing complexity. In fact, it is probably the case that reducing complexity is positively related to adding value in many (although not all) circumstances. The reason is that excessive complexity of process undermines the motivation of those who need to do IA well, and excessive complexity of the product of IA undermines the clarity and communicability of the key messages which policy makers and publics need to hear and respond to.

Reducing complexity through integration

The Welsh Government has emphasised ‘integration’ rather than mere ‘simplification’ as a possible way forward in reducing complexity, on the grounds that without a more integrated approach there is a risk of adding further to complexity and administrative cost. However, there are many possible lines of integration of IAs:

- Integrating the terminology of ‘IA’ and ‘RIA’, which appears to be largely historical and to reflect more of an operational than a meaningful difference;
- Integrating the political and the administrative approach to IAs through a Cabinet level statement of purpose to be applied throughout the Welsh Government as a key authorising statement for all IAs;

- Making IAs a more integrated part of the policy making process;
- Integrating the multiple legal requirements for IAs. Such an approach might integrate the purposes for which IAs are conducted, possibly supported through an integrated 'risk' framework, although not all the current legal requirements could be integrated in a single framework because some are beyond the legislative competence of the Government and the NAFW; and,
- This could be associated with an integrated policy framework such as could be provided by the Well-being of Future Generations (Wales) Act 2015, and its 7 ambitious national goals and 5 ways of working as a framework for broad sustainable development.

There are also process and operational forms of integration to consider, including;

- Developing an integrated IA tool which brings together the requirements for all the various IAs which may have to be completed, and an integrated IA procedure, with oversight by a 'steward' of the overall IA process;
- Creating an integrated record/archive of IAs to enable tracking and quality control and learning, with associated accessible data sources and repositories; and
- Integrating ex ante IAs with ex post facto evaluation both to test empirically the accuracy of the IA predictions in relation to the chosen policy/legislative option, and as an aid to evaluation generally.

Key elements of the Welsh IA 'system'

In charting a way forward for a more integrated and less complex IA process it is useful to consider in turn some key aspects of the Welsh context. These are the various intervention 'instruments' at the disposal of the Welsh Government; the sources of legal and institutional authority for IAs; and the (potential) sources of substantive direction.

Instruments:

There are four principal intervention instruments available to the Welsh Government.

1. The first is legislation, both primary and secondary, and this stands at the pinnacle of the 'hierarchy' of intervention instruments, and is increasingly popular. RIAs are prepared for legislation, together with some of the available IAs, depending on the subject matter and other features of a given proposal (Welsh Government, Policy Support Unit, 2015d).

2. The second is major non-legislative policy, for which IAs are prepared, again contingent upon subject matter and character.
3. The third is major capital investments, for which a Five Case Model business case is used to support decision making. (The Five Case Model approach was developed in partnership between HMT and Welsh Government.) (Welsh Government, 2012a; Welsh Government 2012b; Welsh Government 2012c). This model and its application has an unclear relationship to IAs, although some efforts have been made to join up some IAs with the model.
4. Fourthly there are major budget decisions, both in budget setting and significant changes. These are of growing importance at a time of reduced expenditures and hard choices. Budget decisions have an unclear relationship to IAs although the Budget Advisory Group on Equalities provides advice and support to WG in embedding equality into its budgetary processes. This advice informed the Equality Impact Assessment (EIA), and now the Strategic Integrated Impact Assessment (Welsh Government, 2014b). There may be development work to do in creating a mechanism best suited to produce such a comprehensive document, but the fundamental link has already been made between budget decisions and IA.

Legal authority

In terms of the sources of legal authority, RIAs derive from SO 26 (6) of the NAFW for primary legislation, and from SO 27 and the Government of Wales Acts 1998 and 2006 for secondary legislation (National Assembly for Wales, 2015; National Assembly for Wales, 2009). An RIA for primary legislation is intended to provide

“the best estimates of: (a) the gross administrative, compliance and other costs to which the provisions of the Bill would give rise; (b) the timescales over which such costs would be expected to arise; and (c) on whom the costs would fall”.

In terms of understanding all aspects of the consequences of a legislative proposal this is not perfect, for it does not include benefits. Such RIAs often have ‘associated’ IAs to address wider policy aspects, but these have an unclear relationship with the RIA and with the Explanatory Memorandum which accompanies a Bill. The Government’s approach to IA and the NAFW requirement for IA are not well aligned with each other, although the Legislative Programme and Governance Unit and the Economic Advice Division headed by the Chief Economist actively try to achieve alignment by recommending that attention be given to benefits as well as costs, and by requiring ‘feeder’ IAs to support the overall RIA.

The requirement for RIAs for subordinate legislation is actually wider than for primary legislation and is founded in Section 76 (2)(a) of the Government of Wales Act 2006 which requires;

“an assessment as to the likely costs and benefits of complying with relevant Welsh subordinate legislation”

This is elaborated by a Ministerial Code approved by the Assembly in 2009 to be:

“a process to help the Welsh Ministers consider the impact of proposed regulation on the interests of individuals, groups, organisations etc.; a tool to enable Welsh Ministers to weigh the costs and benefits of all options available to them before implementing a policy; and a means of presenting for scrutiny the relevant evidence on the positive and negative effects of such interventions.” (National Assembly for Wales, 2009)

This is a potentially important and powerful statement, but in practice the Code appears to be little used other than as a threshold guide for whether an RIA is required for a piece of proposed secondary legislation. Recently, and in connection with consideration of the Public Health (Wales) Bill, the NAFW Finance Committee has made a series of recommendations as to the presentation of costs and benefits in RIAs and the need for the Welsh Government and the Auditor General for Wales (AGW) to work together to agree the best approach, and for the Welsh Government to develop a more consistent approach on RIAs for subordinate legislation in order to support better scrutiny (National Assembly for Wales, Finance Committee, 2015). The NAFW Constitutional and Legislative Affairs Committee has also recommended that the Government considers the information which is provided in Explanatory Memoranda, including financial information (2015),

As to IAs more generally, the sources and types of legal authority vary. For Children’s Rights IAs it is ultimately the ‘due regard’ statutory provisions in the 2011 Measure, translated through preparation of a statutory scheme into secondary legislation (National Assembly for Wales, 2011; Welsh Government, 2015b; Welsh Government, Fairer Futures Division, 2015b). For the Equalities IA, it is in secondary legislation made under the Equalities Act 2010 by virtue of regulations passed by the NAFW that are designed to ensure ‘better performance’ of the general public sector equality duty in the Act. For the Privacy IA it is the framework of data protection legislation and guidance issued by the Office of the Information Commissioner (Information Commissioner’s Office, 2014; Information Commissioner’s Office, 2012). For the Welsh Language IA, it is shortly to be the Welsh Language Standards enshrined in secondary legislation. For environmental matters the ultimate source is often European Regulations. For

older people there is not a specific Welsh Government requirement but one has been promoted for local government and takes its cue from equalities legislation, reinforced by the duties of the Older Peoples Commissioner.

Other potential IAs are in the wings. The Well Being of Future Generations (Wales) Act 2015 requires that public bodies 'must take account of' certain matters, including how the body's well-being objectives may impact upon each of the well-being goals, and how its well-being objectives impact upon each other or upon other public bodies' objectives. The Social Services and Well Being (Wales) Act 2014 contains provisions which could potentially also be translated into a new 'IA'. Placing Health IAs on a statutory footing has also received considerable stakeholder support but HIAs currently remain a matter of 'policy' only.

Institutional authority

The sources of institutional authority for IA overlaps with but is not coterminous with the sources of legal authority. They include the NAFW and the various Commissioners for Welsh Language, Children, Older People, Equalities and Human Rights, and Future Generations, but also individual Ministers, the Legislative Programme and Governance Unit and Chief Economist in relation to legislative RIAs, and various units within the Welsh Government which are focussed on particular areas of policy, and some external lobbies and stakeholder groups. It also includes the requirements placed on the Permanent Secretary as Accounting Officer such as those set out in 'Managing Public Money' (Her Majesty's Treasury, 2015a) which makes explicit reference to the evaluation of proposals in accordance with the Her Majesty's Treasury's Green Book (Her Majesty's Treasury, 2015b: 3.3.3). The Policy Support Unit has a role in the overall IA and policy process, but its non-strategic location and limited capacity limits that role. The Welsh Government at a strategic level appears not to exercise explicit institutional authority on the overall IA process, although it of course contributes to the fundamental underpinning institutional authority for all of the IAs.

Substantive direction

A substantive direction for assessing likely consequences and impacts is (or should be) a key part of any authorising environment for IA. In many jurisdictions the substantive direction is given by the 'better/reducing regulation' theme, with an external focus on avoiding/reducing administrative burden, especially in relation to 'red tape', improving the business environment, and effects on small business (Government of Canada, 2007; State Government of Victoria, 2014; Her Majesty's Government, 2015). Some jurisdictions have an overarching policy framework for example the Scottish Government's National Performance Framework. In

Wales there is not one although the Well-being of Future Generations (Wales) Act 2015 potentially provides an overarching framework, and work is in hand on an improved business planning system and re-shaping the Welsh Government's policy-making guidance in light of the Act.

Conclusions and Recommendations

This section makes a number of recommendations. They seek to build on the initial progress by the Welsh Government in tackling the IA problem. There is already in place a Legislation Handbook which is a model of clarity on IAs (Welsh Government, 2014c), even though it does not amount to a clear and definitive statement of the IA authorising environment. The Legislative Programme and Governance Unit and the Policy Support Unit are also making efforts to align the RIA and the IA process. Both the Poverty and Public Health Divisions have attempted to minimise complexity by aligning consideration of poverty and health impacts with existing policy mechanisms as a better alternative to creating new processes or statutory requirements, the former by embedding poverty considerations into other IAs, and the latter as part of the implementation of the Well-being of Future Generations (Wales) Act 2015. Both Equalities and Children's Rights IAs are changing for the better, and the field work done for this report identified mature and measured thinking by many of the IA process owners.

Given both this progress, and the significant underlying structural, cultural and operational causes, there is no silver bullet to fix the problem because the 'surface' issues reflect deeper causes of the problems in the IA 'system'. The need instead is to develop a clear, strategic direction of travel, which is given effect through a series of steps designed to both add value and reduce complexity. That should consist of the following elements, which are considered in turn below:

- **Cabinet Statement of Purpose:** The Permanent Secretary to ask the First Minister and Cabinet to consider issuing a clear 'purpose' statement of IA in the Welsh Government;
- **Well-being of Future Generations (Wales) Act:** The Well-being of Future Generations (Wales) Act 2015 to provide a key integrating framework for all assessments of impact;
- **Steward:** Creation of the function of 'steward' of the overall IA process;
- **Aligning the legal framework:** The Welsh Government and the NAFW to align their approach to IAs, with other legal IA requirements kept under review as appropriate;

- **Culture and judgement:** The IA process to emphasise the judgement and responsibility of officials, and a reliance on people rather than procedure;
- **Process and procedure:** Terminology to be consolidated around 'IA', and a single IA front end template and screening process to be created, and a consolidated and searchable IA archive to be created;
- **Design:** IA design principles to be developed and (re) promulgated; and
- **Public bodies and other stakeholders:** To be party to the changes and able to influence and share Welsh Government materials and guidance on IAs.

Cabinet Statement of Purpose of IA in the Welsh Government

An ideal framework would start with the articulation of a clear statement of what the Government wants in terms of assessing the potential consequences of its legislative, policy, investment and budget proposals. The Permanent Secretary should ask the First Minister and the Cabinet to consider issuing such a statement. It would set a strategic policy framework in terms of both process and substance as the context for assessing the impacts of all proposed major interventions in these fields. It would underpin the 'authorising environment' for IA, and confirm its function as fundamental to evidence based policy making and stakeholder engagement, the importance of joining up across policy boundaries and of linking policy to implementation, and the intended beneficiaries of the work. The IA process would aim to help:

- Cabinet understand the likely impact of their major proposed interventions;
- The NAFW to have best supporting evidence on matters brought before it for scrutiny in order to hold the Welsh Government to account, and to support the wider legislative process; and
- The public and key stakeholders to be informed, better able to contribute to policy development, and better able to hold Government to account.

The statement would be set in the strategic policy priorities of the Government as the context for and against which to assess impacts of proposed major interventions, and would contribute to an underlying strengthening of the strategic centre in relation to the policy development process. It would signal the style of approach wanted by the Government (e.g. proportionate, avoiding excessive proceduralism, bringing judgement to bear, etc.). It would consolidate terminology as 'Impact Assessments', and give recognition to the increasing importance of budget issues, and of legislation. It would generally prohibit further proliferation of additional IAs without explicit Cabinet approval on the Permanent Secretary's advice. Operationally it would note and endorse the 'steward' function, and give explicit recognition to the Permanent Secretary's responsibilities as Accounting Officer and in relation to HM Treasury's Green Book

and related requirements in delivering the IA process. Part of its aim would be to inform understanding of what is looked for at senior management level, thus helping to change the discourse around IAs so that they could improve the standards of policy and decision making.

Well-being of Future Generations (Wales) Act 2015

It may not be absolutely essential that the Cabinet relates the IA process to a substantive policy direction. It could simply set out the purposes, functions and process of IA. But setting a substantive direction through strategic policy priorities provides a much more powerful ‘vertical’ around which to marshal the IA process. The Well-being of Future Generations (Wales) Act 2015 is a strong candidate for such a function, with the 7 national objectives and 5 ways of working providing the integrating framework which is relevant to all four of the Government’s intervention instruments. Whilst the headline level would still be 7 lines of IA, they potentially have the virtue of relative stability over time. The explicit aim would be to promote policy coherence and a ‘whole society’ approach across multiple policy and delivery domains, and an approach to policy integration founded on evidence.

It will be easier to integrate some existing IAs than others into such an approach. The ‘policy’ IAs should be relatively straightforward. Those with separate sources of statutory authority and institutional enforcement will require more effort. The Welsh Government can integrate the way they do them, but not the requirements themselves, some of which are outside competence. Integrating how they are done will also need the co-operation of Commissioners. However, some can be brought within the framework, such as equalities and Welsh language, both of which mirror one of the national objectives in the Act, although the integration of neither is entirely straightforward. Others fit less comfortably. Medium term legal and related changes may be required to ensure fully effective integration.

This role for the Act is potentially very important for its own effectiveness, as well as the value and coherence it can offer the IA process, but there are potential pitfalls. For example, the Social Services and Well-being (Wales) Act 2014 may need special consideration in order to integrate it, and avoid it operating in parallel, although most of the aspects of wellbeing as defined in s2 of the Act can probably be nested within the goals of the Well-being of Future Generations (Wales) Act 2015. Explicit attention will also be needed to avoid a mis-alignment of time horizons. Whereas most IAs operate at a 3-5 year horizon, the Act looks beyond that. It will also be important that the underlying political and national consensus on the Act’s aims continues to grow and strengthen.

There is a risk of developing an over-elaborate framework which is too tightly internally connected and so may become resistant to subsequent development and change. But the use of the WFG Act in this way also leaves the door open to stronger integrated financial reporting, and a clearer accountability framework through the review role of the AGW. It will also be important to connect with emerging local authority and other initiatives in this area, and with the positive potential of an integrating framework at Welsh Government level for impact assessment throughout the public service. Local authorities and other stakeholders are likely to value non-prescriptive guidance and access to integrated procedures and tools developed by the Welsh Government in consultation with them.

The steward function

The underlying forces which tend to diversify and fragment the IA system in the absence of strong vertical orchestrating arrangements means that its oversight requires active agency in giving effect to a revised IA process, operating as part of a stronger strategic centre of Government. The precise organisational form of the 'steward' is less important than that the function is clearly established and effectively delivered under the authority of the Permanent Secretary to give effect in part to his Accounting Officer and Green Book 'duties', and his wider civil service responsibilities. The steward of the IA Cabinet statement, charged with giving effect to it through the IA and policy development process, would be an active 'agency' able to provide leadership in giving effect to the Cabinet statement, and in responding to proposed changes in the IA 'system' as a business process owner.

This function should be more than a 'champion'. Rather it should include responsibilities for doing, shaping, cajoling, telling, and encouraging more consistency, rather than simply cheerleading or celebrating. It will involve intervening in matters of culture as well as 'structure' through training, communications and developmental instruments to equip officials and the policy machine to be more effective in IA processes, aiming to promote evidence based and holistic/collaborative policy linked to delivery and implementation. Clarity will be needed as between this function and that of Head of Policy Profession.

There is a case for the steward function also to perform explicitly the functions of quality control and quality assurance in the IA process, either as an *ex ante* 'gateway' function and/or an *ex post* sampling and review function. However, this would best be considered in light of the operation of the revised IA system rather than now, although there should be early thought to whether and how quality control can be strengthened within the IA process as a whole.

Aligning the legal and institutional framework

The NAfW and Welsh Government have a common interest in having the best evidence base to inform major policy and legislative proposals, and in having common instruments applied to ensure that they get it. Ideally they should align their requirements and frameworks. This would mean discussions on what the NAfW needs in terms of evidence of likely impacts of a proposal to do their work effectively, and what the Welsh Government considers appropriate. Assuming agreement could be reached on the principles and procedures to be adopted, they could then be reflected in the proposed Cabinet statement and the NAfW could be asked to revise their SOs and if necessary the underlying legislative requirements in relation to subordinate legislation and member-led Bills. Primary and secondary legislation requirements should be aligned, even if they need not be identical. Any further proposed self-imposed duties of an IA character should be rigorously evaluated by the Welsh Government and the NAfW to assess the wider implications before they are translated (if at all) into additional requirements on themselves and other public bodies.

The other current legal requirements for IAs should be revisited over time as resources allow in order to bring them into a closer 'natural' alignment. Meanwhile the Cabinet statement would make clear the expectation that, within the limits of the law, specific IA requirements should be conducted within the spirit and process specified in the Cabinet statement.

As to other key actors, the various Commissioners also have an especially important role to play because of their institutional and legal authority in relation to IAs and the public duties they discharge, and the AGW will also have an important role in these proposed changes.

Culture, judgement and responsibility

The revised arrangements should emphasise responsibility and judgement on the part of officials in assessing the consequences of the potential interventions on which they are advising, and place reliance on people as much if not more than on procedures. They should recognise and address the need for further underlying cultural change, and encourage a shift away from compliance and towards adding value through the IA process. The cultural shift should be underpinned through a systematic training programme aimed at conveying the generic character of IA processes as well as the particulars of methods and tools, as part of raising the quality and skills of policy professionals more generally.

Process and procedure

The value of procedure, *inter alia*, is to prompt necessary discussion, challenge, and judgements about proportionality. There should be a single generic process at headline level to include screening and threshold arrangements designed to encourage the integration of IAs and not merely their assembly under a common title. The process should, in effect, be injected with the thrust of the Cabinet statement. It should include the consolidation of some ‘groups’ of IAs, including Commissioner-related IAs, all purely ‘policy’ IAs, and those that display an obvious synergy such as equalities and children’s rights. The revised approach should also be explicitly linked to the new Ministerial submission template and the wider policy development process. There should be a commitment to the more effective use of the available technology, including a single searchable archive for IAs and better and more accessible sources and repositories of relevant data, as well as to underpin their improved presentation and communication.

The Welsh Government should also consider whether the time is right to seek a Wales ‘annex’ to the HM Treasury Green Book setting out the ways in which the general principles set out in the Green Book should be applied in the context of the Welsh Government’s values and policy priorities, as exemplified by the Well-being of Future Generations (Wales) Act 2015.

The Welsh Government should make its IA templates and working materials publicly available, especially for use by other public bodies (no doubt ‘tweaked’ as necessary by them), supported by training materials for policy professionals. This should include publication of (re) formulated ‘design principles’ for IAs.

Design Principles

There is no ‘recipe’ for good IAs because so much of what makes them ‘good’ in any particular context is system-dependent. But it is important to articulate a set of design principles for good practice IAs, to be applied with judgement, to include:

- Beneficiaries - clarity of purpose of use for Ministers, NAW, and public consultation
- Intent – to understand an issue from a range of different perspectives, including how it affects different people in different circumstances
- Approach – firmly rooted in the principles set out in the Cabinet statement
- Timing - IAs are generally best done early but this is also a matter for judgement
- Proportionality – tailoring the amount of IA work done to the scale and character of the issue, and focusing on the aspects of greatest significance



- Tools - appropriate use of tools such as Integrated Reporting, Resource Based Accounting and Cost Benefit Analysis
- Data – drawing on both quantitative and qualitative evidence
- Screening – application of both threshold and topic screening to identify IA scope
- Risk - to be considered for the given proposal itself and for stakeholders
- Presentation – aspects of length, clarity, and ‘fit-for-purpose’ quality presentation
- Evaluation - link IA to subsequent *ex post facto* evaluation

Public bodies and other stakeholders

Wider stakeholders should be party to the revised IA process so they understand the reasoning, and are enabled to influence and share Welsh Government materials and guidance on IAs. The revised process should recognise their role in producing as well as in consuming IAs. The First Minister has emphasised the importance of “*careful evidence gathering and...good engagement and a shared understanding between Government and stakeholders as the basis of decision making and financial planning*” (Welsh Government 2014c, 6.3.3 p.58). Shared confidence in a transparent process is fundamental to that, even though there will not always be complete agreement on the conclusions. The aim should be a common understanding of the IA process across local government, health and Public Service Boards, and the use of common tools and analysis. Ideally, on matters of national reach and significance IA would be done ‘once’ and shared across the wider public service.

What would be different as a consequence?

If the above proposals are implemented there will be a reduction in complexity and enhanced integration in the following areas:

- Clearer and explicit purposes for IA across the range of Government’s intervention instruments within an integrated political/administrative approach, coupled with clear authority in direction and stewarding and with an ongoing declared goal to reduce complexity and emphasise the quality of understanding, evidence, and judgement;
- Integration of the IA process with the substantive direction of the Well-being of Future Generations (Wales) Act 2015, and with reach into the wider public service;



- Integration through the creation of a strong 'vertical' approach into which to consolidate some IAs and to marshal 'statutory' IAs, together with alignment of Government and NAfW requirements;
- A consolidated process and screening tool and template, common data sources, and a consolidated archive and examples;
- Integration between IA and *ex post facto* evaluation; and
- Avoidance of further proliferation and additional complexity.

The result should be that in 2 years' time, when an official is asked to lead a proposed intervention, they will find:

- A statement of process, philosophy and substance of the highest authority as to why they must assess the possible consequences of proposals, and to what end, linked to their own clear personal and professional responsibility;
- A process and procedure consolidated around the Well-being of Future Generations (Wales) Act 2015 and an archive to consult of previous examples;
- Clear links to the requirements of the NAfW and/or civil service requirements as appropriate;
- A set of design principles to apply across all IA tasks, supported by training to support their IA knowledge and skills as part of the wider policy development process; and
- A steward to turn to with responsibility for both the smooth operation and the continuous improvement of the IA process (though not the content of each IA).

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Annex 1: Note on Method

This has been an ‘expert analysis’ rather than a formal research study. It has observed the essential canons of academic research in the approach to and use of evidence, and in the selection of and approach to interviewees.

It has drawn on interview material with care. Many of those interviewed were ‘experts’ in their own right, either in relation to part of the field of practice of IA, or in some cases academic study of IA. Their accounts and views have been given considered and appropriate weight, especially on matters of current or historical fact. Wherever possible the views of interviewees have been triangulated and tested either against the views of relevant others, and/or against documentary material.



Annex 2: Interviewees

WELSH GOVERNMENT	
Name	Role
Rhodri Asby	Head of Climate Change and Natural Resources Policy Division
Sarah Austin*	Senior Policy Manager, Social Services and Integration Directorate
Karen Bathgate	Regulation and Inspection Senior Policy Manager, Health and Social Services Department
Piers Bisson	Deputy Director, Devolved Services Reform
Andrew Charles	Head of Sustainable Development
Huw Charles	Policy Officer, Curriculum Assessment
Charles Coombs	Head of Policy Support Unit
Ceri Davies	Senior Departmental Liaison Adviser
Andrew Dobbs	DPA and FOI Senior Case Advisor, Information Rights Unit
Carys Evans	Deputy Director Constitutional Affairs & Intergovernmental Relations, & Project Steering Group Chair
Gawain Evans	Director of Finance, Office of First Minister and Cabinet Office
Andrew Felton	Head of Justice Policy, Constitutional Affairs and Inter-Governmental Relations
Caren Fullerton	Chief Digital Officer
Bethan Griffiths	Head of the Welsh Language Improvement Programme
Lisa Griffiths	Eligibility, Assess and Care Planning Policy Manager
Elin Gwynedd	Head of Empowering Children and Young People
Kathryn Helliwell	Senior Research Officer, Welsh European Funding Office
Andrew Hobden	Economist, Welsh Treasury

WELSH GOVERNMENT	
Name	Role
Maureen Howell	Deputy Director, Tackling Poverty
Ruth Hussey	Chief Medical Officer
Kath Jenkins	Head of Information Security Branch
Matthew Jenkins	Head of Performance Management, Budget Effectiveness Branch
Phil Jenkins	Head of Equality Support Unit, Economy, Skills and Natural Resources Group
Amelia John	Deputy Director Fairer Futures and Project Steering Group Member
Sir Derek Jones	Permanent Secretary
Lillian Jones	Deputy Departmental Security Officer
Steve Lazell	Senior Policy Manager, Policy Support Unit
Alison Lott	Senior Manager, Crime and Justice Team
Jo Maddaford	Central Legislation Support Team Manager, Health and Social Services Department
Steve Marshall	Chief Social Research Officer, Knowledge and Analytical Services
Gez Martin	Programme Manager ESF, Peer Mentoring Project, Health and Social Services Department
Deralyn Mawdsely	Children's Rights Manager
Helen Minnice- Smith	Agriculture and Climate Change Policy Adviser
Victoria Minshall-Jones	Transport Legislation Team Leader
Isabel Mortimer	Equality Impact Assessment Reporting and Engagement Manager
Padraig McNamara	Regulation & Inspection Senior Policy Manager, Social Services
Jonathan Price	Chief Economist & Project Steering Group Member

WELSH GOVERNMENT	
Name	Role
Irfon Rees	Deputy Director, Public Health, and Project Steering Group Member
David Richards	Director of Governance & Project Steering Group Chair
David Rosser	Director of Innovation, EST Department
Carl Sargeant AM	Minister for Natural Resources
Andrew Slade	Director, Agriculture, Food and Marine, & Head of Policy Profession
John Spence	Legislative Governance & Improvement Manager
Lyn Summers	Head of Central Legislation Support Team, Health and Social Services Department
Chris Tudor- Smith	Senior Responsible Officer, Public Health Bill
Cathy Weatherup	Head of Health Inequalities and Legislation, Public Health Division
Bethan Webb	Deputy Director Welsh Language
Sharon West	Head of Equality Unit
TOTAL PEOPLE INTERVIEWED = 47	
<ul style="list-style-type: none"> Contributed materials and views, although not interviewed. N = 47 + 1 	

NATIONAL ASSEMBLY FOR WALES	
Name	Role
Sarah Beasley	Clerk to Communities, Equality and Local Government Committee, Policy and Legislation Committee Service
Martin Jennings	Research Team Leader, Research Service, National Assembly for Wales
Owain Roberts	Head of Table Office, National Assembly for Wales
TOTAL PEOPLE INTERVIEWED = 3	

EXTERNAL – WITHIN WALES	
Name	Role or Interest
Kate Bennett	National Director for Wales, Equality and Human Rights Commission
Dan Bristow	Deputy Director, Public Policy Institute for Wales
Daisy Cole	Director of Well Being and Empowerment, Older People's Commissioner for Wales Strategic Management Team
Tracey Cooper	Chief Executive, Public Health Wales
Peter Davies	Sustainable Development Commissioner
Rhian Davies	Chief Executive, Disability Wales
Heather Delonnette	Sustainable Futures Officer, Regeneration, Property and Commissioning, Powys County Council
Dr Eva Elliott	Director of the Wales Health Impact Assessment Support Unit, Cardiff Institute of Society, Health and Wellbeing
Liz Green	Principal Health Impact Assessment Development Officer, Public Health Wales
Liz Grieve	Strategic Planning Team Manager, Denbighshire County Council
Dr Simon Hoffman	Lead on independent evaluation of Children's Rights Impact Assessments, Swansea University
Professor Sally Holland	Children's Commissioner for Wales
Caroline Joll	Economist at Cardiff University, and Member of the Budget Advisory Group for Equality
Calvin Jones (Prof.)	Professor of Economics, Cardiff Business School, Cardiff University
Ruth Marks	Chief Executive, Wales Council for Voluntary Action
Steve Martin	Director, Public Policy Institute for Wales
Tim Peppin	Director of Regeneration and Sustainable Development, Welsh Local Government Association
Professor Stijn Smismans	Director, Centre for European Law and Governance, Cardiff University
Steve Thomas	Chief Executive, Welsh Local Government Association
Huw Vaughan-Thomas	Auditor General for Wales
Paula Walters	Director, NHS Centre for Equality and Human Rights
Iwan Williams	Lead for Communities, Local Government and Well Being, Older People's Commission
Elizabeth Woodcock	Research Officer, Bangor University
TOTAL PEOPLE INTERVIEWED = 23	



EXTERNAL – OUTSIDE WALES	
Name	Role or Interest
Pierre Bascou	Directeur D Soutien Direct, DG Agriculture and Rural Development, European Commission
Yves Plees	Coordinator for Institutional Relations, DG Agriculture and Rural Development, European Commission
Leo Maier	Head of Unit, DG Agriculture and Rural Development, European Commission
Claudio Collova	Policy Analyst, European Parliament Research Service, Ex-ante Impact Assessment Unit
Doug Band	Executive Director, Regulatory Affairs Sector, Treasury Board Secretariat of Canada, Ottawa, Canada
Rex Deighton-Smith	Director and Principal, Jaguar Consulting, Melbourne, Australia
Julian Farrel	Deputy Director and Head of Europe Team, Better Regulation Executive
Michael Gibbon	Chair, Regulatory Policy Committee
Kenneth Hogg	Director for Local Government and Communities, & Head of Policy Profession Scotland
Peter May	Permanent Secretary, Department of Regional Development, & Head of Policy Profession Northern Ireland
Phil McRea	Secretariat, Regulatory Policy Committee
Professor Anne Meuwese	Professor, Tilburg Law School, Tilburg University, Tilburg, Netherlands
Michael Ridley	Assistant Director, Better Regulation Executive
Dr Angus Morrison-Saunders	Associate Professor in Environmental Assessment Murdoch University, Perth, Australia
Vincent Ngan	Director, Cabinet Committee Operations, Treasury Board of Canada Secretariat, Ottawa, Canada
Professor Ciaran O'Fairchealligh	Professor, Griffith Business School, Griffiths University South East Queensland, Australia
Graham Turnock,	Chief Executive, Better Regulation Executive
Andrew Walker	Assistant Director Reviews, VCEC, State of Victoria
TOTAL PEOPLE INTERVIEWED = 18	

OVERALL TOTAL NUMBER OF PEOPLE INTERVIEWED = 91



Annex 3: The IA Landscape in the Welsh Government

The Table below is an internal Welsh Government document which brought together information (autumn 2015) about all the then current IAs.

THE FOLLOWING ASSESSMENTS OR CONSIDERATIONS ARE NEEDED FOR ANY POLICY OR LEGISLATION, TO MEET OUR STATUTORY OBLIGATIONS			
Issue	Nature of requirement	Screening?	Full?
Equality	Complete Part 1 of EIA to decide if a full assessment is needed	Yes	
Rights of children and young people	Complete an assessment, by working through 6 stages	Yes	Yes
Welsh Language	Complete an assessment, by working through 5 stages.	Yes	Yes
Biodiversity	Have regard to conservation of biodiversity. Consider the likely impact of your policy in biodiversity – positive, negative or neutral. If negative, mitigate. If neutral, seek opportunities to make it positive.	Yes	

WG HAS MADE POLICY COMMITMENTS TO CONSIDER AND/OR UNDERTAKE THE FOLLOWING ASSESSMENTS OR CONSIDERATIONS FOR ANY POLICY			
Issue	Nature of requirement	Screening?	Full?
Climate change	Consider the impact. Your policy should be carbon neutral or support reduction of carbon emissions in some way.	Yes	
Health impact	Complete the screening stage to decide if a full assessment (involving 4 more stages) is needed	Yes	
Poverty	Consider impact on poverty. (TO BE UPDATED)	Yes	
Rural proofing	Engage with stakeholders then complete screening tool, and detailed checklist if needed.	Yes	
Communities First	Consider whether there are distinctive issues	Yes	

Economic impact	As per Regulatory Impact Assessment (see below) in relation to business. Engage with business to gather evidence. Consider cumulative impact of policies if possible.		
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THE FOLLOWING ASSESSMENTS OR CHECKS ARE MANDATORY IN CERTAIN CASES, BUT ARE NOT NEEDED ALL THE TIME

Issue	Needed	Nature of requirement	Screening?	Full?
Strategic Environmental Impact Assessment	For certain plans and programmes	Answer the 3 questions on this page to establish whether duty applies. Compile and consult on an Environmental Statement if needed. Procedural and timing requirements apply.	Yes	
Environmental Impact Assessment	For policies affecting uncultivated land and semi-natural areas	Answer the 2 questions on this page . If answer to either is 'Yes', or if you are running a project that involves seeking planning permission, consult Environmental Impact Assessment Unit for advice.	Yes	
Habitat Regulations Assessment	For policies affecting certain sites	If policy will affect an SAC, cSAC, SPA, pSPA or Ramsar Sites ⁵ , complete a Strategic Environmental Assessment	Yes	
Regulatory Impact Assessment	Almost any legislation	Set out short- and long-term costs and benefits, and where they fall. Consider impact on small businesses if relevant. As part of this, apply competition filter, and make detailed competition assessment if needed.		
Justice Impact Assessment	Almost any legislation	Consider if your proposal may impact on the justice system, in any one of a number of ways. If it may, refer to guidance for further advice.		
Privacy	If proposals will involve personal data	Answer initial screening questions, and undertake full assessment if needed.		
State aid (not an impact assessment but needs to be checked)	If supporting an organisation	If organisation is engaging in economic activity, apply criteria to identify if support constitutes State Aid. If it does, State Aid		

		issues will need to be addressed. Discuss with State Aid Unit.		
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There has long been a requirement to consider Sustainable Development, but this is not an impact assessment as such. See also the categories and the list in the Legislation Handbook for a 3-way classification of WG IAs. Note also:

- The above tables may be technically accurate only in a narrow sense
- A number of others than those referred to as such are ‘statutory’ but do not apply to all Governmental acts or functions
- Certain of them are ‘statutory’ only in the sense that they are the instrument chosen to give effect to a statutory duty (e.g. ‘have regard’ to the UN Convention on the Rights of the Child via a statutory scheme in subordinate legislation)
- The list is arguably incomplete e.g. does not include ‘Business Impact Assessments’ (which are about Governmental rather than commercial ‘business’).



The Public Policy Institute for Wales

The Public Policy Institute for Wales improves policy making and delivery by commissioning and promoting the use of independent expert analysis and advice. The Institute is independent of government but works closely with policy makers to help develop fresh thinking about how to address strategic challenges and complex policy issues. It:

- Works directly with Welsh Ministers to identify the evidence they need;
- Signposts relevant research and commissions policy experts to provide additional analysis and advice where there are evidence gaps;
- Provides a strong link between What Works Centres and policy makers in Wales; and
- Leads a programme of research on What Works in Tackling Poverty.

For further information, please visit our website at www.ppiw.org.uk

Author Details

Dr Clive Grace O.B.E. advises and researches on public services and public policy in Wales, the UK, and internationally. He was supported in this assignment by Associates Sandra Harris and Liam Whittington.



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Mae cyfyngiadau ar y ddogfen hon



Mr Simon Thomas AM
Chair of the Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

20 June 2017

Annwyl Simon

Finance Committee Inquiry into the accuracy and reliability of financial estimates accompanying legislation

Qualifications Wales Written Evidence

1. Qualifications Wales was established as the regulator of non-degree qualifications in Wales through the Qualifications Wales Act (2015). We were established on 6 August 2015 and took on our regulatory powers on 21 September 2015.
2. We have, therefore, been operating for 22 months. Our 2015/16 Annual Accounts cover the first 8 months of operation and we are in the process of having our draft 2016/17 Annual Accounts audited. We are also required to produce a separate Annual Report for the period September to August, describing how we have delivered our functions and our first Annual Report was scrutinised by the Children, Young People and Education Committee in December 2016.
3. This evidence provides information about our establishment and our views on the reasons for any differences between Welsh Government's RIA and our actual costs. We also comment on our current stage of development and provide some context to the nature of our costs.

Operating Costs compared to the RIA estimates

4. It is very difficult to meaningfully compare the RIA to our 2015/16 Annual Accounts because these accounts do not cover a full year, and an extrapolation will not be appropriate as some of the set-up costs covered in the RIA had been paid by Welsh Government, while others fell to QW in full. The following table shows the comparison for the period 2016/17 (using the figures from our draft accounts). Although this gives a better indication it is important to note that we are still maturing as an organisation and expect to see on-going variation in some cost areas.

	RIA	QW 2016/17 draft Accounts	Difference
Total	£8,124,000	£7,146,609	£977,391
Staff	£3,912,318	£4,087,895	-£175,577
Premises	£748,000	£461,639	£286,361
IT	£442,305	£330,483	£111,822
Programme (Grants, Research and Comms)	£2,380,000	£1,844,275	£535,725
Other costs	£641,377	£422,317	£219,060

Establishment

5. The Regulatory Impact Assessment (RIA) costs were largely based on PricewaterhouseCoopers' advice – which was drawn from a database of benchmarking information gathered from the public and private sector. As decisions were taken relating to establishment, these figures were replaced with more accurate estimates wherever possible prior to RIA publication.
6. The RIA assumed that most staff employed within Welsh Government on similar work would transfer to Qualifications Wales. In reality, very few chose to make the move and the vast majority of staff needed to be recruited.
7. Due to the wish to establish the new organisation quickly, some work took place in parallel to the legislation being developed. The CEO was employed by Welsh Government in October 2014 so that he could be involved in the key decisions that needed to be taken prior to establishment. For example, to be operational by September 2015, decisions on the preferred premises and the staff structure had to be taken to enable premises to be fitted out and staff recruited (with appropriate exit provisions in place if legislation were delayed). This helped with the accuracy of some projected costs, but nevertheless firm costs were not fully available until after the RIA was published.

8. The following points are worth noting as they affect our past and future cost:
- The fully populated staff structure was agreed by the CEO after the RIA was published. Working within the overall budget, the new structure had a slightly higher staffing with some posts upgraded. For example, two additional senior posts at Associate Director level were put in place and around 10 regulatory posts were set at the next grade up. These decisions were partly compensated by reducing the number of more junior posts;
 - During 2015/16 we had some permanent posts which we chose not to recruit at the outset – preferring to secure staff resources to fulfil immediate priorities and then consider whether the staffing structure was appropriate before completing recruitment. This included a decision to delay the recruitment of our Research and Statistics team;
 - The decision to delay to recruit the research and statistics team until after establishment reduced 2015/16 staff costs and delayed research expenditure;
 - Staff costs will increase over the next three years above inflation as we have adopted the Welsh Government pay scales and, given that most staff were newly recruited to the organisation, we anticipate their progression through pay scale points within their pay band as the majority are not yet at the top scale point. We also expect to see increases in travel costs as we further increase our stakeholder engagement activities;
 - Premises were secured that were efficient to operate and an attractive lease was negotiated resulting in lower on-going costs than estimated in the RIA;
 - Welsh Language grants for vocational qualifications have historically not been taken up fully. We have worked with awarding bodies to develop new processes that have improved take-up and we anticipate this growing over time;
 - The IT set up is different to that envisaged in the RIA, some costs are higher others are lower, overall costs are set to remain below RIA estimate;
 - Although running costs are stabilising we anticipate our focus areas changing each year as we continue to develop our strategic goals, grant schemes, research areas and priorities. We are also likely to see a continued trend of one-off IT projects, although our approach to maintaining a small in-house development expertise will reduce our exposure to spikes in associated costs.

Medium Term Financial Position

9. Last year we agreed with Welsh Government to take a 4% reduction in our grant allocation, with an expectation that further cuts would not be sought and that budgets would be flat lined for future years.
10. In agreeing to this we identified and implemented areas for savings and carried out some medium-term cost projections. We anticipate that our full grant allocation will be required from this year onwards. Our projections are that staff costs will form a greater proportion of our total expenditure, representing around 78% of our total budget by 2019/20.

11. Building our internal staff expertise and strengthening our operational independence from the qualifications Regulator in England, Ofqual, continues to be part of our development.

Yours sincerely

A handwritten signature in black ink that reads "Ann Evans".

Ann Evans
Chair

A handwritten signature in blue ink that reads "Philip Blaker".

Philip Blaker
Chief Executive



Mr Simon Thomas AM
Chair of the Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

28 June 2017
(updated from 20 June 2017)

Annwyl Simon

Finance Committee Inquiry into the accuracy and reliability of financial estimates accompanying legislation

Qualifications Wales Written Evidence

1. Qualifications Wales was established as the regulator of non-degree qualifications in Wales through the Qualifications Wales Act (2015). We were established on 6 August 2015 and took on our regulatory powers on 21 September 2015.
2. We have, therefore, been operating for 22 months. Our 2015/16 Annual Accounts cover the first 8 months of operation and we are in the process of having our draft 2016/17 Annual Accounts audited. We are also required to produce a separate Annual Report for the period September to August, describing how we have delivered our functions and our first Annual Report was scrutinised by the Children, Young People and Education Committee in December 2016.
3. This evidence provides information about our establishment and our views on the reasons for any differences between Welsh Government's RIA and our actual costs. We also comment on our current stage of development and provide some context to the nature of our costs.

Operating Costs compared to the RIA estimates

4. It is very difficult to meaningfully compare the RIA to our 2015/16 Annual Accounts because these accounts do not cover a full year, and an extrapolation will not be appropriate as some of the set-up costs covered in the RIA had been paid by Welsh Government, while others fell to QW in full. The following table shows the comparison for the period 2016/17 (using the figures from our draft accounts). Although this gives a better indication it is important to note that we are still maturing as an organisation and expect to see on-going variation in some cost areas.

5.

	RIA	QW 2016/17 draft Accounts	Difference
Total	£8,124,000	£7,146,609	£977,391
Staff	£3,912,318	£4,087,895	-£175,577
Premises	£748,000	£461,639	£286,361
IT	£504,000	£330,483	£173,517
Programme (Grants, Research and Comms)	£2,380,000	£1,844,275	£535,725
Other costs	£579,682	£422,317	£157,365

Establishment

6. The Regulatory Impact Assessment (RIA) costs were largely based on PricewaterhouseCoopers' advice – which was drawn from a database of benchmarking information gathered from the public and private sector. As decisions were taken relating to establishment, these figures were replaced with more accurate estimates wherever possible prior to RIA publication.
7. The RIA assumed that most staff employed within Welsh Government on similar work would transfer to Qualifications Wales. In reality, very few chose to make the move and the vast majority of staff needed to be recruited.
8. Due to the wish to establish the new organisation quickly, some work took place in parallel to the legislation being developed. The CEO was employed by Welsh Government in October 2014 so that he could be involved in the key decisions that needed to be taken prior to establishment. For example, to be operational by September 2015, decisions on the preferred premises and the staff structure had to be taken to enable premises to be fitted out and staff recruited (with appropriate exit provisions in place if legislation were delayed). This helped with the accuracy of some projected costs, but nevertheless firm costs were not fully available until after the RIA was published.

9. The following points are worth noting as they affect our past and future cost:
- The fully populated staff structure was agreed by the CEO after the RIA was published. Working within the overall budget, the new structure had a slightly higher staffing with some posts upgraded. For example, two additional senior posts at Associate Director level were put in place and around 10 regulatory posts were set at the next grade up. These decisions were partly compensated by reducing the number of more junior posts;
 - During 2015/16 we had some permanent posts which we chose not to recruit at the outset – preferring to secure staff resources to fulfil immediate priorities and then consider whether the staffing structure was appropriate before completing recruitment. This included a decision to delay the recruitment of our Research and Statistics team;
 - The decision to delay to recruit the research and statistics team until after establishment reduced 2015/16 staff costs and delayed research expenditure;
 - Staff costs will increase over the next three years above inflation as we have adopted the Welsh Government pay scales and, given that most staff were newly recruited to the organisation, we anticipate their progression through pay scale points within their pay band as the majority are not yet at the top scale point. We also expect to see increases in travel costs as we further increase our stakeholder engagement activities;
 - Premises were secured that were efficient to operate and an attractive lease was negotiated resulting in lower on-going costs than estimated in the RIA;
 - Welsh Language grants for vocational qualifications have historically not been taken up fully. We have worked with awarding bodies to develop new processes that have improved take-up and we anticipate this growing over time;
 - The IT set up is different to that envisaged in the RIA, some costs are higher others are lower, overall costs are set to remain below RIA estimate;
 - Although running costs are stabilising we anticipate our focus areas changing each year as we continue to develop our strategic goals, grant schemes, research areas and priorities. We are also likely to see a continued trend of one-off IT projects, although our approach to maintaining a small in-house development expertise will reduce our exposure to spikes in associated costs.

Medium Term Financial Position

10. Last year we agreed with Welsh Government to take a 4% reduction in our grant allocation, with an expectation that further cuts would not be sought and that budgets would be flat lined for future years.
11. In agreeing to this we identified and implemented areas for savings and carried out some medium-term cost projections. We anticipate that our full grant allocation will be required from this year onwards. Our projections are that staff costs will form a greater proportion of our total expenditure, representing around 78% of our total budget by 2019/20.

12. Building our internal staff expertise and strengthening our operational independence from the qualifications Regulator in England, Ofqual, continues to be part of our development.

Yours sincerely

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Ann Evans
Chair

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Philip Blaker
Chief Executive

Mae cyfyngiadau ar y ddogfen hon

Eitem 8

Welsh Government Finance Committee

Rent Smart Wales Written Evidence

Scope of the inquiry and input from Rent Smart Wales:

The purpose of the inquiry is to gather evidence on how the current Regulatory Impact Assessment process works, including the consistency and reliability of the information provided, and whether there might be any desirable improvements.

Cardiff Council has been designated as the Single Licensing Authority for delivery of Part1 of the Housing (Wales) Act 2014. The response provided below is limited to the experience and knowledge of delivering Rent Smart Wales during the set up and implementation phase to date.

This evidence considers the information outlined for Option 3 in the Explanatory Memorandum.- **Legislation to make the registration and licensing of all landlords and agents mandatory**

Assumptions relied upon By Welsh Government and RSW comments are set out below:

Assumption	Commentary
WG assumed that the costs would be recovered from fees; albeit a commitment was made to support the initial set up.	Set up funding was provided. Self funding model is now in place, No funding commitment from WG for 2017/18
WG anticipated that significant part of the marketing campaign could rely upon earned and owned communication channels.	This has been the case. In addition, we have used lower cost “paid for” advertising such as social media, google adverts, radio and bus advertising. Much of the successful advertising has been through agents / landlord forums and local authorities.
All landlords, responsible persons and agents will be required to register and where applicable obtain a licence.	Now know that only landlords are required to register
Landlord population estimated between 70,000 – 130,000 and Private Rented Sector 185,000	A main objective of the legislation is to better understand the sector to allow strategic planning. Very limited information was available at the time. 2011 census data was being relied upon. WG dwelling stock estimates currently estimate that there are 202,000 private rented homes (not all will fall under the remit of the legislation). Our current data indicates that the average number of properties / landlord is 2. This is higher than initially anticipated.

Registration fees anticipated to be £50 and £10 / property	A financial model was later developed by Cardiff Council which set fees based on the estimated costs of processing, compliance and enforcement. A copy of the Fees Policy is attached. This distinguishes between the fees applied to an online application (£33.50) and paper based application (£80.50). The model and fee structure takes account of the Supreme Court judgement in the Hemmings v Westminster case; not available until 2015.
Time taken for landlords to apply for registration. (10 minutes)	If the applicant does not experience difficulties in understanding the requirements, 10 -15 minutes is correct for the Registration process. However, the time involved in submitting a licence application is more significant, particularly for Agent applications. The risk assessment could have also commented on the time involved in attending / undertaking training.
30,000 landlords will register but not become licensed, preferring to appoint an agent instead.	Our figures show that of the 161,564 registered properties 46,738 are being managed by letting and managing agents. However, some landlords appoint an agent and also apply for their own licence.
1000 letting & managing agents offices and branches	1083 is the number of unique offices currently part of a Commercial Licence application. This represents 707 unique agents.
The number of criminal cases is likely to be small with impact on the Courts	Enforcement activity up to 20.06.17: <ul style="list-style-type: none"> • 41 FPNs Served (£150–£250 fines) • 1 successful prosecution • 6 Prosecution cases being prepared
The costs to local authorities of enforcing will be met from the revenue generated from registration fees	Agreed up to the point when an offence is established, following which the fees from FPNs or Court costs are intended to cover the costs incurred. Often courts do not make the full award for costs.

Figures provided up to end of May 2017, unless indicated otherwise.

Comparisons of cost and fee estimates with Actual

Cost Description	Commentary	Amount	Actual
Regulation of landlords and agents	Assumed that this is directly related to the set up and delivery of the new legislation. However, LAs have made the case that having the new powers have an indirect impact on the legislation already on statute, due to the consequential impact of marketing of the new scheme.	£500,000	Additional amount awarded to LAs. 2014/15: £300,000 2015/16: £500,000 2016/17: £275,000
Data base development (Cost to WG)	The database is still in the development phase with further enhancements outstanding and invoices still to be received.	£500,000	£102,910
Marketing and Communications (Cost to WG)	Campaign delivered by WG up to March 2017	£80,000 over 3 years	WG to provide
Additional staff requirement to LAs (Cost to LA)	The final delivery model opted for the designation of a single licensing authority. However, local authorities incurred additional costs during the preparation phase for marketing and promotion and dealing with additional demand on their services; this is referenced above.	£250,000 (funded by income after year1)	RSW set up grant funding from WG: £526,300 (including database)
Costs incurred to landlord / sector of applying for a licence.	A copy of the Fees Policy is attached. This makes a distinction between: <ul style="list-style-type: none"> • Online and paper applications • Landlords and agents and • Whether agents are part of a professional body or not. 	£100 / landlord or £13 million for the sector. (or 10 million when those who appoint agents are excluded)	See table below
Costs to letting and managing agents per office / branch	The fees are applied to each business based on the portfolio size, not the number of offices / branches. Worth noting that: <ul style="list-style-type: none"> • there is a cost involved in training “connected 	£250 for a Licence / registration. £100 to become a member of a professional	A copy of the Fees Policy is attached.

	<p>persons” to an application for a licence.</p> <ul style="list-style-type: none"> Cost of providing the safeguards required to comply with licence conditions i.e. client money protection, professional indemnity insurance and member of a redress scheme can be secured without becoming part of a professional body. 	body. Total: £350	
Residential Property Tribunal costs	<p>Appeals to date</p> <p>2 Landlord licence applications refused.</p> <p>3 appeals against licence conditions later withdrawn by the appellant.</p>		

Summary of Activity Levels and Income received up to 30th March 2017

Activity description	Activity level	Income 2015.16	Income 2016.17
Registration	74,188	272,787	2,319,775
Licences submitted	21,871	180,673	5,232,317
Training with RSW (classroom and online)	25,870	143,130	1,187,815
Calls managed	99,380	-	-

Other considerations:

1. The limited information available about the private rented sector and the unique nature of the scheme being proposed in Wales.
2. The exact nature and extent of the scheme changed during the development stages of the legislation e.g. moved to a single licensing authority model and the licensing regime became more formalised (this differed from the model in place under the voluntary accreditation scheme)
3. The legislation took effect from 23rd November 2015, however enforcement powers were not enacted until 23rd November 2016. This significantly impacted the compliance profile for year 1 and 2 of the scheme.

Bethan Jones
Operational Manager
Rent Smart Wales

20.06.17

Mae cyfyngiadau ar y ddogfen hon

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