

Mr Adrian Crompton

Clerk to the Audit Committee

National Assembly for Wales

Cardiff Bay

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15 October 2003

## **AUDIT COMMITTEE REPORT ON 'CONTINUING THE REGENERATION OF CARDIFF BAY'**

Your letter of 18 September requests the Auditor General's advice on the Welsh Assembly Government's response to the recommendations made by the Audit Committee in its report, *Continuing the Regeneration of Cardiff Bay*.

The Welsh Assembly Government welcomed the Audit Committee's report and has responded positively to the eight specific recommendations made by the Committee. It has agreed fully with seven of the recommendations, including Recommendation (i) on the Auditor General's access rights. These will be enhanced if the planned Public Audit (Wales) Bill becomes law. The Government also accepts the need for rapid completion of the outstanding audits of the Harbour Authority's expenditure, and for a full evaluation of the public investment in Cardiff Bay – including its wider impact on Wales. Overall, the main administrative weaknesses have been put right and the Assembly Government accepts the principles which underlie the related recommendations.

The Government's response is more reticent on Recommendation (v). This urges the Assembly Government to use its best endeavours to ensure that all regeneration activity is undertaken in the context of an agreed strategy for the Cardiff Bay area with clear targets and priorities. The response emphasises that a policy decision was made to transfer strategic responsibility for the development of Cardiff Bay to the relevant local authorities (Cardiff and Vale of Glamorgan); in other words to end the area's special status and to treat it in the same way as other parts of Wales. It is for the local authorities rather than the Assembly Government to lead on the development of strategy and to decide the degree to which it is agreed with other bodies. Nevertheless, the response remains positive in tone and commits the Assembly Government to working closely with the successor bodies to monitor developments. The forthcoming evaluation of the progress in regenerating Cardiff Bay should also indicate whether the co-ordination of strategy has been a problem since the winding-up of the Cardiff Bay Development Corporation. In this context, we do not think it is necessary to take any further action in relation to this

recommendation, and are content with the Government's response.

I hope that you find this response helpful.

**JAMES VERITY**

**Acting Private Secretary to the Auditor General for Wales**