

Y Pwyllgor Cyllid

Meeting Venue:
Ystafell Bwyllgora 2 – y Senedd

Meeting date:
Dydd Mercher, 7 Tachwedd 2012

Meeting time:
09:30

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Agenda

Cyfarfod briffio preifat (09.30 – 10.00)

1. Cyflwyniad, ymddiheuriadau a dirprwyon (10:00 – 10:05)

2. Buddsoddi i Arbed – Tystiolaeth gan Lywodraeth Cymru (10:00 – 11:00) (Tudalennau 1 – 7)

FIN(4) 16–12 – Papur 1 – Llywodraeth Cymru

Jane Hutt, y Gweinidog dros Gyllid ac Arweinydd y Tŷ
Richard Clarke, Pennaeth y Uned Buddsoddi i Arbed
Jeff Andrews, Cyngorydd Arbennig

3. Papurau i'w nodi (Tudalennau 8 – 11)

FIN(4) 19–12 – Papur 2 – Goblygiadau ariannol y Bil Safleoedd Rheoleiddiedig Cartrefi Symudol

4. Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y canlynol:

Eitemau 5 a 6.

5. Buddsoddi i Arbed – Trafod y dystiolaeth (11:00 – 11:15)

**6. Effeithiolrwydd Cyllid Strwythurol Ewropeaidd yng Nghymru
(11:15 – 12:00) (Tudalennau 12 – 96)**

Y Pwyllgor Cyllid

FIN(4) 19-12 – Papur 1

Buddsoddi i Arbed

Papur Tystiolaeth a ddarparwyd gan Jane Hutt, y Gweinidog Cyllid ac Arweinydd y Tŷ (Hydref 2012)

C1. Pa effaith a gaiff y gronfa Buddsoddi i Arbed, a yw'n cyflawni ei dibenion, i “helpu sefydliadau sy'n darparu gwasanaethau cyhoeddus, trwy sicrhau bod y gwaith o newid eu ffordd o ddarparu gwasanaethau yn mynd rhagddo mewn modd effeithlon, effeithiol a chynaliadwy”?

Mae'r gronfa Buddsoddi i Arbed yn gwneud cyfraniad gwerthfawr trwy helpu darparwyr gwasanaethau cyhoeddus i ddatblygu a chynnal gwasanaethau sy'n canolbwyntio ar y dinesydd ac sydd o ansawdd da, yn effeithiol ac yn effeithlon. Drwy'r Gronfa rydym wedi cefnogi 59 o brosiectau gwella gwasanaethau cyhoeddus ac wedi buddsoddi £65 miliwn o arian ad-daladwy. Rhagwelir buddion a gwelliannau sylweddol i wasanaethau cyhoeddus, gan gynnwys sicrhau arbedion ariannol, o'r buddsoddiadau hyn.

Rwyf wedi alinio'r Gronfa gyda rhaglen Llywodraeth Cymru i wella'r gwasanaethau cyhoeddus ac yn benodol gyda'r mentrau allweddol sy'n cael eu hyrwyddo gan ffrydiau gwaith Grŵp Arwain y Gwasanaeth Cyhoeddus. Mae hyn wedi arwain at fuddsoddi mewn mentrau sy'n gysylltiedig â chaffael, asedau'r sector cyhoeddus a phobl agored i niwed.

Mae enghreifftiau o brosiectau a gefnogir gan y Gronfa yn cynnwys: Uned Cymorth Rhagnodi Dadansoddol GIG Cymru sydd, trwy ddadansoddi data presgripsiynu, wedi hyrwyddo presgripsiynu diogel, clinigol effeithiol a chost-effeithiol ledled Cymru. Mae'r prosiect eisoes wedi rhoi gwybod am arbedion o £5.8 miliwn; a phrosiect Gorsaf Wybodaeth Casnewydd yn Un sy'n darparu amrywiaeth o wasanaethau hygrych mewn un man a gynlluniwyd o gwmpas y gymuned leol. Mae arbedion maint ac arbedion ariannol yn cael eu sicrhau

trwy ddwyn darparwyr gwasanaethau cyhoeddus ynghyd i rannu adnoddau, cyfarpar a lle swyddfa a thrwy ryddhau asedau dros ben.

C2. I ba raddau y manteisiwyd ar y gronfa?

Manteisiwyd yn llawn ar y Gronfa ers ei hail flwyddyn, a hynny gan y GIG, llywodraeth leol a sefydliadau gwasanaeth cyhoeddus eraill o bob cwr o Gymru. Cyhoeddais fanylion buddiolwyr y Gronfa pan osodais y Gyllideb Ddrafft ar 2 Hydref yn yr adroddiad *Buddsoddi i Arbed 3*, yr wyf yn ei amgáu yn atodiad 1.

C3. Pa wersi a ddysgwyd, ac a oes modd i enghreifftiau o arfer da gael eu rhannu a'u hymestyn yn ehangach drwy'r sector cyhoeddus?

Mae'r Gronfa'n mynd ati i ledaenu'r gwersi a ddysgwyd a'r arferion da sy'n deillio o'r prosiectau. Yn fy natganiad i Gynulliad Cenedlaethol Cymru ym mis Mehefin am Fuddsoddi i Arbed, soniais am bwysigrwydd dysgu o'r prosiectau sy'n bodoli eisoes a'r angen i gasglu, rhaedru a hyrwyddo gwybodaeth. Mae'r gwasanaeth cyhoeddus ehangach yn awr yn elwa ar brofiadau a gwersi'r rheini sydd wedi datblygu prosiectau gwella.

Mae buddiolwyr y Gronfa Buddsoddi i Arbed yn casglu'r gwersi a ddysgwyd ac yn eu rhannu ar draws y sector cyhoeddus. Bu cynnydd gwirioneddol yn y maes hwn ac mae llawer o'r prosiectau mwy datblygedig eisoes wedi darparu astudiaethau achos byr, yr wyf wedi'u cyhoeddi mewn cyfres o adroddiadau Buddsoddi i Arbed.

Trwy gyhoeddi'r fath adroddiadau, rwy'n codi'r ymwybyddiaeth gyffredinol o'r gwahanol fentrau sy'n cael eu cynorthwyo gan y Gronfa Buddsoddi i Arbed, ac yn annog y rheini sy'n ymwneud â chyflenwi gwasanaethau cyhoeddus i gael gwybod mwy am fentrau penodol sy'n berthnasol ac y byddai o bosibl yn ddefnyddiol eu hefelychu yn y meysydd cyflenwi gwasanaethau maent yn gyfrifol amdanynt.

Un o'r gwersi cynnar a ddysgwyd o'r dull Buddsoddi i Arbed yw y gellir yn realistig ddarparu cyllid grant fel arian ad-daladwy i helpu i gyflenwi prosiectau gwella gwasanaethau cyhoeddus. Wedi mabwysiadu'r dull newydd hwn gallwn gynnal cronfa gynaliadwy er mwyn parhau i fuddsoddi mewn gwelliannau i wasanaethau cyhoeddus.

C4. Pa arbedion a wnaethpwyd o ganlyniad i ddyfarnu rhoddion o'r gronfa?

Bydd gennym ddarlun cliriach o hyn wrth i brosiectau a gefnogir symud o'r cam gweithredu i'r cam cyflawni, ond mae'r arwyddion cynnar yn galonogol iawn. Mae'r prosiectau'n dweud eu bod yn gwneud cynnydd da tuag at gyflenwi'r buddion a ragwelwyd, ac mae'r holl brosiectau a gefnogir wedi ad-dalu'r symiau gofynnol o'r buddsoddiadau Buddsoddi i Arbed yn unol â'u hamserlenni cytunedig, sef cyfanswm o fwy na £9 miliwn hyd yma. Am y flwyddyn ariannol hon a'r nesaf rydym ar y trywydd iawn i gael £25 miliwn arall.

C5. A oes unrhyw rwystrau i fanteisio ar y gronfa, h.y. a oes unrhyw elfennau o broses y gronfa Buddsoddi i Arbed sy'n ei gwneud yn anodd i gymryd rhan yn y cynllun?

Mae fy swyddogion yn adolygu prosesau'r Gronfa'n gyson er mwyn sicrhau eu bod yn briodol, yn glir ac yn cael eu deall. Ein nod yw sicrhau bod buddsoddiadau mor hygyrch ag sy'n bosibl i brosiectau gwella gwasanaethau cyhoeddus sy'n bodloni meini prawf y Gronfa (gweler atodiad 2).

Jane Hutt
Y Gweinidog Cyllid ac Arweinydd y Tŷ
31 Hydref 2012

Invest-to-Save Fund – aim, eligibility and assessment criteria

1. Introduction

1.1 The aim of the Invest-to-Save Fund (the Fund) is to support the delivery of public sector improvement projects that will result in significant cash-releasing efficiency savings whilst ensuring effective citizen-centred services. The Fund is a key driver in supporting the Welsh Government's efficiency agenda.

1.2 Pump-prime funding is available to assist transformation and change in the public sector through the proposed introduction of new and/or proven ways of working as well as innovation.

Fund objectives:

- deliver improved public services in line with the Welsh Government's public service efficiency and wider improvement agenda;
- transform the operational efficiency of public services and generate significant cash-releasing efficiency savings;
- encourage stronger collaboration across organisations and administrative boundaries where this leads to measurable benefits in public service delivery; and,
- promote dissemination of lessons learnt and best practice arising from projects.

2. Available Funding

2.1 Contributions of up to 75% of eligible implementation project costs are available. Investments of £200,000 or higher can be considered where a project has the potential to stimulate significant cash-releasing efficiency benefits.

2.2 Investments are provided on a discretionary basis and will typically cover revenue costs associated with the implementation of projects. However, the Fund might also be able to assist with limited capital costs in some circumstances.

2.3 Projects are required to repay the investment to the Welsh Government when the project delivers expected benefits. The exact terms of this repayment will be considered on a case-by-case basis. The aim of requiring the repayment is to ensure that funding for future projects is maintained Beyond

3. Eligible applicants

3.1 Bids are welcome from Welsh Government funded public service organisations including local authorities, Welsh Government Sponsored Bodies; NHS bodies, post-16 education institutions, voluntary bodies in receipt of 3-year funding from the Welsh Government or umbrella groups representing any of these. Partnerships may also include voluntary and community groups and other bodies. Bids from other strategic partnerships can be considered.

3.2 Collaborative bids involving more than one Welsh Government funded body are encouraged. The Government's Collaborative Footprint enables and supports joint working and should be regarded as the starting point for consideration of collaborative projects across service and geographical boundaries. Non-collaborative, single body proposals can be considered, however, any such proposal would need to be able to demonstrate that benefits will be delivered at a significant scale and the proposal has scope for wider replication.

4. Eligible project bids

4.1 We will invest in strategic projects that lead to significant cash-releasing efficiency savings, whilst sustaining or enhancing citizen-centred public services. Specifically, projects that support the Welsh Government's public service efficiency and wider improvement agenda i.e., implementation of recommendations arising from the Simpson Review of local government services, the Front Line Resources Review, the Vivian Thomas Review, social services reform, the NHS's five-year strategic plan, the Digital Wales Strategy and the ICT Strategy for the Public Sector in Wales. For example, projects that:

- improve the way public services procure and commission goods and services and manage the market;
- transform business processes;
- make better use of the public estate and shared approaches to construction;
- reduce the costs of corporate functions and routine business through shared services and other collaborative approaches to organisational effectiveness;
- maximise efficiency through the introduction or enhancement of ICT as a delivery mechanism:
 - for providing Digital On-Line Services to citizens;
 - that supports information sharing for collaborative working;
 - that streamlines administrative and management processes;
 - that achieves economies of scale by demonstrating the potential to provide scalable all-Wales solutions;

- to encourage the Digital Wales agenda (informing, educating and providing technology access to citizens); and

- redesign services so that they are more effective by encouraging the development of innovative collaboration across organisations.

4.2 Greatest focus will be given to projects that utilise proven approaches, where success in delivering significant benefits previously is well evidenced.

4.3 The Fund is not intended to:

- support non-strategic, low-value investments (<£200,000);
- substitute existing funding streams;
- support pure research and development in technology; or
- meet on-going revenue needs.

5. Assessment criteria

5.1 Projects are assessed against the extent to which:

- they further the Welsh Government's strategic priorities for public sector improvement;
- they deliver efficiencies (in particular the value and timing of cash-releasing efficiency savings), with an underpinning principle of 'protecting front line services';
- they are compatible with a commitment to groups particularly vulnerable during recession and their service needs;
- they put services on a more sustainable footing in the medium and longer term, so that they are stronger post economic downturn; and
- projects might additionally achieve multiplier effects in the wider economy.

5.2 A delivery assessment is undertaken for each project, using the following core criteria:

- clarity of a project's aim and forecast benefits and linkages to clear target outcomes, standards and measures;
- the extent of commitment to the project, including senior level buy-in;
- degree of project's strategic fit for organisations in that it matches their vision and values;
- the extent to which the project integrates with existing operational and business policies, plans and processes;
- the extent to which the proposal fits with partners' change programmes /improvement initiatives;
- evidence that the proposal will work (promotes proven way of working);

- the degree of risk associated with taking the project forward and arrangements for managing such risk;
- the adequacy of arrangements for managing the project; and
- the arrangements proposed for monitoring and subsequently evaluating the project and change programme (including citizen (service user) feedback).

5.3 There is also financial criteria, including consideration of:

- the proposed repayment period;
- the rate-of-return on investment; and
- the additionality case for funding.



Finance Committee

Financial Scrutiny of *Regulated Mobile Home Sites (Wales) Bill*

Paper to note: Financial Memorandum

Date of paper

7 November 2012

Related Information

National Assembly for Wales, [*Regulated Mobile Home Sites \(Wales\) Bill*](#), 24 October 2012

National Assembly for Wales, [*Explanatory Memorandum – Regulated Mobile Home Sites \(Wales\) Bill*](#), 24 October 2012

National Assembly for Wales, [*Consultation on the Proposed Mobile Homes \(Wales\) Bill*](#), May 2012

This briefing has been produced by the Research Service for use by the Finance Committee.

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Research
Service

Committee Reference: FIN(4) 12-12

1. Introduction

On 29 November 2011, Peter Black AM was successful in his ballot to introduce a Proposed Member Bill relating to park homes. On 1 February 2012 the National Assembly for Wales agreed that Mr Black could lay a Bill based on the pre-ballot information he had provided. Following a consultation exercise¹ from May to July 2012 on his proposals for legislation, Mr Black introduced the *Regulated Mobile Home Sites (Wales) Bill*² on 24 October 2012. The scrutiny of this Bill is the responsibility of the Communities, Equality and Local Government Committee.

2. Aims

Mobile homes, which are often referred to as 'park homes', are used by their owners all year round as a permanent home on a residential caravan site known as a 'park'. In recent years, the problems experienced by some mobile home owners in relation to buying and selling mobile homes, contracts between the home owner and site owner and pitch fees have come to public attention. Consequently, this Bill proposes to introduce a new licensing, inspection and enforcement regime for residential mobile home sites in Wales. Three potential options were considered in the Explanatory Memorandum (EM)³ – to continue with existing arrangements; to implement a voluntary arrangement to achieve the Bill's objectives, and the preferred option, to introduce the proposed Bill (option 3).

3. Content of Bill

The proposed licensing regime is modeled on the existing legislative framework that applies to Houses in Multiple Occupation (HMOs) and requires site operators to pass a fit and proper person test and makes changes to the contractual relationship between the home owner and site operator. It also gives local authorities powers to enforce the new licensing regime.

4. Financial implications of the Bill

According to the EM, the preferred option within the Bill will give rise to costs in Year 1 of £462,500 and annual costs of £82,500 for the subsequent four years. **The total minimum costs over the first five years of the Bill are estimated to be around £800,000.**

The EM states that these new costs would fall on site owners, local authorities, the Residential Property Tribunal and the Welsh Government.

The EM suggests that the **largest costs fall to site owners in terms of site license fees, which will be paid to local authorities.** Transitional costs were estimated by the **Welsh Government** to be **at least** £270,000 for preparation, publication and publicity along with training for staff enforcing the regulations (these are included in year 1). However, a

¹ National Assembly for Wales, [Consultation on the Proposed Mobile Homes \(Wales\) Bill](#), May 2012 [accessed 25 October 2012]

² [Regulated Mobile Home Sites \(Wales\) Bill](#), October 2012 [accessed 25 October 2012]

³ National Assembly for Wales, [Regulated Mobile Home Sites \(Wales\) Bill – Explanatory Memorandum](#), 24 October 2012 [accessed 25 October 2012]

Committee Reference: FIN(4) 12-12

detailed breakdown and upper estimate of these was not provided and it is hoped witness sessions will help firm up these costs. In addition, the estimated costs to the site owners set out in the EM assume that ownership of sites will remain static over the five year period. As they do not include any additional costs for licence fee income from new site owners, this may underestimate the financial implications of the Bill for site owners and overestimate those for local authorities who may receive additional licence fee income.

The basis of some of the assumptions used in calculating the financial implications of the Bill are unclear and not explained in the EM. Guidance produced by the Finance Committee of the Third Assembly⁴ states that an indication of the accuracy and robustness of estimates and assumptions used in the calculation of figures and costings included in financial information accompanying legislation.

As an illustrative example of this, when estimating the licence fee per unit, it is not clear why £100 has been chosen instead of £50 or £150.

Table 1: Summary table of the estimated costs of Option 3 (Introducing the Bill) (£)

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Site Owners	363,000	13,000	13,000	13,000	13,000	415,000
Local Authorities ¹	-178,500	61,500	61,500	61,500	61,500	67,500
Residential Property Tribunal	8,000	8,000	8,000	8,000	8,000	40,000
Welsh Government ²	270,000	-	-	-	-	270,000
Total costs	462,500	82,500	82,500	82,500	82,500	792,500

Source: [Explanatory Memorandum to the Regulated Mobile Home Sites \(Wales\) Bill](#), October 2012 [accessed 25 October 2012]

1 Based on a site license fee of £100 per unit, £340,000 license income is paid to local authorities in year 1 from site owners

2 These figures were provided by the Welsh Government as a minimum cost, the EM states that a more detailed breakdown of what is included is being sought. Timing of costs will be dependent on the timetable of implementation, for simplicity all transitional costs are included in year 1.

The EM states that it is difficult to put a financial value on the benefits of the Bill.⁵

The benefits identified by the Bill include those arising from changes to the complex current legal system, giving local authorities powers to provide effective oversight and enforcement, raising standards at mobile home sites and a reduction in the exploitation of residents.

⁴ Finance Committee, [Guidance on information used to support a proposed Assembly Measure](#), January 2009 [accessed 25 October 2012] states that the financial information accompanying legislation should include the estimates and/or assumptions that have been made and an indication of the accuracy and robustness of the figures, estimates and assumptions that have been used in the calculations and of the final costings. If it is not possible to give an accurate estimate, a range of costs (minimum and maximum) might be given.

⁵ Ibid.

5. Key Issues

The site license fee

The EM explains that under the proposed licensing regime, authorities will be permitted to charge a fee for processing and issuing a site license, which will be renewable at least every five years. The cost of the new site license fee is not on the face of the Bill, but the EM provides an illustrative example assuming that the fee is based on the number of units on a site; the estimated costs in table 1 are based on a cost of a site license fee of £100. The basis for using this figure is not clear in the EM. At this stage it is not clear whether the income for the site license fee will provide enough funds for local authorities to undertake and administer inspections making the scheme self-financing. The EM states:

As part of the work by the Welsh Government to determine regulations around licensing, further modelling work would need to be done to calculate more definite costs including time taken to undertake inspections and administrative work associated with this⁶.

Site owners prohibited from passing on costs

The Bill specifically prevents site owners from passing on costs associated with this Bill to mobile home owners. This means that site owners will have to absorb these costs. The EM states that just under one third of the 92 sites are corporately owned and under unintended consequences it states that:

If a park were to become unprofitable in the long run this could lead to a site owner considering changing the status of their parks or leaving the industry.⁷

Breakdown of Welsh Government costs

The EM states that there will be costs for the Welsh Government dependent on the level of regulations in the Bill and how much existing legislation needs to be amended or replaced. There are **14 regulation and order-making powers within the Bill** and the Welsh Government may need to draft, consult upon and implement these. Existing legislation relation to HMOs may provide a basis for some of the new legislation and there is also provision for two sets of guidance. **The Welsh Government has provided an estimate of at least £270,000 for transitional costs**, which includes preparation, publication and publicity along with training for enforcement staff. **However, there is no detailed breakdown of this estimated figure, and also no upper estimate.** The EM states:

It is anticipated that more detailed estimate will be available when regulations are drafted and consulted upon.⁸

⁶ National Assembly for Wales, [Explanatory Memorandum – Regulated Mobile Home Sites \(Wales\) Bill](#), para 237, 24 October 2012

⁷ National Assembly for Wales, [Explanatory Memorandum – Regulated Mobile Home Sites \(Wales\) Bill](#), para 272, 24 October 2012

⁸ National Assembly for Wales, [Explanatory Memorandum – Regulated Mobile Home Sites \(Wales\) Bill](#), para 224, 24 October 2012

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon