



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

# Cofnod y Trafodion The Record of Proceedings

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[The Public Accounts Committee](#)

8/5/2017

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle mae cyfranwyr wedi darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Mohammad Asghar <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig Welsh Conservatives
Neil Hamilton <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	UKIP Cymru UKIP Wales
Mike Hedges <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Neil McEvoy <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Plaid Cymru The Party of Wales
Rhianon Passmore <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Nick Ramsay <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Lee Waters <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour

**Eraill yn bresennol**  
**Others in attendance**

Huw Vaughan Thomas	Archwilydd Cyffredinol Cymru Auditor General for Wales
Mike Usher	Swyddfa Archwilio Cymru Wales Audit Office

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol**  
**National Assembly for Wales officials in attendance**

Jonathan Baxter	Y Gwasanaeth Ymchwil Research Service
Fay Buckle	Clerc Clerk

Claire Griffiths	Dirprwy Glerc Deputy Clerk
Meriel Singleton	Ail Glerc Second Clerk
Katie Wyatt	Cynghorydd Cyfreithiol Legal Adviser

*Dechreuodd y cyfarfod am 14:02.  
The meeting began at 14:02.*

### **Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau Introductions, Apologies, Substitutions and Declarations of Interest**

[1] **Nick Ramsay:** Welcome to this afternoon’s meeting of the Public Accounts Committee. Headsets are available for translation and sound amplification. Please turn electronic devices onto silent. In the event of an emergency, follow the ushers. We’ve received no apologies today. Do Members have any declarations of registrable interest that they would like to declare at this point? No. Okay.

### **Papurau i’w Nodi Papers to Note**

[2] **Nick Ramsay:** Item 2 and papers to note. Can we firstly agree the minutes—pack pages 1 to 3—from the meeting held a long time ago now on 3 April?

[3] Secondly, the Welsh Government have written advising that they have agreed Cardiff International Airport Ltd’s business plan for 2017–18. Are Members happy to note the letter? The committee has previously agreed to seek a further update on the airport in November 2017. Okay.

[4] Moving on to regional education consortia and the written submission from the regional consortia from March 2017. Are Members happy to note that paper?

[5] **Mike Hedges:** Hapus. **Mike Hedges:** Happy.

[6] **Nick Ramsay:** Well done, Mike.

[7] Secondly, medicines management—the additional information from the Welsh Government on 28 April. Again, we need to note that.

[8] Welsh Government grants management report 2016. Again, additional information from the Welsh Government from 28 April.

[9] **Mike Hedges:** Hapus. **Mike Hedges:** Happy.

[10] **Nick Ramsay:** Yes, we can do that. Okay, item 3—

[11] **Mr Thomas:** Chair, could I just—? I mentioned in relation to grants management that we will be publishing a report on procurement, which you picked up. The culture committee has been asking a number of questions about procurement processes in relation to the Arts Council of Wales. And I think there are issues that you'll find in our report on national procurement that will be relevant to that.

[12] **Lee Waters:** Can I ask when that report will be published?

[13] **Mr Thomas:** July.

[14] **Lee Waters:** Okay, thank you.

[15] **Nick Ramsay:** Great.

14:04

**Llywodraeth Cymru yn Ariannu Kancoat Ltd: Ymateb Llywodraeth  
Cymru i Adroddiad y Pwyllgor  
The Welsh Government's Funding of Kancoat Ltd: Welsh Government's  
Response to the Committee's Report**

[16] **Nick Ramsay:** Item 3 is the Welsh Government's Funding of Kancoat and the Welsh Government response to the committee's report. Our report was published on 14 February and made 11 recommendations for the Welsh Government. Welsh Government have accepted 10 of the recommendations, and recommendation 7 has been accepted in principle. Auditor general, did you want to comment on this?

[17] **Mr Thomas:** I'll pass to Mike on this one.

[18] **Nick Ramsay:** Mike.

[19] **Mr Usher:** Thank you, Chair. The written advice provided to the committee just picks up on two points. One was the reference in recommendation 6 to the additional guidelines the Welsh Government have now issued on risk assessment. We'll be looking at those as part of our ongoing work, the study on business support. So, we'll come back to the committee in due course on that one.

[20] The main point really is on recommendation seven, which the Welsh Government only accepted in principle. It was quite a narrow specific point that the committee were making, and I just wanted to give the opportunity to the committee to reflect on this one. The ministerial code is very clear in terms of actual conflicts of interest that exist for individual Ministers on issues in their own constituency. The Kancoat case was an unusual one. The committee will recall that this was a case around supporting a business that lay just outside that responsible Minister's constituency boundary. On that, the code basically says it's a matter of individual judgement for Ministers whether or not to raise with the First Minister. That didn't happen in this case. The recommendation of the committee was that there should be clarity within the Welsh Government that those kinds of judgments are identified and documented at the time, which would have helped the Welsh Government in terms of fending off subsequent media comments, including from the former commissioner for standards in public life, around those perceived conflicts. The Welsh Government have accepted in principle. They're not proposing to amend the code, but, as I say, the advice in our letter is that the committee may want to press for further assurances from the Welsh Government on that particular point. Other than that, we think the response is satisfactory.

[21] **Nick Ramsay:** Yes. I propose that we do that and that we do seek further assurances from the Welsh Government that this type of perceived conflict of interest is tidied up in future. Mike Hedges.

[22] **Mike Hedges:** This is on a different point to that. There are two other points I want to raise. We've been told, under recommendation 10, that it will be actioned by the end of April. Can we write and ask if it has been actioned? And the second point is on—I know I get boring on this—the definition of advanced materials and manufacturing, but can we write—

[23] **Nick Ramsay:** You haven't mentioned it for a while.

[24] **Mike Hedges:** But it really is a key point, because making widgets is manufacturing, making the new silicon chips is advanced materials. But there is that big difference. There is high value in one and you're in danger of being taken over by a screwdriver factory in Poland or Hungary or Vietnam for the other. So, can we ask when they're going to be coming to a conclusion? They said it would be completed by the summer [correction: spring] of 2017. Can we push them on getting some sort of date, even if it's only autumn 2017, so that we can come back to it?

[25] **Nick Ramsay:** Yes. We can do that. We will write and seek clarification on all those areas. Any other comments, questions? No. okay.

14:07

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd  
o'r Cyfarfod**

**Motion under Standing Order 17.42 to Resolve to Exclude the Public  
from the Meeting**

*Cynnig:*

*Motion:*

*bod y pwyllgor yn penderfynu gwahardd y cyhoedd o weddill y cyfarfod yn unol â Rheol Sefydlog 17.42(vi).*

*that the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order 17.42(vi).*

*Cynigiwyd y cynnig.*

*Motion moved.*

[26] **Nick Ramsay:** Item 4 is a motion to exclude the public from the meeting for items 5, 6 and 7. So, I propose, in accordance with Standing Order 17.42 that we resolve to meet in private for those. Okay.

*Derbyniwyd y cynnig.*

*Motion agreed.*

8/5/2017

*Daeth rhan gyhoeddus y cyfarfod i ben am 14:08.  
The public part of the meeting ended at 14:08.*